

Krung Thai Bank - Foreign Exchange Disclosure

The purpose of this Foreign Exchange Disclosure (“Disclosure”) is to clarify standard practices between Krung Thai Bank Public Company Limited (“KTB”) and its clients in the execution of foreign exchange (“FX”) transactions. This Disclosure reflects KTB’s intention to conduct our business with fairness, transparency and integrity.

This Disclosure demonstrates that KTB shall comply and not override or conflict with all applicable laws and regulations as well as relevant requirements and principles in any jurisdiction that KTB conducts its businesses. Where there is any inconsistency between this Disclosure and the FX contract transacted with the client, the relevant terms of business and product-specific agreements shall prevail.

Role and Principal Trading

In entering into FX transaction(s) with clients, KTB acts as an arm’s length party to the transaction on a principal basis for its own account as a dealer or market maker. In that capacity, KTB does not act as an agent, a fiduciary or financial advisor of its clients and as such does not assume any of the responsibilities that would be associated with such roles.

In accordance with its FX strategy, KTB may hold FX positions and from time to time execute a hedge transaction(s) in the market to cover and control risks arising from the execution of FX transaction(s) with clients. KTB may decide to enter into pre-hedge transactions in the manner that KTB deems proper at its discretion in order to competently execute client’s order(s) and/or to manage KTB’s own risk. In addition, KTB may enter into fully hedged transaction(s) for certain client’s order(s) depending the currency and trade type. In general, an execution price applied to certain FX transactions with a client may not be identical to the price with which KTB covers its position in the FX market. This is because KTB has no assurance to be able to execute the covered trade at the same price and/or amount in the FX market.

Basis for Quotes and Pricing

KTB aims to offer consistently fair and reasonable prices to its clients. Prices quoted by KTB are considered indicative unless the client has explicitly been informed by KTB that the price is firm. When executing FX transaction(s), KTB will offer “all-in” price inclusive of bid-offer spread and mark-up to its clients. Prices of transactions may not be the same as executed price since the all-in prices are tailored to an individual counterparty and are based on various standard commercial factors such as the trading history, the size and complexity of trade, platform or channel through which an order is placed, funding, capital charges, market conditions, the nature of relationships between KTB and clients as well as various costs in relation to the FX transaction and other relevant factors.

Different price quotations may be displayed across various trading platforms or venues and KTB reserves the right to change its pricing strategies at any time without an advance notice.

Unless required by laws or regulations, KTB is not obligated to disclose amount of revenue it expects to earn from FX transaction(s) or the components of KTB's "all-in" prices.

Pre-Hedging

Upon the client's request for FX transactions or to place an order, KTB, acting as a principal, may engage in a pre-hedging or hedging activity at its own discretion (for the purpose of risk management and/or facilitating client orders or other purposes determined by KTB with good faith and reasonable manners) such that the hedging activity is in the client's interest and that it shall not disrupt the market. In doing so, KTB will take into consideration the prevailing market conditions along with the size and nature of the anticipated transaction as well as its impacts to the market.

Order Handling

Upon receiving a FX order, KTB will, at its discretion, decide which orders to execute, when and how to execute orders, including whether all or partial should be executed. Such discretion includes whether the order should be aggregated or time prioritized and will be governed by factors including, but not limited to, the order type and general market conditions.

A. Market Orders

Market order means an order to transact immediately at the best available price in the current market. KTB will handle such order by taking into consideration various factors such as prevailing liquidity and other market conditions. By using the professional judgement, KTB will execute the market order in such a way to achieve the best price that KTB is able to offer to its clients.

B. Limit Orders

Limit order means setting a target price that will generally be more favorable than the current market price, which means that such order may not be executed promptly. Client should be aware that by placing the limit order, the client is forgoing the certainty of an immediate execution in exchange for the possibility of getting a better price in the future. If target price is reached, limit order will be filled only when KTB confirms entering into a transaction with the client at the required target price.

C. Stop-loss Orders

Stop-loss order means the client sets the target price which an order becomes live at a less favorable price than the current market price. Once the trigger price has been reached, KTB will attempt to enter into the FX transaction with its interbank counterparties at, or as close as practically possible, to the target price. KTB will neither guarantee nor ensure that order is executed at the target price.

D. Fixing Orders

When the client places an order for an execution at a specific time and date ("fix") if the order is accepted, KTB will execute the FX transaction at the published "fix rate" after applying a bid/offer spread around that price.

Reference Prices

Reference prices are used to determine the reference trigger level for order limits, fixings, option strike prices, barriers or other trade contingent events. Main sources of reference rates include publicly available FX Fixing sources, central bank rates or wholesale bank quotes sourced from Reuters, Bloomberg, and etc.

Conflicts of Interest

KTB complies with relevant professional standards and ethical values and will be taking all reasonable steps to avoid conflicts of interest in order to promote the fair treatment of clients. KTB will follow its conflict of interest guidelines and principles when entering into the FX transaction with clients. At its discretion, KTB shall decline to act in circumstances causing a conflict of interest.

Information Handling

KTB has policies and controls that are designed to effectively protect clients' confidential information as well as to ensure that it is not used or disclosed such information improperly. However, KTB may share such information to execute the FX transactions and may, as part of its obligations as a regulated entity, disclose clients' information as required by relevant regulators and/or under applicable law. KTB may use an anonymized and/or aggregated and non-attributable information of executed transactions, together with other relevant market information, internally and to third parties, to inform KTB's view of the market.

Should you have any queries relating to this communication, please do not hesitate to contact your KTB's dealers. Please note that this communication may be updated from time to time, subjected to the change of regulatory, industry and other market developments.

Disclaimer

All information referred in this communication has been prepared by Krung Thai Bank Public Company Limited (KTB) in order to communicate or distribute useful preliminary information to the clients exclusively for the benefit and internal use of the clients. However, it is not intended as investment advice, or an offer or solicitation for the purchase or sale of any financial instrument.

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