IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this offering circular or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us that you are not a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and that you consent to delivery of such offering circular by electronic transmission.

You are reminded that this offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this offering circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the dealers or any affiliate of any of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of KASIKORNBANK PUBLIC COMPANY LIMITED in such jurisdiction.

This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of KASIKORNBANK PUBLIC COMPANY LIMITED, Citigroup Global Markets Limited, Deutsche Bank AG, Singapore Branch and Standard Chartered Bank or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from KASIKORNBANK PUBLIC COMPANY LIMITED, Citigroup Global Markets Limited, Deutsche Bank AG, Singapore Branch and Standard Chartered Bank.

Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Strictly confidential

OFFERING CIRCULAR DATED 5 April 2017

KASIKORNBANK PUBLIC COMPANY LIMITED

(*incorporated with limited liability in the Kingdom of Thailand*)

U.S.$2,500,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Offering Circular (the "**Programme**"), KASIKORNBANK PUBLIC COMPANY LIMITED (the "**Bank**" or the "**Issuer**") (from time to time acting through its Hong Kong branch, Cayman Islands branch or any of its other branches as specified in the applicable Pricing Supplement (as defined in "*Summary of the Programme*")), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$2,500,000,000 (or the equivalent in other currencies).

The Notes may be issued on a continuing basis to one or more of the Dealers appointed under the Programme from time to time by the Bank (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an on-going basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Investment Considerations*".

Approval-in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the establishment of the Programme and application will be made to the SGX-ST for permission to deal in and for the listing and quotation for any Notes which are agreed at the time of issue to be so listed on the official list of the SGX-ST (the "**Official List**"). Formal approval will be granted when a particular Series (as defined in "Summary of the Programme") of Notes has been admitted to the Official List. There is no assurance that any application to the SGX-ST for such approval will be granted. The approval in-principal, admission to the Official List and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Bank, its subsidiaries and associated companies (the Bank and its subsidiaries taken as a whole hereafter, the "**Group**"), the Programme or the Notes. The SGX-ST assumes no responsibility for the correctness of any statement made or opinions expressed or reports contained herein.

Unlisted Notes may also be issued pursuant to the Programme. The applicable Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the SGX-ST (or any other stock exchange).

The Notes may be issued in bearer form (the "**Bearer Notes**") or in registered form (the "**Registered Notes**"). The Notes of each Series (as defined in "*Summary of the Programme*") to be issued in bearer form will be sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") and in compliance with certain U.S. tax law requirements, and will initially be represented by a temporary global note in bearer form (each a "**temporary Global Note**"). Interests in temporary Global Notes generally will be exchangeable for interests in permanent global notes (each a "permanent Global Note" and, together with the temporary Global Notes, the "**Global Notes**") or, if so stated in the relevant Pricing Supplement, definitive Notes ("**Definitive Notes**"), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche (as defined in "*Summary of the Programme*"), upon certification as to non-U.S. beneficial ownership, interests in permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part as described under "Summary of Provisions Relating to the Notes while in Global Form".

The Notes of each Series to be issued in registered form and which are sold in an "offshore transaction" within the meaning of Regulation S ("**Unrestricted Notes**") will initially be represented by a permanent registered global certificate (each a "**Global Certificate**") without interest coupons, which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), with a common depositary on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg, or delivered outside a clearing system, as agreed between the Bank and the relevant Dealer. The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale*".

The Bank may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein (the "**Conditions**"), in which event a supplemental Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Tranches of Notes to be issued under the Programme will be rated or unrated. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Offering Circular is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC.

Arrangers and Dealers

Citigroup **Deutsche Bank** **Standard Chartered Bank**

The Bank accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Bank (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank or any of the Arrangers, the Dealers or the Agents (as defined in "*Summary of the Programme*").

Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Bank or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

The Notes have not been, and will not be, registered with the Securities Exchange Commission of Thailand. Any public offering or distribution, as defined under Thai laws and regulations, of the Notes in Thailand is not legal without such prior registration. Documents relating to the offering of the Notes, as well as information contained therein, may not be supplied to the public in Thailand, as the offering of the Notes is not a public offering of securities in Thailand, nor may they be used in connection with any offer for subscription or sale of the Notes to the public in Thailand.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Bank, the Arrangers and the Dealers to inform themselves about and to observe any such restriction.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and this includes Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account and benefit of, a United States person (as defined in the U.S. Internal Revenue Code and the regulations thereunder). For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "*Subscription and Sale*".

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Bank, the Arrangers, the Dealers or the Agents to subscribe for, or purchase, any Notes.

The Arrangers and the Dealers have not separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Arrangers, the Dealers or the Agents accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arrangers, the Dealers or to Agents or on their behalf in connection with the Bank or the issue and offering of the Notes. Each Arranger, each Dealer and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any other financial statements contained herein or otherwise are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Bank, the Arrangers, the Dealers or the Agents that any recipient of this Offering Circular or any other financial statements of the Bank or the Group should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arrangers, the Dealers or the Agents undertake to review the financial condition or affairs of the Bank or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers, the Dealers or the Agents.

From time to time, in the ordinary course of business, certain of the Dealers and their affiliates have provided advisory and investment banking services, and entered into other commercial transactions with the Bank and its affiliates, including commercial banking services, for which customary compensation has been received. It is expected that the Dealers and their affiliates will continue to provide such services to, and enter into such transactions, with the Bank and its affiliates in the future.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

In making an investment decision, each potential investor must rely on its own examination of the Bank and the terms of the Notes being offered, including the merits and risks involved. The Bank does not and the Arrangers, the Dealers, and the Agents do not make any representation regarding the legality of investment under any applicable laws.

Potential investors should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of a Tranche of Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Bank is a limited liability public company organised under the laws of Thailand. Most of the directors and officers of the Bank are residents of Thailand and a substantial portion of the assets of the Bank and of such officers and directors are located in Thailand. As a result, it may not be possible for investors to effect service of process upon the Bank or such persons outside Thailand, or to enforce judgments against them obtained in courts outside Thailand predicated upon civil liabilities of the Bank or such directors and officers under laws other than Thailand, including any judgment predicated upon United States federal securities laws. The Bank has been advised by Baker & McKenzie Ltd., its Thai counsel, that a judgment or order obtained in a court outside Thailand would not be enforced as such by the courts of Thailand, but such judgment or order in the discretion of the courts of Thailand may be admitted as evidence of any obligation in new proceedings instituted in the courts of Thailand, which would consider the issue on the evidence before it.

PRESENTATION OF INFORMATION

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed thereto in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular. In addition, all references to "**Thailand**" are references to the Kingdom of Thailand. All references to the "**Government**" are references to the government of Thailand. References to "**United States**", "**U.S.A.**" or "**U.S.**", are to the United States of America. All references to "**United Kingdom**" or "**UK**" herein are to the United Kingdom of Great Britain and Northern Ireland. References to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China. References herein to "**Baht**" or "**Bt**" are to the lawful currency of Thailand, references to "**U.S. dollar**" and "**U.S.$**" are to the lawful currency of the United States. In addition, all references to "**Sterling**" and "**£**" refer to pounds sterling, references to "**Singapore dollars**" and "**S$**" refer to Singapore dollars and references to "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

For convenience, unless otherwise specified, certain Baht amounts have been translated into U.S. dollar amounts as of 30 December 2016 based on the prevailing exchange rate of Baht 35.8307 = U.S.$1.00, being the middle market spot rate of exchange for Baht against the U.S. dollar quoted by the Bank of Thailand ("**BoT**") on 30 December 2016. No exchange rate was quoted by the BoT on 31 December 2016 as it was a national holiday in Thailand.

Unless otherwise indicated, all financial information has been presented in Baht in accordance with Thai Financial Reporting Standards ("**TFRS**"). No representation is made that the Baht or U.S. dollar amounts shown herein could have been or could be converted into U.S. dollars or Baht, as the case may be, at any particular rate or at all.

Certain figures in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Circular and include statements regarding the intentions, beliefs or current expectations of the Bank concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and the businesses in which the Bank operates.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance and that the Bank's actual results of operations, financial condition and liquidity, and the development of the businesses in which the Bank operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Circular. In addition, even if the results of operations, financial condition and liquidity and the development of the businesses in which the Bank operates are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Bank or persons acting on its behalf may issue. The Bank does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Investment Considerations*".

Any forward-looking statements that the Bank makes in this Offering Circular speak only as at the date of such statements, and the Bank undertakes no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement and each Supplemental Offering Circular.

This Offering Circular should also be read and construed in conjunction with (i) the audited consolidated financial statements as of and for the years ended 31 December 2014, 2015 and 2016 and (ii) the most recently published audited consolidated financial statements, any interim consolidated financial statements (whether audited or unaudited) of the Bank and the Group published from time to time after the date of this Offering Circular and their related notes, which shall be deemed to be incorporated in, and to form part of, this Offering Circular, save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Any published unaudited interim consolidated financial statements which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited or subject to review by the auditors of the Bank or the Group. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

Copies of all such documents incorporated by reference in this Offering Circular may be obtained without charge during usual business hours on any weekday (except Saturdays, Sundays and public holidays) from the registered office of the Bank.

SUPPLEMENTAL OFFERING CIRCULAR

The Bank has given an undertaking to each Arranger and each Dealer that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Offering Circular which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Offering Circular is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Bank, and the rights attaching to the Notes, the Bank shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes and shall supply to each Arranger and each Dealer such number of copies of such supplement or replacement hereto as such Arranger and Dealer may reasonably request immediately prior to its publication. References to this "Offering Circular" shall be taken to mean this document and all the documents from time to time incorporated by reference herein and forming part hereof.

TABLE OF CONTENTS

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this summary.

Issuer..	KASIKORNBANK PUBLIC COMPANY LIMITED (from time to time acting through its Hong Kong branch, Cayman Islands branch or any of its other branches as specified in the applicable Pricing Supplement).
Description	Euro Medium Term Note Programme.
Size	Up to U.S.$2,500,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arrangers	Citigroup Global Markets Limited, Deutsche Bank AG, Singapore Branch and Standard Chartered Bank.
Dealers	Citigroup Global Markets Limited, Deutsche Bank AG, Singapore Branch and Standard Chartered Bank.
	The Bank may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "**Permanent Dealers**" are to the persons listed above as Dealer and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent, Paying Agent, Transfer Agent and Calculation Agent................................	The Bank of New York Mellon, acting through its London branch.
Registrar...	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Method of Issue...	The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the pricing relevant supplement (the "**Pricing Supplement**").
Issue Price..	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes..	The Notes may be issued as Bearer Notes or Registered Notes. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "*Selling Restrictions*" below), otherwise such Tranche will be represented by a

permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Global Certificates represent Registered Notes that are registered in the name of a nominee for one or more clearing systems.

Clearing Systems..	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Bank, the Fiscal Agent, and the relevant Dealer.
Initial Delivery of Notes..............................	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or deposited with a depositary or sub-custodian for any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Bank, the Fiscal Agent, and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Bank and the relevant Dealer.
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Bank and the relevant Dealer.
Specified Denomination	Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes) and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Bank in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. as amended, supplemented or replaced; or (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

	Interest periods will be specified in the relevant Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.
Index Linked Notes......................................	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates...........	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Bank in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Redemption by Instalments	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes..	Terms applicable to high interest Notes, low interest Notes, step- up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Bank and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and the Supplemental Offering Circular.
Optional Redemption	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Bank (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Notes that can be issued under the Programme..	The Bank may issue Senior Notes and Subordinated Notes.
Status of Senior Notes.................................	The Senior Notes issued by the Bank will constitute direct, unconditional, unsubordinated and (subject to Condition 4 (Negative Pledge)) unsecured obligations of the Bank and will at all times rank *pari passu* without any preference among themselves. The payment obligations of the Bank under the Senior Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 (Negative Pledge), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Bank, present and future.

Status of the Subordinated Notes	The Subordinated Notes issued by the Bank will constitute subordinated obligations of the Bank and will rank *pari passu* without any preference among themselves. The rights of the holders of the Subordinated Notes, will, in the event of the Winding-Up of the Bank, be subordinated in right of payment in the manner provided in Condition 3(b), all as further described in Condition 3(b).
Negative Pledge	Applicable to Senior Notes only. See "Terms and Conditions of the Notes– Negative Pledge".
Events of Default	Applicable to Senior Notes and Subordinated Notes. See "*Terms and Conditions of the Notes – Events of Default*".
Cross Default	Applicable to Senior Notes only. See the relevant sub-condition under "*Terms and Conditions of the Notes – Events of Default*".
Ratings	Tranches of Notes will be rated or unrated. Where a Tranche of Notes is/ are to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Early Redemption	Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the Bank prior to maturity only for tax reasons. See "*Terms and Conditions of the Notes – Redemption, Purchase and Options*".
Withholding Tax	All payments of principal and interest by or on behalf of the Bank in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within a Relevant Jurisdiction (as defined below), unless such withholding or deduction is required by law. In that event, the Bank shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as set out in "*Terms and Conditions of the Notes – Taxation*".
Governing Law	English law except that the provisions of the Notes relating to subordination shall be governed by Thai law.
Listing and Admission to Trading.............	Approval-in-principle has been obtained from the SGX-ST for the establishment of the Programme and application will be made to the SGX-ST for permission to deal in and for the listing and quotation for any Notes which are agreed at the time of issue to be so listed on the Official List. Formal approval will be granted when a particular Series of Notes has been admitted to the Official List. There is no guarantee that an application to the SGX-ST will be approved. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of S$200,000 or its equivalent in other currencies. Unlisted series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Bank and the relevant Dealer in relation to each series of Notes. The Pricing Supplement relating to each series of Notes will state whether or not the Notes of such series will be listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be listed.

Redenomination, Renominalisation and/or Consolidation .... Notes denominated in a currency of a country that subsequently participates in the third stage of the European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Pricing Supplement.

Selling Restrictions .... The United States, the European Economic Area (including the United Kingdom), Thailand, Singapore, Hong Kong, the United Kingdom, Japan, the Cayman Islands and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*".

Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

SELECTED FINANCIAL INFORMATION

The following tables set forth the summary of the audited consolidated financial information for each of the years ended 31 December 2014, 2015 and 2016. The Bank has derived its selected financial information from its audited consolidated financial statements as of and for the years ended 31 December 2014, 2015 and 2016, and should be read in conjunction with the historical financial statements of the Group and their related notes incorporated by reference in this Offering Circular. The audited consolidated financial statements of the Group for the years ended 31 December 2014, 2015 and 2016 have been audited by KPMG Phoomchai Audit Ltd.

The Group's consolidated financial statements are prepared and presented in accordance with TFRS and reporting practices in Thailand and reported on by KPMG Phoomchai Audit Ltd. TFRS differ in certain significant respects from International Financial Reporting Standards ("**IFRS**"). For a discussion of differences between TFRS and IFRS that are relevant to the Group's TFRS financial statements, see "*Summary of Differences between TFRS and IFRS*".

Consolidated Statements of Financial Position

	As of 31 December			
	2014	2015	2016	
	(Baht in millions)	(Baht in millions)	(Baht in millions)	(U.S.$ in millions)
Assets				
Cash	58,006	56,226	60,589	1,691
Interbank and Money Market Items – net	135,518	308,744	349,206	9,746
Claims on Security	85	1	7	–
Derivative Assets	23,981	31,831	31,765	886
Investments – net	567,227	477,200	649,598	18,130
Investments in Subsidiaries and Associates – net	479	662	781	22
Loans to Customers and Accrued Interest Receivables – net				
Loans to Customers	1,537,028	1,619,527	1,707,235	47,647
Accrued Interest Receivables	3,025	3,088	3,492	98
Total Loans to Customers and Accrued Interest Receivables	1,540,053	1,622,615	1,710,727	47,745
Less: Deferred Revenue	(9,948)	(9,640)	(9,654)	(270)
Less: Allowance for Doubtful Accounts	(47,434)	(60,901)	(82,418)	(2,300)
Less: Revaluation Allowance for Debt Restructuring	(3,558)	(3,416)	(2,794)	(78)
Total Loans to Customers and Accrued Interest Receivables – net	1,479,113	1,548,658	1,615,861	45,097
Customers' Liability under Acceptances	1,705	131	2,582	72
Properties Foreclosed – net	11,788	14,197	15,444	431
Premises and Equipment – net	44,609	45,284	49,728	1,388
Goodwill and Other Intangible Assets – net	25,882	24,234	23,970	669
Deferred Tax Assets	3,944	5,585	4,572	128
Collateral per Credit Support Annex	6,873	13,862	9,793	273
Other Assets – net	29,927	28,690	31,972	892
Total Assets	2,389,137	2,555,305	2,845,868	79,425
Liabilities and Equity				
Deposits	1,629,831	1,705,379	1,794,835	50,092
Interbank and Money Market Items	75,694	71,466	160,052	4,467
Liabilities Payable on Demand	17,344	23,545	19,846	554
Liabilities to Deliver Security	104	121	650	18
Financial Liabilities Designated at Fair Value through Profit or Loss	–	39	–	–
Derivative Liabilities	23,249	33,571	31,630	883
Debts Issued and Borrowings	87,314	85,578	96,376	2,690
Bank's Liability under Acceptances	1,705	131	2,582	72
Provisions	19,751	21,587	22,494	628
Deferred Tax Liabilities	1,869	1,907	1,807	50
Insurance Contract Liabilities	202,566	251,447	305,824	8,535
Other Liabilities	49,024	48,321	55,860	1,559

	As of 31 December			
	2014	2015	2016	
	(Baht in millions)	(Baht in millions)	(Baht in millions)	(U.S.$ in millions)
Total Liabilities	2,108,451	2,243,092	2,491,956	69,548
Equity				
Share Capital				
Authorised Share Capital				
3,048,614,697 Common Shares, Baht 10 par value	30,486	30,486	30,486	851
Issued and Paid-Up Share Capital				
2,393,260,193 Common Shares, Baht 10 par value	23,933	23,933	23,933	668
Premium on Common Shares	18,103	18,103	18,103	505
Other Reserves	15,823	14,843	19,786	552
Retained earnings				
Appropriated				
Legal Reserve	3,050	3,050	3,050	85
Unappropriated	196,150	225,871	256,874	7,169
Total Equity Attributable to Equity Holders of the Bank	257,059	285,800	321,746	8,979
Non-Controlling Interests	23,627	26,413	32,166	898
Total Equity	280,686	312,213	353,912	9,877
Total Liabilities and Equity	2,389,137	2,555,305	2,845,868	79,425

Consolidated Statements of Comprehensive Income

	For the year ended 31 December			
	2014	2015	2016	
	(Baht in millions)	(Baht in millions)	(Baht in millions)	(U.S.$ in millions)
Interest Income	113,578	114,353	115,873	3,234
Interest Expenses	30,446	29,341	26,195	731
Interest Income – net	83,132	85,012	89,678	2,503
Fees and Service Income	42,690	46,413	48,631	1,357
Fees and Service Expenses	8,746	8,887	9,688	270
Fees and Service Income – net	33,944	37,526	38,943	1,087
Gain on Trading and Foreign Exchange Transactions	6,132	8,887	8,746	244
Loss on Financial Liabilities Designated at Fair Value through Profit or Loss	(3)	(6)	(4)	–
Gain on Investments	1,183	785	1,588	44
Share of Profit from Investments using Equity Method	88	96	117	3
Dividend Income	1,097	1,346	1,609	45
Net Premiums Earned	73,088	85,380	94,445	2,636
Other Operating Income	1,314	1,528	2,462	69
Total Operating Income	199,975	220,554	237,584	6,631
Underwriting Expenses	61,319	73,039	84,181	2,350
Total Operating Income – net	138,656	147,515	153,403	4,281
Other Operating Expenses				
Employee Expenses	28,124	28,929	30,202	843
Directors' Remuneration	120	134	138	4
Premises and Equipment Expenses	12,213	13,235	12,434	347
Taxes and Duties	4,249	4,223	4,476	125
Impairment on Application Software	–	2,314	–	–
Others	16,713	17,821	16,604	463
Total Other Operating Expenses	61,419	66,656	63,854	1,782
Impairment Loss on Loans and Debt Securities	14,243	26,377	33,753	942
Operating Profit before Income Tax Expense	62,994	54,482	55,796	1,557
Income Tax Expense	12,692	10,527	10,456	292
Net Profit	50,302	43,955	45,340	1,265
Other Comprehensive Income				
Items that will be reclassified subsequently to profit or loss				
Gain (Loss) on Remeasurement of Available-for-Sale Investments	3,086	(1,896)	3,550	99
Gain (Loss) Arising from Translating the Financial Statements of a Foreign Operation	43	(286)	(111)	(3)
Income Taxes Relating to Components of Other Comprehensive Income	(579)	349	(734)	(20)
Items that will not be reclassified subsequently to profit or loss				
Changes in Revaluation Surplus	1,910	–	4,660	130
Actuarial (Loss) Gain on Defined Benefit Plan	(2,180)	(421)	329	9
Income Taxes Relating to Components of Other Comprehensive Income	54	75	(998)	(28)
Total Other Comprehensive Income	2,334	(2,179)	6,696	187
Total Comprehensive Income	52,636	41,776	52,036	1,452
Net Profit Attributable to:				
Equity Holders of the Bank	46,153	39,474	40,174	1,121
Non-Controlling Interests	4,149	4,481	5,166	144
Total Comprehensive Income Attributable to:				

	For the year ended 31 December			
	2014	2015	2016	
	(Baht in millions)	(Baht in millions)	(Baht in millions)	(U.S.$ in millions)
Equity Holders of the Bank	46,202	38,311	45,538	1,271
Non-Controlling Interests	6,434	3,465	6,498	181
Earnings Per Share of Equity Holders of the Bank				
Basic Earnings Per Share (Baht)	19.28	16.49	16.79	–
Weighted Average Number of Common Shares Thousand Shares)	2,393	2,393	2,393	–

Consolidated Financial Ratios

	For the year ended 31 December		
	2014	2015	2016
		(per cent.)	
Financial Ratios[(1)]			
Return on average assets	1.97	1.60	1.49
Return on average equity	19.38	14.54	13.23
Net interest margin	3.80	3.67	3.52
Loans to deposits ratio	93.70	94.40	94.58
Total allowance to loans	3.34	4.00	5.02
Cost to income ratio (efficiency ratio)	44.30	45.19	41.63
Tier 1 capital ratio[(2)]	13.49	14.53	15.16
Capital adequacy ratio[(2)]	17.31	18.00	18.84

Notes:

The Financial Ratios used are defined as follows:

(1) "**Return on average assets**" means net profit (attributable to equity holders of the Bank) divided by average total assets.

(a) "**Return on average equity**" means net profit (attributable to equity holders of the Bank) divided by average total shareholders' equity of the Bank.

(b) "**Net interest margin**" means net interest income divided by average earning assets.

(c) "**Loans to deposits ratio**" means loans to customers less deferred revenue divided by deposits.

(d) "**Total allowance to loans**" means allowance for doubtful accounts plus revaluation allowance for debt restructuring divided by loans to customers less deferred revenue.

(e) "**Cost to income ratio**" means total other operating expenses divided by total operating income – net.

(f) "**Tier 1 capital ratio**" means tier 1 capital divided by risk weighted assets.

(g) "**Capital adequacy ratio**" means total capital divided by risk weighted assets.

(2) KASIKORNBANK FINANCIAL CONGLOMERATE's Capital Adequacy Ratio (CAR) has been reported in accordance with Basel III Capital Requirement from 1 January 2013 onwards.

INVESTMENT CONSIDERATIONS

Investors should carefully consider, among other things, the risks described below, as well as the other information contained in this Offering Circular, before making an investment decision. Any of the following risks could materially adversely affect the business, financial condition or results of operations of the Bank and, as a result, investors could lose all or part of their investment. The risks below are not the only risks the Bank faces. Additional risks and uncertainties not currently known to the Bank, or that it currently deems to be immaterial may also materially adversely affect the business, financial condition or results of operations of the Bank. Words and expressions defined elsewhere in this Offering Circular shall have the same meanings in this section.

The Bank believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the programme, but the Bank's inability to pay any amounts on or in connection with any Note may occur for other reasons which may not be considered significant risks by the Bank based on information currently available to it or which it may not currently be able to anticipate, and the Bank does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any document incorporated by reference) and reach their own views prior to making any investment decision. In making an investment decision, each investor must rely on its own examination of the Bank and the terms of the offering of the Notes.

RISKS RELATING TO THE BANK

The Bank's results of operations are significantly affected by the ability of its borrowers to repay their loans and the adequacy of the Bank's loan loss reserves.

The risk of non-payment by the Bank's customers is affected by the credit profile of borrowers, as well as changes in economic and industry conditions. As of 31 December 2016, the Bank had consolidated gross non- performing loans ("**NPLs**") in the amount of Baht 65.1 billion (a consolidated gross NPL-to-total loans ratio ("**NPL ratio**") of 3.32 per cent.) compared to Baht 49.5 billion (an NPL ratio of 2.70 per cent.) as of 31 December 2015.

Volatile or adverse economic conditions in Thailand may adversely affect the ability of the Bank's borrowers to repay their indebtedness, and this may result in an increase in NPLs and provisioning, allowances for loan losses and charge-offs. There is no precise method of predicting loan and credit loss across its loan portfolio. The Bank makes no assurances that its NPLs will not increase or that its loan loss reserve is or will be sufficient to absorb actual losses. An increase in NPLs could have a material adverse effect on the Bank's business, cash flows, financial condition, results of operations and prospects.

The Bank may be unable to grow its loan portfolio

One of the Bank's strategies for growth is to continue to extend expand its loan portfolio. The Bank's consolidated gross loans stood at Baht 1,697.6 billion as of 31 December 2016, representing an increase of 5.45 per cent. compared to the year ended 31 December 2015. The Bank's continued ability to achieve prudent loan growth will depend, to a large extent, on the economic performance of Thailand.

Loan growth is also facing continued pressure in Thailand from the growth of the Thai domestic bond market, which in some cases has caused the Bank's customers to refinance their outstanding loans with domestically issued and sold bonds or debentures. In addition, the Bank's stringent application of enhanced credit risk management controls may result in a reduction in loans made to its customers. A slowdown in loan growth may result in decreased revenues and income and adversely affect the Bank's business, cash flows, financial condition, results of operations and prospects.

Loan restructurings often result in the Bank receiving lower interest payments and, occasionally, lower principal payments

Under the BoT guidelines, financial institutions may restructure loans through a reduction of interest rates and principal amounts, extension of tenors and various other methods. Although the Bank's NPL ratios may improve as more loans are restructured, it will generally receive lower interest payments than originally required under the terms of such loans and, in some cases, it will collect less than the original principal amount of such loans. In 2016, the Bank's consolidated pre-written off, restructured loans totalled Baht 115.1 billion, which reflected an increase of Baht 46.2 billion as compared to 2015. In 2016, losses from debt restructuring amounted to Baht 2.4 billion, or 2.13 per cent. of total restructured loans, which was equivalent to an increase of Baht 0.4 billion from Baht 2.0 billion in 2015. Any future restructuring of loans may adversely affect the Bank's business, cash flows, financial condition and results of operations.

Restructured loans may become non-performing if the borrowers of such loans fail to adhere to the terms of such restructured loans

In the restructuring of a number of its high risk loans, the Bank has agreed to set payments of principal and/or interest at a relatively low level for a certain time frame followed by larger payments in later periods to match the Bank's expectation of the relevant borrower's ability to service the debt. The relatively low payments improve the likelihood that a restructured loan will be categorised as performing during the period of such payments. However, future higher payments may cause a loan to again become non-performing if the relevant borrower is unable to make such larger payments in the later periods. If the Bank's customers are unable to make larger payments for their respective restructured loans, such restructured loans may become non- performing, thereby requiring additional provisions, which may adversely affect the Bank's financial condition and results of operations.

A decline in collateral values may result in an increase in provisions for loan losses

A substantial portion of the Bank's loans is secured by real property, the value of which is affected by market conditions. Although it is the Bank's general practice not to lend in excess of 80 per cent. of the internally appraised value of real property – where real property is the sole collateral for such loans – a downturn in the real estate market could result in the principal amount of a number of loans exceeding the value of the underlying real property collateral. If real estate values deteriorate, downward adjustments to the recorded value of the collateral securing the Bank's loans will be required in future periods. Any decline in the value of the collateral securing NPLs may result in an increase in the Bank's charges for bad debts and doubtful accounts and a reduction in the recovery from collateral realisation, which may reduce the Bank's net profit and capital and may adversely affect its financial condition and results of operations.

In addition, uncertainty about the financial stability of several countries in the European Union ("EU") and the PRC could have a significant adverse effect on the Bank's business, financial condition and results of operations

In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these EU nations to continue to service their sovereign debt obligations. In January 2012, S&P lowered its long-term sovereign credit rating for France, Italy, Spain and six other European countries, which has negatively impacted global markets and economic conditions. In addition, in April 2012, S&P further lowered its long-term sovereign credit rating for Spain. These conditions impacted financial markets and resulted in high and volatile bond yields on the sovereign debt of many EU nations. Certain European nations continue to experience varying degrees of financial stress and uncertainty over the outcome of the EU governments' financial support programmes and worries about sovereign finances persist. For example, presidential elections in Greece on 25 January 2015, which resulted in a new government, caused uncertainty about the continued implementation of structural reforms tied to Greece's bailout programme. This uncertainty has led to the suspension by the European Central Bank and International Monetary Fund of scheduled payments to Greece under the bailout programme, an important source of funding for the Greece government. On 30 June 2015, Greece missed a scheduled loan repayment to the International Monetary Fund and fell into arrears. Market and economic disruptions have affected, and may continue to affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. The events above may have a significant impact on the Bank's customers and counterparties. There can be no assurance that the market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not spread, nor can there be any assurance that future assistance packages will be available or, even if provided, will be sufficient to stabilise the affected countries and markets in Europe or elsewhere. To the extent uncertainty regarding the economic recovery in Europe continues to negatively impact consumer confidence and consumer credit factors globally, the Bank's business and results of operations could be adversely affected.

In addition, in the second quarter of 2015, stock prices in the PRC experienced significant volatility primarily from continued sell-off of shares trading in the PRC markets. Further, in August 2015, Chinese government authorities expanded the Renminbi's trading band and Renminbi was significantly devalued. These market developments have adversely affected the financial and credit markets in the PRC. There can be no assurance that future fluctuations of the economic or business cycle in the PRC will not have an adverse effect on the Bank's business, financial condition and operating results.

The ratings of third-party rating agencies could adversely impact the Bank's ability to obtain, renew or extend credit facilities, or otherwise raise funds.

Rating agencies from time to time review prior corporate and specific transaction ratings in light of changes in ratings criteria. If rating agencies were to downgrade the Bank's credit ratings, the Bank's ability to raise funds on favourable terms, or at all, and the Bank's liquidity, financial condition and results of operations could be adversely affected. In addition, if rating agencies further downgraded their original ratings on the Bank's outstanding debt securities, holders of such debt securities may be required to sell bonds in the marketplace, and such sales could occur at a discount, which could impact the perceived value of the bonds and the Bank's ability to sell future bonds on favourable terms or at all. While the Bank is not currently aware of any reasonably likely further downgrades to its corporate credit rating or the ratings of its debt securities, such rating changes may occur without advance notice.

The Bank is subject to counterparty risks

Like most financial institutions, the Bank acts as an intermediary, primarily in domestic and international foreign exchange and derivative markets, and the Bank currently has foreign currency forward and swap arrangements with a number of domestic and international banks, financial institutions and other entities including those in Asian countries. In addition, the Bank has a number of interest rate swap arrangements. As a result of such arrangements, the Bank is subject to credit risk from a number of different counterparties. Although the Bank believes that the overall credit quality of its counterparties is adequate, there can be no assurance that parties with significant exposure will not face difficulties in paying amounts on derivative contracts when due, which may adversely affect the financial condition and results of operations of the Bank.

Sources of funding

The Bank's primary source of funding is deposits, including interbank and money market deposits. As of 31 December 2016, total deposits increased by Baht 89.5 billion, or 5.25 per cent., to Baht 1,794.8 billion, as compared to Baht 1,705.4 billion as of 31 December 2015. A significant percentage of the Bank's Baht funding requirements is satisfied through savings accounts. As of 31 December 2016, approximately 71.59 per cent. of the Bank's consolidated total deposits were saving accounts and deposits accounted for 63.07 per cent. of the Bank's source of funding. In the Bank's experience, a substantial portion of deposits are rolled over upon maturity and have been in the past a stable source of long-term funding, no assurances can be given that this will continue to be the case. If a substantial number of depositors do not roll over deposited funds upon maturity, or if the Bank is unable to secure sufficient foreign currency-denominated borrowings, its liquidity position would be adversely affected and it could be required to seek more expensive sources of short-term or long-term funding to finance its operations. To the extent the Bank is unable to obtain sufficient funding on acceptable terms, its financial condition and results of operations may be adversely affected.

The Bank has several policies in place to manage its liquidity to ensure that even under adverse conditions it has access to necessary funds at a reasonable cost. Although the Bank's policy is to maintain prudent liquidity risk management, as well as diversified and stable sources of funding, there can be no assurance that there will not be a liquidity crisis which might affect the Bank. Failure by the Bank to maintain and ensure adequate sources of funding may adversely affect the financial condition and results of operations of the Bank.

Interest rate volatility could significantly affect the Bank's financial condition and results of operations

A significant portion of the Bank's assets consist of, and a significant portion of its revenue is derived from, assets that are monetary in nature. Although the Bank engages only in limited trading activities through positions in fixed-income instruments and, to some extent in financial derivative instruments, which are mostly to facilitate other banking services to its customers, these assets are subject to the normal risks associated with investing activities, including the risk that a change in market prices, rates, indices, volatility, correlations, liquidity or other factors may result in losses for a specific position or portfolio. In 2016, the policy rate was at a low rate of 1.50 percent and there is a possibility that the policy rate will continue to remain at 1.50 percent in 2017 to stimulate further economic growth. However, there can be no assurance that interest rates will not increase in the future. During a period of increasing interest rates and inflationary pressures in Thailand, the value of the Bank's portfolio of fixed rate investments may decrease, and this may require the Bank to recognise a loss for financial accounting purposes. A sustained increase in interest rates would raise the Bank's funding costs, while reducing loan demand, especially among consumers. Rising interest rates would require the Bank to try to re-balance its assets and liabilities in order to minimise the risk of potential mismatches and maintain its profitability. In addition, rising interest rates may adversely affect the Thai economy and the financial condition and repayment ability of its corporate and retail borrowers, which in turn may lead to a deterioration in the Bank's credit portfolio.

The Bank's profitability depends to a large extent on its net interest income, which represented approximately 59.96 per cent., 57.63 per cent. and 58.46 per cent. of its consolidated net operating income for the year ended 31 December 2014, 2015 and 2016, respectively. Changes in interest rates, changes in the relationship between short-term and long-term interest rates, or changes in the relationship between different types of interest rates can affect the interest rate charged on interest-earning assets differently from the interest rate paid on interest- bearing liabilities. The impact of changing interest rates on the Bank may increase if the Bank is unable to adjust to the rate changes with respect to the fixed rate portion of its portfolio. How the Bank manages interest rate volatility will generally determine, to a certain extent, the impact of such volatility on the Bank's net interest, and there can be no assurance that it will be able to manage such volatility in a manner that does not adversely affect its results of operations.

The Bank's business is inherently subject to the risk of market fluctuations

The Bank's business is inherently subject to risks in the financial markets and in the wider economy, including changes in, and increased volatility of, exchange rates, interest rates, inflation rates, credit spreads, commodity, equity, bond and property prices and the risk that its customers act in a manner which is inconsistent with business, pricing and hedging assumptions. Market movements may have an impact on the Bank in a number of key areas. For example, changes in interest rate levels, yield curves and spreads affect the interest rate margin realised between lending and borrowing costs. Historically, there have been periods of high and volatile interbank lending margins over official rates (to the extent banks have been willing to lend at all), which have exacerbated such risks. Competitive pressures on fixed rates or product terms in existing loans and deposits sometimes restrict the Bank in its ability to change interest rates applying to customers in response to changes in official and wholesale market rates. In addition, as at February 2016, consumer prices in Thailand had declined for 14 consecutive months. A deflationary economic environment poses a number of risks to the banking industry, including increased loan losses.

Any failure by the Bank to implement, or consistently follow, its risk management systems may adversely affect its financial condition and results of operations, and there can be no assurance that the Bank's risk management systems will be effective. In addition, the Bank's risk management systems may not be fully effective in mitigating risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicated.

The Bank may not be successful in implementing new business strategies or penetrating new markets

The Bank's business strategy includes increasing the availability and scale of its existing products as well as developing new products to expand the Bank's business activities. The expansion of the Bank's business activities may expose it to a number of risks and challenges including, among other things, the following:

- new and expanded business activities may have less growth or profit potential than the Bank anticipates, and there can be no assurance that new business activities will become profitable at the level the Bank desires or at all;
- the new business strategy may alter the risk profile of the Bank's portfolio;
- the Bank may fail to identify and offer attractive new services in a timely fashion, putting it at a disadvantage with competitors;
- the Bank's competitors may have substantially greater experience and resources for the new and expanded business activities and so the Bank may not be able to attract customers from its competitors; and
- economic conditions, such as changes in interest rates or inflation, could hinder the Bank's expansion.

The Bank's inability to implement its business strategy could have a material adverse effect on its business, cash flows, financial condition, results of operations and prospects.

The Bank's focus on the SME segment may expose it to a high degree of credit risk and may result in a deterioration of its asset quality

The Bank's core franchise is SME lending and the Bank's SME loans amounted to Baht 657.2 billion as of 31 December 2016. Compared to loans to large corporations, which tend to be better capitalised and able to weather business downturns, or loans to individuals and households, which tend to be secured with homes and with respect to which the borrowers are therefore less willing to default, loans to SMEs, a majority of which are collateralised, have historically had a relatively higher delinquency ratio. Many SMEs represent sole proprietorships or very small businesses dependent on a relatively limited number of suppliers or customers and tend to be affected to a greater extent than large corporate borrowers by fluctuations in the Thai and global economy. In addition, SMEs often maintain less sophisticated financial records than large corporate borrowers. Therefore, it is generally more difficult for the Bank to assess the level of risk inherent in lending to these enterprises, as compared to large corporations. In addition, many SMEs may have close business relationships with large corporations, primarily as suppliers, and any difficulties encountered by those large corporations would likely affect the liquidity and financial condition of related SMEs, including those to which the Bank may have exposure, also resulting in an impairment of their ability to repay loans.

Competition among banks to lend to this segment in recent years has been intense which could lead to a deterioration in the asset quality of the Bank's and other Thai banks' loans to this segment. Any inability on the part of the Bank to manage the risks associated with this customer segment could materially and adversely affect the Bank's business, liquidity, financial condition and results of operations.

Any substantial failure to carry out planned improvements to the Bank's information technology infrastructure and its management information systems properly or in a timely manner, as well as any damage to its data centres, could adversely affect the Bank's competitiveness, financial condition and results of operations

The Bank has made and may in the future be required to make significant investments and improvements in its IT infrastructure in order to remain competitive. See "Description of the Bank – Information Technology". The information available to and received by the Bank's management through its current information systems may not be timely and sufficient for the Bank's management to manage risks and plan for, and respond to, market and other developments in the future. As a result, the Bank may be required to further upgrade its IT infrastructure and management information systems. Any substantial failure to improve or upgrade the Bank's IT infrastructure and management information systems properly or on a timely basis could adversely affect its competitiveness, financial condition and results of operations.

The Bank's business could be harmed if it experiences any significant system delays, failure or loss of data. The Bank aims to improve data centre facilities by leverage its experience and know-how in SUPERNAP data centres. The Bank's main data centre has been classified by SuperNAP as a Tier 4 Co-location Data Centre. The relocation will be completed in 2017. The Bank's disaster recovery site is intended to act as a back-up facility in the case of massive failure of the main data centre. The occurrence of a major catastrophic event or other system failure at these data centres could interrupt the Bank's data processing capabilities, or result in the loss of stored data.

The Bank's risk management controls may not be effective

The Bank is exposed to a variety of risks, including credit risk, market risk, liquidity risk, strategic risk and operational risk. The effectiveness of the Bank's risk management is limited by the quality, timeliness and availability of data to the Bank in relation to factors such as the credit history of proposed borrowers and the loan exposure borrowers have with other financial institutions. In order to facilitate all aspects of the Bank's risk management, the Bank has in place what it deems to be a comprehensive set of risk management policies and procedures. In addition, the Bank follows standardised regulations on risk management policies and procedures. For example, the Bank has implemented Basel III pursuant to a set of regulations issued by the BoT, including the BoT Notification No. Sor.Nor.Sor. 12/2555 Re: Rules on the Supervision of Capital Funds of Commercial Banks ("**BoT Notification No. 12/2555**") implementing Basel III: A global regulatory framework for more resilient banks and banking systems (Revised version: June 2011) ("**Basel III**"). While the Bank believes that these policies and procedures will result in improvements in risk management, there can be no assurance that this will be the case or that these policies and procedures will operate in the way that the Bank has anticipated or keep pace with the Bank's changing risk exposures. In addition, the resources available to the Bank in its risk management operations may not be the same as those available in jurisdictions with more developed financial infrastructures. The Bank may also have developed credit screening standards in response to such inadequacies in quality of credit information that may be different from the standards used by its international competitors. As a result, the Bank's ability to assess, monitor and manage risks inherent in its business may not be the same as the standards of its counterparts in jurisdictions with more developed financial infrastructures and could have a material adverse effect on the Bank's ability to manage these risks. Failures to appropriately manage risk can adversely affect the Bank's business, cash flows, financial condition, results of operations and prospects.

The Bank engages in transactions with related parties

The Bank makes loans to its key management personnel and its subsidiaries and companies controlled by or affiliated with the Bank. As of 31 December 2016, the Bank had outstanding loans to officers and such companies totalling Baht 6,948 million on a consolidated basis, which amounted to 0.41 per cent. of its total loan portfolio (on a consolidated basis), as well as other contingent liabilities to officers and affiliates totalling Baht 17,760 million on a consolidated basis. There can be no assurance that such loans have been granted on identical or less favourable terms or conditions than a third-party bank would have extended.

The Bank prepares its financial statements on the basis of TFRS, which differ from IFRS

The financial information included in this Offering Circular was prepared in accordance with TFRS, guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Thai Securities and Exchange Commission (the "**Thai SEC**") and the Stock Exchange of Thailand and presented as prescribed by the BoT, which differ in certain significant respects from IFRS, in particular in accounting for non-performing and restructured loans, derivative financial instruments and income recognition. See "Summary of Significant Differences Between TFRS and IFRS". This Offering Circular does not include a reconciliation of the Bank's financial statements to IFRS, and there can be no assurance that such reconciliation would identify material quantitative differences. If the Bank's financial statements and the other financial information are prepared in accordance with IFRS, the Bank's results of operations and financial condition could be materially different.

Thailand is currently undergoing a programme to converge Thai Financial Reporting Standards ("**TFRS**") with IFRS. The Bank decided to adopt certain IAS and IFRS principles before the Thai Accounting Standards ("**TAS**") and TFRS take effect officially as it continues to prepare for the full implementation of the TAS and TFRS new regulations that are scheduled to take effect in Thailand in 2019. However, the audited financial statements of the Bank for the year ended 31 December 2016 have been prepared on the basis of TAS and TFRS then prevailing and not in accordance with IFRS. The convergence with IFRS going forward as well as regular revision of accounting estimates and assumptions may impact the Bank's financial statements and, accordingly, their comparability with prior years' financial statements. Furthermore, the Bank may change the composition and/or the nature of its products and services in response to the accounting impact of changes introduced by the new IFRS-based TFRS. The preparation for compliance, as well as actual compliance, is likely to result in costs to the Bank and may have a material adverse effect on its results of operations.

Adverse conditions in the global financial markets and the general economy may adversely affect the Bank's business, cash flows, financial condition, results of operations and prospects

The Bank is affected by challenging conditions in the financial markets, the economy of Thailand, and the global macro-economy. The uncertainty regarding US fiscal and monetary policies, elections across various European countries and the increasing popularity of Eurosceptic parties within the EU may adversely affect the global economy and the stability of the Eurozone. Furthermore, the deceleration of consumption, government spending and pressure from US trade protection policies has contributed to the slowdown of the Chinese economy. These factors may lead to short-term increases in volatility of the markets and the global economy. In particular, challenges as a result of these financial and economic conditions could result in a deterioration in the quality of the Bank's assets, and larger provisioning and allowances for loan losses and charge-offs.

In addition, the Bank is exposed to a downturn in certain industries. The manufacturing and commerce sector accounted for approximately 48.09 per cent. of the Bank's consolidated loan portfolio as at 31 December 2016 compared to 49.09 per cent. as of 31 December 2015. The Bank is therefore particularly exposed to any changes in the market conditions in this sector.

There can be no assurance that the global economic downturn will not result in a material increase in the Bank's NPL levels in the future. In the event of such a global economic downturn, the Bank may be forced to scale back some of its core lending activities and other operations and/or borrow money at a higher funding cost or face a tightening in its net interest margin, any of which may have a negative impact on its earnings and profitability. While there are signs that the financial markets and economies in Thailand and other countries in Asia and the global economy may be improving, uncertainties remain in terms of the nature, extent, sustainability and pace of recovery of the markets in which the Bank operates, which may have a material effect on the Bank's business, cash flows, financial condition, results of operations and prospects.

RISKS RELATING TO THAILAND

Economic, political, legal and regulatory conditions in Thailand may materially and adversely affect the Bank's business, cashflows, financial condition, results of operations and prospects

The Bank is subject to political, legal and regulatory conditions in Thailand that differ in certain significant respects from those prevailing in other countries with more developed economies. The Bank's business and operations are subject to the changing economic and political conditions prevailing from time to time in Thailand. The Government has frequently intervened in the Thai economy and occasionally made significant changes in policy. The Government's policies have included, among other things, wage and price controls, capital controls and limits on imports. The Bank's business, cash flows, financial condition, results of operations and prospects may be adversely affected by changes in Government policies.

The Thai economy has gradually recovered from the Asian financial crisis in 1997. According to the Office of the National Economic and Social Development Board, Thailand's GDP grew by 4.2 per cent. in 2005, 5.0 per cent. in 2006, 5.4 per cent. in 2007 and 1.7 per cent. in 2008. However, as a result of the global economic crisis that worsened in 2008, Thailand's GDP decreased by 0.7 per cent. in 2009. In 2010, Thailand's economy recovered and GDP grew by 7.5 per cent., but this figure decreased to 0.8 per cent. for 2011 following the Japanese disasters in March 2011 and the heavy flooding in Thailand in the second half of 2011. The Thai economy rebounded in 2012 with an expansion of 7.2 per cent., as a result of improving domestic demand mainly stemming from various Government stimulus packages, including post-flood rehabilitation. As the impact of such stimuli faded and external demand weakened, GDP growth in 2013 decelerated to 2.7 per cent., before slowing further to 0.9 per cent. in 2014 due to the uncertain political environment in Thailand. Although the weak economic conditions in Thailand's major trade partners continued to make exports unfavourable, government's investment efforts and recovered tourism activities helped support Thailand's GDP growth. According to the National Economic and Social Development Board of Thailand, Thailand's GDP grew by 2.9 per cent. in 2015 and 3.2 per cent. in 2016. However, there can be no assurance that Thailand's GDP will continue to grow in the future. There is also no assurance that current or future governments will adopt economic policies conducive to sustaining economic growth.

Factors that may adversely affect the Thai economy include:

- recessions or potential economic downturns in the United States, Europe, Asia or elsewhere in the world;
- exchange rate fluctuations;
- international trade policy change;
- demographic change and consumer behavior amid fast-changing technology;
- climate change;
- a prolonged period of inflation or change in regional interest rates;
- changes in taxation;
- natural disasters, including tsunamis, earthquakes, fires, floods, drought and similar events;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the region;
- fluctuations in world oil prices and other commodity prices;
- other regulatory, political or economic developments in or affecting Thailand;
- recent and threatened terrorist activities in Southeast Asia; and
- a potential recurrence or outbreak of avian influenza, severe acute respiratory syndrome (SARS), the H1N1 virus or the contagious diseases in Thailand or other countries.

The Bank's results and those of most of its corporate customers may be influenced in part by the political situation in Thailand which has been unstable from time to time in the past. Changes in government, recent political unrest and protests, as well as the failure of any coalition to develop, could result in the delay or curtailment of economic reforms in Thailand and decrease confidence in the Government and Thai economy and the performance of Thai companies generally. Deteriorating economic conditions also increased delinquencies in the Bank's loan portfolio which increased the Bank's NPLs. Higher levels of delinquencies in the Bank's loan portfolio would require it to increase its loan loss provisions and charge-offs. There can be no assurance that the current or any future political instability in Thailand or any changes in the Government's policies or in Thailand's political environment will not have a material adverse effect on the Bank's business, cash flows, financial condition, results of operations and prospects. See "*–Political conditions and continued conflict in Thailand may have a direct impact on the Bank's business*" below.

Political conditions and continued conflict in Thailand may have a direct impact on the Bank's business

The Bank's business, financial condition, results of operations and prospects may be influenced in part by the political situation in Thailand, which has been unstable from time to time since 2006.

On 22 May 2014, Thailand's Army Commander-in-Chief Gen. Prayuth Chan-ocha declared a coup. The military imposed a curfew nationwide and subsequently lifted the law for certain major tourist destinations. The junta also announced the set-up of the National Council for Peace and Order ("**NCPO**"), comprising of leaders from the army, navy, air force and police. Gen. Chan-ocha as the Head of NCPO issued orders abrogating the 2007 Constitution and announcing the implementation of an interim constitution. A general election for a new democratic government is currently not expected until sometime in 2018. There can be no assurance that there will not be further political disruptions in the future.

On 7 August 2016, the majority of Thai referendum voters approved the new draft Constitution of the Kingdom of Thailand. The Constitution Drafting Commission (the "**CDC**") will amend the Transitory Provisions of the draft Constitution in accordance with the result of the vote and additional/supplementary comments, and will submit the amended draft to the Constitutional Court. If the draft Constitution is approved by the Constitutional Court, the draft will be submitted to the Prime Minister who shall present it to His Majesty the King. The CDC will also begin drafting the relevant "organic acts" and will proceed with related procedures leading to the general elections in 2018. No assurances can be made regarding political disruptions in the future. Any change to the political situation may affect the legal and regulatory framework under which the Bank operates. The passing away of His Majesty King Bhumibol Adulyadej on October 13, 2016 could also have an impact. Any changes in the legal and regulatory environment in Thailand may materially and adversely affect the Bank's business, financial condition, results of operations and prospects.

Following the referendum, there were a series of violent incidents in certain areas of several provinces in Thailand, most of which are popular tourist destinations for both Thais and foreigners. These incidents have led to deaths and injuries. If Thailand's security condition deteriorates and further violence breaks out across the country, the Bank's business, financial condition, results of operations and prospects may be materially and adversely affected.

A downturn in the Thai economy will likely increase the Bank's NPLs, for which the Bank may have inadequate provisions

The Bank's consolidated NPL ratio increased from 2.24 per cent. in the year ended 31 December 2014, to 2.70 per cent. in the year ended 31 December 2015, and increased to 3.32 per cent. in the year ended 31 December 2016. NPLs increased due to an economic slowdown in Thailand. The Bank believes that its NPLs remain at a manageable level. However, there can be no assurance that the Bank's NPL ratio will not increase further in the future.

Any downturn in the Thai economy will likely lead to an increase in the Bank's NPLs, which would require the Bank to make substantial additional provisions for loan losses and adversely affect its results of operations, financial condition and capital adequacy. There can be no assurance that the Bank's provisions for loan losses are or will be sufficient to absorb actual losses.

Downgrades of credit ratings of the Government and Thai banks and companies and the disruptions recently experienced in the international capital markets could adversely affect the Bank's business

Beginning in 1998, various international credit rating agencies downgraded Thailand's sovereign credit rating and the ratings of a large number of Thai banks and companies. As at 31 December 2016, Thailand's sovereign foreign currency long-term debt was rated "Baa1" with stable outlook by Moody's, "BBB+" with stable outlook by Fitch and "BBB+" with stable outlook by S&P and its short-term foreign currency debt was rated "P-2" by Moody's, "F2" by Fitch and "A-2" by S&P. In the past, certain credit rating agencies have warned that Thailand's credit rating may be downgraded due to political uncertainties and the weakening of the fiscal economic condition. These credit ratings reflect an assessment of the Government's overall financial capacity to meet its payment obligations, and its ability or willingness to meet its financial commitments as they become due. There can be no assurance that international credit rating agencies will not downgrade the credit ratings of Thailand or Thai companies, including the Bank in the future. Any such downgrade could have an adverse impact on the ability of the Government, the Bank or other Thai companies to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

In addition, the availability of credit to entities operating within the emerging markets is significantly influenced by levels of investor confidence in such markets as a whole and so any factors that impact market confidence (for example, a decrease in credit ratings or state or central bank intervention in one market) could affect the price or availability of funding for entities within any of these markets.

All these factors may have an adverse impact on the Bank's business, cash flows, financial condition, results of operations and prospects and could adversely affect its level of competitiveness.

Material changes in the regulations that govern the Bank and its business activities may adversely affect its business and future financial performance

The Bank operates under a heavily regulated environment under the supervision of the BoT. The Bank is also subject to the banking, corporate and other laws in effect in Thailand from time to time. The regulatory and legal framework governing the Bank differs in certain material respects from that in effect in other jurisdictions and may continue to change as the Thai economy and commercial and financial markets evolve. If additional rules or regulations are introduced, the Bank may incur substantial compliance and monitoring costs. The Bank's business could also be directly affected by any changes in the BoT's policies, including in the areas of specific lending activities, loan loss provisioning, capital adequacy and liquidity requirements. In addition, there are fees payable to the FIDF and the Deposit Protection Agency. The fees comprise a fee charged to compensate FIDF losses in an amount equal to 0.46 per cent. of total deposits and other public-borrowed money obligations as prescribed by the BoT and a guarantee fee of 0.01 per cent. of the total guaranteed deposits payable to the Deposit Protection Agency. There can be no assurance that future changes in the regulatory environment for banks in Thailand will not adversely affect its business, financial condition and financial performance. Failure by the Bank to comply with applicable rules and regulations could result in penalties, loss of regulatory permits and reputational damage, which could have a material adverse effect on the Bank's business, cash flows, financial condition, results of operations and prospects.

With effect from 1 January 2013, the Bank became subject to the BoT's Basel III capital adequacy requirements, which require the Bank to maintain a minimum ratio of total capital to risk weighted assets of 8.5 per cent., provided that the common equity Tier 1 ratio, as defined under Basel III ("**Common Equity Tier 1**") is not less than 4.5 per cent., and the minimum Tier 1 ratio to risk weighted assets (which consists of Common Equity Tier 1 and additional Tier 1, as defined under Basel III ("**Additional Tier 1**")) is at least 6 per cent.

Additionally, the BoT is in the process of phasing in the requirement of a capital conservation buffer of 0.625 per cent. per annum beginning in 2016 and gradually increasing to 2.5 per cent. in 2019. Moreover, the BoT may require banks to maintain additional countercyclical capital buffer at a maximum rate of 2.5 per cent. per annum. As of 31 December 2016, the Bank's capital adequacy ratio and Tier 1 capital ratio were 18.84 per cent. and 15.16 per cent., respectively. While the Bank is currently in compliance with the capital adequacy requirements of the BoT, there can be no assurance that it will continue to be able to comply with such requirements. The Bank's failure to comply with minimum capital adequacy requirements, under current or future regulations, would have a material adverse effect on the Bank's business, cash flows, financial condition, results of operations and prospects.

Basel III also requires Tier 1 and Tier 2 capital instruments to be more loss-absorbing on a going concern basis and, from 1 January 2013, include a "non-viability" clause. The broad package of amendments under Basel III therefore increases the minimum quantity and quality of capital which a bank is obliged to maintain. There can be no assurance as to the availability or cost of such capital.

Moreover, the BoT issued the BoT Notification Sor.Nor.Sor. 9/2558 Re: Rules on the Maintenance of Liquidity Coverage Ratio dated 27 May 2015 (the "**BoT Notification No. 9/2558**"). The BoT Notification No. 9/2558, which took effect on 1 January 2016, introduced the Liquidity Coverage Ratio ("**LCR**") requirement to implement Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools (January 2013). Under the BoT Notification No. 9/2558, a Thai commercial bank must have an adequate stock of unencumbered high- quality liquid assets ("**HQLA**") to meet its liquidity needs for a 30-day period under the prescribed stress scenario. To ensure that the LCR is introduced without disruption to the banking systems, the minimum requirement began on 1 January 2016 at 60 per cent., and it will increase in equal annual steps of 10 percentage points to reach 100 per cent. on 1 January 2020. As at 1 January 2017, the Bank was well-positioned to meet the LCR requirement.

Apart from the regulatory capital and LCR requirements, the BoT also requires commercial banks to submit reports on its net stable funding ratio ("**NSFR**") to the BoT for it to consider the possible outcome of the implementation before setting out the regulatory requirements.

The approach and local implementation of Basel III in Thailand will depend on the BoT's response to the minimum standards set by the Basel Committee on Banking Supervision ("**BCBS**"). However, there can be no assurance that BCBS will not amend the package of reforms described above. Further, the BoT may implement the package of reforms in a manner that is different from that which is currently envisaged.

It has also been agreed at the global level that in the event of a failure of systemically important financial institutions ("**SIFIs**") which pose greater systemic risks to the economy, the SIFIs should face higher capital requirements and be subject to more stringent regulatory requirements than banks not falling within the SIFI category. In November 2016, a revised group of 30 banks was identified as systemically important on a global basis and would be subject to additional Common Equity Tier 1 capital requirements of between 1.0 per cent. and 2.5 per cent. to be phased in between 1 January 2016 and 1 January 2019. While no banks in Thailand are amongst this initial group, the Bank may face additional capital and regulatory requirements and potentially other additional restrictions on its activities. Furthermore, there are an increasing number of regulatory bodies in various jurisdictions that have adopted the same concept on a domestic level, by identifying domestic financial institutions that are systematically important. Given that the Bank is one of the largest commercial banks in Thailand, should the BoT introduce a comparable SIFI framework for banks in Thailand, the Bank may face stricter capital requirements or liquidity standards or other additional and unpredictable restrictions on its activities as compared to its less regulated competitors which could affect the Bank's ability to implement its strategy and conduct its operations and could have a consequent material adverse effect on the Bank's business, cash flows, financial condition, results of operations and prospects.

There is no assurance that the Bank will not face increased pressure on its capital and liquidity in the future under the Basel III standards. If the regulatory capital requirements, liquidity restrictions or ratios applied to the Bank are increased in the future, any failure of the Bank to maintain such increased regulatory capital ratios could result in administrative actions or sanctions, which may have an adverse effect on the Bank's results of operations.

The impact of such additional regulations, reforms and restrictions may place the Bank at a competitive disadvantage compared to its less regulated competitors.

The new law on guarantee and mortgage and other legislation governing the Bank's products and services could adversely affect the Bank's business and could require significant implementation costs or changes to the Bank's business strategy

An act amending the Civil and Commercial Code of Thailand concerning guarantee and mortgage (the "**First CCC Amendment Act**") came into force on 11 February 2015. One of the main purposes of the CCC Amendment Act is to increase the rights and protection of guarantors and mortgagors. For example, the Civil and Commercial Code of Thailand, as amended (the "**CCC**") bans any provisions that would make guarantors be liable as primary obligors. The CCC also requires certain administrative procedures to be followed by the creditors before they can enforce their rights against the guarantors. The CCC also limits a third-party mortgagor's liability to the mortgaged property only, which in effect prohibits the third-party mortgagor from providing a guarantee on underlying debts that are already secured by the mortgage provided by the third-party mortgagor. Any provisions that are contrary to the foregoing provisions will be void. On 15 July 2015, another amendment to the Civil Commercial Code of Thailand concerning guarantee and mortgage (the "**Second CCC Amendment Act**") came into force. One of the objectives of the Second CCC Amendment Act is to provide some relaxation in certain activities that would otherwise be restricted by virtue of the First CCC Amendment Act. Once promulgated and effective, the Second CCC Amendment Act will, amongst others, permit juristic person guarantors to be liable as principal debtors. Individual guarantors will still, nevertheless, not be liable as principal debtors. In addition, a third-party mortgagor who has the management power under applicable law or has the power to control the operation of the debtor will be able to provide a guarantee to the obligations owed by the debtor.

Although it may be too premature to evaluate the impact of the amendments on the Thai banking industry as well as the Bank's business, it is anticipated that the amendments may adversely affect the business of commercial banks in Thailand, including the Bank's business. In particular, there could be significant adverse effects on letters of guarantee or mortgages granted to secure the performance or obligations of a primary obligor to a commercial bank (e.g. loan agreements), letters of guarantee delivered to secure the performance or obligations of parties under underlying contracts (e.g. construction contracts) and bank guarantees issued by commercial banks as performance security.

If the amendments were proven to decrease the value of the guarantee or mortgage taken by the Bank as security for the Bank's customers' underlying obligations, the Bank may have to request that its customers procure additional security or collateral to secure their obligations. There is no assurance that the Bank's customers will be able to meet the Bank's request. In addition, the Bank may have to alter its lending business (including the corporate, retail or mortgage lending business) which may result in changes in the Bank's credit policies, delivery systems, and other relevant documentation, as well as significant reform of the Bank's approach to risk assessment of prospective and existing customers. These could have an adverse effect on the operating results, financial condition and prospects of the Bank.

Future changes in laws, regulations or enforcement policies in Thailand could adversely affect us

Laws, regulations and enforcement policies in Thailand, including those regulating the Bank and the banking industry generally, are evolving and are subject to future changes. Following the military coup on 22 May 2014, the NCPO selected 250 members to set up the National Legislative Assembly of Thailand ("**NLA**"). After the NLA was set up, there have been unprecedented levels of government and regulatory intervention, and changes to the laws and regulations in general as well as those directly governing commercial banks and the conduct of business. See "*–The new law on guarantee and mortgage and other legislation governing the Bank's products and services could adversely affect the Bank's business and could require significant implementation costs or changes to the Bank's business strategy*". Interpretations and enforcement practices among different regulatory authorities may differ. Changes in laws, regulations, policies or the government's attitude towards the Bank's industry could have adverse effects on the Bank's business, financial condition, results of operations and prospects.

If there is any future change in applicable laws or regulations, or interpretations of applicable laws or regulations, the Bank may be required to obtain further approvals or to meet additional regulatory requirements. Compliance with revised requirements could impose substantial additional costs to the Bank which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Fluctuations in foreign currencies against the Baht may adversely affect the Bank's business, results of operations and financial condition.

During the past decade, the Thai economy has, from time to time, experienced volatility in the Baht and the limited availability of foreign exchange. Recent volatility has been due to other major economies' monetary easing policies. From the beginning of 2014 to December 2016, the value of the Baht against the U.S. dollar fluctuated between a low of Baht 31.8 to a high of Baht 36.5. The weighted average interbank exchange rate for Baht against the U.S. dollar quoted by the BoT was Baht 35.8 per U.S. dollar on 30 December 2016. There can be no assurance that the value of the Baht will not fluctuate significantly against the U.S. dollar or other currencies in the future. In addition, there can be no assurance that the Thai Government will not adopt policies that adversely affect the value of the Baht.

Depreciation in the value of the Baht would increase, in Baht terms, the outstanding foreign currency debt of the Bank's customers. Such increased debt burden could negatively affect the creditworthiness of some or all of such customers and may result in more customers being unable to repay their debts as they come due. Appreciation of the value of the Baht could also have an adverse effect on the Bank's financial condition by making the price of Thai exports more expensive, which could have a negative impact on the financial condition of certain of the Bank's borrowers. Accordingly, the volatility of the Baht may adversely affect the Bank's business.

Separately, currency translation risks may also negatively affect the Bank's results of operations. Although the Bank's reporting currency is the Baht, it conducts business in the local currencies of the foreign countries in which it operates. Notwithstanding the Bank's policy to hedge against foreign exchange risks, it remains subject to currency translation risks arising from fluctuations in the value of these foreign currencies against the Baht, which may result in foreign currency translation losses.

The Bank may also have foreign currency exposure on its trading book that is held on a proprietary basis and may not be hedged. Any unfavorable movements in foreign exchange rates under such positions may negatively affect the Bank's position.

Continued violence in southern Thailand, terrorist attacks and international and regional instability could adversely affect the Guarantor's business, financial condition, results of operations and prospects

Since January 2004, there have been a large number of casualties and injuries arising from violence particularly in southern Thailand, including most recently the fatal attacks in March 2012 in Yala and Hat Hai, as well as other fatal attacks in Bangkok and elsewhere. Continued violence could lead to widespread unrest in Thailand or a major terrorist incident in Thailand. If the security condition deteriorates and violence breaks out across Thailand, the Bank's business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, political events in the Middle East, including future terrorist attacks against targets in the Middle East, Southeast Asia or other regions, rumours or threats of terrorist attacks or war, actual conflicts involving the Middle East and trade disruptions, may affect the Bank's customers and the Bank's operations. Political or economic developments related to these crises could adversely affect the Thai economy and the global economy and could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank faces risks related to public health epidemics in Thailand or elsewhere

The Bank's business could be materially and adversely affected by the outbreak of public health epidemics, or the fear of such an outbreak, in Thailand or elsewhere. In April 2009, an outbreak of the H1N1 virus, commonly referred to as "swine flu," occurred in Mexico and spread to other countries, including Thailand. In 2004, an outbreak of the H5N1 viruses, also known as "bird flu," occurred in Southeast Asia and other regions, resulting in hundreds of deaths worldwide and significantly affecting Southeast Asia's economy. Vietnam, a regional neighbour of Thailand, reported two human fatalities caused by bird flu in January 2012. Since the beginning of 2012, there have been reports on the outbreak of the viral hand, foot and mouth disease in Thailand and other neighbouring countries, including several confirmed human cases and deaths, particularly among children. If the outbreak of any of these viruses or other severe viruses, including severe acute respiratory syndrome, or "SARS," were to occur again and become widespread in Thailand or increase in severity, it could have an adverse effect on economic activity in Thailand, and could materially and adversely affect the Bank's business, financial condition and results of operations. Any future public health epidemics in Thailand or elsewhere could materially and adversely affect the Bank's business, financial condition, results of operations and prospects.

Extreme weather and natural disasters may adversely affect the Bank's business

Natural disasters, such as the flooding experienced in parts of Thailand in 2011, could adversely affect the operations of the Bank's branches and profitability. As a result of the flooding, the Bank has extended the grace period for repayment of loans and also offered new loans for the renovation of damaged property to some of its existing customers. While the Bank has contingency plans and insurance coverage in place to cope with the flooding, the property damage and business interruption caused by the flooding and any future flooding could materially and adversely affect the Bank's business and results of operations.

Enforcement difficulties may prevent lenders from recovering the assessed value of collateral when the Bank's borrowers default on their obligations in Thailand

Thai banks may not be able to fully recover collateral or enforce any guarantees due, in part, to the legal uncertainties in enforcing such rights in Thailand. Although Thai law provides for expedited procedures for the enforcement of certain types of collateral in the meantime, in practice lenders generally submit a petition to a Thai court or face challenges by borrowers which could result in delays that can last several years and lead to deterioration in the physical condition and market value of the collateral, particularly where the collateral is in the form of inventory or receivables. In addition, such collateral may not be insured. Moreover, a new Thai law which became effective in February 2015 provides for additional protection for mortgagors and any contractual provisions that are contrary to the protective mechanism are void. See "–The new law on guarantee and mortgage and other legislation governing the Bank's products and services could adversely affect the Bank's business and could require significant implementation costs or changes to the Bank's business strategy". In the past, these factors have exposed, and continue to expose, lenders in Thailand to legal liability while in possession of collateral. The current difficulty of bringing enforcement actions in the Thai legal system significantly reduces the ability of lenders to realise the value of collateral located in Thailand and therefore the effectiveness of taking a secured position on loans to Thai borrowers. In addition, there can be no assurance that lenders will be able to realise the full value, or any value, of any collateral located in Thailand in a bankruptcy or foreclosure proceeding or otherwise, especially as the value of secured assets such as real property and inventory has been, and may continue to be, negatively affected by the current political, economic and social conditions in Thailand.

Thai commercial banks must dispose of foreclosed property (including property surrendered in settlement) within a specific period set by the BoT. There can be no assurance that the Bank will be able to dispose of any particular seized property for a value acceptable to the Bank within such periods. In addition, the Bank may incur significant administrative costs in maintaining and disposing of seized properties. The Bank may also be subject to any additional provision or fines or legal proceedings to be taken by the BoT or may have to set aside provision if the Bank cannot dispose of such real estate within the time frame prescribed by the BoT.

RISKS RELATING TO THE THAI BANKING INDUSTRY

The Thai banking industry is very competitive, and the Bank's growth strategy depends on its ability to compete effectively

The Thai banking sector remains very competitive. The Bank's primary competitors are major domestic and foreign banks operating in Thailand, including government-owned or affiliated entities or banks. In recent years, the Government has implemented a policy of deregulating domestic financial and banking markets by allowing banks and financial institutions to provide a wider range of services, by permitting increased competition from foreign banks and other financial institutions and by broadening the range of investment instruments, such as mutual funds, available to the public.

The Bank may also face increased competition in the future from financial institutions (including non-bank institutions) and financial technology companies (FinTech) offering a wider array of commercial banking and financial services and products than the Bank and that have larger lending limits, greater financial resources and stronger statements of financial position than the Bank. Increased competition may result from:

- foreign banks, due to, among other things, relaxed regulations potentially permitting large foreign banks to open additional branch offices and acquire control of Thai banks;

- domestic banks entering into strategic alliances with foreign banks with significant financial and management resources;

- financial services companies specialising in products that the Bank offers directly or through strategic alliances;

- multi-finance companies and securities houses that offer products the Bank does not have licences to offer, such as mutual fund management and the underwriting of equity shares;

- entities owned by or affiliated with the Government that provide industrial development funding and export and import lending and services, retail and residential mortgage lending as well as lending to farms and farming cooperatives;

- state-owned banks and other Thai banks that have established relationships with the Government and large corporate groups;

- continued consolidation, both with and without Government assistance, in the banking sector involving domestic and foreign banks, driven in part by the liberalisation of foreign ownership restrictions, heightened competition among financial institutions and a possible change in future laws and regulations; or

- an increasing number of competitors, both existing and new, particularly international banks and banks with technological expertise, such as those with expertise in e-commerce and telecommunications, as well as the emergence of financial technology companies (FinTech) that have played a greater role in the financial sector.

There can be no assurance that the Bank will be able to compete effectively. Increased competition may make it difficult for the Bank to increase the size of its loan portfolio and deposit base, which could have a material adverse effect on the Bank's growth plans, business, cash flows, financial condition, results of operations and prospects.

The Bank may not be able to optimally utilise customer deposits in order to generate income to repay its depositors or generate sufficient profit to fund its growth

Deposits in Thai commercial banks were guaranteed by the FIDF until 11 August 2008, which was the date on which the Deposit Protection Agency Act B.E. 2551 (2008) became effective. The Deposit Protection Agency Act

B.E. 2551 (2008) (the "**Deposit Protection Agency Act**") was passed to replace the FIDF guarantee of the full amount of deposits. The Deposit Protection Agency protects those deposits in Thai resident Baht accounts of financial institutions in Thailand. The Royal Decree on Coverage of Insured Deposits B.E. 2559 (2016) (the "**Deposit Royal Decree**"), which came into effect on 11 August 2016, sets out the amount of deposits covered under the Deposit Protection Agency. Under the Deposit Royal Decree, the amount of deposits covered by the Deposit Protection Agency will be an amount equal to the lesser of (a) the aggregate of deposit amount in all accounts of a depositor and (b) the following amounts:

- during 11 August 2016 to 10 August 2018, Baht 15 million;
- during 11 August 2018 to 10 August 2019, Baht 10 million;
- during 11 August 2019 to 10 August 2020, Baht 5 million; and
- on 11 August 2020 and thereafter, Baht 1 million.

Financial institutions are required to make mandatory contributions to the Deposit Protection Fund twice a year, by the last business day of July for the period from January to June and by the last business day of January for the period from July to December of the previous year. The mandatory contributions from financial institutions equal 0.01 per cent. of the total domestic deposits as of the end of the daily average total domestic deposit within the relevant half-year period. The effect of the limitation of the deposit guarantee (which will eventually be Baht one million for the aggregate amount of all accounts of a depositor) may lead to customers placing their deposits with large banks like the Bank which have a strong financial position. There can be no assurance that the Bank will be able to on-lend such deposits to its customers, or otherwise make use of such deposits, in order to generate income to repay its depositors or generate sufficient profit for the growth of the Bank. If not, the Bank may need to reduce its interest rates for deposits in order to lower its costs of funding, which may lead the Bank's customers to place their deposits with the Bank's competitors. This may have an adverse impact on the Bank's business, cash flows, financial condition, results of operations and prospects and could adversely affect its level of competitiveness.

Guidelines for NPL classifications and provisioning in Thailand may be less stringent than those in other countries

The BoT's regulations with respect to loan classifications and provisioning, in certain circumstances, may be less stringent than those applicable to banks in the United States and other countries. This may result in the Bank's classifying particular loans as non-performing at a later time or in a category reflecting a lower degree of risk than might be expected in such countries. As a result, the amount of the Bank's NPLs may be lower than would be reported if it were located in such countries.

Thai rules and regulations do not require the Bank to provide as much corporate disclosure as banks in some other countries

The Bank is required by the Stock Exchange of Thailand ("**SET**") to publish annual and semi-annual audited and quarterly unaudited financial results. The BoT also requires the Bank to disclose a monthly summary statement of assets and liabilities, and quarterly NPL and allowance amounts, which are made publicly available on the BoT's website and SET's website. The rules and regulations of the SET and the BoT are evolving and the amount of information publicly available with respect to publicly listed entities in Thailand is significantly less than that available with respect to comparable listed entities in other jurisdictions. Certain types of statistical and financial information published by banks in certain other countries are not published by Thai banks. Accordingly, direct comparisons with banking institutions in such countries may not be possible.

Thai financial markets lack advanced risk management tools

The Thai financial markets lack advanced instruments to manage credit, interest and foreign exchange risks. For example, there are limited national credit bureau databases in Thailand as well as a lower corporate credit rating penetration compared to jurisdictions with more advanced financial infrastructures. Accordingly, the Bank is not always able to change its pricing strategy and reshape its portfolio in a timely manner in response to market conditions. This lack of sophistication in the local market may hinder the Bank in managing its risks, which may adversely affect its results of operations.

RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features and risks associated:

Notes subject to optional redemption by the Bank

An optional redemption feature is likely to limit the market value of Notes. During any period when the Bank may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Bank may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Partly-Paid Notes

The Bank may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment on a Partly-Paid Note could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Bank may elect to convert from a fixed rate to a floating rate, or vice versa. The Bank's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Bank may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Bank converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Bank converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest- bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Index Linked Notes and Dual Currency Notes

The Bank may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each a "Relevant Factor"). In addition, it may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated.

Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) the payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

RISKS RELATING TO THE NOTES GENERALLY

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Investors should pay attention to any modification and waivers

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Bearer Notes where denominations involve integral multiples: definitive bearer Notes

In relation to any issue of Notes in bearer form that have denominations consisting of a minimum Specified Denomination (as specified in the applicable Pricing Supplement) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in bearer form in respect of such holding (should such Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes in bearer form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Performance of contractual obligations

The ability of the Bank to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Fiscal Agent, Transfer Agent, Registrar, and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Bank of its obligations to make payments in respect of the Notes, the Bank may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

Noteholders are exposed to financial risk

Interest payment, where applicable, and principal repayment for debts occur at specified periods regardless of the performance of the Bank. The Bank may be unable to make interest payments, where applicable, or principal repayments, under a series of Notes should they suffer serious decline in net operating cash flows.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

U.S. Foreign Account Tax Compliance Act Withholding

Pursuant to the U.S. Foreign Account Tax Compliance Act ("**FATCA**"), all or portion of payments made in respect of any Notes issued on or after the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are published in the Federal Register may be subject to FATCA withholding at a rate of 30 per cent. However, this withholding would not apply to payments on or with respect to the Notes prior to the later of (i) 1 January 2019 or (ii) the date on which the final regulations applicable to "foreign passthru payments" are published in the Federal Register. If an amount in respect of U.S. federal withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less interest or principal than expected. Holders of the Notes should consult their own tax advisers to obtain more detailed explanation of FATCA and how these rules may apply to payments they receive under the Notes.

The application of FATCA to Notes may be further addressed in the relevant Pricing Supplement or a supplementary offering circular to this Offering Circular, as applicable.

The application of FATCA to the Notes may be modified or supplemented by an intergovernmental agreement in respect of FATCA between the U.S. government and another jurisdiction ("**IGA**"). Thailand and the United States have an IGA agreed in substance with a deemed effective date of 30 June 2014. FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Global financial turmoil has led to volatility in international capital markets which may adversely affect the market price of any Series of Notes

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of any Series of Notes.

Limited rights of enforcement and subordination of the Subordinated Notes could impair an investor's ability to enforce its rights or realise any claims on the Subordinated Notes

In most circumstances, the sole remedy against the Bank available to the holders of Subordinated Notes to recover any amounts owing in respect of the principal of or interest on the Subordinated Notes will be to institute proceedings for the winding-up of the Bank in Thailand. See Condition 10(a) of the "Terms and Conditions of the Notes".

If the Bank defaults on the payment of principal or interest on the Subordinated Notes, the holders of the Subordinated Notes will only institute a proceeding in Thailand for the winding-up of the Bank if it is so contractually obliged. The holders of the Subordinated Notes will have no right to accelerate payment of the Subordinated Notes in the case of default in payment or failure to perform a covenant except as they may be so permitted under the Terms and Conditions of the Notes.

The Subordinated Notes will be unsecured and subordinated obligations of the Bank and will rank junior in priority to the claims of senior creditors. Upon the occurrence of any winding-up proceeding, the rights of the holders of the

Subordinated Notes to payments on such Subordinated Notes will be subordinated in right of payment to the prior payment in full of all deposits and other liabilities of the Bank, as applicable, except those liabilities which rank equally with or junior to the Subordinated Notes. In a winding-up proceeding, the holders of the Subordinated Notes may recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Bank, as applicable. As there is no precedent for a winding-up of a major financial institution in Thailand, there is uncertainty as to the manner in which such a proceeding would occur and the results thereof. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of its investment should the Bank become insolvent.

The Bank believes that all of these deposit liabilities rank senior to the Bank's obligations under the Subordinated Notes. Any Subordinated Notes and the Conditions of the Notes do not limit the amount of the liabilities ranking senior to the Subordinated Notes which may be hereafter incurred or assumed by the Bank.

There is also no restriction on the amount of securities that the Bank may issue and which rank pari passu with the Subordinated Notes. The issue of any such securities may reduce the amount recoverable by the holders of the Subordinated Notes on a winding-up of the Bank. Upon the winding-up of the Bank and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy the amounts owing to the holders of the Subordinated Notes.

The Subordinated Notes may not qualify as Tier 2 Capital

There is no guarantee that the Notes designated Subordinated Notes will qualify as Tier 2 capital under the capital adequacy requirements published by the BoT. See "Supervision and Regulation – Capital Adequacy Requirements". The failure of such Notes to qualify as Tier 2 capital due to any reason (including changes in law, regulations or interpretations of the BoT or other government authorities) would adversely affect the Bank's capital adequacy ratio and give rise to the Bank having to redeem those Subordinated Notes which are not qualified as Tier 2 capital prior to the maturity date thereof. See "– The Subordinated Notes may be redeemed upon certain events" below.

Subordinated Notes may become subject to loss absorption provisions as a consequence of regulatory requirements

The press release of the BCBS dated 13 January 2011 entitled "Minimum requirements to ensure loss absorbency at the point of non-viability" (the "**Press Release**") included the following statements:

"The terms and conditions of all non-common Tier 1 and Tier 2 instruments issued by an internationally active bank must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into common equity upon the occurrence of the trigger event unless:

(a) the governing jurisdiction of the bank has in place laws that (i) require such Tier 1 and Tier 2 instruments to be written off upon such event, or (ii) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss;

(b) a peer group review confirms that the jurisdiction conforms with clause (a); and

(c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under clause (a) in this paragraph."

The Press Release also states as follows:

"The trigger event is the earlier of: (1) a decision that a write-off, without which the firm would become non-viable, is necessary, as determined by the relevant authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority" (for the purposes of this Offering Circular, each a "**Non- Viability Event**").

The BoT issued the BoT Notification No. Sor.Nor.Sor. 7/2558 Re: Capital Funds of Commercial Banks Incorporated in Thailand on 8 May 2015 (the "**BoT Notification No. 7/2558**") replacing the BoT Notification No. Sor.Nor.Sor. 13/2555 Re: Capital Funds of Commercial Banks Incorporated in Thailand dated 8 November 2012 and setting out certain loss absorption measures under Basel III. For the purposes of the BoT Notification No. 7/2558, a non-viability event includes events where (i) a commercial bank does not have sufficient assets to repay depositors and creditors, (ii) the capital of a commercial bank has been reduced to the level which may affect depositors and creditors, and (iii) a commercial bank cannot increase its own capital. Therefore, commercial banks wishing to issue Tier 1 or Tier 2 capital instruments should ensure that the terms and conditions of these instruments include loss absorption provisions at the point of non-viability to be eligible for full capital recognition.

If the BoT or other authorities having oversight of the Bank at the relevant time (the "**Relevant Authority**") (i) discloses that a peer group review has confirmed that the capital rules, howsoever described, applicable to the Bank conforms with clause (a) above and (ii) discloses that they do not require a change to the terms and conditions of any non-common outstanding Tier 1 and Tier 2 instruments to include a provision that requires either that they be written off or converted into equity upon the occurrence of a trigger event (to the extent not already envisaged within the terms of any outstanding series of Subordinated Notes (which they may require even if Thai legislation is deemed by a peer group review to conform with clause (a) above)), then the Bank will notify holders of any affected Subordinated Notes in accordance with applicable disclosure rules that, going forward, such instruments are confirmed as subject to write-off or loss in accordance with such provision. This may have an adverse effect on the position of holders of Subordinated Notes.

Furthermore, there can be no assurance that, prior to its full implementation in 2019, BCBS will not amend the package of reforms described above. Further, the authorities in Thailand may implement the package of reforms, including the terms which capital securities are required to contain, in a manner that is different from that which is currently envisaged, or may impose more onerous requirements on Thai authorised institutions.

The terms of Subordinated Notes may contain non-viability loss absorption provisions

To the extent that a series of Subordinated Notes contains provisions relating to loss absorption upon the occurrence of a Non-Viability Event of the Bank as determined by the Relevant Authority, the Bank may be required, subject to the terms of the relevant series of Subordinated Notes, irrevocably (without the need for the consent of the holders of such Subordinated Notes) to effect either a full write-off of the outstanding principal and accrued and unpaid interest in respect of such Subordinated Notes, or a conversion of such Subordinated Notes into the ordinary shares of the Bank. To the extent relevant in the event that Subordinated Notes are written off, any written-off amount shall be irrevocably lost and holders of such Subordinated Notes will cease to have any claims for any principal amount and accrued but unpaid interest which has been subject to write-off. In the event that Subordinated Notes feature a conversion to the ordinary shares of the Bank upon the occurrence of a Non-Viability Event, holders would not be entitled to any reconversion of ordinary shares to Subordinated Notes.

The occurrence of a Non-Viability Event may be inherently unpredictable and may depend on a number of factors which may be outside of the Bank's control

The occurrence of a Non-Viability Event is dependent on a determination by the Relevant Authority (a) that a write-off, without which the Bank would become non-viable, is necessary; or (b) a decision has been made to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable. As a result, the Relevant Authority may require or may cause a write- off in circumstances that are beyond the control of the Bank and the Group and with which neither the Bank nor the Group agree. Because of the inherent uncertainty regarding the determination of whether a Non-Viability Event exists, it will be difficult to predict when, if at all, a write-off will occur. Accordingly, the trading behaviour in respect of Subordinated Notes which have the non-viability loss absorption feature is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that the Bank is trending towards a Non- Viability Event could have a material adverse effect on the market price of the relevant Subordinated Notes.

Potential investors should consider the risk that a holder of Subordinated Notes which have the non- viability loss absorption feature may lose all of their investment in such Subordinated Notes, including the principal amount plus any accrued but unpaid interest, in the event that a Non-Viability Event occurs.

There is no assurance that any contractual provisions with non-viability loss absorption features, to the extent applicable, will be sufficient to satisfy the Basel III-compliant requirements that the Relevant Authorities may implement in the future. There is a risk that any Relevant Authority may deviate from the Basel III proposals by implementing reforms which differ from those envisaged by the Basel Committee.

Regulations on non-viability loss absorption are new, untested and subject to interpretation and application by regulations in Thailand

Regulations on non-viability loss absorption, such as the BoT Notification No. 7/2558, are new and untested, and will be subject to the interpretation and application by the Relevant Authority. It is uncertain how the Relevant Authority would determine the occurrence of a Non-Viability Event, and it is possible that the grounds that constitute Non-Viability Events may change (including that additional grounds are introduced). Accordingly, the operation of any such future legislation may have an adverse effect on the position of holders of the Subordinated Notes which have the non-viability loss absorption feature.

A potential investor should not invest in the Notes unless it has the knowledge and expertise to evaluate how the Subordinated Notes which have the non-viability loss absorption feature will perform under changing conditions, the resulting effects on the likelihood of a write-down and the value of the Subordinated Notes which have the non-viability loss absorption feature, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular.

The Subordinated Notes may be redeemed upon certain events

Upon the occurrence of a tax event or a regulatory event, but subject to the prior consent of the BoT (if required by the BoT at the relevant time), the Bank may, at its option, redeem, as provided in the Terms and Conditions of the Notes, all but not some only of the Subordinated Notes, as applicable, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement together with interest, if any, accrued to but excluding the date of redemption. There can be no assurance that holders of Subordinated Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Subordinated Notes of the Bank.

Certain call options in connection with the Subordinated Notes may not be exercised

In addition to the certain call rights described in the "Terms and Conditions of the Notes", Subordinated Notes may contain provisions allowing the Bank to call them. To exercise such a call option the Bank must obtain the prior consent of the BoT and comply with the procedures as prescribed under the relevant regulations. The BoT will consider whether to approve the exercise of such call option on a case-by-case basis and may impose any additional condition for granting an approval for the exercise of such call option by the Bank. Holders of such Notes have no right to call for the redemption of such Notes and should not invest in such Notes in the expectation that such a call will be exercised by the Bank. Any decisions by the Bank as to whether it will exercise calls in respect of such Notes will be taken at the absolute discretion of the Bank with regard to factors such as the economic impact of exercising such calls, regulatory capital requirements and prevailing market conditions. Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period.

No Events of Default under the Subordinated Notes

Issues of Subordinated Notes do not provide for events of default allowing acceleration of the Subordinated Notes except upon the winding-up of the Bank. Upon a payment default, the sole remedy available to the holders of the Subordinated Notes for recovery of amounts owing in respect of any payment or principal of, or interest on, the Subordinated Notes will be the institution of proceedings in Thailand for the winding-up of the Bank. See Condition 10(a) of the "Terms and Conditions of the Notes".

Change of law

The conditions of the Notes are based on English law or, in the case of the subordination provisions set out in such conditions in the Subordinated Notes, the law of the Relevant Jurisdiction, in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or, as the case may be, the law of the Relevant Jurisdiction, or administrative practice after the date of this Offering Circular.

Where the Global Notes or Global Certificates are held by or on behalf of Euroclear, Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Bank

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive definitive Notes or Certificates. Euroclear, Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes or Global Certificates, the Bank will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of Euroclear, Clearstream, Luxembourg to receive payments under the relevant Notes. The Bank has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear, Clearstream, Luxembourg to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Bank in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

RISKS RELATING TO THE MARKET GENERALLY

The secondary market generally

There is no existing market for any Notes and there can be no assurances that a secondary market for the Notes will develop, or if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

The market value of any Notes may fluctuate. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Bank's performance and the market for similar securities. No assurance can be given as to the liquidity of, or trading market for, any Notes and an investor in such Notes must be prepared to hold such Notes for an indefinite period of time or until their maturity. Approval-in-principle has been obtained from the SGX-ST for the establishment of the Programme and application will be made to the SGX-ST for permission to deal in and for the listing and quotation for any Notes which are agreed at the time of issue to be so listed on the Official List. Formal approval will be granted when a particular Series of Notes has been admitted to the Official List. There is no assurance that any application to the SGX-ST for such approval will be granted. Historically, the market for debt securities by South East Asian issuers has been subject to disruptions that have caused substantial volatility in the prices of such securities. There can be no assurance that the market for any Notes will not be subject to similar disruptions. Any such disruption may have an adverse effect on holders of such Notes.

Exchange rate risks and exchange controls

The Bank will pay principal and interest on the Notes in the currency specified in the applicable Pricing Supplement (the "**Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Currency. These include the risk that foreign exchange rates may significantly change (including changes due to devaluation of the Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency would decrease (i) the Investor's Currency-equivalent interest on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable foreign exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

The market value of the Notes may fluctuate

Trading prices of the Notes are influenced by numerous factors, including the operating results, business and/or financial condition of the Bank, political, economic, financial and any other factors that can affect the capital markets, the industry, the Bank generally. Adverse economic developments, acts of war and health hazards in countries in which the Bank operates could have a material adverse effect on the Bank's operations, operating results, business, financial position, and performance.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, reduced or withdrawn by the rating agency at any time.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme. All italicised wording in the Conditions does not form part of the terms and conditions and is solely for clarificatory purposes.

The Notes are issued pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 7 September 2012 between the Issuer (from time to time acting through its Hong Kong branch or any of its other branches as specified in the applicable pricing supplement), The Bank of New York Mellon, acting through its London branch as fiscal agent, paying agent, transfer agent and calculation agent, and The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar and the other agents named in it and with the benefit of a Deed of Covenant (as amended or supplemented as at the Issue Date, the "**Deed of Covenant**") dated 7 September 2012 executed by the Issuer in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**", the "**Transfer Agents**" and the "**Calculation Agent(s)**". The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these terms and conditions (the "**Conditions**"), "**Tranche**" means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC), the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes)

*All Registered Notes shall have the same Specified Denomination. Notes which are listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time.*

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note (together with an Index Linked Interest Note, an "**Index Linked Note**"), an Instalment Note, a Senior Note, a Subordinated Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the applicable Pricing Supplement.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes, and the expression "**Senior Noteholder**" shall be construed accordingly in relation to Senior Notes and the expression "**Subordinated Noteholder**" shall be construed accordingly in relation to Subordinated Notes.

2 No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes**: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**: One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request and is available at the specified office of the Transfer Agent.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes**: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfer Free of Charge**: Transfers of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it.

(f) **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)).

3 Status

(a) **Status of Senior Notes**: The Senior Notes (being those Notes that specify their status as Senior) and the Receipts and Coupons relating to them constitute direct, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) **Status of Subordinated Notes**: The Subordinated Notes (being those Notes that specify their status as Subordinated) and the Receipts and Coupons relating to them constitute subordinated obligations of the Issuer (including liabilities of all offices and branches of the Issuer wherever located) and rank *pari passu* and without any preference among themselves. The claims of Noteholders will, in the event of the Winding-Up (as defined in Condition 10) of the Issuer, be subordinated in right of payment in the manner provided in this Condition 3(b) to the claims of depositors and all other unsubordinated creditors of the Issuer and will rank, in the event of the Winding-Up of the Issuer, at least *pari passu* in right of payment with all other Subordinated Indebtedness (as defined below in this Condition 3(b)), present and future, of the Issuer. Claims in respect of Subordinated Notes will rank in priority to the rights and claims of holders (i) of subordinated liabilities which by their terms rank or are expressed to rank in right of payment junior to the Subordinated Notes and (ii) of all classes of equity securities of the Issuer, including holders of preference shares, if any.

For the purposes of this Condition 3, "**Subordinated Indebtedness**" means all indebtedness which is subordinated, in the event of the Winding-Up of the Issuer, in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer, and for this purpose indebtedness shall include all liabilities, whether actual or contingent.

The provisions of this Condition 3(b) apply only to the principal and interest in respect of the Subordinated Notes. Each Noteholder, Receiptholder and Couponholder irrevocably waives its rights as a creditor to the extent necessary to give effect to the subordination provisions of these Conditions in relation to the Subordinated Notes.

(c) **Set-off**: Subject to applicable law, no Noteholder, Receiptholder or Couponholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes, the relative Receipts or the Coupons and each Noteholder, Receiptholder and Couponholder shall, by virtue of being the holder of any Subordinated Note, Receipt or Coupon, be deemed to have waived all such rights of set-off, counter-claim or retention.

In the event that any Noteholder, Receiptholder or Couponholder nevertheless receives (whether by set-off or otherwise) directly in a Winding-Up Proceeding (as defined in Condition 10) in respect of the Issuer any payment by, or distribution of assets of, the Issuer of any kind or character, whether in cash, property or securities, in respect of any amount owing to it by the Issuer arising under or in connection with the Notes, other than in accordance with this Condition 3, such Noteholder, Receiptholder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such payment or discharge to the liquidator for the time being in the winding up of the Issuer for distribution and each Noteholder, Receiptholder or Couponholder, by virtue of becoming a holder or any Subordinated Note, Receipt or Coupon, shall be deemed to have so agreed and undertaken with and to the Issuer and all depositors and other unsubordinated creditors of the Issuer for good consideration.

Note: The terms and conditions of the Subordinated Notes will be subject to applicable legal and regulatory provisions governing the status of capital adequacy and subordinated securities of Thai banks. Accordingly, further provisions relating to the terms of any Subordinated Notes issued under this Programme will, if applicable, be set out in the applicable Pricing Supplement.

4 Negative Pledge

So long as any Senior Note, Receipt or Coupon relating thereto remains outstanding (as defined in the Agency Agreement) the Issuer will not, and will ensure that none of its Principal Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a "Security Interest") upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness without at the same time or prior thereto according to the Senior Notes, the Receipts and the Coupons relating thereto, the same Security Interest as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other Security Interest as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Senior Noteholders, provided that, for the avoidance of doubt, this Condition 4 shall not be applicable to any Security Interest created or permitted to subsist in connection with a Structured Finance Transaction.

Notwithstanding the foregoing, in the event that there is a change in law or regulation in Thailand permitting or providing for the issue of covered bonds (such changed law or regulation, the "Covered Bond Regulation"), any arrangement relating to the segregation required by the Covered Bond Regulation of any part of the Issuer or its Principal Subsidiary's property, assets or revenues or the creation of any security interest required by the Covered Bond Regulation in respect thereof for the purpose of issuing such covered bonds shall be permitted and shall not require the creation of equivalent security in respect of the Notes, provided that, such arrangement is entered into in compliance with, and only to the extent required by, the Covered Bond Regulation and such segregated property, assets or revenues qualify as collateral for, or are to be applied in priority in meeting claims of, issues of covered bonds under the Covered Bond Regulation.

In these Conditions:

(i) "**Principal Subsidiary**" means at any particular time, any Subsidiary of the Issuer:

(a) whose total income, as shown by the accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary, based upon which the latest audited consolidated accounts of the Issuer and its Subsidiaries have been prepared, are at least 10.0 per cent. of the total income of the Issuer and its Subsidiaries as shown by such audited consolidated accounts; or

(b) whose total assets, as shown by the accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary, based upon which the latest audited consolidated accounts of the Issuer and its Subsidiaries have been prepared, are at least 10.0 per cent. of the total assets of the Issuer and its Subsidiaries as shown by such audited consolidated accounts or, provided that if any such Subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or the Issuer (the "**transferee**") then:

(A) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(B) if part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (A) above or which remains or becomes a Principal Subsidiary by virtue of (B) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Issuer and its Subsidiaries prepared as at a date later than the date of the relevant transfer which (x) show the total income of such Subsidiary, as shown by the accounts (consolidated in the case of a company which itself has Subsidiaries) of such Subsidiary, based upon which such audited consolidated accounts have been prepared, to be less than 10.0 per cent. of the total income of the Issuer and its Subsidiaries as shown by such audited consolidated accounts and (y) show the total assets of such Subsidiary, as shown by the accounts (consolidated in the case of a company which itself has Subsidiaries) of such Subsidiary, based upon which such audited consolidated accounts have been prepared, to be less than 10.0 per cent. of the total assets of the Issuer and its Subsidiaries as shown by such audited consolidated accounts; and for this purpose a certificate addressed to the Fiscal Agent from the auditors of the Issuer or any two authorised signatories of the Issuer as to whether or not a Subsidiary is a Principal Subsidiary may be relied upon by the Fiscal Agent and Noteholders without further enquiry or evidence;

(ii) "**Relevant Indebtedness**" means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which (I) are by their terms payable, or confer a right to receive payment, in any currency other than Thai Baht and (II) for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

(iii) "**Structured Finance Transaction**" means any securitisation or other structured finance transaction involving the transfer of any assets, revenues, undertakings or risks associated with any such assets, revenues, or undertakings to, and the issue of securities or other indebtedness by, a special purpose company (a "**Special Purpose Company**") and provided that (I) none of the obligations of the Special Purpose Company in respect of the transaction is subject to any recourse whatsoever in respect thereof to the Issuer, (II) recourse to the Special Purpose Company for amounts owing under the transactions is limited to the income or cashflow of the assets or collateral comprising the Security Interest for such transaction, (III) the assets held by the activities of the Special Purpose Company are restricted to those which are permitted for the purposes of the transaction, (IV) the parties to the transaction (including for the avoidance of doubt the holders of the securities or other indebtedness issued by the Special Purpose Company in relation to the transaction) are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding-up or dissolution of the Special Purpose Company until at least one year and one day after the full repayment of such indebtedness, (V) the transaction is conducted on arm's length terms and (VI) the benefit of the transaction accrues, directly or indirectly, to the Issuer; and

(iv) "**Subsidiary**" means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer.

5 Interest and other Calculations

(a) **Interest on Fixed Rate Notes**: Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) Interest on Floating Rate Notes and Index Linked Interest Notes:

(i) *Interest Payment Dates*: Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from and including the Interest

Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates (as defined in the applicable Pricing Supplement) or, if no Specified Interest Payment Date(s) (as defined in the applicable Pricing Supplement) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon

(y) the Designated Maturity is a period specified hereon and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA

Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London interbank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) *Rate of Interest for Index Linked Interest Notes*: The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Zero Coupon Notes**: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) **Dual Currency Notes**: In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) **Partly Paid Notes**: In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) **Calculations**: The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**: The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre for such currency and/or

(ii) in the case of euro, a day on which the TARGET System is operating (a "**TARGET Business Day**") and/or

(iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non- leap year divided by 365)

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365

(iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_{12}**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D_2 will be 30

(vi) if "30E/360" or "Eurobond Basis" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30

(vii) if "30E/360 (ISDA)" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30

(viii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

"**Interest Accrual Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro- zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon

"**Reference Rate**" means the rate specified as such hereon

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(k) **Calculation Agent**: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, such requirement to have been duly communicated to the Calculation Agent pursuant to the provisions of the Agency Agreement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) Redemption by Instalments and Final Redemption:

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) Early Redemption:

(i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub- paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) Redemption for Taxation Reasons: The Notes may be redeemed at the option of the Issuer in whole, but not in part, (but subject to consent thereto having been obtained from the Bank of Thailand in the case of Subordinated Notes) on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or, at any time, (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Thailand or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax (or any taxing authority of any taxing jurisdiction to which the Issuer is or has become subject), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer stating that the

Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) Redemption at the Option of the Issuer: If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) Redemption at the Option of Noteholders: If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Partly Paid Notes: Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(g) Purchases: The Issuer and its Subsidiaries (with the consent of the Bank of Thailand in the case of Subordinated Notes) may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) Cancellation: All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) Bearer Notes: Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Registered Notes:

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) Payments in the United States: Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments Subject to Laws: All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents: The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) such other agents as may be required by any other stock exchange on which the Notes may be listed and (vi) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) Unmatured Coupons and Receipts and unexchanged Talons:

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index linked Notes), those Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons: On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Non-Business Days: If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) Other connection: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Thailand other than the mere holding of the Note, Receipt or Coupon or

(b) Presentation more than 30 days after the Relevant Date: presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day or

(c) Payment to individuals: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26- 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or

(d) Payment by another Paying Agent: (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition. References in these Conditions to "Relevant Jurisdiction" means (i) where the Issuer is not acting through any of its branches, Thailand or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes or (ii) where the Issuer is acting through its Hong Kong branch, Thailand or any political subdivision or any authority thereof or therein having power to tax, Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes or (iii) where the Issuer is acting through any of its other branches as specified in the applicable Pricing Supplement, Thailand or any political subdivision or any authority thereof or therein having power to tax, the jurisdiction in which the relevant branch of the Issuer is situated or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

9 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events ("**Events of Default**") occurs, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable:

(a) Subordinated Notes: In the case of the Subordinated Notes:

(i) Non-payment: if default is made in the payment of principal or interest due in respect of any of the Subordinated Notes and the default continues for a period of ten days (in the case of principal) or 15 days (in the case of interest), then in order to enforce the obligations of the Issuer, any holder of a Subordinated Note may institute Winding-Up Proceedings against the Issuer provided that such Noteholder shall have no right to accelerate payment under such Subordinated Note in the case of such default in the payment of interest on or other amounts owing under such Subordinated Note or a default in the performance of any other obligation of the Issuer in such Subordinated Note or under the Agency Agreement; or

(ii) Winding-up: an order is made or an effective resolution passed for the Winding-Up of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries shall apply or petition for a Winding-Up order in respect of itself or ceases or threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Subordinated Noteholders or

(iii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries.

(iv) In these Conditions:

(A) "**Winding-Up**" shall mean, with respect to the Issuer or any of its Principal Subsidiaries, final and effective order or resolution for the bankruptcy, winding- up, liquidation, administrative receivership or similar proceeding in respect of the Issuer or such Principal Subsidiary; and

(B) "**Winding-Up Proceeding**" shall mean, with respect to the Issuer or any of its Principal Subsidiaries, proceedings in Thailand for the bankruptcy, liquidation, winding-up, administrative receivership, or other similar proceeding of the Issuer or such Principal Subsidiary.

Note: The terms and conditions of the Subordinated Notes will be subject to applicable legal and regulatory provisions governing the status of capital adequacy and subordinated securities of Thai banks. Accordingly, further provisions relating to the terms of any Subordinated Notes issued under this Programme will, if applicable, be set out in the applicable Pricing Supplement.

(b) Senior Notes: In the case of Senior Notes:

(i) Non-Payment: default is made for more than 15 days (in the case of interest) or ten days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Senior Notes; or

(ii) Breach of Other Obligations: the Issuer does not perform or comply with any one or more of its other obligations in the Senior Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Senior Noteholder; or

(iii) Cross-Default: (A) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds U.S.$30,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) in any other currency; or

(iv) Enforcement Proceedings: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 60 days or

(v) Security Enforced: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or

(vi) Insolvency: the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Principal Subsidiaries; or

(vii) Winding-up: an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or ceases or threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Senior Noteholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or

(viii) Nationalisation: any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries; or

(ix) Authorisation and Consents: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Senior Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Senior Notes admissible in evidence in the courts of England is not taken, fulfilled or done; or

(x) Illegality: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Senior Notes; or

(xi) Analogous Events: any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

11 Meeting of Noteholders and Modifications

(a) Meetings of Noteholders: The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) Modification of Agency Agreement: The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

12 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to “Issue Date” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

14 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be the Wall Street Journal Asia). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

15 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

17 Governing Law and Jurisdiction

(a) Governing Law: The Notes, the Receipts, the Coupons and the Talons and any non- contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law save that the provisions of Condition 3 (and related provisions of the Agency Agreement) relating to the Subordinated Notes are governed by, and shall be construed in accordance with, Thai law.

(b) Arbitration: the Issuer irrevocably agrees that any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (including any dispute relating to any non-contractual obligations arising out of or in connection with any Notes, Receipts, Coupons or Talons) and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (including any dispute relating to any non-contractual obligations arising out of or in connection with any Notes, Receipts, Coupons or Talons) ("**Proceedings**") will, upon the written request of any Noteholder, be settled by arbitration in accordance with the Arbitration Rules of the Singapore International Arbitration Centre from time to time in force, which rules are deemed to be incorporated by reference into this Condition 17(b) (the "**Rules**"). The place of arbitration shall be Singapore at the facilities of the Singapore International Arbitration Centre and the language of the arbitration shall be English. The number of arbitrators shall be three, each of whom are appointed in accordance with the Rules, shall be disinterested in the claim, dispute or difference, shall have no connection with the Issuer or any Noteholder and shall be an attorney experienced in international finance transactions. The costs of the arbitration shall be determined and paid by the parties to the arbitration as provided in the Rules.

The Issuer agrees that, if any Noteholder has requested for a Proceeding to be settled by arbitration under the Rules pursuant to this Condition 17(b), save only to enforce in any court having jurisdiction any award rendered by the arbitrators, it shall not institute any Proceedings on the same facts in any other court and shall request for any Proceedings in any other court to be dismissed. In the event that any Proceedings are instituted in any court to enforce any arbitration award, the person or persons against whom enforcement of that arbitration award is sought shall pay all costs, including without limitation, the costs of legal counsel and translation fees, of the person or persons seeking the enforcement of that arbitration award. The arbitration shall be held within six months of the date of the appointment of the arbitrators and the arbitrators are authorised to assess costs against a party who has caused delay or who has failed to comply with any Rules. The decision of the arbitrators shall be final, binding and incontestable and may be used as a basis for judgment thereon in Thailand or elsewhere.

(c) Jurisdiction: Without prejudice to the right of the Noteholders to revert to arbitration pursuant to Condition 17(b), at the courts of England are to have jurisdiction to settle any Proceedings and accordingly any Proceedings may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(d) Service of Process: The Issuer irrevocably appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London, EC2V 7EX, United Kingdom as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

Upon the initial deposit of a Global Note with the Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Bank to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Bank in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Bank will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(a) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "*Summary of the Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(b) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

(a) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(i) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange; or

(ii) if the Bank has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the permanent Global Notes in definitive form.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

If the relevant Pricing Supplement states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

(a) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(b) if principal in respect of any Notes is not paid when due; or

(c) if the Bank has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Certificate in definitive form,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

3.5 Delivery of Notes

On or after any Exchange Date (as defined in paragraph 3.6 below) the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Bank will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Offering Circular, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Bank will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(e)vii) and Condition 8(d) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h) (Non-Business Days).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Bank in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 9).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note or Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note or Global Certificate.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Bank or any of its respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the Bank provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Bank giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Bank is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

4.7 Noteholders Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note or Global Certificate may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note or Global Certificate to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

4.8 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Bank under the terms of a Deed of Covenant executed as a deed by the Bank on 7 September 2012 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.9 Notices

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

5 Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes or Global Certificates. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Bank may forfeit such Notes and shall have no further obligation to their holder in respect of them.

USE OF PROCEEDS

The Bank intends to use the net proceeds from each issue of Notes for its funding and general corporate purposes including, but not limited to, lending and overseas investments.

CAPITALISATION AND INDEBTEDNESS

As of 31 December 2016, the Bank had a consolidated authorised share capital of Baht 30,486.1 million divided into 3,048,614,697 common shares at par value Baht 10 each and issued and paid up share capital of Baht 23,932.6 million divided into 2,393,260,193 ordinary shares of Baht 10 each.

The following table sets out the Bank's consolidated capitalisation and indebtedness as of 31 December 2016. This table is derived from the Bank's audited consolidated financial statements as of and for the year ended 31 December 2016 and should be read in conjunction with these consolidated financial statements.

	As of 31 December 2016	
	(Baht in millions)	(U.S.$ in millions)
Liabilities		
Deposits	1,794,835	50,092
Interbank and Money Market Items	160,052	4,467
Liabilities Payable on Demand	19,846	554
Liabilities to Deliver Security	650	18
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-
Derivative Liabilities	31,630	883
Debts Issued and Borrowings	96,376	2,690
Bank's Liability under Acceptances	2,582	72
Provisions	22,494	628
Deferred Tax Liabilities	1,807	50
Insurance Contract Liabilities	305,824	8,535
Other Liabilities	55,860	1,559
Total Liabilities	2,491,956	69,548
Equity		
Issued and Paid-Up Share Capital		
2,393,260,193 Common Shares, Baht 10 par value	23,933	668
Premium on Common Shares	18,103	505
Other Reserves	19,786	552
Retained Earnings	259,924	7,254
Non-Controlling Interests	32,166	898
Total Equity	353,912	9,877
Total Liabilities and Equity	2,845,868	79,425

There has been no material change in the Bank's total capitalisation since 31 December 2016. The Bank is not restricted from incurring any new indebtedness.

DESCRIPTION OF THE BANK

OVERVIEW

KASIKORNBANK PUBLIC COMPANY LIMITED, formerly known as Thai Farmers Bank, was established on 8 June 1945 and has been listed on the SET since 1976. The Bank's main operating entity is KASIKORNBANK PUBLIC COMPANY LIMITED. See "*– Organisation*".

The Bank's core financial services comprise corporate, SME and retail banking services. The Bank's corporate services include loans, cash management, trade financing, supply chain financing and debt and equity capital market products. The Bank's SME services include loans, trade credit, cash management and bancassurance. The Bank's retail services include deposit taking, mortgage loans, personal loans, credit cards, mutual funds and bancassurance. The Bank has incorporated digital banking functions into all of its banking channels and believes that it is a leader in digital banking in Thailand. The Bank conducted 2,234 million transactions via digital channels in 2016. In 2016, the nationwide service network comprised 1,107 branches and 11,683 automated machines by which customers can conduct transactions on their own.

The Bank is the fourth largest commercial bank in Thailand in terms of total assets, loans and deposits and as of 31 December 2016 had a market capitalisation of Baht 424.8 billion, making it the seventh largest publicly listed company and the second largest among the banks in Thailand in terms of market capitalisation. As of 31 December 2016, the Bank had approximately 15.0 per cent. market share of loans and 15.8 per cent. market share of deposits among the 14 Thai commercial banks that submitted the C.B.1.1 report, a monthly summary statement of assets and liabilities published by the BoT. As of 31 December 2016, the Bank had, on a consolidated basis, Baht 2,845.9 billion in total assets, Baht 1,697.6 billion in total loans and Baht 1,794.8 billion in total deposits.

As of 31 December 2016, the Bank had 1,107 branches in Thailand, as well as 58 international trade service centres, 121 SME business centres, eight corporate business centres and 31 cheque direct service offices. The Bank was ranked fourth in terms of the number of branches in Thailand. In addition, the Bank had one overseas subsidiary bank in the Lao People's Democratic Republic ("**Lao PDR**")", five overseas branches in Hong Kong, the Cayman Islands, Shenzhen, Chengdu and Phnom Penh, one international sub-branch in Longgang and nine representative offices in Los Angeles, Beijing, Shanghai, Kunming, Tokyo, Yangon, Ho Chi Minh City, Hanoi and Jakarta. The Los Angeles branch was converted into a representative office in March 2016. As of 31 December 2016, the Bank had 8,973 automated teller machines ("**ATMs**"), 2,710 cash deposit machines ("**CDMs**"), 1,249 passbook update machines ("**PUMs**"), 238 K-Lobbies and 105 "THE WISDOM" centres and corners in Thailand.

The Bank's net profit attributable to equity holders of the Bank, on a consolidated basis, decreased by 14.47 per cent. from Baht 46.2 billion for the year ended 31 December 2014 to Baht 39.5 billion for the year ended 31 December 2015, and slightly increased by 1.77 per cent. to Baht 40.2 billion for the year ended 31 December 2016. As part of the Bank's proactive asset quality management, the Bank increased its impairment loss on loans and debt securities by 27.96 per cent., or Baht 7.4 billion, in response to the economic slowdown. Operating profit before income tax expense and impairment loss on loans and debt securities rose by 10.75 per cent to Baht 89.5 billion primarily due to an increase in net interest income, which primarily comprised of interest income interbank and money market items, as well as a decrease in interest expenses due to lower deposit interest rates. In addition, non-interest income increased due to an increase in net fees and service income and revenue generated from capital market products. Other operating expenses decreased by 4.20 per cent to Baht 63.9 billion mainly due to an impairment on application software in 2015. The Bank's consolidated NPL ratio increased to 3.32 per cent. as of 31 December 2016 from 2.70 per cent. as of 31 December 2015.

Through its customer-centric strategy, the Bank strives to satisfy the diverse needs of its customers by offering a full array of financial solutions from the Bank, its wholly-owned subsidiaries (or, in the case of KASIKORN SECURITIES PCL ("**KSecurities**"), 99.99 per cent. owned), and MTL. The wholly-owned subsidiaries of the Bank, or so called "K Companies" provide products and services such as fund management, hire purchase and leasing, securities and investment banking, and research services. The K Companies are KASIKORN ASSET MANAGEMENT CO., LTD ("**KAsset**"), KASIKORN RESEARCH CENTER CO., LTD ("**KResearch**"), KSecurities, KASIKORN LEASING CO., LTD ("**KLeasing**"), and KASIKORN FACTORY AND EQUIPMENT CO., LTD ("**KF&E**"). KAsset was ranked first among asset management companies in Thailand in terms of mutual fund assets under management with a 21.2 per cent. market share as of 31 December 2016 according to the Association of Investment Management Companies. KSecurities had a market share of 3.8 per cent. by equity trading volume as of 31 December 2016, excluding proprietary trading. See "*– Organisation – The K Companies and MTL*". To maintain its competitiveness in the new business landscape which increasingly relies on technology-driven solutions, the Bank has established the KASIKORN BUSINESS-TECHNOLOGY GROUP with the aim of promoting technology and innovation, supporting development and innovation in businesses and strengthening related business support, infrastructure and information systems. The KASIKORN BUSINESS-TECHNOLOGY GROUP comprises five companies: KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED, KASIKORN LABS COMPANY LIMITED, KASIKORN SOFT COMPANY LIMITED, KASIKORN PRO COMPANY LIMITED AND KASIKORN SERVE COMPANY LIMITED. To capitalize on opportunities in the ASEAN Economic Community (the "**AEC**") and other Asian countries, the Bank is preparing to become an "AEC+3 Bank" designed to facilitate the Bank's customers in realizing their business expansion plans in member countries of the AEC, as well as in China, Japan and the Republic of Korea.

The Bank has a 38.25 per cent. economic interest in MTL, through which the Bank provides its life insurance products and services. MTL was the second largest life insurance provider in Thailand in terms of total premiums with a market share of 17.1 per cent. as of 31 December 2016 according to The Thai Life Assurance Association ("**TLAA**"). In the bancassurance market, MTL ranked the first out of 24 players in the industry, measured by total premiums, as of 31 December 2016, with a market share of 28.1 per cent., according to the Thai Life Assurance Association.

The registered office of the Bank is located at 1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub- District, Rat Burana District, Bangkok, Thailand. As of 31 December 2016, the Bank had a consolidated authorised share capital of Baht 30,486.1 million divided into 3,048,614,697 common shares of par value Baht 10.00 each. The Bank also had an issued and paid up share capital of Baht 23,932.6 million as of 31 December 2016. The Bank is run with the aims of long-term risk-adjusted sustainable profitability and being its customers' main bank, while maintaining high corporate governance standards and embracing sustainable development in all aspects of its activities. The Bank seeks to become a "Bank of Sustainability" in all our operations and will focus on the good corporate governance principles as well as appropriate risk and cost management.

HISTORY

KASIKORNBANK PUBLIC COMPANY LIMITED, formerly known as Thai Farmers Bank, was established on 8 June 1945, with a registered capital of Baht 5 million. The Bank has been listed on the SET since 1976.

Over the years, the Bank has provided innovative financial products to its customers and has been recognised for the excellence of its services. In 1993, the Bank was the first bank in Thailand to employ the reengineering system to redesign its branches and service delivery to improve the service quality and experience for its customers. The Bank was one of the few Thai commercial banks to survive the Asian financial crisis in 1997 without asking for state assistance. Following the Asian financial crisis, the Bank conducted a reorganisation process in order to improve its operational efficiency and risk management system.

Since 2005, the Bank has been offering a full array of financial solutions from itself as well as its wholly-owned subsidiaries to customers. In 2009, the Bank expanded into the life insurance business by acquiring additional ordinary shares in Muang Thai Group Holding Co., Ltd., a major shareholder of MTL, from 10.00 per cent. to 51.00 per cent. As a result, the Bank has a 38.25 per cent. economic interest in MTL. The Bank has continued to expand its business both domestically and internationally. See "– *Overview*".

To maintain competitiveness in the new business environment which increasingly relies on technology-driven solutions, the Bank established the KASIKORN BUSINESS-TECHNOLOGY GROUP in 2015 which aims to promote technology and innovation, support development and innovation in businesses and strengthen related business support, infrastructure and information systems. The KASIKORN BUSINESS-TECHNOLOGY GROUP comprises five companies: KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED, KASIKORN LABS COMPANY LIMITED, KASIKORN SOFT COMPANY LIMITED, KASIKORN PRO COMPANY LIMITED AND KASIKORN SERVE COMPANY LIMITED.

RECENT DEVELOPMENTS

As of 31 December 2016, the Bank had consolidated assets totaling Baht 2,845.9 billion, which represented an increase of Baht 290.6 billion, or 11.37 per cent., from 31 December 2015. The increase was mainly due to a 36.13 per cent., or Baht 172.4 billion, increase in net investment over the same period from Baht 477.2 billion to Baht 649.6 billion, a 5.45 per cent., or Baht 87.7 billion, increase in total loans to Baht 1,697.6 billion, and an increase of Baht 40.5 billion, or 13.11 per cent., in net interbank and money market items to Baht 349.2 billion as of 31 December 2016.

The Bank's consolidated deposits increased by Baht 89.5 billion, or 5.25 per cent., to Baht 1,794.8 billion, with the largest increase in savings deposits. The Bank's NPL ratio increased from 2.70 per cent. at the year ended 31 December 2015 to 3.32 per cent. at the year ended 31 December 2016; however, as at 31 December 2016, KASIKORNBANK FINANCIAL CONGLOMERATE recorded a capital adequacy ratio of 18.84 per cent. per the Basel III capital requirements, with a Tier-1 capital ratio of 15.16 per cent., indicating the Bank's continued solid capital strength.

The Bank's net profit attributable to equity holders of the Bank for 2016 totalled Baht 40.2 billion on a consolidated basis, slightly increasing by Baht 0.7 billion, or 1.77 per cent, from 2015. There was an increase of Baht 7.4 billion in impairment loss on loans and debt securities, or 27.96 per cent, to Baht 33.8 billion due to the slow economic recovery. Operating profit before income tax expense and impairment loss on loans and debt securities rose 10.75 per cent to Baht 89.5 billion primarily because of an increase in net interest income by Baht 4.7 billion, or 5.49 per cent, which primarily composed of interest income interbank and money market items, as well as a decrease in interest expenses due to lower deposit interest rates. The Bank recorded a net interest margin of 3.52 per cent. as at 31 December 2016, which was lower than the net interest margin of 3.67 per cent. as at 31 December 2015. The lower net interest margin was within the Bank's net interest margin target level and was consistent with the declining interest rates and asset quality.

The Bank's non-interest income increased by Baht 1.2 billion, or 1.96 per cent., to Baht 63.7 billion from Baht 62.5 billion from 2015 to 2016. The increase was mainly due to an increase in net fees and service income and revenues from capital markets products. The Bank's consolidated net fees and service income increased by Baht 1.4 billion, or 3.78 per cent., from Baht 37.5 billion in 2015 to Baht 38.9 billion in 2016 primarily due to an increase in net fees income from underwriting fee and transaction service fee.

For 2016, the Bank's other operating expenses amounted to Baht 63.9 billion, representing a decrease of Baht 2.8 billion or 4.20 per cent., from Baht 66.7 billion in 2015. The decrease was mainly attributable to an impairment on application software and related expenses in 2015 amounting to Baht 2,314 million. The Bank's cost-to-income ratio for 2016 was 41.63 per cent., which was lower than the Bank's target level and which resulted from effective cost management and increased operational efficiency.

COMPETITIVE STRENGTHS

The Bank believes it benefits from a number of core competitive strengths which support its financial performance:

Leading SME Bank in Thailand

The Bank believes that it is the leading lender to the SME business sector in Thailand with strong existing relationships with SMEs. According to a survey conducted by the Business Research Specialist in 2016, the Bank's market share of SME banking activities was 28 percent. among all commercial banks in Thailand. The Bank aims to develop and cross-sell a range of innovative products and service capabilities in order to serve the business and trading needs of its SME customers.

Strong Retail Banking Business

The Bank has received "Best Retail Bank in Thailand" awards from The Asian Banker (for seven consecutive years from 2010 to 2016), the Asian Banking & Finance magazine (for three consecutive years from 2014 to 2016) and the Money & Banking magazine (for eight consecutive years from 2008 to 2015). Moreover, the Bank is also recognised for innovative banking in Thailand and has received a number of awards which recognise the Bank's digital and innovation initiatives. The Bank has received numerous awards in recognition of its digital banking capabilities in last three years. These awards include the "Global Financial Services Award" (2014) in the digital marketing category awarded by the European Financial Management Association (EFMA) and Accenture, the "Best Social Media Project" (2014) and the "Best Mobile Banking Product in Thailand" (2016) awarded by The Asian Banker journal. The Bank was also awarded the "Online Banking Initiative for the Year-Thailand" award (for two consecutive years from 2014 to 2015), the "Best Branch Innovation" award (for three consecutive years from 2013 to 2015 with Bronze, Silver and Bronze respectively) and the "Digital Banking Initiative of the Year in Thailand" (2016) from the Asian Banking & Finance magazine.

The Bank believes that it is one of the market leaders across a variety of retail banking products and services and that this provides a platform for growth in these areas. With respect to cards and payments, the Bank received an award from VISA for three consecutive years ("VISA Business Performance" in 2010 and 2011 and "Overall

Business Performance" in 2012), and awards from the Cards International & Electronic Payments International magazine for three consecutive years (three awards in 2014 – "Best Debit Card of the Year - Thailand", "Best Card Design of the Year APAC – Highly Commended" and "Best Merchant Acquiring Initiative for the Year APAC", another two awards in 2015 – "Best Card Design Asia-Pacific" and "Highly Commended: Best Credit Card Offering – Thailand", and three additional awards in 2016 – "Best Loyalty Program", "Best Marketing Campaign-Overall" and "Highly Commended: Best Card Offering –Southeast Asia"). In addition, the BOT recognised the Bank as a "Best Payment Service Provider" in the BOT Conference on Thailand's Payment in 2015. VISA International also granted the Bank "The Best Acquiring Institution in Southeast Asia (SEA)" award in 2013 in recognition of the Bank's efforts in driving electronic banking security towards international standards and card acceptance innovation on smart devices or Mobile Point of Sale ("**mPOS**"). See "*–Awards and Accolades*".

In bancassurance, the Bank was ranked first in Thailand by The Thai Life Assurance Association in terms of total insurance premium, new business premium and renewal premium with a market share of 28.1 per cent., 28.6 per cent. and 27.8 per cent, respectively, as of 31 December 2016. The Bank, through its wholly-owned subsidiary, KAsset, also had the highest amount of assets under management in mutual funds among the asset management companies in Thailand as of 31 December 2016, according to the Association of Investment Management Companies.

One of the Leading Banks in Thailand for Quality of Service

The Bank has a "customer-centric" approach in its business operations and it believes it has developed a reputation for delivering the highest quality of service to its customers. This is exemplified by the Bank's focus on customer service in its business strategy, as well as in its continuous efforts to consistently develop, monitor and improve service standards across its operations. The Bank believes that through its understanding of the customers' needs, it is able to offer the financial products and services which are most suitable for its customers. The Bank also continuously innovates its products and services in order to meet the requirements of the various customer segments. As a result, the Bank has seen its customer number increase by 101 per cent. from 6.9 million in 2007 to 14.0 million in 2016. The Bank has also increased its average product holdings per customer from 1.7 in 2007 to 3.0 in 2016. According to branch customer satisfaction surveys conducted by Nielsen (Thailand) Co., Ltd. as of December 2016, the Bank's customers have indicated a high level of customer satisfaction with the Bank's services.

Strong Corporate Banking Business

The Bank has strong existing relationships with corporates in Thailand and the Bank's customer base includes most of the companies comprising the SET 50. According to a survey conducted by the Business Research Specialist in 2016, the Bank's market share of corporate banking in Thailand was 21 per cent. among all commercial banks in Thailand. The Bank focuses on transaction banking including cash management and value chain solutions and provides comprehensive fundraising solutions through both debt and equity markets in order to increase its fee based income ratio.

The Bank was ranked first for trade finance and cash management with a market share of 28 per cent. and 23 per cent., respectively, according to a survey in 2016 conducted by the Business Research Specialist.

As of 31 December 2016, the Bank's securities services business had assets under mutual fund supervisory services of over Baht 1.74 trillion according to the Thai SEC, giving it the largest single market share of 38.2 percent. in Thailand. According to the Thai SEC, as of 31 December 2016, the Bank's securities services business had assets under provident fund custodial services of over Baht 335,440 million, representing a market share of 34.5 percent. Moreover, the Bank has over Baht 63 billion of assets under private fund custodial services. In 2016, the Bank was ranked second in Thailand in terms of corporate bond underwriting with a volume of Baht 126.3 billion, which represented a 18.4 per cent. market share; second in terms of trading volume of Government Bonds in Thailand with a trading volume of Baht 2,735 billion, which represented a 12.3 per cent. market share; and fourth in terms of trading volume of Corporate Bonds in Thailand with a trading volume of Baht 49 billion, which represented a 9.6 per cent. market share.

Strong Balance Sheet and Capital Base

The Bank has a diversified loan portfolio, in terms of types of borrowers, industry and tenor. As of 31 December 2016, corporate loans (comprising loans to multi-corporate and large corporate businesses), SME loans (comprising loans to medium and small and micro businesses) and retail loans (comprising loans to high net worth individuals, affluent, middle income and mass customers) accounted for approximately 30.18 per cent., approximately 38.71 per cent. and approximately 25.25 per cent. of the Banks total loan portfolio, respectively. The Bank's loan portfolio also covers a wide range of industries such as utilities and services, real estate and construction, manufacturing and commerce and agriculture and mining. As of 31 December 2016, the Bank's top 20 borrowers accounted for only 4.66 per cent. of the Bank's total loan portfolio on a consolidated basis. The Bank's consolidated NPL ratio stood at 3.32 per cent. as of 31 December 2016 and 2.70 per cent. as of 31 December 2015 on a consolidated basis, NPLs increased due to an economic slowdown in Thailand. The Bank believes that its NPLs remained at a manageable level. On a consolidated basis, the Bank's Tier 1 capital was Baht 276.5 billion and the Bank's Tier 1 capital ratio was 15.16 per cent. as of 31 December 2016, which was significantly higher than the minimum rate of 6.00 per cent. required by the BoT. In addition, the Bank's total capital was Baht 343.7 billion and the Bank's capital adequacy ratio on a consolidated basis was 18.84 per cent., which was significantly higher than the minimum rate of 8.50 per cent. required by the BoT. The Bank believes that its strong capital position enhances its ability to continue its growth and to protect the Bank against potential risks.

Strong and Stable Funding Base

The Bank has one of the strongest deposit franchises in the Thai banking sector due to its extensive network, with 1,107 branches nationwide which cover all of the provinces in Thailand. In addition, the Bank's branch employees are trained to provide comprehensive advice on the appropriate deposit and investment products which suit its customers' needs. Deposits accounted for 63.07 per cent. of the Bank's funding as of 31 December 2016. As of 31 December 2016, the Bank had approximately 15.0 per cent. market share of loans and 15.8 per cent. market share of deposits among the 14 Thai commercial banks that submitted the C.B.1.1 report, a monthly summary statement of assets and liabilities published by the BoT. In 2016, approximately 77.22 per cent. of the Bank's deposits comprised current and savings accounts which pay no or very low interest, respectively. The growth in these types of deposits resulted in an improvement in its funding structure as it enabled the Bank to lower its cost of funds as well as to provide a more stable source of funding. The Bank's low cost of funding is reflected in its net interest margin, which stood at 3.52 per cent. in 2016 which was the highest level among the four largest domestic banks in Thailand.

Proven and Experienced Management Team

The Bank has an experienced management team with extensive industry experience in the Thai banking sector (see "*Management*" for detailed description of the senior management team). The Bank's senior management team has proven its ability to provide strategic direction, execute business initiatives and compete in a highly competitive market.

Strong Competitive Positioning

The Bank was the fourth largest commercial bank in Thailand in terms of total assets and loans, as well as deposits as of 31 December 2016. The Bank also had a market capitalisation of Baht 424.8 billion as of 31 December 2016 where the information is provided in The Stock Exchange of Thailand's website, making it the seventh largest listed company in Thailand and the second largest among listed Thai banks. As of 31 December 2015, the Bank also had an approximately 15.0 per cent. market share of loans and an approximately 15.8 per cent. market share of deposits among the 14 Thai commercial banks that submitted the C.B.1.1. report, a monthly summary statement of assets and liabilities published by the BoT. The Bank's branch network ranks fourth among commercial banks in Thailand in terms of number of branches with 1,107 branches in Thailand as at 31 December 2016 and ranks first in electronic banking services with multiple functions such as K-ATM, K- CDM (Cash Deposit Machines), and K-PUM (Passbook Update Machines) providing coverage throughout the country.

Strong and Independent Risk Management

The Bank has established a Risk Management Committee with a defined risk policy as well as a corresponding governance structure to ensure that risks are managed efficiently and effectively with an aim to achieve long- term risk-adjusted and sustainable profitability. The Bank is proactive in its risk management and has in place an integrated risk management system to ensure the accountability of each of its business lines. The Bank's credit risk management policies have contributed to a steady improvement in asset quality. Due to the economic downturn in Thailand in 2016, however, the Bank's consolidated NPL ratio increased from 2.70 per cent. as of 31 December 2015 to 3.32 per cent. as of 31 December 2016.

BUSINESS STRATEGY

The Bank's overarching and long-term strategy is based on the concept of "Customer Centricity", with a primary focus on offering a full range of financial products and services to its customers. In doing so, the Bank aims to become the "main bank" for its customers. The Bank plans to achieve this strategy through the creation of innovative products and quality service to its customers as well as ensuring the clarity and consistency of its branding at all levels. In addition the Bank has outlined specific strategies targeted at the eight customer segments which it serves.

The key elements of the Bank's strategy are:

Develop the Bank's Products and Services Offerings to Increase Competitiveness

The Bank focuses on four product domains across each of its customer segment, namely Operation and Transaction, Saving and Investment, Funding and Borrowing and Protection and Information. Through these four product domains, the Bank aims to create innovative products and services as well as develop and further enhance its existing products and services in order to provide a comprehensive range of financial products and services to its customers. In addition, the Bank plans to become the "main bank" for its customers through active cross-selling of bundled products and services under the "KASIKORNBANK" brand. The Bank is also committed to providing the highest quality of services to its customers and strives for the improvement in its quality of service by tailoring the products and services more closely to the specific needs of its customers. For example, as a result of increasing competition due to the regional economic integration through the ASEAN Economic Community, the Bank aims to be the "main bank" for the importers and exporters in Thailand by developing new products which are tailored to their specific needs.

Targeted Approach to the Bank's Different Customer Segments

The Bank aims to support the diverse needs of each of its customer segments by adopting a targeted approach and by developing, providing and marketing products and services tailored to their specific requirements. The Bank plans to continue to build up its loan portfolio and its fee-based income in the corporate business segment by actively pursuing opportunities for project financing, corporate finance, trade finance and cash management services. The Bank seeks to maintain its leadership position in the SME market through effective communication, strengthening its relationships with SME customers, increasing the number of customers with high potential and developing products which generate high fee income. The Bank also continues to grow its retail customer segments by strengthening its brand communication and marketing capabilities as well as effective management of its sales and service network.

Expansion into Other Regions Outside Thailand

To capitalize on opportunities in the AEC and other Asian countries, the Bank is preparing to become an "AEC+3 Bank" designed to facilitate the Bank's customers in their business expansions in member countries of the AEC, as well as in China, Japan and the Republic of Korea. The Bank plans to continue to expand its presence in China. The Bank focuses on Thai-related businesses in China and by leveraging on its Thai expertise; the Bank has embarked on a business expansion plan to increase its market share in the Chinese banking sector by forming business alliances with several large banks in China. It is the first Thai bank to open a Chinese-Thai Business Centre in Thailand to provide information and comprehensive advisory services for doing business in both countries. In January 2010, the Bank signed a cooperation memorandum with China Minsheng Banking Corporation, which aims to facilitate resource sharing, link the two banks' service networks and provide cross-border financial services to both banks' customers in Thailand and China. In other regions, the Bank has expanded its business network by partnering with 75 banks in 13 countries including Japan, China, the Republic of Korea, Vietnam, Indonesia, Lao PDR, Cambodia, the Philippines, Malaysia, Italy, Germany, Russia and India which will allow the Bank to meet the needs of Thai companies seeking to expand their business, invest abroad, and provide regional trade and cross border investment. The Bank is extending its network to serve customers in member countries of the AEC with respect to international transactions and settlements. Currently, the Bank has one overseas subsidiary bank (KASIKORNTHAI BANK Limited) in Lao PDR; five international branches in Hong Kong, the Cayman Islands, Shenzhen, and Chengdu and Phnom Penh; one international sub-branch in Longgang District, Shenzhen; and nine representative offices in Los Angeles, Beijing, Shanghai, Kunming, Tokyo, Yangon, Ho Chi Minh, Hanoi, and Jakarta. The Los Angeles branch was converted into a representative office in March 2016.

Continuing Focus on Operational Efficiencies

The Bank intends to improve operational efficiency by continuously upgrading its support functions such as human resource management and IT management. The Bank intends to achieve further operational efficiencies through the implementation of the K-Transformation project which improves its operating systems and processes. The Bank also aims to increase the revenue generating capability of its staff by promoting the cross- selling efforts of non-bank financial services such as mutual fund, credit card and leasing products through the Bank's branch networks, which the Bank believes is a key factor in improving cost efficiency.

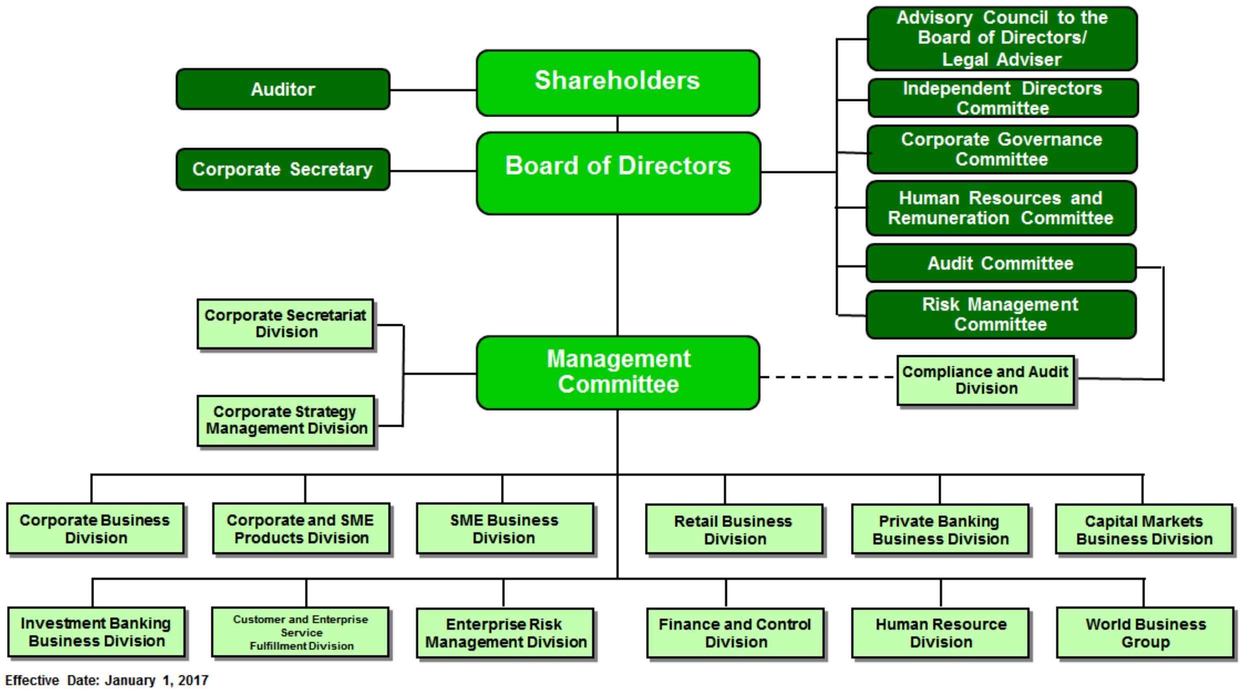
Continue to Strengthen Risk Management

The Bank continues to take steps to strengthen its risk management structure and systems. The Bank has a Risk Management Committee that oversees and monitors risk management policies and overall risk profile under the policies and guidelines approved by the Bank's Board of Directors (the "**Board**"). The Bank intends to closely monitor compliance with, and the effectiveness of, its risk management structures and systems and to continually upgrade its risk management personnel and policies, taking into account best practices followed by leading international banks.

Continue to Expand the K Companies

The Bank continues to develop and expand the businesses of the K Companies, whose wide range of financial services complements the core businesses of the Bank. In its fund management business, the Bank aims to maintain its leading position. The Bank also aims for KSecurities and KF&E to maintain their positions as one of the leading securities firms and machinery and equipment leasing services provider in Thailand, respectively. In addition, the Bank also aims for KResearch to be the top-of-mind research house in Thailand in terms of public perception.

ORGANISATION



The Bank provides its customers with a wide range of corporate, SME and retail services. The primary products and services of the Bank include loans and deposit products, credit facilities, cash management, factoring, credit card and bancassurance services. In addition to these activities, the Bank's subsidiaries also offers fund management, leasing and hire purchase, financial solutions and securities and research services. The Bank's operations are conducted through its domestic and overseas branches and subsidiaries.

Four Core Business Group

The Bank divides its business activities into four core businesses:

- Corporate Business;
- Retail Business;
- Treasury and Capital Markets Business; and
- Muang Thai Group Holding Business.

The following table provides information on the net total income contribution by the Bank's core business group customers on a consolidated basis:

	As of 31 December 2016	
	Total Operating income-net	Per cent. Of total
	(Baht in millions, except percentages)	
Corporate Business(1)	66,235	43.18
Retail Business(2)	61,753	40.25
Treasury and Capital Markets(3)	8,798	5.74
Muang Thai Group Holding(4)	16,654	10.85
Others(5)	10,428	6.80
Elimination	(10,465)	(6.82)
Total	153,403	100.00

Notes:

(1) The Bank's Corporate Business customers include registered companies and certain private individual business customers, government agencies, state enterprises, and financial institutions etc. The Bank provides a variety of financial products and services to these customers such as long term loans, working capital, letters of indemnity, trade finance solutions, syndicated loans, cash management solutions, and value chain solutions.

(2) The Bank's Retail Business comprises individual customers who use the Bank's products and services such as deposit accounts, debit cards, credit cards, personal loans, housing loans, investment products and financial advisory services, and transactional banking services.

(3) The Treasury and Capital Markets Business comprises the Bank's capital markets and treasury business with activities mainly including funding, centralised risk management, investing in liquid assets and foreign currency exchange services. It also supervises the Bank's business in overseas countries.

(4) Muangthai Group Holding Business includes a group of companies that operates insurance and brokerage businesses, including MTL.

(5) "**Others**" represent other businesses which are not directly attributable to the main business groups.

The K Companies and MTL

The Bank provides a wide range of financial services through the following K Companies, which are the Bank's major subsidiaries:

- KASIKORN ASSET MANAGEMENT CO., LTD. ("**KAsset**"), through which the Bank conducts its fund management services;
- KASIKORN LEASING CO., LTD. ("**KLeasing**"), through which the Bank provides automobile hire-purchase, financial leases and floor plans;
- KASIKORN SECURITIES PCL ("**KSecurities**"), through which the Bank provides a range of financial services, including investment banking, securities underwriting and securities brokerage;
- KASIKORN RESEARCH CENTER CO., LTD. ("**KResearch**"), through which the Bank conducts its research business; and
- KASIKORN FACTORY AND EQUIPMENT CO., LTD. ("**KF&E**") through which the Bank provides a range of machinery and equipment hire purchase and leasing services.

The Bank conducts its life insurance business through its 38.25 per cent. owned subsidiary MTL.

The net income of the K Companies was Baht 4.56 billion and accounted for 10.05 per cent. of the Bank's total consolidated net profit as of 31 December 2016.

Loan Portfolio by Industry

The following table sets forth the Bank's loan portfolio by industry classifications as of 31 December 2016 on a consolidated basis:

	As of 31 December 2016	
	Amount	Per cent. of total
	(Baht in millions, except percentages and number of accounts)	
Agriculture and mining	35,222	2.1
Manufacturing and commerce	816,425	48.1
Property development and construction	114,915	6.8
Infrastructure and services	249,428	14.7
Housing loans	240,436	14.1
Others	223,849	13.2
Total	1,680,275	99.0
Credit balance transaction	1,949	0.1
Loan in life insurance business	15,357	0.9
Total	1,697,581	100.0

THE BANK'S INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

The Bank has a number of subsidiaries and associated companies that engage in various businesses, including fund management, securities, hire purchase, leasing, research, factoring and insurance.

The following table sets out the Bank's investments in ordinary shares of subsidiaries and associated companies as of 31 December 2016:

Company	Type of business	Per cent. Shareholding (Direct and Indirect)	Cost(1)	Loan(2)	Contingent liabilities
		(Baht in millions, except percentages)			
Subsidiaries					
KASIKORN ASSET MANAGEMENT CO., LTD.	Fund Management	100.00	2,003	–	–
KASIKORN RESEARCH CENTER CO., LTD.	Service	100.00	10	–	–
KASIKORN SECURITIES PCL	Securities Business	99.99	1,512	–	–
KASIKORN LEASING CO., LTD.	Auto Leasing	100.00	900	85,357	–
KASIKORN FACTORY & EQUIPMENT CO., LTD.	Equipment Leasing	100.00	237	13,013	332
KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED	Service	100.00	5	–	–
KASIKORN LABS COMPANY LIMITED	Service	100.00	5	–	–
KASIKORN SOFT COMPANY LIMITED	Service	100.00	5	–	–
KASIKORN PRO COMPANY LIMITED	Service	100.00	5	–	–
KASIKORN SERVE COMPANY LIMITED	Service	100.00	19	–	–

Company	Type of business	Per cent. Shareholding (Direct and Indirect)	Cost(1)	Loan(2)	Contingent liabilities
		(Baht in millions, except percentages)			
Muang Thai Group Holding Co., Ltd.	Investment in Other Companies	51.00	7,575	–	–
Muang Thai Life Assurance					
PCL	Life Insurance	38.25	–	–	8,949
KASIKORNTHAI BANK					
Limited	Commercial Banking	100.00	1,095	–	–
KHAO KLA Venture Capital Management Co., Ltd.	Venture Capital Management	100.00	–	–	–
K-SME Venture Capital Co., Ltd.	Venture Capital	100.00	200	–	–
Beacon Venture Capital Company Limited	Venture Capital	100.00	1,000	–	–
Phethai Asset Management Co., Ltd.	Asset Management	100.00	1,740	–	–
Starbright Finance Co., Ltd.	Finance	100.00	761	–	–
PROGRESS PLUS CO., LTD.	Sales of Inventories and Service for the Bank and Related Parties	100.00	1	–	–
PROGRESS APPRAISAL CO., LTD.	Service	100.00	5	–	–
PROGRESS GUNPAI SECURITY GUARD CO., LTD.	Service	100.00	21	6	–
PROGRESS MANAGEMENT CO., LTD.	Service	100.00	6	–	–
PROGRESS FACILITIES MANAGEMENT CO., LTD.	Service	100.00	5	–	–
PROGRESS SERVICE SECURITY GUARD CO., LTD.	Service	100.00	2	–	–
PROGRESS STORAGE CO., LTD.	Service	100.00	3	–	–
PROGRESS H R CO., LTD.	Service	100.00	1	–	–
PROGRESS SERVICE SUPPORT CO., LTD.	Service	100.00	4	–	–
PROGRESS COLLECTION CO., LTD.	Service	100.00	5	–	–
PROGRESS TRAINING CO., LTD.	Service	100.00	2	–	–
PROGRESS MULTI INSURANCE BROKER CO., LTD.	Insurance Broker	100.00	–	–	–
Thanyathanathavee Co., Ltd.*	Investment in Other Companies	–	–	–	–
Thanyathamrongkij Co., Ltd.*	Investment in Other Companies	–	–	–	–
Thanyanithiwattana Co., Ltd.*	Investment in Other Companies	–	–	–	–
Ruang Khao Phuean Thai Joint Investment Agreement*	Investment in Other Companies	–	–	–	–

Company	Type of business	Per cent. Shareholding (Direct and Indirect)	Cost(1)	Loan(2)	Contingent liabilities
		(Baht in millions, except percentages)			
Muang Thai Broker Co., Ltd.	Insurance Broker	50.49	–	–	–
MT Insure Broker Co., Ltd.	Insurance Broker	38.25	–	–	–
Associated companies				–	–
Processing Center Co., Ltd.	Service	30.00	15	–	–
National ITMX Co., Ltd.	Service	22.15	52	–	–
Sovannaphum Life Assurance PLC	Life Insurance	18.74	–	–	–

Notes:

Represents the historical cost of the Bank's investment in the entity.

Represents principal amount only.

* Thanyathanathavee Co., Ltd., and Thanyathamrongkij Co., Ltd. terminated Ruang Khao Phuean Thai Joint Investment Agreement effective from 19 January 2016, and Thanyathanathavee Co., Ltd., Thanyathamrongkij Co., Ltd. and Thanyanithiwattana Co., Ltd. have registered for dissolution and were completely liquidated on 28 March 2016.

CORPORATE BUSINESS

Corporate Business Group

The Bank provides a wide range of banking products and services, including lending, international trade financing, cash management solutions, supply chain financing, foreign exchange and derivatives transactions, financial advisory services, debt and equity market products and securities services. The Corporate Business Group's principal focus is Thailand's multi-corporate and large corporate businesses. Multi-corporate businesses are companies with annual sales of more than Baht 5.0 billion whereas large corporate businesses are companies with annual sales between Baht 400 million to Baht 5.0 billion. The Bank's customer base includes most of the companies comprising the SET 50. The Bank's Corporate Business Group is served by 58 international trade service centres, 8 corporate business centres and 32 cheque direct service offices as of 31 December 2016. As of 2016 the Bank's market share of corporate banking activities in Thailand was 21 per cent. among all commercial banks in Thailand according to a survey conducted by the Business Research Specialist.

The Bank's corporate loans amounted to Baht 512.4 billion as of 31 December 2016, the Bank's corporate loans comprised mainly domestic credit loans amounting to Baht 373.5 billion or 72.9 per cent. of the Bank's total corporate loans. The remaining corporate loans are made of trade finance loans and foreign currency credit amounting to Baht 107.0 billion and Baht 31.9 billion, respectively. The Bank's corporate loans increased by Baht 44.7 billion or 9.6 per cent. as of 31 December 2016 compared to 31 December 2015, which was mainly due to an increase in domestic credit loans.

The Bank's lending to its corporate customers consists primarily of short- and long-term loans, working capital loans, trade-finance facilities as well as contingent facilities such as credit guarantees. The predominant portion of the Bank's lending is in Thai Baht, although it also extends loans in foreign currencies, primarily the U.S. dollar. Most of the Bank's corporate loans are originated from its headquarters in Bangkok. The Bank is a leading fundraising provider in Thailand with expertise in both debt and capital markets. The Bank is also the first Thai commercial bank to provide financial advisory and underwriting services to Thailand's first power infrastructure fund. As one of the leading arrangers in Thailand, the Bank continuously supports its customer's fund raising via syndicated loans. The Bank's industry knowledge and credit expertise has allowed the Bank to lead syndications for many of Thailand's most significant power and petrochemical projects.

Interest on loans is based on a minimum overdraft rate ("**MOR**") for overdraft and short-term facilities, or a minimum lending rate, ("**MLR**") for other types of credit. The Bank may charge an additional spread over, or offer a discount from, MOR or MLR, depending on customer credit risk, its overall relationship with the borrower and the current market environment. Generally, the Bank's spread above or below MOR or MLR varies in line with its assessment of the level of risk in a borrower's credit profile.

Lending to large Thai corporations and multinationals has become increasingly competitive in Thailand in recent years. The Bank expects this trend to continue following the implementation by the BoT of regulations designed to allow greater access to the Thai lending market for all market participants. In response, the Bank has focused on providing its corporate customers with top-quality customer service in order to distinguish itself from other banks. In addition, the Bank continuously works to expand and improve the range and quality of its products and services. The Bank has increased the number of teams specialising in particular industries such as utilities and real estate. It has also emphasised cross-selling in many fee-based services to corporate customers, such as advisory services, trade-related banking (letter of credit issuances, confirmations and remittances), payroll services, provident fund management services, foreign currency-related products (currency swaps and foreign exchange forward transactions) and surety services (issuances of standby letters of credit, bid bonds, issuances of guarantees and performance bonds).

The Bank also provides cash management services such as special cheque collections and bill payments and also report consolidation services whereby the Bank compiles and summarises payments accepted by other banks for customers in accordance with agreed formats and conditions.

In addition, the Bank provides custodial and mutual fund supervisory services to cover all types of assets invested by its customers. As of 31 December 2016, the Bank's securities services business had assets under mutual fund supervisory services of over Baht 1.74 trillion according to the Thai SEC, giving it the largest single market share of 38.2 per cent. in Thailand. According to the Thai SEC, as of 31 December 2016, the Bank's securities services business had assets under provident fund custodial services of over Baht 335,440 million, representing a market share of 34.5 percent. Moreover, the Bank also had over Baht 63 billion of assets under private fund custodial services

The Bank also provides its corporate customers with financial advisory services in connection with fundraising in the Thai domestic market. The Bank continues to actively monitor market movements and study new product trends. The Bank was the first bank in Thailand to launch real estate investment trusts (REITs) for customers. In 2016, the Bank was ranked second in terms of corporate bond underwriting with the volume of 126.3 billion, which represented 18.4 per cent. market share; second in terms of trading volume of Government Bonds with trading volume of Baht 2,735 billion, which represented 12.3 per cent. market share; and fourth in terms of trading volume of Corporate Bonds, with trading volume of Baht 49 billion, which represented a 9.6 per cent. market share.

SME Business Group

The Bank's SME Business Group focuses on medium businesses and small and micro businesses. Medium businesses are individuals or companies with annual sales of more than Baht 50 million and less than Baht 400 million. Small and micro businesses are individuals or companies with annual sales of less than or equal to Baht 50 million and with credit lines of less than Baht 15 million. These companies mainly comprise small and medium enterprises ("**SMEs**"), which are one of the core target segments of the Bank and an important driving force for national economic growth. The Bank is the leading lender to SMEs in Thailand. The Bank's market share of SME banking activities in Thailand was 28 percent, among all commercial banks in Thailand, according to the Business Research Specialist survey in 2016. The Bank's SME Business Group caters to the needs of small- and medium-sized businesses that are involved in a variety of domestic industries, including construction and construction materials, commercial businesses, export-import companies, materials vendors, wholesalers and automobile dealerships. The Bank's SME Business Group is served by 121 SME business centres, 58 international trade service centres and 32 cheque direct service offices as of 31 December 2016.

The Bank's SME loans amounted to Baht 657.2 billion as of 31 December 2016. The loan increased by Baht 39.6 billion or 6.4 per cent., compared to the previous year, due to an increase in short-term credits being extended to hotels, restaurants and the construction industry for construction and construction materials. The primary products provided by the SME Business Group include term loans, import/export bills, overdraft facilities and credit guarantees. The Bank also provides various trade-related services that include trust receipts, packing credits, confirmation and remittance for letters of credit and letters of guarantee, foreign exchange and derivatives services, import/export payment services, cash management and bancassurance.

Under the slogan "K SME: Full Support for SMEs," the Bank emphasizes SME assistance based on SMEs' actual requirements and financial constraints. Particular attention was given to provincial SMEs with limited access to funding sources and knowledge of commercial credit applications. With teams of highly qualified relationship managers and reliable financial advisors, the Bank offers SMEs full-time assistance. To this end, the Bank pursues two strategies: (i) strengthening ties with existing customers while expanding the customer base through value chain solutions, including funding and transaction services and (ii) assisting customers to become more competitive by providing useful business practice knowledge, such as resource management, and business matching services.

RETAIL BUSINESS

Retail Business Group

The Bank offers a full financial service including retail lending products (mortgages, credit cards and consumer loans), deposit and investment products (checking accounts, savings accounts, fixed deposits, and mutual funds) and other retail customer products and services (bancassurance, payment services via credit or debit cards and merchants, bill payments, money transfers, payrolls and others) and private banking services. These products and services are delivered via a variety of channels including branches, electronic banking and ATMs, telephone banking, internet banking and mobile phone banking. As of 31 December 2016, the Bank's retail customers were served by a network of 1,107 branches, 8,973 ATMs, 2,710 CDMs, 1,249 PUMs, 238 K-Lobbies and 105 "THE WISDOM" centres and corners. The Bank intends to grow its retail banking business through its "customer-centric" strategy, sales and service capabilities, extensive branch/self-service network, and convenience digital channel, ongoing product innovation, effective marketing campaigns and effective risk management.

The Retail Business Group focuses on the following customer segments:

- high net worth, comprising individual wealth (1) with the Bank and its wholly-owned subsidiaries of greater than or equal to Baht 50 million (i.e. > = 50MB);
- affluent, comprising individual wealth (1) with the Bank and its wholly-owned subsidiaries of Baht 10 million to less than Baht 50 million (i.e. > = 10MB to < 50MB);
- middle income, comprising individual wealth (1) with the Bank and its wholly-owned subsidiaries of Baht 15,000 to less than Baht 10 million (i.e. > = Baht 15,000 to < 10MB); and
- mass, comprising individual wealth (1) with the Bank and its wholly-owned subsidiaries of less than Baht 15,000.

---

(1) Wealth with the Bank and its wholly-owned subsidiaries is defined as savings and investments, such as deposit products with the Bank, mutual funds with KAsset and the monthly income of an individual customer.

Retail Lending Products

The Bank offers consumers various loan products, including residential mortgage loans, credit cards and consumer loans. The Bank's retail loan products amounted to Baht 428.7 billion and comprised 25.3 per cent. of the Bank's consolidated total loan portfolio as of 31 December 2016.

As of 31 December 2016, approximately 87.3 per cent. of the Bank's retail loans were main lending products that comprised housing loans totalling Baht 238.2 billion, credit card loans totalling Baht 82.8 billion and consumer loans totalling Baht 53.3 billion. The remaining 12.7 per cent. of the Bank's consolidated retail loan portfolio were other loans. The Bank's retail loans increased by Baht 6.3 billion (1.5 per cent.) compared to 31 December 2015.

The Bank offers a variety of products and services in order to provide convenience and flexibility to its retail customers. In addition, the Bank aims to increase product sales by bundling its various products.

The Bank offers a variety of loan repayment methods in order to provide convenience to its retail loan customers, including automatic transfer system repayment, repayment by ATM, telephone banking (K-Contact Centre), internet banking (K-Cyber), mobile phone banking (K-Mobile Banking), and repayment "over-the-counter" at any branch. The Bank will also continue to provide lending products at convenient locations throughout Thailand. The Bank will continue to study demographic information and customer behaviour and expand its customer base beyond the Bangkok Metropolitan Area and across the country. In addition to branches, in 2013 the Bank began a pilot programme to offer lending products and services through its new K-Express Credit Centres. The new credit centres offer retail customers more flexible and swift services covering four main products: K-Home Loan, K-Credit Card, K-Express Cash and K-Auto Finance, one of KLeasing's products, a wholly-owned subsidiary of the

Bank. It also provides advisory services for loans and debt management planning. Customers can also submit applications and receive faster preliminary approval than under the normal submission process to cater to customers' needs and lifestyles.

Mortgage Lending

Housing loans are the Bank's primary retail lending product. The Bank's consolidated mortgage lending portfolio amounted to Baht 238.2 billion as of 31 December 2016. According to the BoT, the Bank ranked third in the mortgage lending market among all commercial banks in Thailand as of 31 December 2016 with the quality of the housing loans portfolio shown by the Bank having a percentage of NPLs when compared to the industry average.

The Bank markets its mortgage lending products principally to Thailand's expanding professional and middle classes, generally in connection with the purchase of newly developed housing. The Bank intends to further establish strong relationships with selected housing developers with a reputation for undertaking and completing high quality residential developments. The Bank seeks to have these developers recommend the Bank as a source of mortgage financing when they sell property in their developments.

Residential mortgages are primarily floating rate loans in Thailand, but adjustable rate mortgages with "teaser rate" low fixed-interest payments for the first, second or third years are increasingly popular. All floating rate mortgage loans are typically made at either MRR or MLR minus a predetermined spread and the Bank is currently using MRR rate. Most residential mortgages have a maturity of up to 30 years. The Bank also offers residential mortgage customers competitive refinancing packages, but refinancing remains limited in Thailand due to the predominance of floating rate loans.

The Bank provides pre-sale and after-sale services through the "K Home Smiles Club" service centres. These service centres are dedicated to providing services and advice to housing loan customers for all house-related issues. The Bank also extended its service channels by providing the service through www.askkbank.com/khomesmilesclub, where customers can now check preliminary home loan approval results via K-Home Loan Online. The Bank also offers special interest rates for a selected list of high quality developers and preferential interest rates to borrowers who have high monthly incomes or who are professionals. The Bank provides K- Home Loan customers with multiple after-sale services including discounts and other privileges from the Bank's business partners, which are in many cases leading home-related stores.

Credit Cards

The Bank's credit card loans amounted to Baht 82.8 billion as of 31 December 2016. The Bank received an award from VISA for three consecutive years (VISA Business Performance in 2010 and 2011 and Overall Business Performance in 2012). These awards related to both credit cards and debit cards. In addition, the Bank received three awards from the Cards International & Electronic Payments International magazine in 2016, which includes the "Best Loyalty Program", "Best Marketing Campaign- Overall" and "Highly Commended: Best Card Offering – Southeast Asia" awards. As of 31 December 2016, the Bank's credit card spending was Baht 350.4 billion with a market share of 22.5 per cent. according to the BoT report, representing a 6.8 per cent. year-on-year growth. The Bank had 3.5 million credit cards in circulation as of 31 December 2016, which represented a 5.3 per cent. decrease compared to 31 December 2015. Currently, the Bank's customers can choose from the Bank's VISA, MasterCard and China UnionPay (CUP) cards. As the Bank focuses on acquiring new card customers and maintaining its position as the leader in card spending, it has initiated various products and campaigns to serve various groups of customers. The Bank also offers many co-branded credit cards with its business allies such as Muang Thai Life Assurance, Thai Chamber of Commerce, I.C.C. International, Bangkok Dusit Medical Services (BDMS) Group and King Power. In 2016, the Bank offered two additional cards, namely the redesigned "BDMS-KBank Credit Card", which offers exclusive privileges at the Bangkok and Affiliated Hospitals, and the "King Power-KBank Credit Card", which seek to offer an enhanced customer experience and a comprehensive package of special privileges for travel aboard. The Bank also launched various large-scale annual campaigns, such as "The Route to Iceland Campaign", which gave K-Credit Cardholders the opportunity to win fashionable travel items and a trip to Iceland to view the Northern Lights; the "Oversea Campaign", which offered cash back for specific categories of spending in the 2nd quarter to 4th quarter, and other campaigns with dining, shopping, travelling and health and beauty privileges to complement its customers' lifestyles. Credit card customers are billed monthly, and are only required to make minimum payments equal to 10.0 per cent. of the outstanding balance.

Consumer Loans

In addition to housing loans and credit card loans, the Bank extends consumer loans such as secured loans, unsecured loans and personal loans. Customers can borrow for many purposes, including financing educational expenses and purchases of household goods.

The Bank's consolidated consumer loans were approximately Baht 53.3 billion as of 31 December 2016. The majority of the Bank's consumer loans are secured up to 65.7 per cent. of the value of the loan. The Bank offered a "zero-percent special interest rate" program for K-Express Cash Card payments up to an established limit. The Bank also offered a "K-Personal Loan with low interest rates" program that allowed KBank Payroll customers and employees of regular customers to repay loans in instalments over a five-year period. This program is intended to help customers exercise financial self-discipline during periods of economic slowdown and customers with high household debt. Moreover, the Bank's Payroll customers using K-MOBILE BANKING PLUS are able to apply for K-Personal Loan via K-MOBILE BANKING PLUS on mobile phone – a convenience service channel for personal loan application. However, the Bank's market share of unsecured loans was only 4.9 per cent. among all the commercial banks and non-banks in Thailand as of 31 December 2016. The high proportion of secured loans and the Bank's low market share of unsecured/revolving loans reflects the Bank's conservative approach on loan portfolio management.

Deposit and Mutual Funds

Deposits

The Bank provides a variety of deposit products, which include demand (checking) accounts, savings accounts and fixed deposit-taking. As of 31 December 2016, the Bank's consolidated financial statements recorded Baht 101.0 billion in current deposits, Baht 1,285 billion in savings deposits and Baht 408.9 billion in fixed-term deposits.

The Bank's consolidated deposits of Baht 1,794.8 billion as of 31 December 2016 represent one of the strongest deposit bases in Thailand. As at 31 December 2016, the Bank's domestic deposits represented 95.11 per cent. of the Bank's consolidated deposits. The Bank had a current account and savings account ("**CASA**") ratio of 77.22 per cent. as of 31 December 2016, and, 22.78 per cent., 71.59 per cent. and 5.63 per cent. of the Bank's deposits are term deposits, savings deposits and current deposits, respectively.

Mutual Funds

Mutual funds are administered by KAsset, a wholly-owned subsidiary of the Bank. See "Fund Management".

Other Retail Customer Products and Services

Bancassurance

The Bank, through its subsidiary, MTL, was ranked first in bancassurance market in Thailand, in terms of total insurance premium, new business premium and renewal premium with a market share of 28.1 per cent., 28.6 per cent. and 27.8 per cent, respectively as of 31 December 2016 according to The Thai Life Assurance Association. Moreover, MTL is also the leader in terms of new business premium in the life insurance industry with a market share of 20.9 per cent. as of 31 December 2016. In order to maintain its market position, the Bank focuses on cross-selling efforts as well as product development. The Bank, in collaboration with MTL, has introduced new products that are tailored to its customers' needs, including "Pro Saving 410 Extra" and "Pro Saving 215" to affluent customers. These products provide life insurance and attractive returns during periods of low deposit rates. The Bank also has products that cater to the middle income segment, such as the "Pro Saving 510 Guarantee", which is a life insurance product targeting customers seeking to gain tax benefits without a health check-up. The Bank also designed bundled products, including the "Taweesup Extra: Earn High Interest Rate of 3.3 Percent p.a. with Purchase of Life Insurance: Pro Saving 615 Guarantee or Pro Life 90/5", and the "Easy Life & Health Insurance "Bao Jai Chabub Diew Yoo", which caters to those without large savings but are seeking life insurance products amid the economic slowdown. The Bank also launched a marketing campaign that provides certain information, such as the opportunity for customers to make monthly premium payments by debiting a deposit account or K-Credit Card account. The Bank also collaborated with Muang Thai Insurance PCL, a Thai insurance provider, to offer different non-life insurance products in response to the diverse needs of the Bank's clients, including motor vehicle, personal accident, international and domestic travel and burglary insurance products. Bank customers can also purchase the Bank's international travel insurance via the K-Mobile Banking PLUS app, which covers medical expenses, trip delays and emergency assistance services. The Bank also invests in human resources and provides training to its branch employees on various insurance products.

Card Services

To fulfill customers' card service requirements, the Bank offers innovative card products which are specifically tailored to each segment of its retail customers. For example, the Bank offers "KBank THE WISDOM Card – Visa Infinite" to its high net worth customers with assets under management (AUM) of Baht 150 million or more. The Bank offers "THE WISDOM" cards to its affluent customers and "THE PREMIER" credit cards to its high-value middle income customers, whereas its "Charactered debit cards" target a wider customer base, such as students, fanclubs and first jobbers. The Bank has also launched specific lifestyle debit cards, such as the "K-Bank Football Thai Debit Card", which includes a physical imprint of Thailand's national football team logo - the Chang Suek (War Elephant). Following the success of the "KBank Football Club Debit Card", which was designed for fans of Thai football clubs, the Bank launched other debit cards such as the "K-DEBIT 7PURSE", to be used at any 7-Eleven outlets in Thailand, the "Ducati" debit card for big-bike enthusiasts, and other debit cards issued in collaboration with various universities and colleges. The Bank also changed its debt card by replacing the magnetic stripe feature with the chip cards for greater security in card spending. In line with its focus on lifestyle cards, the Bank designed new a chip-based card series which comprised of three cards: the "K-Debit Card", with basic functions such as cash withdrawal and card spending and two special-feature cards, "K-My Play Debit Card" - a debit card that caters to fans of online entertainment, and "K-Max Plus Debit Card" which offers personal accident insurance and additional coverage for accidental death, medical expenses (unlimited visits), and compensation in case of hospital admission due to accident. These cards can be used both offline at ATMs and stores and online, and they offer numerous privileges to match cardholders' daily lifestyles, including international travelling.

The Bank had 11.0 million debit and ATM cards in circulation as of 31 December 2016. The Bank received the "VISA Business Performance" award in 2010 and 2011 and the "Overall Business Performance" award in 2012 from Visa; and awards from the Cards International & Electronic Payments International magazine for three consecutive years (three awards in 2014 – "Best Debit Card of the Year - Thailand", "Best Card Design of the Year APAC – Highly Commended" and "Best Merchant Acquiring Initiative for the Year APAC", another two awards in 2015 – "Best Card Design Asia-Pacific" and "Highly Commended: Best Credit Card Offering – Thailand", and three additional awards in 2016 – "Best Loyalty Program", "Best Marketing Campaign- Overall" and "Highly Commended: Best Card Offering –Southeast Asia"). In December 2016, the Bank's debit card spending was Baht 53.3 billion, representing a 18.4 per cent. year-on-year growth. According to the BoT, as of June 2016, the Bank's market share in debit card spending was approximately 37.5 per cent. The Bank also offers attractive privileges and promotional activities, as well as year-round financial and non-financial benefits based on its customer's lifestyles, including travel, movies and offline and online shopping.

The Bank is also the leader in the Credit Card-Accepting Merchant service with a market share of 36.9 per cent. in December 2016, representing 4.5 per cent. year-on-year growth. The Bank has been continuously developing its network card-accepting merchants. In collaboration with world-class application providers such as Alipay and WeChat, the Bank launched the POS e-Wallet service which can be connected either directly with participating merchants' POS systems or via the Bank's EDC terminals. This service was launched to specifically cater to Chinese tourists. Furthermore, its EDC service has been developed to accommodate a contactless payment transaction of up to Baht 1,500 using a JCB Card, called " J-Speedy", which employs a new high-security payment system. Similar to Visa PayWave and MasterCard PayPass, this service allows customers to simply tap to pay. The Bank is also preparing to roll out new electronic payment systems in the future, especially K-PowerP@y (mPOS) with Single Sign-on (SSO) function, which enables merchants with their own application to accept payment with greater convenience and speed. The Bank received the "Best Acquiring Institution in Southeast Asia" award from VISA International in 2013 in recognition of its efforts in driving electronic banking security towards the international standard and card acceptance innovation on smart devices or mPOS through "K-Power P@y (mPOS)". The Bank is the first mover in the market. Cards International & Electronic Payments International Magazine also gave the Bank the "Best Merchant Acquiring Initiative for the Year APAC" award in 2014.

Private Banking Services

The Bank provides private banking services through "KBank Private Banking" (KPB) to high net worth individuals with assets under management of Baht 50 million and above. KPB is a comprehensive wealth management service provided by professional private bankers who work closely with experienced financial advisor and the research team. KPB investment advisory services offer customized asset allocation advisory services to investors and a full range of best-in-class products in all asset classes via an open architecture platform. Asset allocation advisory services are specifically tailored to each client according to investment profile taken into account mainly risk acceptance level and anticipated return. Additionally KPB offers exclusive and personalized complimentary privileges, such as personal concierge services and diversified lifestyle privileges.

To provide comprehensive wealth management services on an international standard, KPB has partnered with one of the oldest and reputable private banks in Switzerland, Lombard Odier. The cooperation combines The Bank's local knowledge with Lombard Odier's global expertise to meet local market demands. In short, KPB serves clients with both capital and non-capital market solutions and wealth service to assist clients achieve life aspirations and enhance their financial security.

Financial Advisory Services (K-Expert)

Adhering strictly to the "Customer Centricity" principle, the Bank offers customers more convenient access to its excellent services and customised products, as well as maintaining commitment to assisting its customers in reaching their goals. In 2007, the Bank launched its financial planning services to assist its clients to meet their lifestyle needs, ranging from education, lifestyle purchases, retirement funding, investments or tax savings. The Bank also offers financial health checks.

In 2012, the Bank continued its role of an advisory bank by providing assistance to its customers in meeting a range of lifestyle challenges, in addition to simply fulfilling their financial needs. With a number of alternative banking competitors in the field of financial advisory and planning services, the Bank believe that it is a pioneer and a leader in the market. The Bank has launched K-Expert, a financial advisory service to help MI customers achieve their goals. K-Expert services include one-on-one advisory service, financial education service and financial management tools. The Bank has also trained potential branch staff nationwide to be K-Expert advisors who understand customers' needs and are able to offer good and useful advice. Furthermore, a number of K-Expert officers also holds CFP® and AFPT™ certifications – the Certified Financial Planner certification and Associate Financial Planner Thailand certifications granted by the Thai Financial Planners Association. The Bank is capitalizing on the increasing popularity of digital platforms and social networks. For example, K-Expert offers personalized advisory services through digital channels such as e-mails, regular seminars, workshops and year-round knowledge activities. In addition, financial articles and tips are available on the K-Expert website and The Bank's social network such as Facebook and LINE. To assist the Bank's customers to further realise their goals, K-Expert devised numerous tools for various purposes, such as an online financial health-check tool that enables customers to assess their financial health, a tool to book income and expenses to enhance proficiency in personal financial management, a tax planning tool and a retirement planning tool.

The K-Expert Centre was set up in 2015 as Thailand's first fully integrated, advisory centre in Chamchuri Square. In line with the concept of "the place for life fulfilment", K-Expert Centre fulfills the Bank's customers' need and help them achieve their goals by providing them with effective advisory solutions. At the K-Expert Centre, certified financial planners advise customers in one-on-one consultations. These skilled personnel possess a more-than-adequate understanding of the Bank's customers, and are deployed at K-Expert centres seven days a week, including weekends. The Bank also organize a variety of workshops, covering diverse aspects of financing, savings, investments and other business and lifestyle topics. These workshops primarily target the middle income customer segment. In 2016, "K-Expert 10 MB wealth creation" course was launched as an exclusive activity for potential customers to inspire and empower them to effectively achieve their financial goals. During the course, the attendants received a portfolio management methodology that was optimized to their acceptable risk and goal. Furthermore, the participants attended inspirational talks by K-Expert speakers and well-known guest speakers who shared their investment philosophy and experience.

BRANCH AND DISTRIBUTION NETWORK

Branch Network

The Bank offers a wide range of banking products and services to retail customers through its extensive branch network and other distribution channels. The following table illustrates the composition of the Bank's branch network by region as of 31 December 2016:

	Bangkok Metropolitan Area	Rest of Thailand	Total
Branches	421	686	1,107
ATMs	4,013	4,960	8,973
CDMs	1,378	1,332	2,710
K‑Lobby	134	104	238

The Bank had 1,107 branches as at December 2016. The Bank believes that its branch network has achieved full coverage in strategic locales nationwide, especially in more geographically viable locations, to meet its customer needs. Whereas the Bank's previous branch development focus was on branch expansion, the Bank has changed its focus to improving branch efficiency through technology integration and cost opportunities during the last few years, together with enhancing the quality of its sales and services at its branches. The Bank maintained a competitive number of branches while migrating its branch footprints to e-channels. Moreover, the Bank continued to enhance the skill and knowledge of its staff in order for them to provide better financial consulting services at all branches. According to a survey by Nielsen, the Bank's Branch Customer Satisfaction Index was 91 as at 31 December 2016, which ranked in the top one percentile for all industries globally.

The Bank also seeks to improve the collaboration between its branches outside the metropolitan areas and its international trade service centres to enhance the fund transfer procedures for its customers. The Bank also intends to utilise its wide range of distribution channels, including internet banking and mobile banking, to provide convenient and comprehensive services to its customers. To accomplish this, the Bank plans to leverage its technological capabilities to centralise the coordination and selling efforts of its branch network. The Bank received "Best Branch Innovation" awards (for three consecutive years from 2013 to 2015 as Bronze, Silver and Bronze respectively) from the Asian Banking & Finance magazine for its continuous services development at its branches.

Electronic Products

As an important part of its "customer centricity" principle, the Bank is committed to improving the dependability, availability and speed of its technology platform in order to provide a cost efficient and scalable method of processing banking transactions. The Bank has established K-Lobby, which is an electronic banking service providing multiple functions such as K-ATM, K-CDM and K-PUM. K-Lobby is available to serve customers both outside of the Bank's branch offices and as stand-alone machines in areas without branches. The number of K-Lobbies stood at 238 by the end of 2016. The Bank also has the largest number of CDMs in Thailand with 2,710 CDMs as of 31 December 2016. The number of transactions conducted via the Bank's electronic distribution channels has grown steadily in recent years. The Bank also provides a range of electronic products to its customers such as internet banking and mobile banking.

ATMs, CDMs and PUMs

The Bank has the largest number of self-service machines in Thailand, with 11,683 self-service machines, consisting of ATMs and CDMs, as of 31 December 2016. The Bank has different types of self-service machines which are equipped to handle a variety of functions to serve different customer needs. The Bank had 8,973 ATMs as of 31 December 2016, offering features such as withdrawal, balance enquiry, bill payment services, fund transfer services and international links to ATMs within the VISA, MasterCard, China UnionPay (CUP), American Express (AMEX), Diners and Cross-border networks. The Bank had 11.0 million debit and ATM cardholders as of 31 December 2016. According to BOT policies and to enhance security and avoid ATM skimming, the Bank upgraded its self-service machines. In order to improve its service efficiency and to differentiate itself from its peers, the Bank has installed ATMs with the innovative "Personalise Your Financial Experience with K-My ATM" function in selected areas. "K-My ATMs" allow the Bank's ATM and debit cardholders to choose a variety of ATM screen background themes, such as Doraemon, Kitty, Sport and Flower. "K-My ATMs" also have multi-languages support, including Mandarin Chinese, English, Russian, Burmese, Japanese, Laotian, Cambodian, German, French, Dutch, and Arabic. This multi-language theme will provide greater convenience for foreigners, travelling working or residing in Thailand when conducting financial transactions at K-ATMs. Moreover, K-My ATMs are also able to record and recall each customer's frequent financial transactions. In addition, ATM screens have been changed to celebrate major special occasions and to introduce the Bank's sales promotion campaigns to customers.

The Bank also has the largest number of CDMs in Thailand with 2,710 CDMs as of 31 December 2016. The Bank's CDMs offer both cash deposit and withdrawal services in the same machine (dual-function CDMs), which provide a one-stop service to its customers. The Bank's CDMs enable customers to deposit cash into accounts of a wider range of commercial banks. The Bank has relocated PUMs to more convenient locations for its customers.

Digital Banking – Internet Banking (K-Cyber) and Mobile Banking (K-Mobile Banking)

The Bank's digital banking services consist of internet banking and mobile banking. The Bank launched its internet banking service in 2000. The Bank has three online internet banking services, which are K-Cyber, K-Cyber Trade and K-Cyber Invest. K-Cyber is the Bank's internet banking platform which provides the Bank's personal customers with an efficient and versatile tool to manage their finances over the internet in a secure manner, which has obtained the highest security certification, namely the ISO 27001:2013 certification. K-Cyber's services, available in both Thai and English, allow the Bank's customers to make balance enquiries, obtain transaction reports, request new cheque books, make regular payments to utility companies, credit card companies and other accounts both within the Bank and in other financial institutions. The Bank launched K-Cyber for SMEs in 2015 for its K-SME customers, both individual and corporate, with up to a 10-million Baht limit on funds transfer, mobile top-up and bill payment, as well as QR Scan OTP (One Time Password) – an innovative function of K-Secure application on mobile phones to ensure system security. Moreover, The Bank also allows its customers to open securities trading account opening via K-Cyber. K-Cyber Trade provides customers with a convenient, quick and safe platform to make online investments in equity and derivatives whilst K-Cyber Invest offers the Bank's customers a convenient way to invest in mutual funds via the internet. The Bank introduced DIY Target Fund on K-Cyber Invest, which helps investors to formulate investment plans to achieve their target. The system issues warning notifications for investors to buy or sell investment units based on their "Target from Average Cost" or "Target from Latest NAV".

While the Bank launched its mobile banking services, K-Mobile Banking, in 2006. The Bank provides a full range of mobile banking services including balance enquiries, fund transfers, mobile top-up and bill payment on a 24-hour basis. The Bank offers mobile banking platform in Thailand which supports all operating systems and ensures that transactions can be conducted in a secure manner through the Triple Lock Technology system. The Bank has also developed and launched a new version of K-MOBILE BANKING PLUS in the third quarter of 2013 with enhanced functions and features to provide greater convenience to customers in conducting financial and non-financial transactions on both iOS and Android systems, such as fund transfers via mobile, QR Code, bill payment via barcode scanning and other functions and features designed to match customers' lifestyles. In 2014, the Bank also developed, and via TVC, promoted two new features of K-MOBILE BANKING PLUS to facilitate customers' end-to-end money transfer experience. These features were "Funds Transfer with Mobile Phone Number", which uses phone numbers for fund transfers, instead of bank account names and numbers, and "E-slip & Share", which shares money transfer and electronic transaction records via social networks such as LINE, Facebook and WhatsApp.

In 2015, Mutual Fund on K-MOBILE BANKING PLUS was introduced for customers who would like to buy or sell mutual funds on mobile devices. Payments on Long-Term Equity Fund (LTF) and Retirement Mutual Fund (RMF) purchases can be made via K-Credit Cards. Also, K-Personal Loan on Mobile caters to the Bank's Payroll customers and those using K-MOBILE BANKING PLUS in at initial stage. Meanwhile, the Bank added PayPLUS – another K-MOBILE BANKING PLUS app which is a payment innovation – the first of its kind in Thailand, initiated under the cooperation of its business partners which are leading companies in various industries. Other noteworthy services include K-Expert MyPort that shows all customers' financial assets on their mobile device, plus statement inquiries via K-Mobile Banking PLUS.

In 2016, the New K-MOBILE BANKING PLUS functions developed for debit, credit and cash cards were made available to allow customers to conduct financial transactions on their own, such as changing funds transfer/withdrawal limit, debit card suspension, card activation, inquiry of credit and cash card spending amount/accumulated points, request for temporary credit line increase on credit card, and purchase of international travel insurance.

Responses to the new version of K-MOBILE BANKING PLUS and "REWARD PLUS" campaign with an aim of expanding the new customer base and promoting financial transactions including funds transfer and bill payment via K-MOBILE BANKING PLUS and K-Cyber, were overwhelming and resulted in an increase in new customers and transaction volumes for balance inquiries, fund transfers, top-ups and bill payments. The Bank has the highest number of ORFT money transfer transaction and volume (both inward and outward) via Digital Banking channel, with a market share of 71.4 per cent. and 73.4 per cent., respectively, as of 31 December 2016, according to ATM

Pool (PCC & ITMX). The Bank has a "Digital Banking Top of Mind Brand perception" rating in 2016 according to Nielsen, and "Top Mobile Banking Application in Thailand with highest number of application downloads (data collection from Google Play Store and Apple App Store). Moreover, the Bank has received two awards in 2016, the "Best Mobile Banking Product in Thailand" awarded by The Asian Banker journal, and the "Digital Banking Initiative of the Year in Thailand" from the Asian Banking & Finance magazine.

The Bank has received numerous awards in recognition of its digital banking capabilities in last three years. These awards include the "Global Financial Services Award" (2014) in the digital marketing category awarded by the European Financial Management Association (EFMA) and Accenture, the "Best Social Media Project" (2014) and the "Best Mobile Banking Product in Thailand" (2016) awarded by The Asian Banker journal. Besides the Bank was also awarded as the "Online Banking Initiative for the Year-Thailand" award (for two consecutive years from 2014 to 2015), and the "Digital Banking Initiative of the Year in Thailand" (2016) from the Asian Banking & Finance magazine.

K-Contact Centre

K-Contact Centre, the Bank's telephone banking system, was launched in 1988. The Bank's customers can conduct financial transactions such as direct debit services to make fund transfers and bill payments, open mutual funds accounts, purchase, redeem and switch LTF and RMF investment units, and purchase foreign currencies. K-Contact Centre is open on a 24-hour basis and also provides a channel through which customers can inquire about the Bank's products and services and resolve issues regarding self-service channel usage. Customers can also reach the Contact Centre via non-voice channels such as e-mail, web chat, social media. In addition, the Bank provides phone-based services for targeted customers such as the "KBank Private Banking Contact Centre" which caters to high net-worth individuals and a "Foreign Languages Contact Centre" to serve foreigners who work or live in Thailand.

National e-Payment Master Plan

On 22 December 2015, the Economic Cabinet of the Thai Government approved in principle the National e-Payment Master Plan (the "**e-Payment Plan**"). The National e-Payment Master Plan aims to transform Thailand's payment systems to e-Payment to simplify financial transactions and business activities. The e- Payment Plan comprises five major programs, namely: 1) Any ID Money (PromptPay), 2) EDC and Card Acceptance Expansion, 3) e- Tax, 4) e-Payment Government, and 5) Market Education and Activation Program. The Bank is determined to maintain its digital banking leadership, in line with technology advancement and government policies promoting a digital economy, including the e-Payment Plan. The Bank has devised operational guidelines and upgraded its IT system to accommodate such changes:

- Any (PromptPay): The Bank is developing its information technology system to accommodate the Any ID Money Transfer whereby registered ID, including national ID or mobile phone number, can be used as a reference. The program is intended to promote e-Payment to reduce the use of cash in the market and to accommodate the distribution of government welfare funding to the general public in the future. The Bank is coordinating with other banks and related parties to support and implement this newly developed payment infrastructure. On 15 July 2016, the individual registration phase was launched and since 27 January 2017, individuals have been able to transfer money via PromptPay. The registration phase for juristic persons was further opened in 24 February 2017.

- EDC and Card Acceptance Expansion: To reinforce its number-one position in the debit card market, the Bank has expanded its debit cardholder base with the issuance of debit cards under the local card scheme. In addition, the Bank is preparing for the expansion of card acceptance services to promote e-Payment via, for example, debit cards and mobile phones.

- e-Tax: Guidelines have been established for the development of comprehensive payment systems (for example, e-Tax Invoicing, e-Receipts and e-Withholding Tax), to assist customers in business management. Along with this, the Bank consistently upgrades its electronic channels to better serve its customers, while also equipping them with knowledge on the benefits, convenience and safety of electronic transactions to encourage their migration to e-Payment.

- e-Payment Government: The Bank has set out a plan to implement a system which allows customers to register for e-Payment with national ID that can be linked to the central database. This new payment method is expected to accommodate direct funds transfer for welfare disbursement and provide improved access to customers in need. The Revenue Department commenced transferring tax refunds to taxpayers via PromptPay since the beginning of 2017.

- Market Education and Activation Program: To remain at the forefront as a digital banking provider, the Bank plans to enhance its capacities for digital banking channels to meet the diverse needs of customers. The Bank aims to provide educational information to the public about e-transaction safety the public to promote greater use of electronic payment.

INTERNATIONAL BANKING

Overseas Network Activity

The Bank's overseas branch banking activities, accounted for approximately 0.53 per cent. of the Bank's loans as of 31 December 2016. As of 31 December 2016, the Bank had one overseas subsidiary bank in Lao PDR, five overseas branches in Hong Kong, the Cayman Islands, Shenzhen, and Chengdu and Phnom Penh, one international sub-branch in Longgang and nine representative offices in Los Angeles, Beijing, Shanghai, Kunming, Tokyo, Yangon, Ho Chi Minh, Hanoi, and Jakarta. The Los Angeles branch was converted into a representative office in March 2016. Currently, only the Bank's subsidiary in Lao PDR and branches in China and Phnom Penh are able to lend in the host country. The Bank's overseas branches, representative offices and relationships with partner banks facilitate international trade and cross border investment.

In November 2013, the World Business Division was established to manage the Bank's international business. From January 2017 onwards, World Business Division (WBS) changed its name to World Business Group (WBG) in accordance with the Bank's business strategies. The Bank aims to increase its international presence through a number of establishments and developments, including Representative Office Settlement, Branch Establishment, Locally Incorporated Institute (LII) Ownership, and Worldwide Financial Institute Business Alliance Development.

The Bank's focus in international banking is on China. The Bank's business in China focuses on developing the Bank's expansion strategies that suit each customer segment, current competition, as well as an operational system and procedures that are in strict compliance with related laws and regulations issued by Thai and Chinese officials. In addition, the Bank has formed business alliances with several large banks in China and is the first Thai bank to open a Chinese-Thai Business Centre in Thailand to provide information and comprehensive advisory services for doing business in both countries. The Bank established a strategic partnership with China Minsheng Banking Corporation in 2005. In January 2010, the Bank signed a cooperation memorandum with China Minsheng Banking Corporation, which aims to develop both parties' banking business by sharing information, facilitate resource sharing, link the two banks' service networks and provide cross- border financial services to both banks' customers in Thailand and China.

To capture opportunities in the AEC, the Bank continues to enhance business in domestic based trading, cross border investment, and foreign customers in member countries of the AEC. The "AEC Plus" framework is established to create connectivity in ASEAN, China, Japan and the Republic of Korea through the Bank's presence and collaborative business networks with selected partner banks overseas. As of 31 December 2016, the Bank has partnered with 75 banks in 13 countries including Japan, China, the Republic of Korea, Vietnam, Indonesia, Lao PDR, Cambodia, the Philippines, Malaysia, Italy, Germany, Russia and India to allow the Bank to meet the needs of Thai companies seeking to expand their business and invest abroad.

TREASURY

The Central Treasury Department's principal function is to manage the Bank's overall interest rate and liquidity position through implementing strategies that are aligned with the Bank's policy and risk appetite. The Central Treasury Department fulfills its functions by providing short-term and long-term funding sources as well as investing in highly liquid assets in both domestic and foreign currencies. The Central Treasury Department is a major participant in the Baht interbank market. In addition, the Central Treasury Department monitors the Bank's daily local and foreign currency cash flows and liquidity positions and reports these positions, as well as money market conditions and interest. The Bank continues to pursue its strategy of increasing transaction volume with other financial institutions to enlarge its borrowing and lending sources in order to enhance its liquidity position. This has also helped sustain the Bank's status of the BoT-appointed primary dealer. In addition to the acquisition of stable deposits, the Bank takes advantage of its long-term funding sources to strengthen its funding portfolio.

INSURANCE

The Bank currently owns a 38.25 per cent. economic interest in MTL, through which the Bank offers a range of life insurance products such as credit life insurance, whole life insurance, term life insurance and endowment life insurance. MTL's total premiums grew to Baht 97.0 billion in 2016 from Baht 87.9 billion in 2015. In the bancassurance market, MTL ranked first out of 24 players in the industry, measured by total premium, as of 31 December 2016, with a market share of 28.1 per cent. MTL was also ranked first in terms of new business premiums with a 20.9 per cent. market share as of 31 December 2016, representing a -10.9 per cent. growth compared to 31 December 2015. MTL was the second largest life insurance provider in Thailand in terms of total premium with a market share of 17.1 per cent. as of 31 December 2016.

MTL's bancassurance is growing rapidly, given its close ties with the Bank. MTL's bancassurance services are currently available at 1,107 of the Bank's branches. See "*– Retail Business – Other Retail Customer Products and Services – Bancassurance*".

The total asset size of MTL was Baht 362 billion as of 31 December 2016. The Bank believes that there is an opportunity to grow its insurance business in Thailand as the penetration rate is currently low in the country.

FUND MANAGEMENT

The Bank's wholly-owned subsidiary, KASIKORN ASSET MANAGEMENT CO., LTD. or KAsset, provides fund management services including mutual funds, provident funds and private funds. As of 31 December 2016, the assets under management of KAsset were approximately Baht 1,240.2 billion, approximately 79.51 per cent. of which were mutual funds, 13.20 per cent. of which were provident funds and 7.28 per cent. of which were private funds. KAsset was ranked first in terms of mutual fund asset under management among asset management companies in Thailand as of 31 December 2016. KAsset's products and services are sold through the Bank's 1,107 branches and 38 other agents across the country and as well as through K-Contact Centre, K- Cyber Invest and K-mobile banking plus. KAsset offers its customers an opportunity to invest in diverse types of funds with different terms and risk levels. As of 31 December 2016, KAsset had 151 mutual funds on offer.

HIRE PURCHASE

The Bank's wholly-owned subsidiary, KASIKORN LEASING CO., LTD, or KLeasing, offers automobile hire purchase, financial leases and floor plans. As of 31 December 2016, KLeasing's outstanding loans are equal to Baht 90.7 billion. Hire purchase loans, financial leases, floor plans and car registration loan comprised 86.33 per cent., 6.58 per cent., 6.15 per cent. and 0.94 per cent. of KLeasing's total outstanding loans as of 31 December 2016. The total asset size of KLeasing was Baht 90.78 billion as of 31 December 2016.

SECURITIES

KASIKORN SECURITIES PUBLIC COMPANY LIMITED or KSecurities, the Bank's 99.99 per cent. owned subsidiary, conducts securities trading as a brokerage firm and provides securities underwriting, financial advisory services, investment banking services and other businesses permitted by the Office of Securities and Exchange Commission of Thailand. KSecurities has a total asset size of Baht 21.07 billion and has a market share of 3.8 per cent. by equity trading volume, excluding proprietary trading, as of 31 December 2016. KSecurities derived 90.0 per cent. of its revenue through brokerage and 10.0 per cent. of its revenue through investment banking.

RESEARCH

KASIKORN RESEARCH CENTER CO., LTD., or KResearch, is the only research house affiliated with a bank in Thailand. KResearch provides knowledge in economics, business, money and banking.

EQUIPMENT LEASING

KASIKORN FACTORY AND EQUIPMENT CO., LTD. or KF&E, provides a range of machinery and equipment hire purchase and leasing services. It has a total asset size of Baht 15.1 billion and outstanding loans of Baht 14.8 billion as of 31 December 2016.

INFORMATION TECHNOLOGY

The Bank continues to upgrade its IT infrastructure in order to better service its customers. As part of the K-Transformation project's ITC programme, the Bank has completed the development of a new core banking system, with the lending module successfully launched in 2014 and the deposit module completed in July 2015. Through the new core banking system, the Bank aims to develop a constructive and harmonious corporate culture as well as a new IT platform to provide unique tools to develop its customer-centric strategy. To maintain its competitiveness in the new business landscape which increasing relies on technology-driven solutions, the Bank has established the KASIKORN BUSINESS-TECHNOLOGY GROUP ("**KBTG**") with the aim of promoting technology-related ideas, supporting development and innovation in businesses and strengthening related business support, infrastructure and information systems KBTG comprises five companies, KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED, KASIKORN LABS COMPANY LIMITED, KASIKORN SOFT COMPANY LIMITED, KASIKORN PRO COMPANY LIMITED and KASIKORN SERVE COMPANY LIMITED. KBTG aims to accommodate and maintain its competitiveness to maintain a leading position in the field where technology is taking a leading role in financial business operations, especially in the banking sector. The objectives of these companies are to conduct research and development on novel technology and business platforms as well as managing and supporting the Bank's infrastructure and IT system.

PROPERTIES

The Bank's headquarters are located at 1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-District, Rat Burana District, Bangkok, Thailand. As of 31 December 2016, the Group's net premises and equipment was Baht 49.7 billion.

HUMAN RESOURCES

The Bank believes its nationwide staff of dedicated employees is one of its strengths. The Bank pays performance bonuses based on staff evaluation. Headcount stood at 21,029 as of 31 December 2016. The following table sets forth the number of the Bank's employees on an unconsolidated basis as of the periods indicated:

	As of 31 December		
	2014	**2015**	**2016**
Head offices and main buildings	10,688	10,537	9,940
Others	10,926	10,947	11,089
Total	21,614	21,484	21,029

The Bank believes that it needs to continuously train its people to maintain a competitive position. The Bank devotes substantial resources to year-round training of its professional staff. It has also implemented a training programme to develop selected employees. The Bank's employees are represented by one labour union. The Bank, from time to time, meets with the union to discuss and resolve labour-related issues. The Bank has not experienced a work stoppage or strike on the part of the union, and it believes its labour relations are good.

AWARDS AND ACCOLADES

As a testimony of the Bank's banking excellence, the Bank has received the following highlighted awards and accolades:

Awarded by	Description of award/accolade	Year
ABF	Thailand Domestic Cash Management Bank of the Year	2013-2015
	Thailand Domestic Trade Finance Bank of the Year	2013
	Thailand Domestic Retail Bank of the Year	2014-2016
	Thailand Online Banking Initiative of the Year	2014-2015
	Best Branch Innovation – Silver	2014

Awarded by	Description of award/accolade	Year
	Best Branch Innovation – Bronze	2015
	Digital Banking Initiative of the Year in Thailand	2016
Alpha Southeast Asia	Best Bank in Thailand	2012-2013, 2015
	Best Cash Management in Thailand	2012-2016
	Best FX Bank for Corporates and Financial Institutions	2011-2012, 2016
Aon Hewitt	Top Company for Leaders Awards (TCFL)	2011, 2014
ASEAN Corporate Governance Awards	Top 50 Publicly Listed Companies from ASEAN	2015
Asiamoney..	Best Domestic FX Provider for FX Product and Services	2014, 2016
	Best Domestic FX Option	2014, 2016
	Best Domestic FX Research & Market Coverage	2014, 2016
	Best Domestic Bank in Thailand	2016
	Best Overall for Corporate Governance in Thailand	2016
	Best Domestic Debt House in Thailand	2016
	Best for Disclosure and Transparency in Thailand	2016
	Best for Investor Relations in Thailand	2016
The Asian Banker.................................	The Bankers Choice Awards in Thailand	2012
	The Leading Counterparty Bank in Thailand	2012
	Best Cash Management Bank in Thailand (2010-2013)	2012-2016
	Best Managed Banks Achievement	2013
	Best Transaction Bank in Thailand	2012-2016
Asian Banking & Finance	Domestic Retail Bank of the Year in Thailand	2014-2016
	Digital Banking Initiative of the Year in Thailand	2016
	Best Retail Bank in Thailand	2010-2016
	Best Social Media Project	2014
	Best Mobile Banking Product in Thailand	2016
	Best Credit Card Product in Thailand	2016
	Best CEO in Thailand	2016
	Best Management Bank in Thailand	2016
The Asset..	Platinum Award: Finance Performance, Management Acumen, Corporate Governance, Social Responsibility,	2010-2012

Awarded by	Description of award/accolade	Year
	Environmental Responsibility and Investor Relations	2015-2016
	Best Regional Cash Management Solution	2011-2012, 2016
	Best SME Bank Thailand	2010-2012
	Best SME Banker of the Year	2012
	Best Domestic Bond House Thailand	2011-2012
	The Asset's Platinum Awards	2011-2013
	Platinum Award, Banking and Finance sector	2013
	Best in Treasury and Working Capital	2013
	Highly Recommended Research Analyst in Thai Baht Bonds	2013
	Best Individual in Research in Thai Baht Bonds	2014
	Best Thai SME Bank in Treasury & Working Capital	2014
	Top Bank in the Secondary Market for Government Bonds, Thailand	2014
	Top Bank in the Secondary Market for Corporate Bonds, Thailand	2014
	Investors' Choice for Primary Issues for Government Bonds, Thailand	2014
	Investors' Choice for Primary Issues for Corporate Bonds, Thailand	2014
	Best Asset Management Company of the Year 2014 (Thailand)	2014
	The Asset's Excellence in Management and Corporate Governance Benchmarking Awards	2014
	Top Investment House Thai Baht Bonds 2014, Thailand	2014
	Most Astute Investors in Thailand	2014
	Triple A Cash Management Bank	2013-2016
	Triple A Trade Finance Bank in Thailand	2015
	Project Finance Bank of the Year, Thailand	2015
	Project Finance House of the Year in Thailand	2016
	Best Power Deal in Thailand	2016
	Best E-Bank in Thailand	2016
	Triple A Editor's Triple Star PTT Fill &Go	2016
	Triple A Best Cash Management Solution in Thailand for Thep Sombat	2016
	Best Energy/Renewable Energy Deal - Industrial Waste in Thailand	2016

Awarded by	Description of award/accolade	Year
	Best Energy/Renewable Energy Deal - Wind in Thailand	2016
	Top Bank in The Secondary Market in Asian Currency Bonds - Government Bonds in Thailand	2016
	Top Bank Arrangers - Investors' Choice for Primary Issues in Asian Currency Bonds - Government Bonds in Thailand	2016
	Top Bank Arrangers - Investors' Choice for Primary Issues in Asian Currency Bonds - Corporate Bonds in Thailand	2016
	The Region's Best Local Currency Bond Individuals for Research in Thailand	2016
	The Region's Best Local Currency Bond Individuals for Sales in Thailand (First Runner-up Prize)	2016
Asia Risk	House of the Year, Thailand	2011-2012
Bank of Thailand	Best Payment Service Provider	2015
Bill Payment Asia.................................	Channel Excellence in Branch	2013
Business..	Thailand Top Company Awards: Financing & Banking Sector	2014
Banker	Best Private Bank in Thailand	2013
	Best Cash Management in Thailand	2015
BrandAge	The Most Trusted Credit Card Brand	2016
Cards & Electronic payments International Journal	Best Merchant Acquiring Initiative of the Year APAC	2014
	Best Debit Card of the Year – Thailand	2014
	Best Debit Card of the Year – Thailand	2014
	Best Card Design Asia-Pacific	2014-2015
	Best Credit Card Offering - Thailand– Highly Commended	2015
	Best Loyalty Program	2016
	Best Marketing Campaign – Overall	2016
	Best Card Offering - Southeast Asia	2016
China-ASEAN Business Council: CABC	Successful ASEAN Enterprise Entering China	2016
Corporate Governance Asia	Asia Corporate Director Recognition Awards	2010-2012
	Corporate Governance Asia Recognition Awards	2005-2012
	Asian Corporate Director Recognition Awards to CEO and President	2011-2012
	Asia's Best CEO (Investor Relations)	2011-2013 2015-

Awarded by	Description of award/accolade	Year
		2016
	Best Investor Relations Company (Thailand)	2011-2013 2015-2016
	Asia Best CFO (Investor Relations)	2013
	The Best of Asia 2014: Asia's Icon on Corporate Governance	2014
	Best Investor Relations Professional (Thailand)	2015-2016
The Corporate Treasurer	Best Cash Management House in Thailand	2012
	Best Bank in Thailand	2016
Energy Service Company – ESCO........	Excellence ESCO Financial Supporting Award	2012-2016
Euromoney	Trade Finance Award for Excellence	2013-2014
	Best Private Banking Services Overall in Thailand	2016
Euromoney Private Banking and Wealth Management Survey.......................	Best Local Bank in Thailand	2013
The European	SME Bank of the Year – Asia	2013
European Financial Management Association (EFMA) and Accenture	Global Financial Services Awards for the digital marketing category	2014
FinanceAsia..	Best Bond House in Thailand	2012
	Best Bank in Thailand	2015-2016
	Best DCM House in Thailand	2015
FTSE and Russell.................................	Selected as a constituent of the FTSE4Good Emerging Index based on operational assessment on environmental, social and governance (ESG) factors	2016
Global Finance	Best Trade Finance Provider in Thailand	2013
Global Trade Review............................	Best Local Trade Finance Bank in Thailand	2015
	GTR Asia Leaders in Trade	2016
IFR Asia	Thailand Bond House Award	2016
Institutional Investors	Best Investor Relations Professional – Nominated by the Buy Side	2012
IR Magazine	Best Investor Relations by a Thai Company	2003-2005, 2012-2016
	Best Investor Relations by a CEO	2014
	Global Top 50 - Silver	2015
	Global Top 50 - Gold	2016
	Best Overall Investor Relations(large cap)	2016
	Best Investor Relations Officer	2016

Awarded by	Description of award/accolade	Year
	Best Investor Relations in Financial Sector	2016
	Best Use of Technology	2016
	Best Sustainability Practice	2016
LEED-NC Platinum	LEED NC Platinum – New Building in Thailand	2013
Ministry of Labour	Excellence Labour Relation and Welfare Award	2006-2016
Money & Banking	Best Retail Banking of the Year	2008-2015
	Outstanding Booth Award	2014-2016
Thailand Management Association	Thailand ICT Excellence Awards 2015 : Innovations Project	2015
Reader's Digest Trusted Brand	Gold Winner – Investor Fund	2012
IAA Award (SAA Awards)	Best Chief Executive Officer	2009-2010, 2012-2013
	Best Chief Financial Officer	2014-2015
	Best Investor Relations Officer	2009-2015
S&P Dow Jones Indices and RobecoSAM	Selected as a component of the Dow Jones Sustainability Indices (DJSI), including the DJSI World Index and	2016
	DJSI Emerging Markets Index	
	Indices (DJSI), including the DJSI World Index and	
	DJSI Emerging Markets Index	
SET Awards	SET Award of Honor for Excellence in Investor Relations (2010-2012)	2012
	SET Award of Best Investor Relations	2004, 2008, 2010-2011, 2014,2016
	Outstanding Company Performance Award	2013, 2015
	SET Award of Outstanding Corporate Social Responsibility	2013-2014
	Best CEO Award	2015
	SET Award of Outstanding Investor Relations Award	2013-2016
	Outstanding Innovative Company Award	2016
SET Sustainability Awards....................	Thailand Sustainability Investment	2015
Stock Exchange of Thailand..................	Outstanding Sustainability Report Awards	2015-2016

Awarded by	Description of award/accolade	Year
The Thai Bond Market Association	Most Creative Deal	2011-2013
	Deal of the Year	2011-2013
	Best Bond House	2008-2016
	Best Ministry of Finance's Counterparty	2013
	Best Dealer Compliance	2013
	Best Sales Staff of the Year	2015-2016
Thailand Energy Awards......................	Thailand Energy Awards	2013
Thai Institute of Directors Association..	"Excellence" from the Corporate Governance Report of Thai Listed Companies	2014-2016
Thai Investors Association, Office of the Securities and Exchange Commission, and Thai Listed Companies Association..................	"Excellence" from the AGM Assessments Program	2014-2016
Thai Listed Companies Association......	Investor Choice Award	2014
Thaipat Institute....................................	ESG 100 Certificate, as one of 100 listed companies that have outstanding environmental, social and governance (ESG) performance	2016
Thoth Zocial Co., Ltd...........................	The Best Customer Service on Social Media	2016
	The Best Online Crisis Management	2016
Thai Contact Center Trade Association.	The Best Service Strategy Contact Centre	2016
	The Best Effective Software Contact Centre	2016
Thailand's Marketeer	No.1 Brand Thailand for the Bank for SME category	2016
	No.1 Brand Thailand for the Bank for Credit Cards	2014-2016
	No.1 Brand Thailand for the Bank for Debit Cards and Bank Deposit category	2016
Trailblazer Award................................	Product Excellence in Debit Cards	2012
	Strategy Excellence in Business Innovation	2012
VISA International	Best Business Leader of the Year in the Overall Business Performance	2013
World Finance	Thailand Best Wealth Management Provider	2014-2015

LITIGATION

The Bank is a defendant in various litigation against the Bank, which it believes are not material to the Bank's financial position or results of operations. This includes cases of wrongful acts brought against the Bank, with total claims amounting to Baht 7,827 million, Baht 7,813 million, Baht 7,488 million and Baht 2,062 million as of 31 December 2013, 2014, 2015 and 2016, respectively.

DESCRIPTION OF THE BANK'S HONG KONG BRANCH

KASIKORNBANK PUBLIC COMPANY LIMITED, Hong Kong branch was registered on 26 June 1991 under the Banking Ordinance Chapter 155 with its present registered office at Unit 3316, 33/F, China Merchants Tower, Shun Tak Centre, No. 168 – 200 Connaught Road Central, Hong Kong and license number 60. It obtained its Restricted Banking license for conducting banking business in Hong Kong on 1 November 1991 and is an authorized institution under the Banking Ordinance of the Hong Kong SAR. The Bank's Hong Kong branch conducts the corporate banking business of the Bank in Hong Kong.

DESCRIPTION OF THE BANK'S CAYMAN ISLANDS BRANCH

KASIKORNBANK PUBLIC COMPANY LIMITED, Cayman Islands branch was registered on 25 August 1994 as a foreign company under Part IX of the Companies Law of the Cayman Islands. The registered office of the Cayman Islands branch is at 5th Floor, Harbour Place, 103 South Church Street, P.O. Box 1353, George Town, Grand Cayman KY1-1108, Cayman Islands (telephone: (1) (345) 946 4733, and its registration number is 94038. The Cayman Islands branch received its Category "B" Banking License from the Cayman Islands Monetary Authority on 2 September 1994 and is regulated by Cayman Islands Monetary Authority.

BUSINESS ACTIVITIES

The Cayman Islands branch is allowed to conduct all types of "banking business" (as defined in the Banks and Trust Companies Law (2013 Revision) of the Cayman Islands (the "**Banking Law**")) in any part of the world, but is not allowed to take deposits from residents of the Cayman Islands or to invest in any asset representing a claim on any person resident in the Cayman Islands, subject to certain exceptions in respect of, inter alia, exempted or ordinary non-resident companies which are not carrying on business in the Cayman Islands and other licensees under the Banking Law.

RISK MANAGEMENT

Risk Management Committee

The Bank's organisation is structured to facilitate risk management. The Risk Management Committee of the Bank oversees and monitors risk management policies and the overall risk profile of the Bank under the policies and guidelines approved by the Board of Directors. In addition, there are sub-committees that oversee specific risks, including the Credit Risk Management Sub-committee, Credit Process Management Sub- committee, Market Risk Management Sub-committee, Asset and Liabilities Management Sub-committee, Operational Risk Management Sub-committee, Capital Management Sub- committee, Business Continuity Management Sub-committee and Information Technology Strategy Sub- committee.

The Risk Management Committee has nine members comprising three executive directors, two non- executive directors and four executive officers of the Bank. The Risk Management Committee has the duties and responsibilities as mandated in the Bank's Risk Management Charter which is approved by the Board of Directors. These include formulating the Bank's risk management policy and strategies.

The Risk Management Committee assesses, monitors and oversees the risk volume of the Bank to ensure that it remains at the appropriate level. The Risk Management Committee ensures that there are effective risk management systems and measures to prevent and manage risks in place. In addition, they oversee compliance with risk management practices according to relevant policies and prepare risk management reports. The Risk Management Committee meets at least once each month and reports its findings to the Board of Directors.

The Credit Risk Management Sub-committee oversees the credit risk management of the Bank which includes credit strategy, credit policy, management of the credit portfolio, credit tools and overall credit system.

The Credit Process Management Sub-committee oversees the credit process of the Bank in order to ensure that it is consistent with the Bank's overall business strategy and that it complies with all of the relevant regulations.

The Market Risk Management Sub-committee oversees the market risk management infrastructure, sets market risk control limits, and provides enterprise-wide oversight of all market risks and their management.

The Asset and Liabilities Management Sub-committee monitors and manages the Bank's liquidity and the risks posed by changes in interest rates and foreign exchange rates.

The Operational Risk Management Sub-committee supervises the operational risk management of the Bank and monitors the progress of key operational risk management projects.

The Capital Management Sub-committee oversees the Bank's capital adequacy as well as its capital planning.

The Business Continuity Management Sub-committee oversees the Bank's business continuity management policies, guidelines and strategies in line with the Bank's business strategies and objectives and supervises efficient business continuity management and compliance with best practice.

The Information Technology Strategy Sub-committee oversees the Bank's information technology strategies and overall policies and also provides guidelines for information technology-related risk management and actions against non-compliance with related laws and regulations.

Credit Risk Management

Credit risk refers to the risk that a counterparty or borrower may default on contractual obligations or agreements. Credit risk management is fundamental to the Bank's business since most of the Bank's assets comprise loans. The Bank has established a comprehensive credit risk management process and procedure, which comprises the following steps:

Portfolio Management

In managing its portfolio, the Bank sets defined loan targets using a value-based management concept in order to appropriately balance potential risk and return. These loan targets are also consistent with the Bank's overall business strategy. In addition, the Bank monitors the quality and return of its portfolio actively and conducts audits on a regular basis in order to ensure that the Bank's portfolio is in line with the Bank's risk appetite and concentration. The Bank also conducts stress tests for setting the appropriate risk management guidelines.

Although individually SME customers pose a higher credit risk than corporate customers, their risk- adjusted return on capital is the highest among the portfolio. The Bank manages the risks associated with its SME portfolio through (i) having a higher collateral coverage ratio on the SME portfolio than the corporate portfolio, (ii) diversification, in terms of industry, region and loan size and (iii) higher profit margin net of credit cost than the corporate portfolio.

Origination

The Bank's credit underwriting and approval process is based on transparent and standardised information and has been designed to meet the needs of the Bank's different customer segments. For example, for large-scale corporate customers with complex financial needs and medium sized business clients, relationship managers with a solid understanding of corporate financial needs and risks are assigned to conduct analysis and to propose the products and services appropriate for such customers. These relationship managers are then required to submit credit risks reports to the relevant underwriting department for approval and to monitor the status of their customers on a regular basis. The Bank also sets prices according to the relevant customer's risk ratings which has been determined by the Bank's quantitative and qualitative tools.

A similar approval process and structure has been employed for institutional clients with transactions in financial markets. In the underwriting and approval processes of retail lending, which includes housing loans, credit card services and other personal loans, the Bank utilises a credit scoring system based on the Bank's customer credit history. The Bank places an emphasis on the verification of personal data and the assessment of income-liability consistency for each retail customer. A customer credit history-based model has also been utilised for effective customer risk assessment in order to achieve an efficient underwriting and approval process.

Monitoring

The Bank centralises all functions for post-credit approval operations, including all the necessary legal documentation and credit data support. The Bank monitors the behaviour, business performance, compliance with credit contracts and debt servicing ability of its customers. The Bank's "Corporate Portfolio Monitoring Unit" assesses the debt quality of its corporate customers whilst a collection scoring system has been implemented in respect of its SME and retail customers. In doing so, the Bank aims to detect any early negative signals which may affect the ability of its customers to service their debt and to take prompt actions to prevent credit deterioration. The results of the monitoring process described above are reported to the Risk Management Committee and relevant executives on a regular basis.

Collection and Recovery

The debt recovery process begins as soon as defaults on debt payments occur. The Bank forecloses pledged assets efficiently in order to recover loan losses. The Bank also adopts guidelines, methods and tools which are aimed at assisting customers to resume their debt servicing ability in order to minimise the impact on the Bank's loan portfolio and which are in compliance with the BoT's regulations. These include the restructuring of viable customers to prevent NPLs. The status of debt collection and recovery is reported to the Risk Management Committee on a monthly basis.

Market Risk Management

Market risk is the risk of potential loss to future earnings, fair values or future cash flows that may result from changes in interest rates, foreign exchange rates, equities securities prices, commodities and credit spread or credit derivatives, which can have an adverse effect on income, capital or the economic value of assets and liabilities as well as off-balance sheet items. The Bank has developed a comprehensive process in order to manage market risks in order to improve its efficiency in risk assessments and analysis in order to cope with market volatility. The Bank has also established a new decision-making and management process to manage any negative signals about the financial position of its counterparties to ensure the effectiveness and timely implementation of its risk management.

The Bank realises the importance of performance measurement and compensation schemes of business units. The Bank has in place a policy for fair-value appraisal of financial instruments and derivative contracts for trading-book activities. The policy has been implemented as a key mechanism to maintain the balance of risk management, performance measurement and compensation schemes for business units involved with trading book activities. This includes the gradual revenue recognition for illiquid products and valuation adjustment of financial instruments and derivative products based on various types of risk (e.g. counterparty risk). The Bank adopts the fair value option in the valuation of the issued structured notes.

Liquidity Risk Management

Liquidity risk is defined as the risk caused by the Bank's inability to meet its obligations when they are due because of an inability to convert assets into cash, or to obtain sufficient funds to meet is funding needs at the appropriate costs within a limited time period. The main objective of the Bank's liquidity risk management is to ensure that its liquidity level is sufficient to facilitate its business undertakings with the appropriate operating costs.

The Bank has established a liquidity risk management system that is efficient, flexible and adaptable to the current market conditions, as well as liquidity risk controls which are consistent with the Bank's risk appetite and optimal operating costs. The Bank assesses and analyses its liquidity risk on a continuous basis to ensure that it has adequate liquidity for its business operations during normal and crisis situations. The Bank also procures short and medium-term funds regularly to ensure that its liquidity is adequate for both current and future requirements.

The Bank conducts regular stress tests for liquidity crisis situations and continues to develop its liquidity risk management tools to be in line with international standards, such as standards on the LCR and other liquidity-related ratios. This includes tool to measure and monitor foreign-currency liquidity risk to ensure a suitable level of foreign-currency denominated liquid assets, consistent with growth in foreign-currency deposits, to guard against any heightened liquidity risk stemming from volatility in the global economy.

The Bank has in place a business continuity plan (the "**BCP**") to serve as a contingency plan to manage a liquidity crisis caused by substantial deposit outflows. Under the BCP, the Bank arranges the facilities, necessary documents, technologies, personnel, communication channels and services needed to ensure the continuity of its liquidity management system should any unexpected and severe incident occur.

Thai commercial banks must comply with the LCR requirement set out under the BoT Notification No. 9/2558 which requires a commercial bank have an adequate stock of HQLA that can be converted into cash easily and immediately at little or no loss of value to meet its total net cash outflows over a 30-day period under the prescribed liquidity stress scenario. See "*Supervision and Regulation – Liquidity Coverage Ratio*". The BoT Notification No, 9/2558 also sets out characteristics of HQLA and methods for calculating the LCR. Since January 2016, the Bank has been well-positioned to meet the LCR requirements.

Operational Risk Management

Operational risk refers to the risk of direct or indirect losses in earnings and capital funds resulting from failure of or inadequate processes, personnel, operating and IT systems or external events. The Bank places an emphasis on effective operational risk management and its objective is to implement systematic operational risk management practices with a single standard across the Bank.

The Bank's operational risk management has been implemented through systematic and effective risk identification, assessment, management and monitoring processes. The Bank's business units are required to continuously report their operational risk exposures, designed controls, and risk prevention initiatives. The Bank also employs advanced risk management tools such as key risk indicators, risk event database and other IT systems in order to enhance the effectiveness of risk monitoring and prevention. The Bank established the Operational Risk Sub-Committee in 2011 to supervise the operational risk management of the Bank and to closely monitor the progress of key operational risk management projects. The Bank also emphasises the strong cooperation between the operational risk management team and the Bank's Internal Audit Department. This has contributed to enhanced efficiency of risk management and internal audit procedures.

Strategic Risk Management

Strategic risk arises from failed or inadequate implementation of the Bank's strategies and work plans or any actions taken by the Bank which is inconsistent with internal factors and external environments, which may affect the earnings, capital funds or sustainable business undertakings of the Bank.

The Bank's strategic risk management is under the supervision of the Board of Directors, Risk Management Committee and the Management Committee. The Corporate Strategy Department is responsible for strategic plan formulation and revision as well as monitoring the Bank's performance. The Corporate Strategy Department also presents the Bank's strategic directions to the Management Committee, Risk Management Committee and the Board of Directors to be considered and approved.

The Bank tracks and evaluates its actual performance compared with its business and budget plans through the Management Committee in monthly basis and multi-level performance assessments.

Capital Management

The Bank's capital management is in line with international practices as well as Basel III requirements. In 2011, the Bank established the Capital Management Sub-Committee to oversee the Bank's capital adequacy as well as its capital planning.

The Bank has implemented Basel III since 1 January 2013. See "*Capital Adequacy*".

DESCRIPTION OF ASSETS AND LIABILITIES

The following information should be read together with the Bank's financial statements included elsewhere in this Offering Circular. The following analysis of the Bank's loan portfolio is reported on a consolidated basis. All loan data, unless otherwise specified, represent principal amount less deferred revenue and exclude accrued interest.

LOANS PORTFOLIO

As of 31 December 2016, the Bank's consolidated total loans were Baht 1,697.6 billion, an increase of 5.45 per cent. from Baht 1,609.9 billion as of 31 December 2015.

Approximately 98.04 per cent. of total loans as of 31 December 2016 consisted of domestic loans.

The following table provides information on the consolidated loans portfolio contribution by the Bank's business groups:

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions)					
Corporate[(1)]	1,027,816	67.31	1,085,646	67.44	1,169,584	68.90
Retail[(2)]	408,042	26.72	422,400	26.24	428,680	25.25
Others[(3)]	101,169	6.62	111,481	6.92	108,971	6.42
Total loans	1,537,027		1,619,527		1,707,235	
Less: Deferred revenue	(9,948)	(0.65)	(9,640)	(0.60)	(9,654)	(0.57)
Total	1,527,080	100.00	1,609,887	100.00	1,697,581	100.00

Notes:

(1) The Bank's Corporate Business customers include registered companies and certain private individual business customers, government agencies, state enterprises, and financial institutions etc. The Bank provides a variety of financial products and services to these customers such as long term loans, working capital, letters of indemnity, trade finance solutions, syndicated loans, cash management solutions, and value chain solutions.

(2) The Bank's Retail Business comprises individual customers who use the Bank's products and services such as deposit accounts, debit cards, credit cards, personal loans, housing loans, investment products and financial advisory services, and transactional banking services.

(3) "Others" is comprised of Enterprise Risk Management Division, loans through the insurance business (MTL) and other loan types. Enterprise Risk Management Division is in turn comprised of NPL and performing restructured loans.

The following table sets forth the composition of the Bank's consolidated loans portfolio by type as of the dates indicated:

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions, except percentages)					
Overdrafts	271,720	18.37	289,859	18.72	301,547	18.66
Loans	707,755	47.85	758,596	48.98	819,684	50.73
Bills	356,343	24.09	362,281	23.39	369,175	22.85
Hire purchase receivables	88,084	5.96	85,951	5.55	88,980	5.51
Finance lease receivables	17,783	1.20	18,614	1.20	19,339	1.20
Others	95,343	6.45	104,226	6.73	108,510	6.71
Less deferred revenue	(9,948)	(0.67)	(9,640)	(0.62)	(9,654)	(0.60)
Total loans to customers net of deferred revenue	1,527,080	103.25	1,609,887	103.95	1,697,581	105.06
Add Accrued interest receivables	3,025	0.20	3,088	0.20	3,492	0.21
Total loans to customers net of deferred revenue plus accrued interest receivables	1,530,105	103.45	1,612,975	104.15	1,701,073	105.27
Less Allowance for doubtful						

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions, except percentages)					
accounts..................................						
1. Minimum reserve of the BoT's Regulations............	(25,522)	(1.73)	(30,004)	(1.94)	(37,133)	(2.30)
2. Excess allowance	(21,751)	(1.47)	(30,687)	(1.98)	(44,963)	(2.78)
3. Credit balance transaction.......	(45)	–	(46)	–	(46)	–
4. Loan from life insurance .... business	(116)	(0.01)	(164)	(0.01)	(276)	(0.02)
Less Revaluation allowance for debt restructuring	(3,558)	(0.24)	(3,416)	(0.22)	(2,794)	(0.17)
Total loans to customers and accrued interest receivables – net..	1,479,113	100.00	1,548,658	100.00	1,615,861	100.00

Loan Maturity Profile

The following table sets out the breakdown of the Bank's consolidated loan portfolio as of the dates indicated:

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions, except percentages)					
Loan						
Up to 1 year	712,410	46.65	747,275	46.42	772,897	45.53
Over 1 year to 5 years....................	374,459	24.52	389,124	24.17	415,263	24.46
More than 5 years	440,211	28.83	473,488	29.41	509,421	30.01
Total loans	1,527,080	100.0	1,609,887	100.0	1,697,581	100.0

Industry Concentration

The following table sets forth the Bank's consolidated loan portfolio by industry as of the dates indicated:

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions, except percentages)					
Agriculture and mining	30,623	2.01	31,055	1.93	35,222	2.07
Manufacturing and	733,812	48.05	790,260	49.09	816,425	48.09
Property development and construction	105,797	6.93	106,462	6.61	114,915	6.77
Infrastructure and services	191,366	12.53	212,310	13.19	249,428	14.69
Housing loans.............................	226,375	14.82	235,665	14.64	240,436	14.16
Others...	227,156	14.88	218,150	13.55	223,849	13.19
Total	1,515,129	99.22	1,593,902	99.01	1,680,275	98.98
Credit balance transaction	2,124	0.14	2,280	0.14	1,949	0.11
Loan from life insurance business	9,827	0.64	13,705	0.85	15,357	0.90
Total	1,527,080	100.00	1,609,887	100.00	1,697,581	100.00

Loans in the manufacturing and commerce, infrastructure and services sectors and housing loans have historically accounted for the most significant portion of the Bank's consolidated loan portfolio and comprised 76.94 per cent. of the loan portfolio as of 31 December 2016. The following discussion sets forth information with respect to the most significant concentrations of the Bank's loan portfolio by major industry classification.

Agriculture and Mining Sector. The Bank's agriculture and mining loan portfolio accounted for 2.07 per cent. of the Bank's consolidated loan portfolio as of 31 December 2016. Agriculture and mining customers are related to agriculture products such as agriculture trading and livestock.

Manufacturing and Commerce Sector. The Bank's largest loan concentration is in the manufacturing and commerce sector, which comprised 48.09 per cent. of its consolidated loan portfolio as of 31 December 2016. The Bank's manufacturing and commerce customers represent a broad range of businesses, which typically involve the production and wholesale and retail distribution of a variety of products which then divide into 19 sub-sectors. The Bank's manufacturing and commerce customers range from individuals to large corporations, and include many of the major manufacturing companies in Thailand.

Property Development and Construction Sector. The Bank's property development and construction loan portfolio accounted for 6.77 per cent. of the Bank's consolidated loan portfolio as of 31 December 2016. Real estate sector loans consist primarily of loans to real estate developers and purchasers for various types of real estate projects. Construction sector loans consist primarily of loans to construction companies, who specialise in multi-use project development, residential housing, residential condominiums and special project construction.

Infrastructure and Services Sector. The Bank's infrastructure and services loans comprised 14.69 per cent. of its consolidated loan portfolio as of 31 December 2016. Many of the Bank's infrastructure and services customers are participants in electricity, water and transportation projects. Most of the infrastructure loans are secured. In addition, many of the Bank's infrastructure loans are secured by long-term take-or-pay contracts, which typically reduce risks to both borrowers and their lenders.

Housing Loans Sector. The Bank's consolidated housing loans comprised 14.16 per cent. of its loan portfolio as of 31 December 2016. Housing loans consists of loans to finance housing, land and buildings or to purchase land to build additional buildings as well as to improve housing.

LOAN CLASSIFICATION AND PROVISIONING FOR LOAN LOSSES

The Bank classifies its loans and other assets in compliance with the BoT regulations. The table below describes how assets are classified and the BoT requirements for provisioning and write-offs. Provisions indicated below are made by reference to total debt net of collateral. Performing loans are classified as either "pass" or "special mention". NPLs are required to be classified in one of four categories: "substandard", "doubtful", "doubtful of loss" and "loss" based on the period of time a loan is past due. Qualitative criteria, such as the prospects of the business of the borrower, may also determine how a loan is classified in one of the four NPL categories.

Classification	Summary description	Provision
Pass............................	An account with no overdue payment; or an overdraft not fully drawn down or not reached maturity or with no accrued interest over 1 month, or other accounts not classified as Loss, Doubtful Loss, Doubtful, Substandard or Special Mention, or a facility for a project with the Government for which the debtor has received a delivery acceptance letter within the past 6 months.	1 per cent.
Special mention	An account with principal and/or interest overdue for more than 1 month but not more than 3 months; or an overdraft to a debtor without credit line or where the facility has been revoked or the limit of amount or period of the facility has been exceeded with no crediting of funding for repayment within 1 month.	2 per cent.
NPLs Substandard	An account under which the principal and/or interest is overdue for more than 3 months but not more than 6 months; or for which there is evidence indicating that there are difficulties in recovering the debt; or an overdraft to a debtor without credit line or the facility has been revoked or exceeded or the limit or period of the facility has been exceeded with no crediting of funding for repayment within 3 months.	100 per cent.
Doubtful.....................	An account under which the principal and/or interest is overdue for more than 6 months but not more than 1 year; or the debtor is under receivership by court order, has ceased or dissolved its business or its business is in liquidation; or the debtor has delayed debt repayment or has taken action to prevent the bank from being repaid (e.g., staying out of the country or removing or disposing of assets); or the debtor cannot be contacted or found; or the debtor's business is uncertain or not permanent; or the funds have been used for purposes other than stipulated; or the bank has claimed for debt repayment in legal proceedings initiated by other creditor(s); or the assets or claims are unlikely to be repaid in full; or an overdraft to a debtor without credit line or facility has been revoked or exceeded or the limit or period of the facility has been exceeded with no crediting of funding for repayment within 6 months; or where other factors indicate that the assets or claims may not be fully recoverable.	100 per cent.
Doubtful of Loss........	An account under which the principal and/or interest is overdue for more than 12 months; or an overdraft to a debtor without credit line or the facility has been revoked or exceeded or the limit or period of the facility has been exceeded and no funds have been credited for repayment within 12 months; or the assets or claims are not expected to be recovered in full; or an account for which the book value of real property which has been received from the debt repayment or from auction (net of the estimated selling expenses) exceeds the appraisal value of such real property; or assets or claims whose entire value are expected to be irrecoverable; or losses arising from debt restructuring carried out in accordance with the BoT regulations; or where other factors indicate that the assets or claims may not be fully recoverable.	100 per cent.*
Loss	Claims for which reasonable action has been taken for the recovery of debt where there is no possibility of such debt being recovered	Write-off

Classification	Summary description	Provision
	comprising where the debtor is dead or has disappeared or has been dissolved and there are no assets to repay the debt; or the bank has sued the debtor and obtained judgment but there are no assets; or the bank or other creditors have filed for bankruptcy in a court approved debt restructuring or the debtor is adjudged bankrupt and distribution of assets has commenced or claims that are irrevocable by nature or circumstance; or the assets are impaired, damaged or worthless; or the loss arises from debt restructuring carried out in accordance with the BoT's regulations.	

Note:

* An account, under which the principal and/or interest is overdue more than 24 months, and for which debt restructuring has not been undertaken or in relation to which a lawsuit has not been filed against the debtor, will require additional provisions. The additional provisions will be equal to 25 per cent., 50 per cent. or 100 per cent. (depending on the period of time the principal and/or interest is overdue, whether debt restructuring has been undertaken and whether any lawsuit has been filed against the debtor) of the outstanding balance after deducting provisions made for that debtor during the first 24 months after it has become overdue.

The Bank, like other commercial banks in Thailand, calculates the required provisions for all asset classifications by first deducting from the book value of debt the fair market value of collateral which has been valued or appraised in accordance with the BoT regulations. In addition to the BoT regulations, the Bank also makes provisions in accordance with the Bank's estimated loss. The allowance for NPLs is determined according to the nature of the loans and other factors including the borrower's ability to make payment, the collateral provided, any historical loss and also the Bank's estimated loss. In relation to corporate loans, the Bank determines the allowance on a case by case basis whereas for retail loans, the Bank determines the allowance on a portfolio basis.

The Bank conducts appraisals or valuations in respect of all types of collateral held by the Bank in accordance with the Bank's established appraisal policy.

The Bank's overseas branches follow the BoT's classification and provisioning requirements as well as the banking regulations in the jurisdiction in which the branch office is located.

As of 31 December 2016, the Bank had consolidated allowance for doubtful accounts of Baht 82,418 billion. The following table sets forth movements in the Bank's allowance for doubtful accounts, on a consolidated basis, for the years indicated:

Year ended 31 December 2016

	Pass	Special Mention	Sub-Standard	Doubtful	Doubtful of Loss	Excess Allowance	Allowance from Securities Business	Allowance from Insurance Business	Total
			(Baht in millions)						
Balance at the beginning of the year	5,271	194	5,841	8,211	10,487	30,687	46	164	60,901
(Reversal) Doubtful accounts ...	765	26	4,418	(298)	13,416	14,276	-	106	32,709
Bad debt written off	-	-	-	-	(9,636)	-	-	-	(9,636)
Others	-	-	-	-	(1,562)	-	-	6	(1,556)
Balance at the end of the year...	6,036	220	10,259	7,913	12,705	44,963	46	276	82,418

Year ended 31 December 2015

	Pass	Special Mention	Sub-Standard	Doubtful	Doubtful of Loss	Excess Allowance	Allowance from Securities Business	Allowance from Insurance Business	Total
			(Baht in millions)						
Balance at the beginning of the year	5,360	154	3,359	4,883	11,766	21,751	45	116	47,434
(Reversal) Doubtful accounts	(89)	40	2,482	3,328	9,761	8,936	1	58	24.517
Bad debt written off	-	-	-	-	(10,160)	-	-	-	(10,160)
Others	-	-	-	-	(880)	-	-	(10)	(890)
Balance at the end of the year	5,271	194	5,841	8,211	10,487	30,687	46	164	60,901

Year ended 31 December 2014

	Pass	Special Mention	Sub-Standard	Doubtful	Doubtful of Loss	Excess Allowance	Allowance from Securities Business	Allowance from Insurance Business	Total
			(Baht in millions)						
Balance at the beginning of the year..	5,198	143	2,830	4,393	10,478	16,664	45	113	39,864

Doubtful accounts (Reversal).	162	11	529	490	7,117	5,087	-	9	13,405
Bad debt written off..............	-	-	-	-	(7,295)	-	-	-	(7,295)
Others..................................	-	-	-	-	1,466	-	-	(6)	1,460
Balance at the end of the year	5,360	154	3,359	4,883	11,766	21,751	45	116	47,434

Statistical Information on NPLs

The following table sets forth information with respect to the Bank's consolidated classified loans excluding accrued interest receivable calculated for provisioning purposes as of the dates indicated:

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions, except percentages)					
Loans						
Pass	1,454,205	95.23	1,508,622	93.71	1,572,133	92.61
Special Mention	24,857	1.63	35,790	2.22	43,055	2.54
Sub-Standard...	6,274	0.41	12,858	0.80	19,030	1.12
Doubtful..	8,144	0.53	16,489	1.02	16,888	0.99
Doubtful of loss	21,649	1.42	20,143	1.25	29,169	1.72
Total	1,515,129	99.22	1,593,902	99.00	1,680,275	98.98
Credit balance transaction.....................	2,124	0.14	2,280	0.14	1,949	0.12
Loan from life insurance business..	9,827	0.64	13,705	0.85	15,357	0.90
Total	1,527,080	100.00	1,609,887	100.00	1,697,581	100.00
NPL gross (Sub-Standard, Doubtful & Doubtful of loss)	36,067	2.24	49,490	2.70	65,087	3.32
NPL net...	15,494	0.98	24,586	1.36	33,553	1.74
Actual provisioning for loan loss	50,992		64,317		85,212	
Total allowance to NPL gross (coverage ratio)...................................		141.38		129.96		130.92

The following table sets forth the Bank's consolidated gross NPLs by industry classifications as of the dates indicated:

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions, except percentages)					
Agriculture and mining	613	1.70	966	1.95	1,378	2.12
Manufacturing and commerce............	16,105	44.65	23,233	46.94	34,410	52.87
Property development and construction.......................................	2,014	5.58	2,532	5.12	3,204	4.92
Infrastructure and services	4,243	11.77	3,802	7.68	5,208	8.00
Housing loans	4,434	12.29	7,730	15.62	10,147	15.59
Others...	8,658	24.01	11,227	22.69	10,740	16.50
Total NPLs.......................................	36,067	100.00	49,490	100.00	65,087	100.00

As of 31 December 2016, the Bank's consolidated NPL ratio amounted to 3.32 per cent. compared to 2.70 per cent. as of 31 December 2015. The Bank's consolidated coverage ratio increased from 129.96 per cent. as of 31 December 2015 to 130.92 per cent. as of 31 December 2016. The increase was mainly attributable to an increase in allowance for doubtful accounts and revaluation allowance for debt restructuring.

RESTRUCTURING OF PROBLEM LOANS

The following table summarises the results of the Bank's consolidated trouble debt restructuring which resulted in losses for the years ended 31 December 2014, 2015 and 2016:

	31 December					
	2014		2015		2016	
	No. of cases	Outstanding debt before restructuring	No. of cases	Outstanding debt before restructuring	No. of cases	Outstanding debt before restructuring
	(Baht in millions, except no. of contracts)					
Transfers of assets	-	-	16	27	8,017	1,085
Changes of repayment conditions	4,986	16,310	22,129	24,947	10,260	53,908
Debt restructuring in various forms	27	3,004	33	2,904	14	912
Total	5,013	19,314	22,178	27,878	18,291	55,905

As of 31 December 2016, the Bank had outstanding restructured loans amounting to Baht 161.8 billion on a consolidated basis.

Re-entry of NPLs

Loans that have been restructured, or are undergoing restructuring, may become non-performing loans again as a result of failed restructurings. The re-entry of non-performing loans is a problem faced by many banks in Thailand, including the Bank. As of 31 December 2016, the Bank's re-entry of non- performing loans is approximately 22.93 per cent. of the Bank's total restructured loans, compared to approximately 23.36 per cent. as of 31 December 2015.

The Bank's re-entry NPL position is difficult to assess quantitatively. The Bank, like other commercial banks in Thailand, files with the BoT information on NPL increases and decreases on a monthly basis. The information filed segregates the gross NPL increases by "New NPLs" and "Re-entry NPLs". Analysing the percentage of re- entry NPL increases to total NPL increases over a period of time may allow the Bank to make general observations concerning re-entry behaviour in its loan portfolio.

Re-entry of NPLs Management

The Bank seeks to minimise the re-entry of non-performing loans by ensuring that the Bank's debt monitoring processes are regularly reviewed. When re-entry of non-performing loans does occur, the Bank attempts to minimise potential losses by having systems in place to collect and recover debts as quickly and efficiently as possible.

SECURITIES PORTFOLIO

The Bank's securities portfolio on a consolidated basis consisted of the following as of the dates indicated:

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions, except no. of contracts)					
Government and state enterprise securities	457,460	80.58	330,280	69.12	479,962	73.80
Private enterprise debt instruments	54,888	9.67	63,476	13.28	66,306	10.19
Foreign debt instruments	22,219	3.92	43,580	9.12	53,867	8.28
Marketable equity securities	19,354	3.41	28,876	6.04	35,029	5.39
Non-marketable equity securities	2,156	0.38	2,063	0.43	2,010	0.31
Others	1,486	0.26	1,304	0.27	1,134	0.17
Add: Allowance for revaluation	10,506	1.85	8,477	1.78	12,086	1.86
Less: Allowance for impairment	(842)	(0.15)	(856)	(0.18)	(796)	(0.12)
Investments, net	567,227	99.92	477,200	99.86	649,598	99.88
Investments in subsidiaries and associated companies, net	479	0.08	662	0.14	781	0.12
Total Investments, net	567,706	100.00	477,862	100.00	650,379	100.00

Debt securities comprise a majority of Government and state enterprise securities, as well as private debt instruments. Government and state-owned enterprise ("**SOE**") securities are typically held as part of the Bank's high quality liquid assets requirement and can be used as collateral against credit extended to the Bank by the BoT and other counterparties under repurchase agreements. As of 31 December 2016, the Bank held Baht 479,962 million in total value of Government and SOE securities.

The Bank's investments in listed securities are marked-to-market on a daily basis while its investments in unlisted securities are stated at cost less allowance for impairment.

FUNDING SOURCES

Historically, the Bank has satisfied a substantial portion of its funding requirements through deposits. Other sources of funding include interbank and money market items and debts issued and borrowing. As of 31 December 2016, deposits accounted for 87.50 per cent. of the Bank's consolidated short-term and long-term funding requirements, excluding shareholders' equity. Substantially all of the Bank's deposits are from its domestic branch network.

The Bank offers a wide variety of deposit accounts, including non-interest-bearing demand as well as interest-bearing savings and fixed-term accounts ranging in terms from three months to three years. The Bank sets the rate of interest it pays on deposits according to market conditions and in accordance with its strategy to promote deposit growth. Rates offered vary according to the maturity and tier of the deposit as well as whether the customer is a financial institution, non-financial institution or retail customer. The Bank's offering of deposit accounts is intended to serve a variety of target customers in different time periods, from the short-term, medium-term and long-term to match each group of customers' requirements. When a normal term deposit matures, it will be rolled over automatically by applying the same tenor and using the announced interest rate at that time. For savings deposits, the applicable interest rates are based on market and competitive conditions. In 2016, the Bank designed the "Taweesup Extra: Earn High Interest Rate of 3.3 Percent p.a. with Purchase of Life Insurance: Pro Saving 615 Guarantee or Pro Life 90/5" programme for health conscious savers who would like tax benefits. This Special Fixed Deposit Account encourages customers to save a fixed amount of money each month for a period of 24-months to get a higher interest rate than savings account with tax exemption, and to purchase an alternative specific life insurance product. These special fixed deposit accounts have also helped expand the Bank's core-deposit base.

Foreign currency deposits constituted 3.18 per cent. of total liabilities as of 31 December 2016. Such deposits are not material as a whole to the Bank's deposit-base. When the Bank does require foreign currency, mainly U.S. dollars, it borrows onshore and offshore mainly through public offerings and private placements of debt instruments, and private arrangements with select financial institutions.

The following table sets forth a breakdown of the sources of the Bank's consolidated funding and liability profile as of the dates indicated:

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions, except percentages)					
Deposits						
Baht	1,574,615	65.91	1,638,356	64.12	1,715,689	60.29
Foreign currency	55,216	2.31	67,023	2.62	79,146	2.78
Total deposits	1,629,831	68.22	1,705,379	66.74	1,794,835	63.07
Interbank and money market items						
Domestic	64,398	2.70	59,986	2.35	146,642	5.15
Foreign	11,296	0.47	11,480	0.45	13,410	0.47
Total interbank and money market	75,694	3.17	71,466	2.80	160,052	5.62
Short-term debt issued and borrowings	9,427	0.39	11,155	0.43	217	0.01
Others	393,499	16.47	455,092	17.81	536,852	18.86
Total equity	280,686	11.75	312,213	12.22	353,912	12.44
Total sources of funds	2,389,137	100.00	2,555,305	100.00	2,845,868	100.00

The following table sets forth a breakdown of the Bank's deposits on a consolidated basis classified by maturity for the periods indicated:

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions, except percentages)					
Up to 1 year	1,535,677	94.22	1,677,664	98.37	1,783,984	99.40
Over 1 year to 5 years	94,154	5.78	27,715	1.63	10,851	0.60
More than 5 years	-	-	-	-	-	-
Total	1,629,831	100.00	1,705,379	100.00	1,794,835	100.00

The following table sets forth a breakdown of the Bank's consolidated deposits in Thai Baht (and in the case of deposits denominated in the U.S. dollar or other currencies, the Baht equivalent) by currency and residence of the customer for the periods indicated:

	Year ended 31 December								
	2014			2015			2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
	(Baht in millions)								
Baht	1,503,826	70,789	1,574,615	1,561,397	76,959	1,638,356	1,636,097	79,592	1,715,689
U.S.$	39,453	1,855	41,308	53,278	2,694	55,972	63,515	4,937	68,452
Others	6,643	7,265	13,908	5,775	5,276	11,051	7,494	3,200	10,694
Total	1,549,922	79,909	1,629,831	1,620,450	84,929	1,705,379	1,707,106	87,729	1,794,835

The following table sets forth a breakdown of the sources of the Bank's deposits by product on a consolidated basis as of the dates indicated:

	As of 31 December					
	2014		2015		2016	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(Baht in millions, except percentages)					
Current accounts	87,907	5.39	94,038	5.51	100,977	5.63
Savings accounts	1,000,393	61.38	1,142,204	66.98	1,285,001	71.59
Fixed-term deposit accounts	541,531	33.23	469,137	27.51	408,857	22.78
Total	1,629,831	100.00	1,705,379	100.00	1,794,835	100.00

CAPITAL ADEQUACY

The Bank is subject to the capital adequacy requirements of the BoT (based on Basel III) for commercial banks in Thailand. The Bank adopted the BoT's new guidelines with effect from 1 January 2013.

In line with the BoT guidelines, the Bank's capital adequacy is currently computed on both a standalone and consolidated basis. The Bank has adopted the "Standardised Approach" for measuring its credit risk, market risk and operational risk in order to compute its regulatory capital requirements.

Commercial banks registered in Thailand are required to maintain a total minimum capital ratio of no less than 8.5 per cent. of total risk-weighted, a Tier 1 capital ratio of 6 per cent and a Common Equity Ratio of 4.5 per cent. The Bank's Tier 1 capital comprises issued and paid up share capital, the premium on ordinary shares, legal reserves, net income after appropriation and other comprehensive income. By 1 January 2019, commercial banks registered in Thailand must increase, in the form of capital conservation buffer, their Common Equity Tier 1 to 7.0 per cent., Tier 1 ratio to 8.5 per cent. and total capital ratio to 11.0 per cent. of total risk-weighted assets. These minimum capital ratios have been increasing in phases between 1 January 2016 and 1 January 2019. The Bank's Tier 2 capital consists of, among other things, provision for assets classified as "pass" and surplus of provisions and Tier 2 capital instruments.

The following table sets forth details of the Bank's regulatory capital adequacy information as of the dates indicated:

The Bank (Basel III)

	As of 31 December		
	2014	**2015**	**2016**
	(Baht in millions, except percentages)		
Tier 1 Capital[2]			
Common Equity Tier 1 (CET1)			
Issued and paid-up share capital, premiums on common shares	42,036	42,036	42,036
Legal reserves	3,050	3,050	3,050
Net profit after appropriation	162,281	193,145	212,568
Other comprehensive income	12,555	12,892	16,998
Less Capital deduction items on CET1	(13,506)	(16,416)	(19,070)
Total Tier 1 Capital Base	206,416	234,707	255,582
Tier 2 Capital			
Subordinated debentures	44,418	42,500	50,000
General provision	17,796	18,919	19,849
Total Tier 2 Capital Base	62,214	61,419	69,849
Total Capital Base	268,630	296,126	325,431
Total Risk-Weighted Assets	1,602,998	1,702,380	1,790,761
Tier 1 capital ratio[2]	12.88	13.79	14.27
Common equity Tier 1 ratio	12.88	13.79	14.27
Tier 2 capital ratio	3.88	3.60	3.90
Capital adequacy ratio	16.76	17.39	18.17
Minimum capital adequacy ratio required[3]	8.50	8.50	9.125

KASIKORNBANK FINANCIAL CONGLOMERATE[1]

Capital Adequacy Ratio	Base III				
	The BoT's regulation minimum requirement	As of 31 December 2014	As of 31 December 2015	The BoT's regulation minimum requirement & Conservation buffer[3]	As of 31 December 2016
			(per cent.)		
Tier 1 Capital ratio[2]	6.00	13.49	14.53	6.625	15.16
Common Equity Tier 1 ratio	4.50	13.49	14.53	5.125	15.16
Tier 2 Capital ratio	-	3.82	3.47	-	3.68
Capital adequacy ratio	8.50	17.31	18.00	9.125	18.84

Notes:

(1) KASIKORNBANK FINANCIAL CONGLOMERATE means the company under the BoT Notification Re: Consolidated Supervision, consisted of KASIKORNBANK, K Companies and subsidiaries operating in supporting KBank, Phethai Asset Management Co., Ltd. and other subsidiaries within the permitted scope from the BoT's to be financial conglomerate.

(2) Transitional arrangements under Basel III requires that certain Tier 1 capital items be phased in or phased out, as the case may be, from the Bank's capital at the rate of 20 percent per year starting from 2014 until these items are fully phased in or phased out.

(3) The BoT requires that an additional conservation buffer for Tier 1 Capital be maintained in addition to a minimum Tier 1 Capital requirement. The conservation buffer began at 0.625 per cent. on 1 January 2016 and increases each subsequent year by an additional 0.625 per cent until it reaches 2.50 per cent in 2019.

MANAGEMENT

Board of Directors

The Bank is managed by the Board of Directors, currently consisting of 16 members, nine of whom are Independent Directors. The full Board of Directors meets once a month, with special meetings being convened as necessary. The Board of Directors acts in an independent and impartial manner and for the benefit of all shareholders.

The Board has duties and responsibilities designated in the Board of Directors Charter, including:

- supervising and managing the Bank so that it is in accordance with the law and the Bank's objectives, the Articles of Association and the resolutions of shareholders meetings;
- approving the Vision, Mission, Core Values, and Statement of Business Conduct;
- reviewing and discussing the management's proposed strategic options and approving major decisions with respect to KASIKORNBANK FINANCIAL CONGLOMERATE direction and policies. The Board also reviews and approves the Annual Business Plan, Capital Expenditure Budget, and performance goals proposed by the management;
- monitoring the Bank's performance and progress towards achieving set objectives, as well as compliance with the laws, regulations and related policies;
- supervising and reviewing the balance between the Bank's short-term and long-term objectives;
- ensuring that the Bank shall vest authority in the Chief Executive Officer and the President to initiate, commit and approve payments for expenditures approved in the Capital Expenditure Budget and other budgets approved by the Board for the purpose of the special projects. The Board shall also review and approve any credit proposal beyond the established limits of the delegated lending authority;
- reviewing and approving human resources policies, management development plans, and remuneration policies. The Board shall seek and nominate successors to the Chief Executive Officer and the President; appraise their performance and ensure that effective performance assessments are undertaken for Bank executives;
- ensuring the existence of an effective internal control system and appropriate risk management framework;
- ensuring an effective audit system executed by both internal and external auditors;
- approving quarterly, semi-annual and annual financial reports; ensuring that reports are prepared under generally accepted accounting standards;
- ensuring capital adequacy, including an appropriate capital assessment process, for present and future business; and
- ensuring that the Bank has a proper system in place to communicate effectively with all stakeholders and the public.

The following table sets forth certain information regarding the members of the Board of Directors as of the date of this Offering Circular including such directors' membership in Independent Directors Committee and Board Committees.

Name	Age	Position
Mr. Banthoon Lamsam	64	Chairman of the Board and Chief Executive Officer
Professor Khunying Suchada Kiranandana	71	Vice Chairperson, Lead Independent Director and Chairperson of the Human Resources and Remuneration Committee
Ms. Sujitpan Lamsam	58	Vice Chairperson and Chairperson of the Risk Management Committee
Mr. Predee Daochai	58	Director, President and Member of the Risk Management Committee
Ms. Kattiya Indaravijaya	51	Director, President and Member of the Risk Management Committee
Mr. Pipit Aneaknithi	49	Director, President and Member of the Risk Management Committee

Name	Age	Position
Dr. Abhijai Chandrasen	68	Director and Legal Adviser and Member of the Human Resources and Remuneration Committee
Sqn.Ldr. Nalinee Paiboon, M.D.	58	Independent Director and Chairperson of the Corporate Governance Committee
Mr. Saravoot Yoovidhya	46	Independent Director and Member of the Audit Committee
Dr. Piyasvasti Amranand	63	Independent Director and Chairman of the Audit Committee
Mr. Kalin Sarasin	55	Independent Director and Member of the Human Resources and Remuneration Committee
Ms. Puntip Surathin	68	Independent Director and Member of the Audit Committee
Mr. Wiboon Khusakul	62	Independent Director and Member of the Corporate Governance Committee
Ms. Suphajee Suthumpun	52	Independent Director and Member of the Audit Committee
Mr. Sara Lamsam	47	Director and Member of the Risk Management Committee
Mr. Chanin Donavanik	60	Independent Director and Member of the Corporate Governance Committee

Mr. Banthoon Lamsam has served as Chairman of the Board and Chief Executive Officer since 2013 and 2004, respectively. Currently, he also serves as Director of Pukha Trade Company Limited, Pukha Farm Company Limited, Pukha Holdings Company Limited, Pukha Realty Company Limited, Pukha Go Company Limited, Pukha Nanfa Hotel Company Limited, and Santikaset Company Limited; and Member of the National Tourism Policy Committee and the State Enterprise Policy Commission. Mr. Lamsam holds a bachelor's degree in Chemical Engineering from Princeton University, USA and a master's degree in Business Administration from Harvard University, USA.

Professor Khunying Suchada Kiranandana is Vice Chairperson, Lead Independent Director, and Chairperson of the Human Resources and Remuneration Committee since 2015. She has held a directorship in the Bank since 2000. She also presently serves as Director and Chairperson of the Audit Committee and the Risk Management Committee of Sermsuk Public Company Limited; Director of Dusit Thani Public Company Limited; and Chairperson of Chulalongkorn University Council. Professor Kiranandana holds a bachelor's degree (with first class honors) in Commerce from Chulalongkorn University, and a master's degree and a Ph.D. in Statistics from Harvard University, USA.

Ms. Sujitpan Lamsam has served as Vice Chairperson and Chairperson of the Risk Management Committee since January 2016. She has held a directorship in the Bank since 1998. Currently, she also serves as Director of Muang Thai Group Holding Company Limited, Muang Thai Holding Company Limited and Muang Thai Asset Company Limited; and Director and Chairman of the Executive Committee of Muang Thai Insurance Public Company Limited and Muang Thai Life Assurance Company Limited. Ms. Lamsam holds a bachelor's degree (with honors) and a master's degree (with honors) in Economics from Cambridge University, UK and a master's degree in Management from Massachusetts Institute of Technology, USA.

Mr. Predee Daochai is Director, President, and Member of the Risk Management Committee. He has served as Director and President since 2013; and Member of the Risk Management Committee since 2003. Currently, he also serves as Chairman of KASIKORN FACTORY AND EQUIPMENT COMPANY LIMITED, KASIKORN SECURITIES PUBLIC COMPANY LIMITED and the Thai Bankers' Association; Director of Muang Thai Group Holding Company Limited, Dole Thailand Company Limited, National ITMX Company Limited, ASEAN Bankers Association and Thai Institute of Directors Association; and Member of the National Legislative Assembly, the Payment Systems Committee and the Board of Investment. Mr. Daochai holds a bachelor's degree (with honors) in Law from Thammasat University and a master's degree in Comparative Law from University of Illinois at Urbana - Champaign, USA and is a barrister-at-law of Thailand.

Ms. Kattiya Indaravijaya is Director, President, and Member of the Risk Management Committee. She has served as Director and President since January 2016; and Member of the Risk Management Committee since 2010. Currently, she also serves as Chairperson of KASIKORN ASSET MANAGEMENT COMPANY LIMITED and KASIKORN RESEARCH CENTER COMPANY LIMITED; and Director of Muang Thai Group Holding Company Limited. She previously served as Senior Executive Vice President, Finance and Control Division Head and Chief Financial Officer of KASIKORNBANK PUBLIC COMPANY LIMITED. Ms. Indaravijaya holds a bachelor's degree in Business Administration (Marketing) from Chulalongkorn University and a master's degree in Business Administration (Finance and Investment) from the University of Texas at Austin, USA.

Mr. Pipit Aneaknithi has served as Director, President, and Member of the Risk Management Committee since January 2017. Currently, he also serves as Chairman of KASIKORN LEASING COMPANY LIMITED. He previously served as Senior Executive Vice President and World Business Division Head of KASIKORNBANK PUBLIC COMPANY LIMITED. Mr. Aneaknithi holds a bachelor's degree in Pharmacy from Chiang Mai University and master's degrees in Business Administration from University of Brighton, UK and Fachhochschule Pforzheim, Germany.

Dr. Abhijai Chandrasen is Director and Legal Adviser and Member of the Human Resources and Remuneration Committee. He has held these roles since 2000, except for the latter which he has held since 2011. Currently, he also serves as Director of Siam Motors Company Limited and TPI Polene Power Public Company Limited; and Legal Adviser at the Chaipattana Foundation. He previously served as Director of Sammakorn Public Company Limited; and Eminent Director of the National Commission on the Elderly for the Office of the Prime Minister. Dr. Chandrasen holds a bachelor's degree (with honors) in Law from Chulalongkorn University and a Docteur en Droit (with honors) from Paris University (Sorbonne), France and is a barrister-at-law of Thailand.

Sqn.Ldr. Nalinee Paiboon, M.D. is Independent Director and Chairperson of the Corporate Governance Committee. She has held these roles since 2012 and April 2017, respectively. Currently, she also serves as President and Managing Director of Giffarine Skyline Unity Company Limited; President of Skyline Laboratory Company Limited, Skyline Health Care Company Limited and Giffarine Skyline Laboratory and Health Care Company Limited; Managing Director of Giffarine Beauty and Health Medical Clinic Company Limited; and Director of Happy Gift Company Limited. She previously served as President of Thai Direct Selling Association. Dr. Paiboon holds a Doctor of Medicine (MD) degree from Chulalongkorn University.

Mr. Saravoot Yoovidhya is Independent Director and Member of the Audit Committee. He has held these roles since 2012 and 2015, respectively. Currently, he also serves as Chief Executive Officer of T.C. Pharmaceutical Industries Company Limited and The Red Bull Beverage Company Limited; Chairman of DURBELL Company Limited; Director of T.C. Pharmaceutical Industries Group, The Red Bull Beverage Group, and Burapha Golf Public Company Limited. Mr. Yoovidhya holds a bachelor's degree in Computer Engineering from King Mongkut's Institute of Technology Ladkrabang and a master's degree in Industrial Engineering from Oregon State University, USA.

Dr. Piyasvasti Amranand is Independent Director and Chairman of the Audit Committee. He has held these roles since 2013 and 2015, respectively. Currently, he also serves as Chairman of PTT Public Company Limited and the Energy for Environment Foundation; and Director of Pruksa Real Estate Public Company Limited, Pruksa Holding Public Company Limited, and Energy for Environment Development Company Limited. He previously served as Chief Advisor to Chief Executive Officer of KASIKORNBANK PUBLIC COMPANY LIMITED; and President of Thai Airways International Public Company Limited. Dr. Amranand holds a bachelor's degree (with first class honors) in Mathematics from University of Oxford, UK, and a master's degree and a Ph.D. in Economics from London School of Economics and Political Science, University of London, UK.

Mr. Kalin Sarasin is Independent Director and Member of the Human Resources and Remuneration Committee. He has held these roles since 2013. Currently, he also serves as Chairman of the Tourism Authority of Thailand and the Thai Chamber of Commerce; Vice Chairman of Board of Trade of Thailand; Director-Government Liaison and Public Affairs of Siam Cement Public Company Limited; Director of SCG Trading Company Limited, Sarasin Company Limited; O Nature Group Company Limited, Seatran Port Company Limited, Pan Rayong Glass Packaging Company Limited and Toyota Motor Thailand Company Limited; and Member of the National Innovation Board of National Innovation Agency and the National Reform Steering Assembly. Mr. Sarasin holds a bachelor's degree in Industrial Engineering from Lehigh University, USA and a master's degree in Business Administration from University of Notre Dame, USA.

Ms. Puntip Surathin is Independent Director and Member of the Audit Committee. She has held these roles since 2014. Currently, she also serves as Director of TRIS Corporation Limited, TRIS Rating Company Limited and YLG Bullion & Futures Company Limited; Chairperson of the Examination and Evaluation Committee for the Ministry of Finance; and Member of the Board of Defence Technology Institute (Public Organization) for the Ministry of Defence and the Fiscal Policy Research Institute Foundation. She previously served as Director of Thanachart Capital Public Company Limited and IRPC Public Company Limited. Ms. Surathin holds a bachelor's degree (with honors) in Accounting from Chulalongkorn University and a master's degree in Business Administration from Fort Hays Kansas State College, USA.

Mr. Wiboon Khusakul is Independent Director and Member of the Corporate Governance Committee since 2015. Currently, he also serves as Director of City Sports and Recreation Public Company Limited; and Advisor at Charoen Pokphand Group Company Limited. He previously served as Thailand's ambassador to the People's Republic of China, Republic of Mongolia and Democratic People's Republic of Korea; and Executive Director of Thailand Trade and Economic Office (Taipei). Mr. Khusakul holds a bachelor's degree in Political Science (International Relations) from Chulalongkorn University and master's degrees in Political Science (International Relations) from Thammasat University and International Public Policy from Johns Hopkins University, USA.

Ms. Suphajee Suthumpun is Independent Director and Member of the Audit Committee. She has held these roles since 2015. Currently, she also serves as Director and Group Chief Executive Officer of Dusit Thani Public Company Limited; Director of Dusit Thani Group and Nok Airlines Public Company Limited; and Member of the National Enterprise Corporation Establishment Preparation Sub-committee. She previously served as Director, Chairman of the Executive Committee and Chief Executive Officer of Thaicom Public Company Limited; Member of the Executive Committee and Chairman of the Management Committee - Media & New Business of Intouch Holding Public Company Limited; Director and Chairman of the Executive Committee of CS LoxInfo Public Company Limited; Member of the Executive Committee of Advanced Info Service Public Company Limited; and General Manager of IBM ASEAN's Global Technology Services Division. Ms. Suthumpun holds a bachelor's degree in Sociology and Anthropology from Thammasat University and a master's degree in Business Administration (International Finance and Accounting) from Northrop University, USA.

Mr. Sara Lamsam has served as Director and Member of the Risk Management Committee since January 2016. Currently, he also serves as Chairman of the Federation of Thai Insurance Organizations and the Financial Planners Association; President and Chief Executive Officer of Muang Thai Life Assurance Public Company Limited; Chief Executive Officer and Director of Muang Thai Group Holding Company Limited and Muang Thai Holding Company Limited; Director and Chairman of Executive Committee of Phatra Leasing Public Company Limited; Director and Executive Director of Muang Thai Insurance Public Company Limited; Director of Muang Thai Real Estate Public Company Limited, Muang Thai Group Service Company Limited, Muang Thai Asset Company Limited, Yupong Company Limited, Yupayong Company Limited, T.I.I. Company Limited, Thai Reinsurance Public Company Limited, and Sovannaphum Life Assurance PLC; Vice President (Marketing) of the Thai Life Assurance Association; and Advisor at the Board of Trade of Thailand, the Psychological Security Association of Thailand, and the Society of Actuaries of Thailand. Mr. Lamsam holds a bachelor's degree in business administration from Northeastern University, USA and a master's degree in Administration from Boston University, USA.

Mr. Chanin Donavanik has served as Independent Director and Member of the Corporate Governance Committee since April 2017. Currently, he also serves as Vice Chairman and Chairman of Executive Committee of Dusit Thani Public Company Limited; Director of Dusit Thani Group, Chanut and Children Company Limited, Piyasiri Company Limited, JTB (Thailand) Company Limited and Thai-Japan Gas Company Limited; Chairman of the Tourism and Service Business Committee of the Thai Chamber of Commerce; Head of Private Sector Team – Tourism and MICE Promotion Working Group under The Public-Private Steering Committee. He previously served as President of the Asean Hotels and Restaurants Association and the Thai Hotels Association. Mr. Donavanik holds a master's degree in Business Administration from Boston University, USA.

Independent Directors Committee

The Independent Directors Committee comprises nine independent directors. They are Professor Khunying Suchada Kiranandana as Lead Independent Director, Sqn.Ldr. Nalinee Paiboon, M.D., Mr. Saravoot Yoovidhya, Dr. Piyasvasti Amranand, Mr. Kalin Sarasin, Ms. Puntip Surathin, Mr. Wiboon Khusakul, Ms. Suphajee Suthumpun and Mr. Chanin Donavanik.

The Independent Directors Committee has authorities, duties and responsibilities mandated in the Independent Directors Committee Charter approved by the Board of Directors, which are as follows:

- Expressing an opinion or providing notes or queries in the Board of Directors Meeting with independence and freedom from involvement in any interest, to ensure that any decision is for the Bank's benefit and does not affect the rights of shareholders, especially minor shareholders and other stakeholders.

  In case independent directors have a different opinion or other notes, independent directors shall request that their views be recorded in the meeting minutes. In case the independent directors cannot attend the meeting and disagree with any agenda, a letter of notification shall be submitted to the Chairman of the Board within three days from the date of the meeting;

- Providing advice or commenting on important matters under the Board of Directors' authority including major investment projects, credit policy, information technology, credit underwriting and approval, and lending transactions authorised by the Bank;

- Recommending agenda items wherein matters are crucial and in need of the Board of Directors' consideration, which have not yet been added to the Board of Directors Meeting agenda; and

- Performing other duties assigned by the Board of Directors.

Audit Committee

The Audit Committee comprises four independent directors. They are Dr. Piyasvasti Amranand as Chairman, Ms. Puntip Surathin, Mr. Saravoot Yoovidhya and Ms. Suphajee Suthumpun as of 3 April 2017. The duties of the Audit Committee are to ensure that the Bank's financial reporting is correct and adequate, that the Bank has in place appropriate and effective risk management, internal control system and internal audit function, that the Bank operates in accordance with securities and banking laws and regulations, and that any disclosure of information, in the case of connected transactions or transactions that might incur conflicts of interest, is complete and correct. The Audit Committee is required to contribute a report to be incorporated as an integral part of the Bank's annual report, outlining the major tasks initiated and overseen by the Audit Committee. In addition, the Audit Committee undertakes procedures entrusted to it by the Board of Directors.

The Audit Committee has duties and responsibilities mandated in the Audit Committee Charter approved by the Board of Directors, as follows:

- Reviewing financial statements on a quarterly, semi-annual and annual basis with management and the external auditor of the Bank in order to ensure that the financial statements are accurate, sufficient, reliable, and in compliance with financial reporting standards and regulatory requirements;

- Reviewing the effectiveness and appropriateness of risk management processes with the Risk Management unit, in consultation with internal and external auditors;

- Overseeing the effectiveness and independence of risk asset review function;

- Reviewing the Bank's operations to see that they are in compliance with the Securities and Exchange Act, SET regulations and standards or laws and regulations pertaining to commercial banking business;

- Overseeing the compliance function and approving its charter and annual compliance plan;

- Reviewing reports of the internal auditors on the effectiveness and efficiency of risk management, internal control systems and governance; discussing with the internal auditors about audit findings; and reviewing the implementation per recommendations of the internal auditors, external auditor, and regulators;

- Reviewing the effectiveness of the internal audit function by reviewing and approving Internal Audit Charter, annual audit plan and significant changes to the approved plan; considering its independence and sufficiency of necessary resources; and concurring in the appointment, transfer and dismissal of the Internal Audit Head;

- Considering the qualifications, independence, performance and proposed audit fee of the external auditor and recommending the appointment and termination of the external auditor, including audit fee arrangements, to the Board of Directors; and holding at least one meeting a year with the external auditor without the presence of management;

- Considering the Bank's policy and procedures in relation to non-audit services from the audit firm of the external auditor and giving consent to the engagement of such services to ensure that it will not impair the independence of the external auditor;

- Evaluating connected transactions, or transactions with possible conflict of interest in relation to compliance with the laws and regulatory requirements in order to ensure transparency of those transactions;

- Considering the disclosure of information on connected transactions, conflicts of interest or certain bank operations that can produce significant effects to ensure transparency and appropriateness;

- Ensuring that preliminary investigation is carried out after receiving the external auditor's report on behavior suspicious of fraud or violation of laws by the Bank's board members and management. The Audit Committee shall report the results of such investigation to the Securities and Exchange Commission and the external auditor within 30 days from the date they are notified by the external auditor;

- Overseeing and receiving complaint or information submitted directly by stakeholders for attention of the Board of Directors;

- Submitting minutes of each Audit Committee Meeting to the Board of Directors, and prepare the annual Audit Committee Report, signed by the Audit Committee Chairman, summarizing the year's activities giving information or data specified by the Stock Exchange of Thailand for disclosure in the annual report of the Bank;

- Reviewing the Audit Committee Charter at least once a year to appropriately cover its duties and responsibilities and proposing any necessary amendments to the Board of Directors for consideration;

- Annually conducting its performance assessment relative to the Audit Committee's purpose, duties and responsibilities and reporting the performance assessment to the Board of Directors; and

- Performing other duties as per regulatory requirements or assignment of the Board of Directors, as agreed by the Audit Committee.

Corporate Governance Committee

The Corporate Governance Committee of the Bank comprises three independent directors. They are Sqn.Ldr. Nalinee Paiboon, M.D. as Chairperson, Mr. Wiboon Khusakul and Mr. Chanin Donavanik.

The Corporate Governance Committee has authorities, duties and responsibilities mandated in the Corporate Governance Committee Charter approved by the Board of Directors, as follows:

- establishing the principles and best practices for effective corporate governance appropriate to the Bank;

- developing and disseminating the principles and best practices of good corporate governance;

- formulating the Statement of Business Conduct and the Code of Conduct of the Bank's employees, and disseminating these codes as practical guidelines to all concerned;

- developing and formulating plans for review of corporate governance compliance;

- reviewing announcements concerning good corporate governance to summarize and present in the Bank's reports;

- recommending the Code of Best Practices for the Board of Directors or proposing guidelines for the Board of Directors Charter and all other Board Committee Charters;
- recommending the Statement of Business Conduct and the Code of Conduct of management and Bank personnel;
- reviewing corporate governance guidelines and corporate governance practice to ensure consistency and compatibility with the Bank's business;
- reviewing and proposing public announcements related to corporate governance issues;
- supervising the Bank's sustainable development undertakings;
- reviewing and reporting to the Board of Directors matters related to corporate governance and sustainable development of the Bank, giving opinions on practical guidelines and recommending amendments, as deemed appropriate; and
- ensuring effective practice of corporate governance principles and sustainable development in the Bank.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee of the Bank comprises three directors, Professor Khunying Suchada Kiranandana (Independent Director) as Chairperson, Dr. Abhijai Chandrasen (Non-Executive Director) and Mr. Kalin Sarasin (Independent Director).

According to its charter, the authorities, duties and responsibilities of the Human Resources and Remuneration Committee include:

- reviewing and making recommendations on the proposals of the Chief Executive Officer and/or the President relating to human resources policies for the Board of Directors' approval, to ensure that proposals are aligned with the Bank's business strategies;
- ensuring a succession plan for senior management in important positions and occasionally reviewing a list of candidates entitled to consideration;
- reviewing the remuneration strategy and proposing improvements for the Board's endorsement, in order to retain highly qualified personnel, as well as reviewing the salaries and benefits to senior management;
- establishing terms and conditions of employment contracts of the Chief Executive Officer and the President, including their remuneration, as well as seeking and recommending qualified successors to the Board for the positions of Chief Executive Officer and President, when considered necessary; and
- reviewing the composition, size, diversity, and remuneration of the Board of Directors on a regular basis, as well as making recommendations on the selection of candidates with proper qualifications for the position of director prior to submission to the General Meeting of Shareholders for approval.

Risk Management Committee

The Risk Management Committee consists of nine members. They are Ms. Sujitpan Lamsam (Non-Executive Director) as Chairperson, Mr. Predee Daochai (Executive Director), Ms. Kattiya Indaravijaya (Executive Director), Mr. Pipit Aneaknithi (Executive Director), Mr. Sara Lamsam (Non-Executive Director), and four executive members, namely, Mr. Somkid Jiranuntarat, Mr. Thiti Tantikulanan, Mr. Chongrak Rattanapian and Mr. Wirawat Panthawangkun.

According to its charter, the authorities, duties and responsibilities of the Risk Management Committee include:

- possessing the authority to make decisions on related undertakings within the scope of its responsibility, as stipulated in the Risk Management Committee Charter, with the authority to access all pertinent information;
- formulating the KASIKORNBANK FINANCIAL CONGLOMERATE risk management policy and risk appetite to present to the Board of Directors for consideration of overall risk management. The policy must cover the various risks associated with strategies, liquidity, credit, market, operational, or other significant types of risk to the Financial Conglomerate;
- formulating strategies for the organization and resources in risk management to conform to the risk management policy of the Financial Conglomerate. The strategies must enable the effective analysis, assessment, evaluation, and monitoring of risk management;
- defining maximum credit lines according to the Bank's defined risk limits and proposing such to the Board of Directors for consideration; and
- overseeing, reviewing, and providing recommendations to the Board of Directors with regard to the risk management policy, standard practices, strategies, and overall risk measurement to ensure that the risk management strategy is properly implemented.

Management Committee

The Management Committee has 21 members, comprising the Chief Executive Officer as Chairman, three Presidents, and 17 executive members. The scope of the authorities, duties and responsibilities of the Management Committee includes the following:

- managing and undertaking the Bank's business as assigned by the Board of Directors, or by specific resolutions of the Board of Directors;
- managing the Bank's business according to established policies and plans;
- taking action in accordance with the authority delegated by the Board of Directors, and per their mandated management jurisdiction over the Bank; and
- undertaking activities as assigned in order to achieve the Bank's targets, including:
  - preparing and reviewing strategic objectives, financial plans and key policies of the Bank, to be submitted to the Board of Directors for approval;
  - considering the annual business plans, capital expenditures, performance targets, and other initiatives to achieve the Bank's targets, including projects with capital expenditures in excess of budgets designated by the Board of Directors, to be submitted to the Board of Directors for approval;
  - considering and approving various issues under their legitimate authority, or as delegated by the Board of Directors;
  - reviewing management authority in various aspects stipulated in the approval authority hierarchy, to be submitted for approval to the Board of Directors;
  - managing and ensuring balance between short-term and long-term objectives;

- developing and ensuring that the human resources initiatives are in line with the human resources roadmap and strategies approved by the Human Resources and Remuneration Committee;

- monitoring and reporting on the Bank's operating results to the Board of Directors, as well as on other work in progress to achieve the Bank's objectives;

- monitoring the performance of employees at all levels with regard to risk management, per the Bank's guidelines, including the effectiveness of internal control systems, and operational compliance with laws, and regulations and related policies; and

- reviewing new projects and products prior to submission to the Board of Directors for consideration and approval.

The following table sets forth certain information regarding members in the Bank's Management Committee as of the date of this Offering Circular:

Name	Age	Position
Mr. Banthoon Lamsam	64	Chief Executive Officer
Mr. Predee Daochai	58	President and Member of the Risk Management Committee
Ms. Kattiya Indaravijaya	51	President and Member of the Risk Management Committee
Mr. Pipit Aneaknithi	49	President and Member of the Risk Management Committee
Dr. Adit Laixuthai	52	Senior Executive Vice President, Corporate Secretary, Corporate Secretariat Division Head, and Chief Investor Relations Officer
Mr. Wirawat Panthawangkun	44	Senior Executive Vice President, Enterprise Risk Management Division Head, and Member of the Risk Management Committee
Mr. Krit Jitjang	45	Senior Executive Vice President, Human Resource Division Head
Mr. Somkid Jiranuntarat	56	Vice Chairman of KASIKORN BUSINESS-TECHNOLOGY GROUP and Member of the Risk Management Committee
Mr. Thiti Tantikulanan	47	Capital Markets Business Division Head and Member of the Risk Management Committee
Mr. Patchara Samalapa	46	Senior Executive Vice President
Mr. Ampol Polohakul	51	Executive Vice President, Corporate Strategy Management Division Head
Mr. Panop Ansusinha	51	Investment Banking Business Division Head
Dr. Pipatpong Poshyanonda	49	Executive Vice President, Customer and Enterprise Service Fulfilment Division Head
Mr. Chongrak Rattanapian	48	Executive Vice President, Finance and Control Division Head and Chief Financial Officer, and Member of the Risk Management Committee
Ms. Noppawan Jermhansa	54	Executive Vice President, Retail Business Division Head
Mr. Jirawat Supornpaibul	48	Private Banking Business Division Head
Mr. Silawat Santivisat	53	Executive Vice President, Corporate and SME Products Division Head
Mr. Suwat Techawatanawana	46	Executive Vice President, Corporate Business Division Head
Mr. Pattarapong Kanhasuwan	49	Executive Vice President, Co-World Business Group Head
Mr. Anan Lapsuksatit	42	Executive Vice President, Co-World Business Group Head
Mr. Surat Leelataviwat	48	Executive Vice President, SME Business Division Head

Dr. Adit Laixuthai has served as Senior Executive Vice President since 2015. He is also the Corporate Secretary, Secretary to the Board of Directors, the Independent Directors Committee and the Corporate Governance Committee; Corporate Secretariat Division Head; and Chief Investor Relations Officer. In addition, he presently serves as Director of KASIKORN RESEARCH CENTER COMPANY LIMITED, Muang Thai Group Holding Company Limited, and KASIKORNTHAI FOUNDATION; and Member of Nation University Council. Dr. Laixuthai holds a Ph.D. in Public Health Sciences (Health Economics) from the University of Illinois at Chicago, USA.

Mr. Wirawat Panthawangkun has served as Senior Executive Vice President since 2015. He also holds the positions of Enterprise Risk Management Division Head; and Member and Secretary to the Risk Management Committee. He previously served as Director of KASIKORN LEASING COMPANY LIMITED, Thanyathanathavee Company Limited and Thanyathamrongkij Company Limited. Mr. Panthawangkun holds a master's degree in Business Administration (Financial Engineering) from Sloan School of Management, Massachusetts Institute of Technology, USA.

Mr. Krit Jitjang has served as Senior Executive Vice President since 2015. He also serves as Human Resource Division Head and Secretary to the Human Resources and Remuneration Committee. Apart from positions at the Bank, he also serves as Chairman of Progress Service Security Guard Company Limited, Progress Plus Company Limited, Progress Facilities Management Company Limited, Progress Management Company Limited, Progress Storage Company Limited, Progress H R Company Limited, Progress Appraisal Company Limited, Progress Service Support Company Limited, Progress Collection Company Limited, and Progress Training Company Limited; and Director of KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED, KASIKORN LABS COMPANY LIMITED, KASIKORN SOFT COMPANY LIMITED, KASIKORN PRO COMPANY LIMITED, and KASIKORN SERVE COMPANY LIMITED. Mr. Jitjang holds a master's degree in Business Administration from Sloan School of Management, Massachusetts Institute of Technology, USA.

Mr. Somkid Jiranuntarat has served as Vice Chairman of KASIKORN BUSINESS-TECHNOLOGY GROUP since January 2016. He also serves as Chairman of KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED, KASIKORN SOFT COMPANY LIMITED, KASIKORN PRO COMPANY LIMITED and KASIKORN SERVE COMPANY LIMITED; and Director of KASIKORN LABS COMPANY LIMITED and Supernap (Thailand) Company Limited. He previously served as Senior Executive Vice President and System Division Head of KASIKORNBANK PUBLIC COMPANY LIMITED. Mr. Jiranuntarat holds a Master's Degree in Management from Sasin Graduate Institute of Business Administration and Computer Science from Oregon State University, USA.

Mr. Thiti Tantikulanan has served as the Senior Executive Vice President since January 2017. Prior to his promotion, Mr. Tantikulanan served as the Capital Markets Business Division Head, an executive vice president role, since 2008. He also serves as Executive Chairman of KASIKORN SECURITIES PUBLIC COMPANY LIMITED. Previously, he served as Director of the Thai Bond Market Association. Mr. Tantikulanan holds a Bachelor's Degree in Business Administration from the University of Washington, USA.

Mr. Patchara Samalapa has served as Senior Executive Vice President, and has supervised the SME Business Division, Corporate Business Division and Retail Business Division, since January 2017. Currently, he also serves as Director of KASIKORN SECURITIES PUBLIC COMPANY LIMITED, Muang Thai Life Assurance Public Company Limited and K-SME Venture Capital Company Limited. Before joining the Bank, he was Senior Principal of Merrill Lynch & Co., Inc., Australia & Thailand; and Managing Director of KASIKORN ASSET MANAGEMENT COMPANY LIMITED. Mr. Samalapa holds a master's degree in Business Administration from the Massachusetts Institute of Technology, USA.

Mr. Ampol Polohakul has served as the Executive Vice President and Corporate Strategy Management Division Head since 2010 and 2013, respectively. He also serves as Director of BEACON VENTURE CAPITAL COMPANY LIMITED, Processing Center Company Limited and Sahakij Aluminium Company Limited. Mr. Polohakul holds a master's degree in Business Administration from University of Michigan-Ann Arbor, USA.

Mr. Panop Ansusinha has served as Investment Banking Business Division Head since 2012. Before joining the Bank, he was Acting Chief Executive Officer of KTB Advisory Company Limited. Mr. Ansusinha holds a Master's Degree in Business Administration from the University of Connecticut, USA.

Dr. Pipatpong Poshyanonda is Executive Vice President and Customer and Enterprise Service Fulfilment Division Head. He has held these roles since 2013. He also serves as Director of PROGRESS SERVICE SUPPORT

COMPANY LIMITED, PROGRESS APPRAISAL COMPANY LIMITED, PROGRESS STORAGE COMPANY LIMITED and PROGRESS PLUS COMPANY LIMITED. Dr. Poshyanonda holds a Ph.D. in Engineering Management from University of Missouri-Rolla, USA.

Mr. Chongrak Rattanapian has served as Executive Vice President, and Finance and Control Division Head and Chief Financial Officer since 2012 and 2016, respectively. He also serves as Director of KASIKORN LEASING COMPANY LIMITED and BEACON VENTURE CAPITAL COMPANY LIMITED. Previously, he was Executive Chairman of KASIKORN ASSET MANAGEMENT COMPANY LIMITED and Director of KASIKORN SECURITIES PUBLIC COMPANY LIMITED. Mr. Rattanapian holds a master's degree in Business Administration (Finance) from William Paterson University of New Jersey, USA.

Ms. Noppawan Jermhansa has served as Executive Vice President since 2015, and later in January 2016 was appointed as Retail Business Division Head. She is also a Director of Muang Thai Life Assurance Public Company Limited. Before joining the Bank, she was Executive Vice President of Bank of Ayudha Public Company Limited and Bangkok Bank Public Company Limited. Ms. Jermhansa holds a master's degree in Business Administration from University of Michigan, USA.

Mr. Jirawat Supornpaibul has served as Private Banking Business Division Head since September 2015. He also serves as Director of Crystal Football Club Company Limited. Before joining the Bank, he was Vice President, Thai Team, Private Wealth Management of Morgan Stanley Asia Limited (Hong Kong); and Managing Director (Head of Private Client Group) of Phatra Securities Public Company Limited. Mr. Supornpaibul holds a Master's Degree in Business Administration from Sasin Graduate Institute of Business Administration.

Mr. Silawat Santivisa is Executive Vice President and Corporate and SME Products Division Head. He has held these roles since January 2016. Before joining the Bank, he served as Executive Vice President for Transaction Banking/Cash Management Business of TMB Bank Public Company Limited; and Senior Executive Vice President for Group Information and Operations Division of CIMB Thai Bank Public Company Limited. He holds a master's degree in Chemical Engineering from University of Texas at Austin, USA.

Mr. Suwat Techawatanawana has served as Executive Vice President and Corporate Business Division Head since January 2017. Prior to his promotion, he served as Senior Vice President of Multi-Corporate Business Department and First Senior Vice President of the Bank. Mr. Techawatanawana is also a Director of KASIKORN FACTORY AND EQUIPMENT COMPANY LIMITED. He holds master degrees in Business Administration (Finance and Marketing) from Sasin Graduate Institute of Business Administration and Electrical Engineering from University of Southern California.

Mr. Pattarapong Kanhasuwan has served as the Executive Vice President and Co-World Business Group Head since January 2017. He previously served as Senior Vice President of China Business and Overseas Office Management Department and First Senior Vice President of the Bank. He holds a master's degree in Business Administration (Finance) from University of Toledo, USA.

Mr. Anan Lapsuksatit has served as Executive Vice President and Co-World Business Group Head since January 2017. Prior to his promotion, Mr. Lapsuksatit served as Senior Vice President of China Business Network and First Senior Vice President of the Bank. Mr. Lapsuksatit also serves as Chairman of Starbright Finance Co., Ltd. He holds a master's degree in International Management from Thunderbird, the American Graduate School of International Management, USA.

Mr. Surat Leelataviwat has served as Executive Vice President and SME Business Division Head since January 2017. He previously served as Managing Director of KASIKORN LEASING COMPANY LIMITED and Director of PROGRESS MULTI INSURANCE BROKER COMPANY LIMITED. Mr. Leelataviwat holds a master's degree in Business Administration (Finance) from University of San Diego, USA.

REMUNERATION

Total remuneration for Directors was Baht 89.64 million for the year ended 31 December 2016, in the form of salaries and bonuses. The Bank paid its Executive Officers holding the role of First Senior Vice President or equivalent and higher, totaling Baht 727.83 million, and executives in the position of Senior Executive Vice President or equivalent and higher, totaling Baht 191.45 million for the year ended 31 December 2016, in the form of salaries, living expenses, special contributions, and bonuses.

PRINCIPAL SHAREHOLDERS

The following table details certain information about the Bank's top 10 shareholders, as shown on its shareholders register book closing date of 10 March 2017.

Name	Number of shares held	Percentage (per cent.)
THAI NVDR CO., LTD	621,345,496	25.962
STATE STREET BANK EUROPE LIMITED	254,786,950	10.646
CHASE NOMINEES LIMITED	179,361,404	7.494
STATE STREET BANK AND TRUST COMPANY	138,449,415	5.785
NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND CL AC	45,814,823	1.914
GIC PRIVATE LIMITED	41,594,481	1.738
SOCIAL SECURITY OFFICE	40,163,900	1.678
LITTLEDOWN NOMINEES LIMITED	37,473,000	1.566
THE BANK OF NEW YORK MELLON	31,522,550	1.317
NORBAX, INC.	21,663,752	0.905
Subtotal of top 10 shareholders	1,412,175,771	59.005
OTHERS	981,084,422	40.995
Total issued and outstanding shares	2,393,260,193	100.000

FORM OF PRICING SUPPLEMENT

PROHIBITION OF SALES TO EEA RETAIL INVESTORS *– The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.*

Pricing Supplement dated [•]

KASIKORNBANK PUBLIC COMPANY LIMITED

[(acting through its Hong Kong branch/Cayman Islands branch)]

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*] under the U.S.$2,500,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 18 November 2013 **[and the Supplemental Offering Circular dated [•]**]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular **[as so supplemented]**. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Offering Circular **[, the Supplemental Offering Circular dated [•]**] and this Pricing Supplement.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date*.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated **[current date] [and the Supplemental Offering Circular dated [•]**, save in respect of the Conditions which are extracted from the Offering Circular dated **[original date]** and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Offering Circular**[, the Supplemental Offering Circular dated [•]**] and this Pricing Supplement.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] *be **[•]** or its equivalent in any other currency.]*

1	Issuer:	KASIKORNBANK PUBLIC COMPANY LIMITED **[, acting through its [Hong Kong/[•]]** branch]
2	(a) Series Number:	**[•]**
	(b) [Tranche Number:	**[•]**

		(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)]
3	Specified Currency or Currencies:	**[•]**
4	Aggregate Nominal Amount:	
	(a) Series:	**[•]**
	(b) [Tranche:	**[•]**]
5	(a) Issue Price:	**[•]** per cent. of the Aggregate Nominal Amount **[plus accrued interest from [insert date]** (in the case of fungible issues only, if applicable)]
	(b) [Net proceeds:	**[•]** (*Required only for listed issues*)]
6	(a) Specified Denominations: (in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)	**[•]** *Notes* ***[(including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of S 19 FSMA and]*** *which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).* *If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the following:* "*€100,000 and integral multiples of* ***[€1,000]*** *in excess thereof up to and including* ***[€199,000]****. No notes in definitive form will be issued with a denomination above* ***[€199,000]***".
	(b) Calculation Amount:	**[•]**
7	(a) Issue Date:	**[•]**
	(b) Interest Commencement Date:	**[specify/Issue Date/Not Applicable]** (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8	Maturity Date:	**[specify date or [for Floating Rate Notes]** Interest Payment Date falling in or nearest to the relevant month and year/ None]
9	Interest Basis: **[[*specify reference rate*]** +/- **[•]**per cent. Floating	[**[•]**per cent. Fixed Rate **[from [•]**to **[•]**] Rate **[from [•]** to **[•]**] **[Zero Coupon]** **[Index Linked Interest] [Other (*specify*)]** (further particulars specified below)
10	Redemption/Payment Basis:	**[Redemption at par]** **[Index Linked Redemption]** **[Dual Currency Redemption]** **[Partly Paid] [Instalment]** **[Other (*specify*)]**
11	Change of Interest Basis or Redemption/Payment Basis	**[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]**
12	Put/Call Options	**[Investor Put]** **[Issuer Call]** **[(further particulars specified below)]**
13	(a) Status of the Notes:	**[Senior/Subordinated]**
	(b) Date of **[Board]** approval for issuance of Notes obtained:	**[•] [and [•]**, respectively]]/**[None required]** (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)
	(c) Date of regulatory approval for issuance of Notes obtained:	[**[•]**/None required]
14	Listing:	**[SGX-ST/specify other/None]**
15	Method of distribution:	**[Syndicated/Non-syndicated]**

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions	**[Applicable/Not Applicable]**

		(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Rate(s) of Interest:	**[•]** per cent. per annum **[payable [annually/semiannually/ quarterly/monthly/other (*specify*)]** in arrear]
	(b) Interest Payment Date(s):	**[[•]** in each year **[adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of** "**Business Day**"**]**/not adjusted]
	(c) Fixed Coupon Amount(s):	**[•]** per Calculation Amount
	(d) Broken Amount(s):	**[•]** per Calculation Amount, payable on the Interest Payment Date falling **[in/on] [•]**
	(e) Day Count Fraction:	**[30/360/Actual/Actual (ICMA/ISDA) or/other]**
	(f) [Determination Date(s):	**[•]** in each year (*Insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
	(g) Other terms relating to the method of calculating interest for Fixed Rate Notes:	**[Not applicable/*Give details*]**
17	Floating Rate Note Provisions	**[Applicable/Not Applicable]** (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Interest Period(s);	**[•]**
	(b) Specified Interest Payment Dates:	**[•]**
	(c) Interest Period Date	**[•]** (*Not applicable unless different from Interest Payment Date*)
	(d) Business Day Convention:	**[Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]**]
	(e) Business Centre(s):	**[•]**
	(f) Manner in which the Rate(s) of Interest is/are to be determined:	**[Screen Rate Determination/ISDA Determination/specify other]**
	(g) Party responsible for calculating the Rate(s) of Interest and Interest Amount (if not the **[Agent]**):	**[•]**
	(h) Screen Rate Determination:	
	– Reference Rate:	**[•]** (Either LIBOR, EURIBOR or other, although additional information is required if other)
	– Interest Determination Date(s):	**[•]**
	– Relevant Screen Page:	**[•]**
	(i) ISDA Determination:	
	– Floating Rate Option:	**[•]**
	– Designated Maturity:	**[•]**
	– Reset Date:	**[•]**
	– ISDA Definitions:	**[2000/2006]** (If different to those set out in the Conditions, please specify)
	(j) Margin(s):	**[+/-][•]** per cent. per annum
	(k) Minimum Rate of Interest:	**[•]** per cent. per annum
	(l) Maximum Rate of Interest:	**[•]** per cent. per annum
	(m) Day Count Fraction:	**[•]**

	(n) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	**[•]**
18	Zero Coupon Note Provisions	**[Applicable/Not Applicable]** (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Amortisation Yield:	**[•]** per cent. per annum
	(b) Any other formula/basis of determining amount payable:	**[•]**
19	Index Linked Interest Note Provisions	**[Applicable/Not Applicable]** (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Index/Formula:	**[Give or annex details]**
	(b) Manner in which the Rate(s) of Interest is/are to be determined:	**[Give or annex details]**
	(c) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	**[•]**
	(d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	**[•]**
	(e) Interest Period(s):	**[•]**
	(f) Specified Interest Payment Dates:	**[•]**
	(g) Business Day Convention:	**[Floating R ate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]**
	(h) Business Centre(s):	**[•]**
	(i) Minimum Rate of Interest:	**[•]** per cent. per annum
	(j) Maximum Rate of Interest:	**[•]** per cent. per annum
	(k) Day Count Fraction:	**[•]**
20	Dual Currency Interest Note Provisions	**[Applicable/Not Applicable]** (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Rate of Exchange/method of calculating Rate of Exchange:	**[Give or annex details]**
	(b) Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the **[Agent]**):	**[•]**

	(c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	**[•][Need to include a description of market disruption or settlement disruption events and adjustment provisions]**
	(d) Person at whose option Specified Currency(ies) is/ are payable:	**[•]**

PROVISIONS RELATING TO REDEMPTION

21	Call Option	**[Applicable/Not Applicable]** (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	**[•]**
	(b) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s):	[**[•]** per Calculation Amount/specify other/see Appendix]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	**[•]** per Calculation Amount
	(ii) Maximum Redemption Amount:	**[•]** per Calculation Amount
	(d) Notice Period:	**[•]**
22	Put Option	**[Applicable/Not Applicable]** (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	**[•]**
	(b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[**[•]** per Calculation Amount/specify other/see Appendix]
	(c) Notice period:	**[•]**
23	Final Redemption Amount of each Note:	**[•]** per Calculation Amount/specify other/see Appendix]
24	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Conditions):	**[•]** per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	Bearer Notes: **[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in limited circumstances specified in the Permanent Global Note]** **[Temporary Global Note exchangeable for Definitive Notes on [•]** days' notice] (For this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof.) **[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note/Global Certificate]**

		[Registered Notes]
26	Financial Centre(s) or other special provisions relating to Payment Days:	**[Not Applicable/give details]** (*Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(b), 17(b) and 19(h) relate*)
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	**[Yes/No. *If yes, give details*]**
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	**[Not Applicable/give details.]**
29	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	**[Not Applicable/give details]**
	(b) Instalment Date(s):	**[Not Applicable/give details]**
30	Redenomination, renominalisation and reconventioning provisions:	**[Not Applicable/The provisions [in Condition [•]]** **[annexed to this Pricing Supplement]** apply]
31	Consolidation provision	Not Applicable/The provisions **[in Condition [•]]**
32	Other terms or special conditions:	**[annexed to this Pricing Supplement]** apply]

DISTRIBUTION

33	(a) If syndicated, names of Managers:	**[Not Applicable/*give names*]**
	(b) Stabilising Manager(s) (if any):	**[Not Applicable/*give name*]**
34	If non-syndicated, name of relevant Dealer:	**[Not Applicable/*give name*]**
35	U.S. Selling Restrictions:	**[Reg. S Compliance Category [1/2]**; TEFRA D/TEFRA C/ TEFRA not applicable]
36	Additional selling restrictions:	**[Not Applicable/give details]**

OPERATIONAL INFORMATION

37	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	**[Not Applicable/give name(s) and number(s)]**
38	Delivery:	Delivery **[against/free of]** payment
39	Additional Paying Agent(s) (if any):	**[•]**
40	ISIN:	**[•]**
41	Common Code:	**[•]**
42	Rating:	**[•]** (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated that issue than rating*.)

[PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the [*specify relevant stock exchange/market*] of the Notes described herein pursuant to the U.S.$2,500,000,000 Euro Medium Term Note Programme of KASIKORNBANK PUBLIC COMPANY LIMITED.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. Signed on behalf of KASIKORNBANK PUBLIC COMPANY LIMITED:

By: ________________________________
Duly authorised

RELATED PARTY TRANSACTIONS

Relationships between the Bank and related persons or entities consisted of subsidiaries, associated companies, key management personnel(1), any parties related to key management personnel and the entities of which key management personnel and any parties related have control and significant influence.

Arm's length transactions occurring between the Bank and related persons or entities are fairly charged at market price as normal business or the price as stipulated in the agreement.

Loans and contingencies between the Bank and related persons or entities as of 31 December 2016 are summarised as follows:

	As of 31 December 2016	
	Amount	**Per cent. of total loans[2]**
	(Baht in millions, except percentages)	
Loans	105,321	6.30
Contingencies	19,290	1.15

Notes:

(1) Key management means director, management who holds the title of at least First Senior Vice President including Department Head- Financial Accounting Management Department and Department Head-Financial Planning Department.

(2) The Bank's loans less deferred revenue

THE THAI BANKING INDUSTRY

The information set forth below is derived from various Thai laws and regulations, government and publicly available sources and none of the Bank, its management, employees, advisers (including the Arrangers and Dealers) or other parties takes any responsibility, express or implied, for such information. In addition, none of such parties has taken any steps to verify the accuracy of any of the information presented below and no representation or warranty, express or implied, is made by any such party as to the accuracy or completeness of such information.

The Thai banking industry is comprised of financial institutions of varying sizes and functions, including domestic commercial banks, branches of foreign commercial banks, finance and credit foncier companies, asset management companies, securities companies and insurance companies (collectively, the "Banking Institutions"). Further, certain Government-owned or affiliated entities also provide retail and residential mortgage lending, lending for farms and farming co-operatives, industrial development funding and export/import lending and services.

Prior to the enactment of the Financial Institutions Business Act B.E. 2551 (2008), as amended (the "**FIBA**"), commercial banks and finance, securities and credit foncier companies were governed separately by the Commercial Banking Act B.E. 2505 (1962) and the Act on the Undertaking of Finance Business, Securities Business and Credit Foncier Business B.E. 2522 (1979), respectively. Financial institutions that fall within the ambit of the FIBA are commercial banks, retail banks, subsidiaries and branches of foreign banks, finance companies and credit foncier companies. The BoT is the regulator under the FIBA and the Ministry of Finance has the authority to grant or revoke licences granted to the financial institutions governed under the FIBA. For further information relating to FIBA and its provisions, see "*Supervision and Regulation*".

The following table describes certain information regarding the key banks in Thailand by total assets as at 31 December 2016: Krung Thai Bank PCL ("KTB"), Bangkok Bank PCL ("BBL"), The Siam Commercial Bank PCL ("SCB"), KASIKORNBANK PCL ("KBANK"), Bank of Ayudhya PCL ("BAY"), Thanachart Bank PCL ("TBANK"), TMB Bank PCL ("TMB"), TISCO Bank PCL ("TISCO") and CIMB Thai Bank PCL ("CIMBTH").

	As at 31 December 2016								
All figure in Baht billion (except NPL and CAR)	**KTB**	**BBL**	**SCB**	**KBANK**	**BAY**	**TBANK**	**TMB**	**TISCO**	**CIMBTH**
Statement of financial position									
Total assets	2,689	2,944	2,913	2,846	1,883	951	821	271	297
Net loans(1)	1,799	1,826	1,866	1,616	1,403	667	569	217	196
Customer deposits	1,972	2,178	2,026	1,795	1,108	677	599	155	184
Book value(2)	274	379	334	322	208	124	84	31	27
Gross NPL ratio	3.97	3.22	2.7	3.32	1.88	2.3	2.5	2.5	6.1
Capital									
CAR (per cent)	16.6	18.3	17.7	18.84	15.1	19.2	18.3	18.4	16.1
Tier 1 capital	249	361	295	277	178	91	75	26	25
Tier 2 capital	74	42	58	67	41	40	31	9	13
Total capital fund	323	403	352	344	219	131	107	35	38

Notes: Data is based on consolidated basis

(1) Net loans is loans to customers plus accrued interest receivables minus (i) deferred income, (ii) allowance for possible loan losses and (iii) revaluation allowance for debt restructuring.

(2) Represents total equity attributable to equity holders of the Bank (excluding non-controlling interest).

Source: Company filings (audited financials used where available).

Historically, the business activities of each particular sector in the Thai banking and financial markets, such as commercial banking, finance and securities, have been segregated. This segregation had the effect of restricting competition from other sectors or from foreign entities. In recent years, however, the BoT and the Ministry of Finance have gradually deregulated domestic banking and financial markets with the goal of strengthening the overall market and developing Bangkok into a regional financial centre.

Since the early 1990s, the BoT has been implementing a series of deregulation measures through incremental changes that are designed to remove some of the barriers to competition and to permit banks and other financial services companies to offer a broader range of products and services. A number of these reforms are increasing competition for loan customers and deposit customers.

The most recent of these reforms have been carried out through the implementation of the Financial Sector Master Plans. The Financial Sector Master Plan Phase I was implemented from 2004 to 2008, while the Financial Sector Master Plan Phase II was implemented from 2010 to 2014. In March 2016, the Cabinet of the Thai Government approved the Financial Sector Master Plan Phase III, which was proposed by the Ministry of Finance and the BoT, with effect from 2016 to 2020. The objectives of the Financial Sector Master Plan Phase III are to establish a strategic framework for continuous development of the financial sector and to ensure effective management amid challenges arising from the sector's evolving environment. Key measures under the Financial Sector Master Plan Phase III are as follows:

- promoting the use of electronic financial services and electronic payment as well as enhancing the efficiency of the Thai financial system;
- supporting regional trade and investment links by enhancing the Thai financial system's capacity to facilitate the integration of trade and investment in the region;
- promoting access to financial products and services for all individuals and businesses regardless of their size; and
- developing financial infrastructure as well as enhancing financial professional development, financial literacy, consumer protection, and legal infrastructure to ensure the stability of the financial system.

The Ministry of Finance and the BoT anticipate that implementation of the Financial Sector Master Plan Phase III will yield the following results:

- Thai financial institutions will become competitive in both domestic and international markets as they will have low operating costs, a wide range of affordable products and services;
- individuals and businesses will have access to financial products and services that meet their needs;
- Thai financial institutions will play important roles in the region, with more financial services to be offered to support regional trade and investment links; and
- the Thai financial system will be robust and ready to support Thailand's economic growth as well as to promote sustainable economic well-being.

See "*Supervision and Regulation*" on the supervision and regulation of the Bank and the Thai banking industry.

SUPERVISION AND REGULATION

Regulation by the BoT and the Ministry of Finance

The Bank is regulated by the BoT, which was established in 1942 as the central bank of Thailand and is responsible for the implementation of domestic monetary policy. The BoT has historically been closely involved in the regulation of the domestic banking and finance industry in Thailand. Its principal functions are to (i) print and issue bank notes and other security documents, (ii) promote monetary stability and formulate monetary policies, (iii) provide banking facilities for the Government and financial institutions and act as the registrar for the government bonds, (iv) establish and support the establishment of payment system, (v) supervise and examine commercial bank and other financial institutions, (vi) manage the country's foreign exchange rate under the foreign exchange system and manage assets in the currency reserve, (vii) administer the exchange control and (viii) interact with international monetary organisations. The BoT is under the supervision of the Ministry of Finance and is governed by the Bank of Thailand Act B.E. 2485 (1942) as amended ("Bank of Thailand Act"). Currently, the following boards and committees have been established to implement the BoT's authority given under the Bank of Thailand Act: (i) the Board of the BoT, (ii) the Monetary Policy Committee, (iii) the Financial Institutions Policy Committee, and (iv) the Payment Systems Committee. The Bank of Thailand Act also provides for the establishment of the Audit Committee and the Financial Institutions Development Fund Committee to supervise the business of BoT and the FIDF, respectively. Other committees were also established to assists the Board of the BoT in meeting its duties and responsibilities.

The BoT and the Ministry of Finance are granted broad powers under the FIBA to regulate financial institutions (including commercial banking) activities. The following discussion sets forth information with respect to significant commercial bank regulations in Thailand.

Licensing and Limitation of Business Activities of Banks

Under the FIBA, commercial banking businesses, which are defined to include entities that take deposits and use such deposits by means of any methods (for example, the lending, sale and purchase of bills of exchange or any negotiable instruments, or the sale and purchase of foreign currency) can only be conducted by domestic public limited companies or domestic branches of foreign banks that have obtained a licence from the Ministry of Finance. In addition, commercial banks are restricted from engaging in any business which is not incidental to their commercial banking business and, for example, are currently not able to engage directly or fully in equity underwriting and equity brokerage businesses (although commercial banks may engage in the business of dealing, underwriting and brokerage for debt instruments, sukuk, investment units and trust certificates). However, due to the implementation of the Financial Sector Master Plan, commercial banks are being allowed to conduct a broader range of activities including the holding of shares in securities companies or asset management companies or the promotion of banks operating universal banking businesses.

Commercial banks are also subject to a number of other restrictions on the operations of their business. In particular, commercial banks may not (i) reduce their capital without approval from the BoT, (ii) grant any credits to, or guarantee debts of, directors and certain related persons (except for transactions that meet the requirements of the FIBA and the BoT regulations), (iii) accept their own shares as security or accept shares of a commercial bank from any other commercial bank as security, (iv) purchase or permanently hold fixed properties (except for use as premises for their commercial banking business or facilities for their officers as approved by the BoT, or acquired as a result of a debt settlement or a guarantee in respect of credit granted or as a result of the purchase of a fixed property mortgaged to the commercial bank at an auction according to an order of a court or an official receiver), (v) hold more than 10.0 per cent. of the equity securities of any company or hold shares at an aggregate value exceeding the ratio to the total capital funds as prescribed in the BoT regulations without the approval of the BoT, (vi) hold shares in any other commercial banks (except shares acquired as a result of a debt settlement or as a guarantee in respect of credit granted, which must be sold within six months from the date of acquisition, or those permitted by the BoT), (vii) pay money or give property to their directors, employees or staff in return for any actions or operations as commercial banks except those which are paid or given as salary or other usual remuneration, or (viii) sell or give property to any director and certain related persons in total amount in excess of the amount stipulated by the BoT, or purchase property from the aforementioned persons unless approved by the BoT.

The BoT is given broad power to regulate a number of other aspects of the operations of commercial banks, such as opening hours, deposit interest rates, loan interest rates and fees chargeable, rules and procedures for accepting deposits or lending money, and other matters. Pursuant to this authority, the BoT had previously set maximum commercial deposit and lending interest rates. Currently, the BoT gives banks flexibility to set their own internal lending and deposit rates, provided that such interest rates must be announced in accordance with the BoT regulations. Currently, the BoT gives banks flexibility to set their own interest lending and deposit rates, provided that such interest rates must be announced in accordance with BoT regulations.

Following the implementation of the Financial Sector Master Plans – Phase I (2004-2008), the Cabinet of Thai Government has approved the Financial Sector Master Plan Phase III (2016-2020), which sets forth a vision and framework for the further development of the Thai financial sector. See "*The Thai Banking Industry*".

Liquidity Coverage Ratio

On 27 May 2015, the BoT issued the BoT Notification No. 9/2558 to implement Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools (January 2013). Under the BoT Notification No. 9/2558, which took effect on 1 January 2016, a Thai commercial bank must have an adequate stock of HQLA that can be converted into cash easily and immediately at little or no loss of value to meet its total net cash outflows over a 30-day period under the prescribed liquidity stress scenario. To ensure that the LCR is introduced without disruption to the banking systems, the minimum requirement began on 1 January 2016 at 60 per cent., and it will increase in equal annual steps of 10 percentage points to reach 100 per cent. on 1 January 2020.

High Quality Liquid Assets

The numerator of the LCR is the stock of HQLA. In order to qualify as HQLA, assets should be converted into cash at little or no loss of value in secondary markets during a time of stress, especially in a situation of severe stress by way of sale or repurchase transaction (repo). Two main characteristics are considered in determining whether an asset is qualified as HQLA: (1) fundamental characteristics (i.e. low risk, ease and certainty of valuation, low correlation with risky assets and listed on a developed and recognised exchange); and (2) market-related characteristics (i.e. active and sizable market, low volatility and flight to quality).

Certain types of assets within HQLA are subject to a range of haircuts as set out by the BoT. HQLA are comprised of Level 1 and Level 2 assets, while Level 2 assets are, in turn, comprised of Level 2A and Level 2B assets.

Level 1 assets comprise the following items:

- cash in any currency;
- central bank deposits and reserves in any currency;
- debt instruments representing claims on or guaranteed by sovereigns, central banks, public sector entities, state-owned enterprises, the Bank for International Settlements, the International Monetary Fund, the European Central Bank and European Community, or multilateral development banks which are assigned a risk-weight of 0 per cents. under the Standardised Approach for credit risk, excluding debt instruments issued by financial businesses, such as commercial banks and their affiliated entities; and
- debt instruments representing claims on or guaranteed by the Government or the BoT and debt instruments representing claims on sovereigns or central banks that have a non-0 per cent. risk-weight and satisfy other conditions set out under the BoT Notification No. 9/2558, excluding debt instruments issued by financial businesses.

Level 2A assets comprise the following items:

- debt securities representing claims on or guaranteed by sovereigns, central banks, public sector entities, state-owned enterprises, or multilateral development banks which are assigned a risk-weight of 20 per cents. under the Standardised Approach for credit risk and satisfy other conditions set out under the BoT Notification No. 9/2558, excluding debt instruments issued by financial businesses;
- corporate debt instruments which are assigned a credit rating of AA- or higher and satisfy other conditions set out under the BoT Notification No. 9/2558, excluding debt instruments issued by financial businesses;
- promissory notes issued by the Ministry of Finance;
- unsecured debt instruments that are issued by Thai state-owned enterprises or specialised financial institutions which the issuer or the debt instrument is assigned a credit rating of A or higher or the issuer

has the business operation that is assigned “normal” pursuant to rules prescribed by State Enterprise Policy Office and satisfy other conditions set out under the BoT Notification No. 9/2558; and

- covered bonds not issued by the relevant commercial bank or its affiliated entities which are assigned a credit rating of AA- or higher and satisfy other conditions set out under the BoT Notification No. 9/2558.

Level 2B assets comprise the following items:

- debt securities representing claims on or guaranteed by sovereigns, central banks, public sector entities, state-owned enterprises, or multilateral development banks which are assigned a risk-weight of 50 per cents. under the Standardised Approach for credit risk and satisfy other conditions set out under the BoT Notification No. 9/2558, excluding debt instruments issued by financial businesses;

- corporate debt instruments which are assigned a credit rating of A to A+ and satisfy other conditions set out under the BoT Notification No. 9/2558, excluding debt instruments issued by financial businesses; and

- bills of exchange or promissory notes issued by Thai specialized financial institutions.

Level 2 assets may not in aggregate account for more than 40 per cent. of the commercial bank’s stock of HQLA, and Level 2B assets may not account for more than 15 per cent. of the commercial bank’s total stock of HQLA, after the application of required haircuts, and after taking into account unwinding prescribed transactions. In addition, the BoT Notification No. 9/2558 restricts that the debt instruments that may qualify as liquid assets must be “plain-vanilla” instruments and must not be subordinated debt.

Total Net Cash Outflows

The denominator of the LCR is the total net cash outflows. It is defined as total expected cash outflows, minus total expected cash inflows, in the specified stress scenario for the subsequent 30 calendar days with a condition that the total cash inflows are subject to an aggregate cap of 75 per cent. of the total expected cash outflows.

Total expected cash outflows are calculated by multiplying the outstanding balances of the following categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down as set out under the BoT Notification No. 9/2558:

- retail deposits and borrowings;

- unsecured wholesale funding;

- secured funding

- contractual obligations; and

- non-contractual obligations.

Total expected cash inflows are calculated by multiplying the outstanding balances of the following categories of contractual receivables by the rates at which they are expected to flow in as set out under the BoT Notification No. 9/2558:

- secured lending;

- fully performing loans; and

- other contractual cash inflows.

Reserve Requirement

In conjunction with the implementation of the BoT Notification No. 9/2558, the BoT also requires that commercial banks must comply with the reserve requirement set out under the BoT Notification No. SorKorNgor. 56/2558 re: Maintenance of Deposits with the Bank of Thailand dated 21 September 2015. With effect from 6 January 2016, a commercial bank must maintain deposits in a current account opened with the BoT of at least 1.0 per cent. of the aggregate amount of deposits and borrowings which comprise of: (i) all deposits, (ii) borrowings resulting from issuances of bills of exchange and promissory notes (with certain

exceptions of types of the bills and promissory notes as prescribed by the BoT), (iii) foreign borrowings that will become due within one year from the date of borrowing and foreign borrowings that are puttable or callable within one year from the date of borrowing (with certain exceptions of borrowings as prescribed by the BoT) and (iv) borrowings with embedded derivatives ((i) – (iv) collectively the "**Borrowings**") based on the fortnightly average of the total daily Borrowings during the previous fortnight, as the case may be. If the commercial bank has cash at the central cash centre, it may combine the cash at the central cash centre with deposits in a current account opened with the BoT for the purpose of meeting the reserve requirement, provided that the portion of cash at the central cash centre in an average amount must not exceed 0.2 per cent. of the Borrowings.

During a period of financial stress as prescribed in the BoT Notification No. 9/2558, the BoT may, on a case-by-case basis, permit a commercial bank to maintain its deposits with the BoT and cash at the central cash centre below the thresholds. In doing so, the BoT may require that the commercial bank to submit a plan for the situation as well as impose additional conditions on the commercial bank. A commercial bank's failure to comply with the reserve requirement may also result in the BoT's rejection to transact with the commercial bank.

Capital Adequacy Requirements

The FIBA provides that a bank must maintain its capital funds in proportion to its assets, liabilities, contingent liabilities or any risks in accordance with regulations published by the BoT. Under Basel III the BoT, with effect from 1 January 2013, required commercial banks registered in Thailand to maintain minimum ratio of total capital to risk weighted assets of not less than 8.5 per cent., provided that its Common Equity Tier 1 and Tier 1 (which consists of Common Equity Tier 1 and Additional Tier 1) ratios are at least 4.5 per cent. and 6.0 per cent., respectively. The BoT Notification No. 12/2555 also requires that, by 1 January 2019, commercial banks registered in Thailand must increase, in the form of capital conservation buffer, their Common Equity Tier 1 to 7.0 per cent., Tier 1 ratio to 8.5 per cent. and total capital ratio to 11.0 per cent. of total risk-weighted assets. These minimum capital ratios have been increasing in phases between 1 January 2016 and 1 January 2019.

Common Equity Tier 1 capital includes (i) paid-up capital (including share premium and money commercial banks receive from the issuance of warrants for the purchase of the bank's common shares) (other than preferred shares) with characteristics as prescribed by the regulation of the BoT (ii) legal reserves, (iii) reserve funds obtained from the allocation of net profit in accordance with the resolution of the shareholders' meeting or the bank's articles of association at the end of the accounting period (other than reserve funds for depreciation of assets and for debt repayment), (iv) remaining net profit after the allocation in accordance with the resolution of the shareholders' meeting or the bank's articles of association and (v) other equity, which consists of accumulated other comprehensive income and other owner changes (including capital surplus (deficit) from merging business).

Additional Tier 1 includes (i) proceeds derived from the issuance of non-cumulative dividend preference shares and warrants for the purchase of the non-cumulative dividend preference shares, (ii) proceeds derived from the issuance of subordinated debt instruments (which are subordinated to depositors, general creditors and subordinated debt of the bank including holders of debt instruments which are considered Tier 2 capital), and (iii) premium (shortfall) resulting from the issue of instruments described in (i) and (ii) above.

Tier 2 capital includes (i) proceeds received from the issuance of cumulative dividend preferred shares and warrants for the purchase of the cumulative dividend preferred shares, (ii) proceeds derived from the issuance of subordinated debt instruments (which are subordinated to depositors and general creditors), (iii) premium (shortfall) resulting from the issue of instruments described in (i) and (ii) above and (iv) provision for assets classified as "pass" and surplus of provisions.

Loan Classifications

The FIBA gives the BoT broad power to require banks to classify and provide for or write-off non- performing assets. These classifications are used to determine minimum levels of provisions for loan losses that banks are required to maintain. However, banks are permitted to use more stringent methods for determining loan loss reserves.

The BoT's regulations require banks to categorise their loan portfolios into six categories: pass, special mention, substandard, doubtful, doubtful of loss and loss. Each loan category is subject to different levels of provisioning based on percentages established by the BoT. The regulations established the maximum collateral valuation limits for the purpose of calculating the allowance for doubtful accounts. The minimum allowance consists of the provisions based on the regulatory loan classifications and other additional provisions required by the BoT.

Internal Independent Credit Review

The BoT's regulations also require each bank to perform credit reviews at least once in every calendar year on credit exposures, including credit-like transactions and contingent liabilities. The volume and method of the credit reviews vary depending on the overall credit risk of the bank as contained in the latest audit report of the BoT; and the classification of the bank's debtors. The classification scheme distinguishes between (i) business debtors whose indebtedness status is classified as pass or special mention, (ii) retail debtors and (iii) business debtors whose indebtedness status is classified as substandard, doubtful or doubtful of loss.

For instance, a bank with a high overall credit risk has to perform a credit review of not less than 80.0 per cent. of the outstanding debt of those business debtors categorised as pass or special mention with credit lines or outstanding indebtedness of Baht 20 million or more. In reviewing credit of the retail debtors, a bank may set out the volume and method of the credit review based on acceptable statistical methods.

A bank is required to prepare and present its annual credit review plan to the bank's board of directors for approval and make available the approved plan at the office of the bank for the BoT's inspection.

The bank must also make quarterly progress reports to the board of directors including details of any problems or difficulties recognised in the credit review process.

Tax Effects of Provisions for Corporate Income Tax Purposes

The Thai Revenue Code allows a commercial bank to consider any provision for loan loss (bad debts or doubtful debts) that the bank sets aside in accordance with the legal requirement of the BoT, in excess of that set aside by the bank during the previous accounting period as presented in its statement of financial position, as its expenses deductible from the bank's profit in calculation of net profit of the bank for tax purposes.

Single Lending Limits

The BoT currently imposes a limit, measured daily and equal to 25.0 per cent. of any type of such financial institution's capital fund on an amount that a financial institution can grant credit to, invest in, create contingent liabilities for or enter into any other transaction having an effect similar in nature to the granting of credit to any single person, a group of persons in any one project or where proceeds are used for the same purpose. In addition, under the FIBA, the amount of credit extended to, or investment in or contingent liabilities or other credit-like transaction granted for, a parent company, a subsidiary and an affiliate or a related person of a financial institution's customer will be included in the amount of credit extended to, investment in or contingent liabilities or other credit-like transaction granted for, such customer for purposes of compliance with the single lending limit. Certain transactions (such as interbank loans and low risk transactions as prescribed by the BoT) are exempt from these limitations.

Related Lending Limit

A financial institution is prohibited from granting credit to, investing in, creating contingent liabilities for, or entering into other transactions having a similar effect to the granting of credit to, a shareholder holding more than 5.0 per cent. of total issued shares in the financial institution inclusive of shares held by a related person (the "**Major Shareholder**") or a company in which it or its director, its management or any of the related person of such person holds in aggregate of more than 10.0 per cent. of the total share capital of such company (the "**Business with beneficial interest**") in an amount exceeding (i) 5.0 per cent. of the total capital fund of such financial institution or (ii) 25.0 per cent. of the aggregate amount of the indebtedness of the Major Shareholder or the Business with beneficial interest (whichever is lower). However, those restrictions shall not apply to (a) granting credits, undertaking contingent liabilities or credit-like transactions in any governmental authority or the FIDF, (b) granting credits, investment, undertaking contingent liabilities or credit-like transactions in any company that a governmental authority, or the FIDF hold shares in excess of 10 per cent. of total shares sold, or in any juristic person over which a governmental authority has the power of control directly or indirectly, (c) granting credits, investment, undertaking contingent liabilities or credit-like transactions in mutual fund established by the governmental authority, (d) granting credits, undertaking contingent liabilities or credit-like transactions with full collateral in form of cash, deposits at that financial institution, bills of exchange issued by that financial institution, Thai Government Securities that are free from any encumbrance and negotiable, or securities issued by the FIDF, (e) granting credits, investment, undertaking contingent liabilities

or credit-like transactions with any business with beneficial interest that results from debt restructuring, where financial institutions, major shareholders, or any business with beneficial interest did not have any beneficial interest prior to the debt restructuring, and (f) undertaking contingent liabilities under derivatives contracts with parent company, other subsidiaries with same parent company, or affiliated company located overseas of that financial institution for the purpose of risk management on derivatives transactions undertaking with other persons.

Foreign Exchange Positions

The BoT requires a commercial bank to maintain at the end of each day (i) a net open position in each currency in proportion to its capital fund at a rate not more than 15.0 per cent. of such bank's capital or U.S.$5 million, whichever is higher, and (ii) an aggregate position in proportion to its capital fund at the rate not more than 20.0 per cent. of such bank's capital or U.S.$10 million, whichever is higher.

Financial Institutions Development Fund and the Deposit Protection Agency

The BoT established the FIDF on 27 November 1985 in order to provide short-term and long-term liquidity to banks and other financial institutions facing financial difficulties or liquidity problems. Since 2003, the FIDF's role was decreased to guarantee repayment and payments both of deposit principal and interest accrued in Baht to certain depositors. However, this role came to an end when the Deposit Protection Agency Act became effective in August 2008.

Established on 11 August 2008, the Deposit Protection Agency is financed by mandatory contributions from financial institutions. The Bank is required to make mandatory contributions to the Deposit Protection Fund twice a year, i.e. by the last business day of July for the period starting from January to June and by the last business day of January for the period starting from July to December of the previous year, by the rate of 0.4 per cent. of the total domestic deposits as of the end of each day within the relevant half-year accounting period. Since 27 January 2012, the rate has been changed to 0.01 per cent.

The Deposit Protection Agency is now the organisation responsible for guaranteeing deposit while the FIDF's main mission is now to focus on managing assets and liabilities to liquidation and finally to the closing down of operation. However, if within the four-year period after the Deposit Protection Agency Act became effective, no other law concerning financial assistance to financial institutions has been introduced, the FIDF has to act under Article 19 of the Bank of Thailand Act (No. 4) B.E. 2551 (2008) to financially assist insolvent financial institutions. The financial assistance must be approved by the government and the government will have to absorb the cost of assistance, if any, to FIDF. The current mandatory contributions from financial institutions to the FIDF equal 0.46 per cent. of the total Baht denominated funding excludes interbank and qualified bank's capital transaction.

In accordance with the Deposit Protection Agency Act, the Deposit Protection Agency covers the repayment of principal of and interest on qualifying deposits, subject to the conditions stipulated therein. The Royal Decree on Coverage of Insured Deposits B.E. 2559 (2016) (the "**Deposit Royal Decree**"), which came into effect on 11 August 2016, sets out the amount of deposits covered under the Deposit Protection Agency. Under such Deposit Royal Decree, the amount of deposits covered by the Deposit Protection Agency will be an amount equal to the lesser of (a) the aggregate of deposit amount in all accounts of a depositor and (b) the following amounts:

- during 11 August 2016 to 10 August 2018, Baht 15 million;
- during 11 August 2018 to 10 August 2019, Baht 10 million;
- during 11 August 2019 to 10 August 2020, Baht 5 million; and
- on 11 August 2020 and thereafter, Baht 1 million.

Financial Institutions as Escrow Agents

The Escrow Act B.E. 2551 (2008) (the "**Escrow Act**") came into effect on 20 May 2008 to govern the escrow business in Thailand. Pursuant to the Escrow Act, financial institutions wishing to operate an escrow business must obtain a licence from the Ministry of Finance.

Examinations by the BoT

The Bank is under BoT supervision. Under the FIBA, the BoT has power to examine the business, assets and liabilities of financial institutions, the parent company, subsidiaries or affiliates and any company within the financial business group as well as debtors and related persons of such financial institutions whether on a regular or one-off basis.

Remedies

The BoT has broad powers to enforce the FIBA and related regulations, including, in certain circumstances, the power to appoint inspectors, suspend operations of a bank, remove directors, adjust its registered capital, levy fines and revoke banking licences. In addition, upon receipt of a report from a banking inspector that indicates that the condition of a commercial bank is such that serious damage may be caused to the public interest, the BoT may order such commercial bank to fix its operation or increase and/or decrease its share capital or cease to operate, for instance. In the event that the BoT exercises its power to order the cessation of a commercial bank's operation, it will recommend the Ministry of Finance to revoke the operating licence.

In the event that the BoT exercises the power to place a commercial bank under control, for example when the commercial bank's reserve capital falls below 60.0 per cent. of the required threshold, the BoT will appoint a control committee that will then be responsible for all the operations of such bank. If the control committee determines that the particular bank is unable to continue operations, the BoT may order the cessation of business and recommend the Ministry of Finance to revoke the operating licence.

Disposal and Foreclosure

Under Thai law, Thai commercial banks must dispose of foreclosed or surrendered real estate within five years of acquisition except in certain cases. However, the BoT has granted extensions of up to ten years for assets acquired during the period 1 January 1996 to 31 December 2004 and the real estate acquired by commercial banks from 1 January 2005 to 31 December 2006 as a result of the debt restructuring of the debtors classified as sub-standard, doubtful, doubtful of loss and loss asset prior to 1 January 2005.

An additional five year extension may be available only if:

- the book value or the appraisal price (whichever is lower) of the foreclosed or surrendered real estate held by the bank, when aggregated with that held by all asset management companies which are subsidiaries of the bank, does not exceed 10.0 per cent. of the capital fund of the bank; or
- the book value or the appraisal price (whichever is lower) of the foreclosed or surrendered real estate held by the bank, when aggregated with that held by all asset management companies which are subsidiaries of the bank, does exceed 10.0 per cent. of the capital fund of the bank, provided that the bank must meet the reserve requirements for such foreclosed real estate as specified by the BoT.

SUMMARY OF DIFFERENCES BETWEEN TFRS AND IFRS

The following is a general summary of certain principal differences between TFRS and IFRS as applicable to the Bank.

The Bank has prepared audited, consolidated financial statements for the years ended 31 December 2016 and 2015 (the "**Financial Statements**") in accordance with TFRS and guidelines promulgated by the Federation of Accounting Professions, the applicable rules and regulations of the Thai SEC, the SET and the BoT, including the BoT's Notification No. Sor.Nor.Sor. 21/2558 directive dated 4 December 2015 regarding "the preparation and announcement of the financial statements of commercial banks and holding companies which are a parent company of a group of companies offering financial services" as well as any other supplementary BoT notification.

For the purposes of this Offering Circular, the Bank provides below a summary of the significant differences between TFRS and IFRS relevant to the Financial Statements.

The differences identified below are limited to those significant differences that are appropriate to the Financial Statements. However, they should not be construed as being exhaustive. Furthermore, no attempt has been made to identify future differences between TFRS and IFRS as a result of prescribed changes in accounting standards nor to identify all future differences that may affect the Bank's financial statements as a result of transactions or events that may occur in the future.

References to IFRS and International Accounting Standards (the "**IAS**") relate to those effective for accounting periods beginning on or after 1 January 2016. The International Accounting Standards Board currently has a significant number of projects underway in connection with their work programme which may change the information provided below.

Thailand is currently undergoing a programme to converge TAS with IFRS. Under this programme, with effect from 1 January 2011 new and revised TAS became effective, most of which were based on the IFRS effective at 2008. Significant exceptions are IFRS as relating to financial instruments, for which the equivalent TAS are effective from 1 January 2019.

Financial Instruments

Recognition and Measurement

IAS 39, Financial Instruments: Recognition and Measurement provides extensive guidance on the recognition and measurement of financial instruments, including derivative instruments and hedging activities. When a financial asset or liability is recognised initially, an enterprise should measure it at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability are included in the initial measurement except for financial assets and liabilities recognised at fair value through profit or loss. For the purposes of measuring a financial asset after initial recognition, IAS 39 adopts the following four classifications with their associated accounting treatments:

- financial assets measured at fair value through profit or loss ("**FVTPL**"): gains and losses arising from changes in the fair value are recognised in profit or loss;
- held-to-maturity investments: these are measured at amortised cost less impairment losses using the effective interest rate method;
- loans and receivables: these are measured at amortised cost less impairment losses using the effective interest rate method; and
- available-for-sale financial assets: gains and losses arising from changes in the fair value are recognised in equity through the statement of changes in shareholders' equity with the exception of foreign currency related gains and losses arising from foreign currency denominated debt instruments which are recorded in profit or loss. Debt instruments classified as available-for-sale are recognised at fair value. Interest income is calculated using the effective interest rate method.

TFRS has only limited guidance in relation to the recognition and measurement of financial instruments. In the Financial Statements, in addition to the above classifications, the Bank classifies non-marketable equity securities as ‘general investments’. General investments are stated at cost less impairment. The FVTPL category is represented as “Trading Securities”. In addition, the interest and related fee and commission income on loans to customers is recognised on an accrual basis using the contracted rate. Interest income stops accruing where amounts due are outstanding for greater than 90 days. The costs associated with originating most financial assets and liabilities are expensed at inception. Under IFRS such income and origination costs would be recognised on an effective interest rate basis.

In the Financial Statements, transaction costs incurred in relation to debentures issued were charged to the profit or loss. Under IFRS, such issue costs would have been deducted from the proceeds of the issue in calculating the carrying value of the liability.

Derivative instruments

In accordance with IAS 39, derivative instruments are recognised at fair value. For derivatives designated as qualifying fair value hedges, changes in fair values are recognised in earnings where they offset the changes in fair values of related hedged assets, liabilities or firm commitments. For derivatives designated as qualifying cash flow hedges and hedges of net investments in foreign operations, the effective portion of the change in fair value is recorded as a component of equity until the hedged transaction impacts profit or loss. The ineffective portion of changes in fair value of derivatives designated as qualifying cash flow hedges and hedges of net investments in foreign operations must be immediately recognised in earnings.

There is currently no TAS in effect that addresses the recognition and measurement of derivative instruments. The main derivative instruments used by the Bank are forward exchange contracts, cross currency and interest rate swaps.

In the Financial Statements, the Bank has treated derivative instruments as follows:

- The Bank measures forward exchange contracts held for trading at fair value as assets and liabilities respectively, with the corresponding amount recognised in the statement of comprehensive income. Forward exchange contracts used for hedging are measured at amortised cost (with the fair value of the derivative recorded off the statement of financial position with the corresponding income and expense recognised on an accrual basis).

- Cross currency and interest rate swaps held for trading are measured at fair value as assets and liabilities respectively, with corresponding gains and losses recorded in the statement of comprehensive income. The measurement of cross currency and interest rate swaps used for hedging purposes depends on the basis of recognition for the hedged item. Where the hedged item is measured at fair value, the hedging instrument is also measured at fair value as assets and liabilities respectively, with corresponding gains and losses recorded in the statement of comprehensive income. Conversely, where the hedged item is recognised using amortised cost, the hedging instrument is also recognised using amortised cost with the fair value of the derivative recorded off the statement of financial position with the corresponding income and expense recognised on an accrual basis. In the case of hedges of net investments in foreign operations, and cash flow hedges of foreign currency denominated financial assets and liabilities, the effect of changes in the spot rate of the hedging instrument is deferred in other comprehensive income until the hedged item impacts profit or loss.

Impairment

TFRS provides limited guidance in relation to the recognition and measurement of financial instruments, including the impairment of loans and receivables originated by an entity. Commercial banks in Thailand are required to comply with the BoT’s guidelines for calculating an allowance for doubtful accounts. The regulations establish six different categories corresponding to perceived levels of risk and set out a procedure for the classification of loans: pass, special mention, sub-standard, doubtful, doubtful of loss and loss. Fixed percentages are applying to balances under these classifications, net of certain qualifying collateral, to determine the minimum levels of allowance for doubtful accounts that banks are required to maintain. Additionally, the Bank calculates a specific provision on a case by case basis using expected loss principles and also provides a portfolio provision for loans not subject to specific provision on a consistent basis.

IAS 39 requires the loans that are not classified as FVTPL should be measured at amortised cost using the effective interest rate method and should be reviewed for impairment at the end of each accounting period. A loan is considered to be impaired if its carrying amount is greater than the present value of expected future cash flows. The amount of loss recognised, in the statement of comprehensive income for the period in which the impairment occurs (incurred loss model), is the difference between the loan's carrying amount and the present value of expected future cash flows, discounted at the loan's original effective interest rate. Non-specific provisions are not allowed under IAS 39. Financial assets that are individually significant must be assessed for specific impairment while other assets can be assessed collectively.

Losses on Debt Restructuring

In accordance with TFRS, a combination of the transferring of assets, the transferring of equity or a modification of terms resulting from debtors' financial difficulties is treated as debt restructuring. In the Financial Statements, debts subject to a modification of terms are stated at either the present value of the expected future cash flows, using discount rates equivalent to the higher of the Bank's cost of funds, the contracted rate of interest, the market interest rate for a loan with a similar risk profile or at the market price of collateral on the restructuring date.

In accordance with IAS 39, the discount rate used to calculate the present value of the expected future cash flows should be the loan's original effective interest rate.

Disclosures in Financial Statements

TAS 103, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, is similar to the superseded IFRS disclosure standard for banks, IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions and TAS 107, Financial Instrument Disclosure and Presentation, contains requirements for financial instruments disclosure. The current disclosure requirement for banks under IFRS is IFRS 7 Financial Instruments: Disclosures which requires additional extensive disclosures on financial risk management. In addition, commercial banks in Thailand are required to comply with the financial statements format prescribed by the BoT. This format differs from the requirements of IFRS 7. For example, the BoT's format requires all amounts due from/to banks and other financial institutions to be shown under a single caption called "Interbank and Money Market items", IFRS 7, on the other hand, requires placements and loans and advances to/from other banks and other money market items to be disclosed separately as only one example of the differences.

Classification of loans acquired

The Thai Federation of Accounting Professions has provided specific requirements for the classification of loans acquired, under which loans acquired where there is no intention of resale, must be classified as loans and advances in the statement of financial position. For loans acquired with the intention of resale, these should be recorded as investments in the statement of financial position.

In accordance with IAS 39, accounting treatment of all financial assets should follow four classifications. See "–*Financial Instruments – Recognition and Measurement*".

Cash and Cash Equivalents

In the Bank's Statements of Cash Flows, cash includes cash in hand and cash in the process of collection.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this document and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers or certain professional investors) may be subject to special rules. Investors should consult their own tax advisers regarding the tax consequences of an investment in the Notes.

THAI TAXATION

This summary contains a description of the principal Thai income tax consequences of the purchase, ownership and disposition of the Notes by an individual or corporate investor who is not resident in Thailand for tax purposes (referred to as "non-resident individual holders" and "non-resident corporate holders", respectively, and together as "non-resident holders"). It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase Notes. The summary is based upon the tax laws of Thailand in effect on the date of this Offering Circular.

Income Tax

Non-resident Individual Holders

In considering whether the individual holder is a tax resident of Thailand, Thai law does not look at the nationality of such individual holder, but will determine whether the holder has resided in Thailand at one or more times for a period equal in the whole to 180 days in any tax year.

Interest

Interest in respect of the Notes paid to a non-resident individual holder is generally subject to a 15.0 per cent. withholding tax, unless (a) the terms and conditions of a double taxation agreement between Thailand and the resident country of such non-resident individual holder provide otherwise or (b) the non-resident individual holder is otherwise not subject to Thai income tax.

Capital gains

Unless the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the non-resident individual holders provide otherwise, a capital gain, which is the amount in excess of the cost of acquisition, derived from the transfer of the Notes and paid in or from Thailand is subject to 15.0 per cent. withholding tax.

Non-resident Corporate Holders

A non-resident corporate holder is a company or a registered partnership established pursuant to a foreign law and not doing business in Thailand but receives from or in Thailand interest or capital gains from the transfer of the Notes.

Interest

Interest in respect of the Notes paid to a non-resident corporate holder is generally subject to a 15.0 per cent. withholding tax, unless (a) the terms and conditions of a double taxation agreement between Thailand and the resident country of such non-resident individual corporate holder provide otherwise or (b) the non-resident corporate holder is otherwise not subject to Thai income tax.

Capital Gain

Unless the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the non-resident corporate holder provide otherwise, a capital gain, which is the amount in excess of the cost of acquisition, derived from the transfer of the Notes and paid in or from Thailand is subject to a 15.0 per cent. withholding tax.

Stamp Duty

Each of the Notes will be subject to Baht 5 stamp duty in Thailand when brought in to Thailand.

HONG KONG TAXATION

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**Inland Revenue Ordinance**") as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, *inter alia*, an authorised institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) are exempt from the payment of Hong Kong profits tax. Provided that no prospectus with respect to the issue of the Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of Notes by the Issuer is expected to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to profits tax.

Sums derived from the sale, disposal or redemption of Bearer Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided either:

(i) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes. Stamp duty will, however, not be payable on any transfers of Registered Notes provided that either:

(i) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

CAYMAN ISLANDS TAXATION

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law. Under existing Cayman Islands laws:

Payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of the Notes, as the case may be, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Notes. In relation to Bearer Notes, the Notes themselves will be stampable if they are executed in or brought into the Cayman Islands. An instrument of transfer in respect of a Registered Note is stampable if executed in or brought into the Cayman Island.

CLEARING AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Bank believes to be reliable, but neither the Bank nor any Dealer or any Arranger takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Bank, any other party to the Agency Agreement, any Arranger nor any Dealer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

THE CLEARING SYSTEMS

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

BOOK-ENTRY OWNERSHIP

Bearer Notes

The Bank has made applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the Euroclear and Clearstream, Luxembourg. Each Global Note will have an International Securities Identification Number ("ISIN") and Common Code.

Registered Notes

The Bank may make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Global Certificate will have an ISIN and a Common Code. Investors in Notes of such Series may hold their interests in a Global Certificate through Euroclear and Clearstream, Luxembourg.

Each Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under "Subscription and Sale".

All Registered Notes will initially be in the form of a Global Certificate. Individual Certificates will be available, in the case of Notes initially represented by a Global Certificate, in amounts specified in the applicable Pricing Supplement.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated Dealer Agreement dated 18 November 2013 (the "**Dealer Agreement**") between the Issuer, the Arrangers and the Permanent Dealers, the Notes will be offered from time to time by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally or severally but not jointly underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers and the Dealers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Arrangers and the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Arrangers and the Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. The Arrangers and the Dealers and their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. In the ordinary course of their various business activities, the Arrangers and the Dealers and their respective affiliates may make or hold (on their own account, on behalf of their clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer, including the Notes, may be entered into at the same time or proximate to offers and sales of the Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of the Notes. The Arrangers and the Dealers or certain of their respective affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Arrangers, the Dealers or any of their respective affiliates may purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or its associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third parties commissions (including, without limitation, rebates to certain private banks in connection with the distribution of the Notes as specified in the applicable Pricing Supplement).

Selling Restrictions

Thailand:

Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell any Notes and it has not distributed and will not distribute any other documents or material in connection with the Notes, either directly or indirectly, in Thailand or to any resident of Thailand. No invitation will be made to any person in Thailand to subscribe for any Notes. Notes cannot be offered, sold or transferred in Thailand.

Singapore:

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where such Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Notes pursuant to an offer made under Section 275 of the SFA, except:

(1) to an institutional investor (as defined in Section 4A of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Hong Kong:

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding-up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

United States of America:

The Notes have not been and will not be registered under the Securities Act, and may not be offered, sold or (in the case of Bearer Notes) delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or (in the case of Bearer Notes) deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any

U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made

and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Circular as completed by the pricing supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the pricing supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the pricing supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time to 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Member State), and includes any relevant implementing measure in the Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Prohibition of Sales to EEA Retail Investors

From 1 January 2018, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prior to 1 January 2018, please refer to the Public Offer Selling Restriction under the Prospectus Directive above.

United Kingdom:

Each Dealer has represented, warranted and agreed that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan:

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each of the Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used

herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Cayman Islands:

Each Dealer has represented and agreed that no invitation whether directly or indirectly has been or will be made to the public in the Cayman Islands to subscribe for the Notes.

General:

These selling restrictions may be supplemented or modified by the agreement of the Issuer and any Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the dealers or any affiliate of any of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of the Issuer in such jurisdiction.

Each Dealer will be required to agree that, it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular, any other offering material or any Pricing Supplement therefore in all cases at its own expense.

GENERAL INFORMATION

(1) Approval-in-principle has been obtained from the SGX-ST for the establishment of the Programme and application will be made to the SGX-ST for permission to deal in and for the listing and quotation for any Notes which are agreed at the time of issue to be so listed on the Official List. Formal approval will be granted when a particular Series of Notes has been admitted to the Official List. There is no assurance that any application to the SGX-ST for such approval will be granted. The approval in-principle, admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Bank, its subsidiaries and associated companies, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. The Notes will trade on the SGX-ST in a minimum board lot size of S$200,000 or its equivalent in other currencies so long as any of the Notes remain listed on the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Bank shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that the Global Note(s) representing such Notes is exchanged for Definitive Notes. In addition, in the event that the Global Note(s) is exchanged for Definitive Notes, an announcement of such exchange will be made by or on behalf of the Bank through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

(2) The Bank has obtained all necessary consents, approvals and authorisations as required in connection with the establishment and update of the Programme. The establishment and subsequent updates of the Programme were authorised by resolutions of the Board of Directors of the Bank on 26 April 2012 and resolutions of the Board of Directors of the Bank on 28 August 2014. The Bank has obtained and has agreed to obtain from time to time all necessary internal consents, approvals and authorisations for the issue of Notes under the Programme.

(3) Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Bank or of the Group since 31 December 2016 and no material adverse change in the financial position or prospects of the Bank or of the Group since 31 December 2016.

(4) Neither the Bank nor any of its subsidiaries is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) during the 12 months preceding the date of this Offering Circular which may have or has had in the recent past significant effects on the financial position or profitability of the Bank or the Group.

(5) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

(6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the ISIN and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Pricing Supplement.

(7) There are no material contracts entered into other than in the ordinary course of the Bank's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Bank's ability to meet its obligations to noteholders in respect of the Notes being issued.

(8) Where information in this Offering Circular has been sourced from third parties this information has been accurately reproduced and as far as the Bank is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

(9) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Tranche, based on the prevailing market conditions. The Bank does not intend to provide any post-issuance information in relation to any issues of Notes.

(10) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent or the registered office of Bank:

(i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Global Certificates, the Coupons, the Receipts and the Talons);

(ii) the Dealer Agreement;

(iii) the Deed of Covenant;

(iv) the Memorandum and Articles of Association of the Bank;

(v) copies of the most recent annual and interim reports (including financial statements) and audited accounts of the Bank and the Group;

(vi) each Pricing Supplement (save that Pricing Supplement relating to unlisted series of Notes will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Bank and the relevant Paying Agent as to its holding of Notes and identity); and

(vii) a copy of this Offering Circular together with any Supplemental Offering Circular or further Offering Circular.

(11) KPMG Phoomchai Audit Ltd. has audited, and rendered unqualified audit reports on, the consolidated accounts of the Bank for the three years ended 31 December 2014, 2015 and 2016.

(12) Copies of the latest Annual Report and consolidated and unconsolidated accounts of the Bank and the latest interim consolidated and unconsolidated accounts of the Bank may be obtained, and copies of the Agency Agreement and the Deed of Covenant will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

ISSUER

KASIKORNBANK PUBLIC COMPANY LIMITED

1 Soi Rat Burana 27/1
Rat Burana Road
Rat Burana District

Bangkok 10140
Thailand

KASIKORNBANK PUBLIC COMPANY LIMITED, Hong Kong branch

Unit 3316, 33/F, China Merchants Tower
Shun Tak Centre, No. 168 – 200
Connaught Road
Central
Hong Kong

KASIKORNBANK PUBLIC COMPANY LIMITED, Cayman Islands branch

5th Floor, Harbour Place
103 South Church Street
P.O. Box 1353, George Town, Grand Cayman
KY1-1108
Cayman Islands

FISCAL AGENT AND PRINCIPAL PAYING AGENT

The Bank of New York Mellon, acting through its London branch

40th Floor One Canada Square
London E14 5AL
United Kingdom

REGISTRAR

The Bank of New York Mellon SA/NV, Luxembourg Branch

Vertigo Building — Polaris
2-4 rue Eugène Ruppert
L-2453
Luxembourg

ARRANGERS AND DEALERS

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Deutsche Bank AG, Singapore Branch

One Raffles Quay
#17-00 South Tower
Singapore 048583

Standard Chartered Bank

Marina Bay Financial Centre (Tower 1)
8 Marina Boulevard, Level 20
Singapore 018981

AUDITORS TO THE ISSUER

KPMG Phoomchai Audit Ltd.
48th — 51st Floors, Empire Tower
195 South Sathorn Road
Yannawa, Sathorn

Bangkok 10120
Thailand

LEGAL ADVISERS

To the Issuer as to Thai law

Baker & McKenzie Ltd.
5th and 21st -25th Floors
Abdulrahim Place
990 Rama IV Road
Silom, Bangrak
Bangkok 10500

To the Issuer as to Cayman Islands law

Ogier
11th Floor Central Tower
28 Queen's Road Central
Central
Hong Kong

To the Arrangers as to English Law and Hong Kong Law
Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place
Central
Hong Kong