

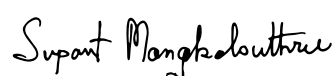
Report of the Corporate Governance and Social Responsibility Committee

Good Corporate Governance and Social Responsibility have played an important role towards the business operation of Krung Thai Bank as well as become as a means in leading to the sustainability of its performance and confidence of all groups of stakeholders. The Bank's Board of Director has appointed the Corporate Governance and Social Responsibility Committee to perform duty in considering and reviewing the policy and practice guidelines on good corporate governance and social responsibility in order to be compliant with the international standard and related laws. The Bank has also disclosed and publicized CG practice guidelines for the Directors, Executives and staff members of the Bank to adhere to and also broaden this approach to its subsidiaries.

In 2015, the Corporate Governance and Social Responsibility Committee held 12 meetings in an attempt to carry on the duty and responsibility assigned by the Bank's Board of Director. Through the continually, attentive and resolute performances in good corporate governance and the business operation with social responsibility throughout the year 2015, Krung Thai Bank has consequently been presented with many awards in relation to the corporate governance and social responsibility categories as follows:

- Asean Corporate Governance Awards 2015; the Bank has been listed in the TOP 50 ASEAN Publicity Listed Companies
- "Excellent" corporate governance recognition level from the Corporate Governance Report of Thai Listed Companies 2015, which ranked at the highest corporate governance scores in the CGR publication, conducted by the Thai Institute of Directors (IOD)
- "Excellent" assessment with full-100-score for the quality of ordinary annual general meeting 2015, awarded by the Thai Investor Promotion Association with the Thai Listed Companies Association and the Securities and Exchange Commission
- ESG 100 Certificate 2015 (ESG: Environment, Social and Governance) from Thaipat Institute, which reflects the determination in environment, society and governance operation of the Bank
- Outstanding Sustainability Report Awards 2015 organized by Thai Listed Companies Association, the Securities and Exchange Commission and Thaipat Institute
- Honorary Member Awards from Thailand Business Council for Sustainable Development -- TBCSD as an outstanding corporate which operates its business along with the policy implementation on environmental conservation and social responsibility.

Krung Thai Bank has endeavored to provide excellent, modernized and proper financial services with professional efforts in order to response to the need of all customers through strictly adhering to the good corporate governance and standard business Code of Conduct. With the greatest awareness toward the significance of this matter, all of the Board of Directors, Executives and staff members shall do their best to support the sustainable operation, retain as good citizen of society and nation as well as take greatest care of all groups of stakeholders.



(Mr. Supant Mongkolsuthree)
Chairman of the Corporate Governance
and Social Responsibility Committee

Report of the Nominating and Remuneration Committee

The Nominating and Remuneration Committee consists of 4 Directors; 3 of which are Independent Directors including the Chairman. The Committee has been entrusted with the duties and responsibilities, as prescribed by the Bank of Thailand, to set guidelines, practices, requirements and criteria in recruiting candidates, evaluating the performance and determining the remunerations for the Directors, President and Authorized Bank Executives.

In 2015, the Nominating and Remuneration Committee has held a total of 20 meetings and all the recruitments and remunerations determined by the Committee have already been considered and approved by the Board of Directors as the following details:

1. The Nominating and Remuneration Committee has nominated qualified candidates to be appointed as Directors, taking into account the size, structure and composition of the Board of Directors suitable for the Bank and compatible with the changing business environment. The Committee aims to recruit the appropriate and competent candidates; as well as ensuring that their qualifications meet the respective requirements prescribed by the Bank of Thailand.
2. The Committee has determined the remunerations of the Board of Directors and Sub-Committee Directors before submitting to the Board of Directors and shareholders in the Annual Ordinary General Meeting for approval. For remuneration, the Committee has taken into consideration the regulations, operating performance of the Bank, the remuneration of benchmarking banks, duties and responsibilities assigned to the Directors as well as the compliance with the good corporate governance.
3. The Committee has nominated qualified candidates to be appointed as Authorized Executives of the Bank to the Board Directors, and then requested approval from the Bank of Thailand and relating regulators for approval. The Committee has taken into account the qualifications, knowledge, competence, skills, experience, versatile expertise, leadership, positive vision and attitude toward the organization. The Committee has also established the succession and management continuity plans for Executive positions to facilitate effective operation and management of the Bank.
4. The Committee has designated the performance evaluation guidelines for the Directors and Sub-Committee Directors in compliance with good corporate governance.
5. The Committee has designated the performance evaluation guidelines for the President and the Authorized Bank Executives in order to submit the appropriate remunerations to the Board of Directors for approval. The remuneration has been determined in consideration of the individual's duties, assigned responsibilities and performance, together with the Bank's overall operating result and the market rate for banking business.

6. The Committee has considered the Bank's overall remuneration structure, in order that the structure reflects the job and market rate as well as to ensure the appropriateness of the proposed remuneration before submitting to the Board of Directors for approval.
7. The Committee has established the succession plan and management process of Group Heads (N-1), Sector Heads (N-2) and Department Heads / Team Leaders (N-3) to ensure management continuity and to facilitate effective operation and management of the Bank.
8. The committee has provided suggestion and advices for more effective operation in various aspects of human resource management. Examples are as follows:
 - 8.1 Guidelines and strategies for developing and enhancing competency of staffs
 - 8.2 Considering the guidelines for talent management in line with the Bank's policy to become the Performance Driven Organization
 - 8.3 Evaluation of disciplinary procedure and giving suggestions for improvement

N. Kanchanachitra

(Mr. Nontigorn Kanchanachitra)

Chairman of the Nominating and Remuneration Committee

Corporate Governance



1. Corporate Governance Policy

Krung Thai Bank is aware and determined to operate the business with transparency, integrity and fairness in consonance with the good corporate governance principles in order to become the effective organization that excels in operating business, concerns ethical responsibility and takes into account the benefits of all stakeholders. Such operation shall create confidence and generate benefits to the shareholders, who are vital to the Bank's sustainable growth and prosperity.

During the previous years, the Bank has earnestly operated its business under the corporate governance principles. With this regard, the Board of Directors, executive officers and the Bank employees were encouraged to

adhere to and perform their duties in accordance with Corporate Governance policy as well as participate in the activities that shall escort the Bank to become the organization with the good governance culture. Thus, the Bank also aims to elevate its corporate governance standard to be in line with the international standard.

As in 2015, the Bank also continues to hold the on-going CG activities including the followings:

- Performance assessment under the good corporate governance principles in all business units of the Bank, which has been considered as the criteria for granting KTB FIRST Firm: Corporate Governance Awards.
- Performance assessment under the principles of good corporate governance of the subsidiaries that the Bank holds 100 percent of its shares.

- CG Day activities on the Bank's founding anniversary day (March 14) to publicize CG activities and grant KTB FIRST Firm: Corporate Governance Awards. The Board of Directors and senior executive officers gave priority to participate in such activities.

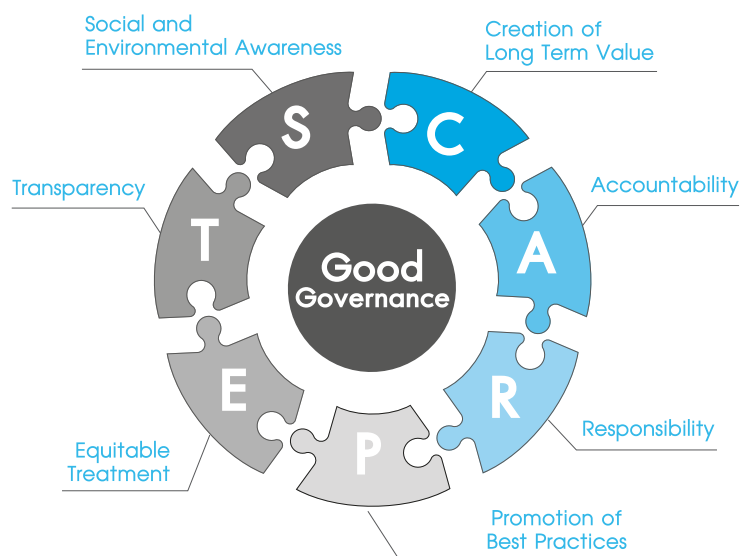
- Broadcasting and publicizing articles and news relating to the corporate governance on the Bank's website as well as via intranet system and direct e-mail to all employee.

Moreover, the Board of Directors has entrusted the Corporate Governance and Social Responsibility Committee to formulate the action plans and monitoring measures for the implementation of corporate governance policy. The Committee performed the assessment the corporate governance performance as well as regularly revises CG policy to be appropriate. The Committee also monitors and revises CG guideline practices to comply with both domestic and overseas good corporate governance guidelines in order to reach international standards.

The Bank has stipulated the CG policy and practices in conformity with the principles of corporate governance of the Stock Exchange of Thailand as follows:

- 1) Creation of Long Term Value
- 2) Accountability
- 3) Responsibility
- 4) Promotion of Best Practices
- 5) Equitable Treatment
- 6) Transparency
- 7) Social and Environmental Awareness

The Bank has communicated and publicized the seven principles of good corporate governance to all staff members via the Bank channels as well as assigned all business units of the Bank to adopt these CG principles in their operation. All Directors emphasize on responsibility to operate duties for the Bank's highest benefit along with public disclosure, transparency in business operation, equitable treatment with stakeholders, and business operation with responsible for society, and civility of staff members. The Bank also participates in projects of preserving environment, developing community and society continuously and upholding local wisdom. To create advantages and tangible outcome from corporate governance operation, the Bank develops the effective social and environment projects by linking with other projects and keep continue those projects under the idea of instilling intellectual capital. Furthermore, the Bank stimulates general public and related parties joining projects launched by the Bank to push forward the society of care and share together with emphasizing on environment problems.



2. Corporate Governance Principles set by the Stock Exchange of Thailand

The Bank has fully complied with the principles of good corporate governance and all the five categories set forth by the Stock Exchange of Thailand. The five categories are:

2.1 Rights of Shareholders

The Bank attaches the importance to protection of shareholders' rights and supports them to exercise their rights properly under the fundamental rights stipulated by law. The basic legal rights comprise of the right to purchase, sell or transfer securities holding; the right to receive dividend; the right to attend the shareholders meeting; the right to propose agenda in the shareholders meeting; the right to vote for the appointment of auditor and fixing of auditor fee; and the right to take part in decision making of the Bank's material issues such as approval of key activities affecting business direction, amendment to the Memorandum and the Articles of Association.

Besides these fundamental rights, the Bank has established best practices for its shareholders in order to support and facilitate rights exercising of the shareholders. Shareholders have the right to receive information on operating performance, management policy and other key information via the Bank's website. Additionally, the Bank organized fieldtrip for shareholders to observe its operation. All relevant information is posted before the meeting date approximately 30 days on the Bank website: <http://www.ktb.co.th> to provide shareholders the adequate time to study the relevant information. Shareholders can offer meeting agenda in advance and can submit recommendations on the meeting date before the vote casting in any agenda. In case of doubt, shareholders can submit queries



liberally to the Directors prior to the meeting via the Bank's website or mail directly to the Board of Directors.

On the meeting date, The Chairman of the Meeting will inform the shareholders of the rules of the meeting and the procedures of voting, allowing fair opportunities to present their opinions and inquire about any matter. Chairman of the Board of Directors, President and all the relevant chairmen of the respective committees will attend to explain the operating performance and management policies and to answer any queries raised.

In 2015, the Bank held the Annual Ordinary General Meeting on April 10, 2015 attended by all the Directors and Group Executives including the Chief Financial Officer: CFO. The Chairman of the Meeting gave equitable opportunities and time to all shareholders in exercising their rights to oversee the Bank's operation, raise questions, or make recommendations. Those important questions and recommendations were recorded in minutes of the meeting and disclosed to shareholders on the Bank's website within 14 days after the meeting date.

2.2 Equitable Treatment of Shareholders

The Bank provides equitable and fair treatment to all shareholders whether they are minority, institutional investors or foreign investors enabling them to enjoy equitable treatment in exercising their rights. In addition, the Bank allows them to nominate appropriate person to be elected with related qualifications as Director through the Nominating & Remuneration Committee in advance of 3 months before ending account period on December 31 of every year. Shareholders have the right to vote for the appointment of Directors in each person.

The Bank shall not add any unnecessary agenda without advance notification, especially important matters as shareholders need time to study before making decision. When shareholders cannot attend the general meeting, they can assign proxies and vote on their behalves. Proxy form and the proposed two Independent Directors were attached with the

notification of meeting. Shareholders or proxies are urged to use voting ballots on every agenda items.

The Bank clearly stipulated respective measures inhibiting directors, executives, employees and related persons to take out Bank's information for personal benefit or disclose to public. In addition, there is the written regulation prescribed the document retaining to prevent the misuse of inside information and publicized to all staff member for acknowledgment. Previously, no incident of using inside information for personal benefit has been found.

For transparency and verification, the Board of Directors formulated guidelines for directors and executives to reveal their stake and their related person with the directors in accordance with the requirement of regulator such as the Bank of Thailand, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

2.3 Consideration for Stakeholders

2.3.1 Treatment of Stakeholders

The Bank recognized the rights and roles of various groups of stakeholders, internally or externally, and has included it as an integral part in the Code of Conduct disclosed through respective media, such as the Bank website. It is also published as manuals distributed to all business units for strict compliance, which could enable the Bank to have sustainable growth. The practice guidelines are summarized below:

Shareholders: The Bank is determined to conduct business with prudence and transparency, making profits grow continuously and steadily, boosting its competitiveness and enhance value to the shareholders in the long run.

Customers: The Bank determines to serve all customers willingly and eagerly and with equality and



fairness. All staffs are ready to assist customers with their problems, finding them appropriate solutions and keeping the confidentiality of their information except when it is stipulated by law or with customer's written consent.

Creditors: The Bank has the policy to treat creditors of all groups including depositors, debenture holders and other creditors with equitability and fairness on the basis of fair returns to both parties strictly under the agreements of covenants agreed upon. In case of non-compliance with any one of covenants, the Bank will promptly notify the creditor to jointly consider the issue. In conducting business negotiation, the Bank shall refrain from demanding or employing any dishonest benefits in trading. Moreover, the Bank regularly prepares financial reports that are accurate, complete and timely for submission to the creditors.

Trading Partners: The Bank required its employees to strictly adhere to the Bank's optimum interest regardless of self-interest or interest of related kin. Employees must provide accurate and complete information that will not impede the buyers' or sellers' decisions. Importantly, employees should avoid accepting gifts or rewards from buyers or sellers as well as attending private functions hosted by them so as to avoid any accusation or render special assistance in return of later occasion.

Business Alliances: The Bank is firmly determined to comply with the agreements made with its business partners and to provide assistance for mutual business benefits.

Competitors: The Bank has no policy to falsify or distort competitors' facts. At the same time, the Bank avoids making deals or discussion with employees of other agencies or financial institutions

on the issues concerning geographical locations, marketing, customer segmentation, interest rates, fees and commissions including products, services or business plans that may have negative impact on the Bank's business competition.

Social and Environmental Responsibility: The Bank operates its business through the awareness of social responsibility as well as uphold community development activities along with conservation of natural resources and the environment. Furthermore, the Bank collaborates and supports government policy with the aim of creating national benefit.

Board of Directors and Executives: The Bank's Board of Directors and executives realized their rights and ready to be regarded as model in implementation and practices in complying with the Bank regulations. However, the Bank also recognized and protected the rights of all stakeholders fairly and equally.

Employees: The Bank gives highly to the priority on human resources management and development. The Bank had paid highly efforts to enhance their utmost competence by offering all levels of staff members the opportunities to advance in their career path coupled





with oversight their salary, remuneration, welfare, and other benefits to be comparable to general leading companies. Training courses, learning procedures, and human resource development processes have been improved in order to elevate personnel capability for business competition. The Bank has provided an environment favorable to job performance with occupational safety complying with legal standards and those prescribed by the Bank. Each business unit is required to prepare a business continuity plan both for normal and critical situations. Additionally, the Bank urged employees to respect and honor one another along the guidance stipulated in the personnel code of conduct. In terms of staff member welfare, the Bank has policy to increase staff member quality of life by providing several types of welfare benefit, for instance, establishing Medical Department to provide health services to existing employees, retired staff members, and their family members, providing educational and medical allowance to children of staff members, originating project of meditation training as well as welfare loans.

Government Sector: The Bank supported government's operations and complied with the regulator's requirements and policies in conjunction with promotion of collaboration in respective activities of governmental agencies so as to build national stability and growth.

2.3.2 Stakeholders' Participation

The Bank operates business by adhering to the principles of good corporate governance, emphasising on management with transparency, integrity and fairness to stakeholder and concerning on the benefit of all stakeholders covering to staff, customers, society, shareholders, trade partners and regulators. Moreover, the Bank has declared to utilize anti-corruption policy, which is an important part of creating the determination to develop business operation process, growth and wealth to all stakeholders to comply with the Bank's vision as "Growing Together". The Bank formulates stakeholder treatment policy as a part of corporate governance policy and business ethic manual. During the previous years, all groups of

stakeholder have been treated equally by means of implementing the criteria of impact toward stakeholders and concerning on the right of shareholders participation through various channels. For instance, in 2015, the Bank had surveyed staff's opinion in order to bring the result to develop management to be in accordance with staff's needs and expectations. Employee engagement survey has been done twice a year. Besides, the Bank offers opportunity to the stakeholders outside the Bank to participate in activities held by the Bank, for instance, the shareholders possess the right to express their opinion freely during the shareholder meeting or nominate the appropriate candidate to be appointed as the Bank's Director. Additional, the Bank provides the process for stakeholders to give useful advice for operating the Bank's business or to give complaint about any wrongdoing.

Furthermore, the Bank has conducted the respective corporate social responsibility (CSR) activities to return society covering to 3 dimensions namely economy, society and environment. The activities have been provided as 4 aspects including education, art, society and environment and sport. The example of projects and activities are as follows: Krungthai Weaving Dream Schools Project; Good School near Home Project to support education capability in all aspects to schools nationwide; Krung Thai Young Enterprise project to provide competitive opportunity for high school students to create prototypical business plans; Krung Thai Business Ethics Initiative (White Seedlings) Project to originate entrepreneur project competition under the philosophy of Sufficiency Economy for college students nationwide; Borden Schools' Capability Improvement Project to encourage school to become learning center for people in the community. Furthermore, the Bank also supports the establishment of the National Exhibition of Art

in order to stimulate Thai artists developing artworks continually. All abovementioned operations have been held under the Bank's determination to animate all groups of stakeholders to participate in the meeting or



2.3.3 Whistle Blowing & Complaints

It is the objective of Board of Directors to provide communication channel for stakeholders such as customers and general public enabling to lodge their complaints directly to the Bank or express opinions through various channels as follows:

- KTB Call center service: +662 111-1111. The service is accessible 24 hours.
- Complaint Division Tel. +662 208-8989 (Business Hours)
- <http://www.contactcenter.ktb.co.th> or E-mail: call.callcenter@ktb.co.th
- E-mail: compliant.center@ktb.co.th
- Fax: +662 256-8170
- Contact us by mail: Krung Thai Bank Pcl., Office of the Board of Directors, 35 Nana Nua Bldg, 13th Fl., Sukhumvit Rd., Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110 or P.O. Box 44 Hua Lam Pong Post, Bangkok 10331
- Survey on customer's satisfaction; Business Risk Research Department shall collect all complaint information and report to management and related

department for further operation.

- Complaints or recommendations from staff members can be submitted directly to the Board of Directors via e-mail; their e-mail addresses are provided in the Bank intranet system. Other complaint channels showing below

- E-mail: hr.care@ktb.co.th administrated by the Head of Human Resources And Corporate Governance Group, the Head of Welfare and Employee Relation Sector and the Head of Discipline And Employee Relation Department.

- Hotline at +662 208-8887

- E-mail: zethjak.leeyakars@ktb.co.th owned by the managing Director of Compliance and Legal Management Group

2.4 Disclosure of Information and Transparency

2.4.1 Disclosure of Information as prescribed in Listed Company Requirements

The Bank oversees that key information, financial and performance related data are disclosed accurately, completely, transparently, comprehensively and timely as prescribed in the requirements of the Securities and Exchange Commission and those of the Stock Exchange of Thailand. Apart from Annual Registration Statement (Form 56-1) and the Annual Reports (Form 56-2), most of the information is posted on the Bank's website in Thai and English, thus helping shareholders, customers and interested persons to access the information with ease, equality and reliability.

Key information disclosed by the Bank included performance of the Directors over the year, roles of the Boards and subcommittees, number of meetings called. Number of attendance of each director and opinions from performing their duty as well as remuneration policy and remunerations of Directors and senior executives

that reflect their roles and responsibilities, shareholding structure, business operation and targets, operating performance, financial information, business ethics and corporate governance & social and environmental responsibility policy.

2.4.2 Performance of the Board of Directors and Respective Committees

- Structure and scope of power and duty of the committees as well as name list and Brief Biography of Board of Directors and Respective Committees are exhibited with details in "Organization Chart" pages 8-9 "Brief Biography of Board of Directors and Executive Officers" pages 19-28 and "Shareholding and Management Structures" pages 94-109

- The Bank structures its policy on remunerations fairly and reasonably with the reviewing of the Nominating and Remuneration Committee. The appropriateness in consonance with the Director's scope of duties, roles and responsibilities were taken into consideration. The remuneration must be relevant to the Bank's financial standing, the conformity of Directors' remuneration with the same level of business and compliant with the resolution passed by the shareholders meeting as showing in "Shareholding and Management Structures" pages 112-115

- Performance of the Board of Directors in the previous year has been reflected from the respective awards namely;

- Corporate Governance Report of Thai Listed Companies 2015 was rated at 5 stars level from the Thai Institute of Directors: IOD

- Asean Corporate Governance Awards 2015 at the event of Asean Corporate Governance Conference and Awards

- ESG 100 Certificate 2015 (ESG: Environment, Social and Governance) from Thaiptat Institute.

- Outstanding Sustainability Report Awards 2015 from CSR Club, Thai Listed Companies Association, the Office of the Securities and Exchange Commission and Thaiptat Institute.

- Honorary Member Awards from Thailand Business Council for Sustainable Development (TBCSD)

- The result of the quality assessment of the Company's 2015 Annual Ordinary Shareholders Meeting was fully 100 points, carried out by the Thai Investors Association, Thai Listed Companies Association and the Securities and Exchange Commission.

2.4.3 Investor Relations

The financial Institutions & Investor Relations Department, Financial Management Group has been assigned to take the responsibility of providing and disseminating information and activities of the Bank, which benefit to all interest parties, including retail investors, institution investors, general investors, stock analysts, domestic and foreign fund managers as well as government agencies. The Bank offers equality and fairness to all stakeholders to access information through various media channels and diverse activities. During 2015, the Bank's executives and investor relations officers met with respective analysts and investors on various occasions and provided them with useful information as follows:

| Type of Call | Number of call |
|--------------------------------------|----------------|
| One-on-One Meeting & Conference Call | 81 |
| Analyst Meeting & Fund Meeting | 12 |
| Road Show | 7 |
| Total | 100 |

Contact with Financial Institutions & Investor Relations Department

Telephone : +662 208-3668-9

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Address : Krung Thai Bank Pcl. 35 Nana Nua Bldg., 6th Fl., Sukhumvit Rd.,
Kong Toey Nua Subdistrict, Wattana District, Bangkok 10110

Website : <http://www.ktb.co.th> (select Investor Relations)

The Corporate Branding & Communications Department is responsible for coordination with the press upon the interviews with Bank executives and other public relations task. For 2015, details are as follows:

| Type of Communication | Number of time |
|-----------------------|----------------|
| Press Release | 82 |
| Press Conference | 22 |
| Press Interview | 38 |
| Total | 142 |



2.5 Responsibility of the Board of Directors

The Board of Directors will formulate directions, policies, business strategies, oversee that the operations are transparent and proceeded lawfully and ethically under the respective policies, communication as well as the relevant information was disclosed appropriately. The Board of Directors has performed its duty honestly and prudently safeguarding the shareholders' interest. The Board of Directors takes responsibility on their performances resulting to the shareholders and is truly independent from the management for the highest benefits of the Bank and its shareholders in general. There exists clear segregation of duty and responsibility between the Board of Directors and the Management. Moreover, for proper check-and-balance, the Chairman of the Board of Directors and the President are different persons.

All the Directors have diverse qualifications with the respective skills, experience and specialization that benefit to the Bank including full devotion to their

performance. Term of office of the Director has been clearly formulated in the policy of corporate governance and Article 22, which has prescribed that one-third or the directors must retire at each annual general meeting. The Bank has stipulated additional provisions concerning appropriateness of Director's term of office that it should not be exceeding three consecutive terms except that any Director is considered appropriate to take director office longer than such term. The Board of Directors would consider the efficiency in the performances of such Director and explain with supportive reasons together with result of performance to the shareholders.

As at December 31, 2015, the Bank's Independent Directors comprise as many as 4 from the total of 11 Directors being regarded as larger percentage share than the requirement of at least one-third or not less than 3 persons but it shall not be over nine consecutive years as prescribed by the Securities and Exchange Commission.

The Board of Directors has appointed respective committees to help study and scrutinize the task as deemed necessary to ensure the Board's greater efficiency and effectiveness in performing its duty. Term of office of the Director must comply with the charter of respective committee. In addition, it is the Bank's policy to appoint the Secretary to the Board of Directors and the Corporate Secretary to be in compliance with the applicable Securities and Stock Exchange (No 4), B.E.2551 (2008) and principles of good corporate governance of the Bank. Core duties and responsibilities are detailed in "Shareholding and Management Structures" pages 94-109

The Bank has established practices on holding posts in other companies in accordance with the guidelines prescribed by the Standard Qualifications

for State Enterprise Directors and Employees Act, the Financial Institution Act, the Securities and Stock Exchange Act and other related law. Under such practice guidelines, Directors are entitled in no more than three state enterprise companies and Directors are entitled to hold the post of Chairman, Executive Director or authorized signatory director in no more than three other business groups. The Bank disclosed information on directorship in other companies on pages 120-121. Concerning directorship of the President and top executives in other companies, the Bank has formulated clear policy as to classify types of directorship and number of companies in which they are entitled to hold the post, and such directorship holding must be first approved by the Board of Directors.

The Bank sets the schedules for the Board of Directors meeting in advance and regularly throughout the year. Meeting schedules have been shown on the

Bank's intranet website since the beginning of the year. Each Director is informed of such schedules to facilitate arrangement for attendance as details in "Shareholding and Management Structures" pages 111-112. In this regard, the subcommittee related to the agenda on such particular issue will scrutinize the relevant information; make comments and recommendation prior to submission to the Chairman of the Board of Directors for approval and inclusion of that issue on the agenda for prudence and management of risks in all respects that may arise. Besides, the Board of Directors has the policy of opportunities to call meeting among themselves without attendance of the Management to discuss issues of common interest as well as the President will be informed of the meeting results. As in the 2015, there were 2 meetings of Independent Director Committee.





The Bank requires the Board of Directors to conduct self-assessment twice a year to reflect the operation efficiency under the principles of corporate governance as details in "Shareholding and Management Structures" pages 109-110

The Directors and the Executives are encouraged to develop their competencies through the regular training courses continuously in order to enhance their knowledge (details in "Brief Biography of the Board of Directors and Executive Officers" pages 19-41 and "Shareholding and Management Structures" pages 124-125) Moreover, the Bank organizes Orientation to each new appointed Director. For 2015, the Bank organized orientation for 3 new Directors namely Ltg.Tienchai Rubporn, Mr. Poonnis Sakuntanaga and Prof. Athueck Asvanund (details in "Shareholding and Management Structures" page 116) Furthermore,

in December annually, the Bank, arranged for the directors and executives nationwide, including overseas branches to attend the Bank's business strategy seminar for brainstorming and driving the Bank to achieve the targets as stated in the business strategic plan.

3. Other Committees

- **Management Committee**

Management Committee formulates the Bank's policy and strategic plan in respective aspects to meet the needs of customers effectively; supervises operation in accordance with policies established by the Board of Directors and the Board of Executive Directors; monitors the operation to be in line with the Bank's policy and strategic plan; approves any matter as stated in the regulation/ the Bank's notification.

- **Investment Committee**

Investment Committee (IC) manages the Bank's investment in equity and debt instruments, approves investment within the limits set by the Board of Directors and reviews investment that exceeds limit. Additionally, the IC controls investment management and risk pertaining to trading of instruments to be in accordance with the Bank's policy and targets.

- **Assets and Liabilities Management Committee**

The committee formulate framework for managing the Bank's assets, liabilities and capital funds in line with external factors affecting liquidity and profitability by implementing appropriated analysis tools to determine interest rate, and benefit returns from loans and deposits. Recommend strategies in investment, which related with liquidity management of the bank. ALCO meets at least once a month.

- **Credit Scrutiny Committee**

This Committee scrutinizes credit work under the authority of the Board of Executive Directors and the Board of Directors including applications for credit and debt restructuring, trading of non-performing assets, underwriting or investment in debt instruments except those issued by government, Bank of Thailand or other state enterprises guaranteed by Ministry of Finance. Moreover, it approves credit limit and debt restructuring limit, and other credit activities within its scope, as well as other duties delegated by the Board of Directors, the Board of Executive Directors and the President. Meeting is held at least once a week.

- **Group Credit Committee Level 7**

Group Credit Committee (GCC) level 7 are authorized to approve lending limits and debt restructuring as stipulated in the Bank's instruction on credit approval and debt restructuring, as well as

acceptance of transfer of collateral. GCC meets at least once a week.

- **IT Policy Committee**

IT Policy Committee possesses the duty to oversee the Bank's operation to be in line with laws, regulations related to electronic transaction and information, consider screening project and plan for the Bank's information technology, control the overview of the Bank's information technology project, monitor the progress of significant problem solving and oversee IT risk that might affect the Bank's business operation.

4. Nomination and Appointment of Directors and Executives

4.1 Nomination of Independent Directors:

Recruiting procedures for Independent Directors and Directors are similar but the qualifications of the Independent Director will be considered in accordance with the prescribed definition. The detail of definition and the business relationship information of Independent Director shall be provided in section "Shareholding and Management Structures" on pages 105-109

4.2 Nomination of Directors

- **Selection of Directors**

The Bank has appointed the Nominating and Remuneration Committee to select and scrutinize applicant nominated for director. Under the policy to contain the variety, the Board of Directors has comprised of several specialists from various areas such as finance, economics, information technology, human resources management and law. If the Bank needs personnel other than those areas, additional specialists will be recruited to join as director.

In selecting and nominating a director, such individual must be qualified and not forbidden by the Standard Qualifications for State Enterprise Board Members and Staff Act B.E.2518 (1975) and the Financial Institutions Business Act. B.E.2551 (2008). The candidate must also be approved by the Bank of Thailand before submitting to the Board of Directors and then to the shareholders. Name of candidate will be submitted to the general meeting via the Board of Directors. After approval of the appointment, the responsible business unit will proceed with the registration of director change and report to the units concerned within the specified time. Directors who completed their term of office may be re-elected. Moreover, the Bank organizes orientation for new directors to inform them of their role, duty and responsibility as well as relevant rules and policies needed for the understanding of the Bank's business operation.

- **Appointment of Director**

Criteria of appointing Directors can be categorized into 2 cases as follows:

Case 1 Appointment of new director to replace the one who completed his/her term will be done in the shareholder general meeting. A Director who completed his/her term of office is eligible for re-election.

Case 2 Appointment of director to replace the one who left prior to completion of term shall be made by the Board of Directors with voting of no less than three-fourths of the subsisting directors. Qualified person without any forbidden traits will be selected and will stay only for the remaining tenure of the director who left.

4.3 Selection of the President

The Bank complied with the Standard Qualifications for State Enterprise Board Members and Staff Act B.E.2518 (1975) in holding a transparent



process of selection. A public announcement will be made giving an opportunity to qualified persons with vision, knowledge, competency and experience in the management of large organization to apply. The Nominating Committee will recruit qualified person who possess appropriate knowledge and experience and then submit the list of candidates to the Board of Directors to assign for the Subcommittee on Remuneration in considering and negotiating for the remuneration subsequently.

4.4 Selection of Group Executives Managing Director

The Nominating and Remuneration Committee will nominate internal personnel with knowledge and competency relating to the work under consideration. In the event that no appropriate person is available, it will nominate outsider with vision, knowledge, leadership and capability in managing banking business as well as having positive attitude toward the organization.



5. Succession Plan

The Bank has its system of succession for executives at each level and each job family that can be implemented effectively through the Succession Plan for crucial posts especially the chief executive officer of the Bank. Preparedness of training courses for individuals that will become executive officer or manager has been in place together with the Individual Development Plan to enable the successor to manage and carry on the task instantly, smoothly and efficiently. Work plan and requirements for selecting successor at different levels are summarized below:

1) President level: The Bank complies with the Standard Qualifications for State Enterprise Directors and Employees Act B.E.2518 (1975) and also has transparent nominating and selecting process by recruiting from the executive officers within the Bank and giving opportunities to external applicants who are visionary with knowledge, competence and experience in corporate management to apply for the President.

From then the applicants will be selected via the appropriate nominating process.

2) Group and sector level: The Bank makes relevant assessment seeking opinions from existing group executive and requesting such group executive to nominate qualified person as successor of each business group. Approval consideration shall be done by Managing Director and President and the qualified candidate shall be selected by the Nominating and Remuneration Committee.

3) Department level: The Bank provides Successor Plan to prepare the successor's readiness. Human resources and Corporate Governance Group shall be responsibility for the process. However, managing director of the department shall consider proposing the candidate with the qualification. Then, managing director of the Group and Group's executive shall consider selecting qualified successor.

4) Regional office and business center: The Bank provides Successor Pool to prepare the executives of regional office and business center readiness through the means of taking written Assessment Center for selection. The candidate's appropriateness will be assessed by two levels of supervisors. Amount of competent executives shall be selected as appropriated according to succession plan. The highly competent executives will be listed in preparation for replacement and business expansion.

5) Branch level: The Bank provides Successor Pool to prepare the branch manager's readiness through the means of examination and the Assessment Center for selection. The candidate's appropriateness will be assessed by two levels of supervisors. Amount of competent executives will be picked as appropriated according to succession plan. The highly competent executives will be listed in preparation for replacement and business expansion.

Moreover, the Bank selects and builds competent employees groups, that is, the Bank scholars and KTB High Potential Employee to be further developed for the new generation executive posts. They will serve as foundation for business expansion and help prevent any problem of understaffing or shortage of manpower for future executive posts.

6. Supervision of the Subsidiary and Associated Company Operations

The Bank oversees the financial business group under the Consolidated Supervision guidance prescribed by the Bank of Thailand with the purpose to supervise financial business group to run its business smoothly and strongly as well as prevent any risk arisen from the business operation of financial business group.

The Bank authorizes its executives to take role of the director in order to supervise subsidiaries for the advantages of business supervision and integration of interrelated benefits between the Bank and its subsidiaries. With this regard, the Bank requires the Bank's Board of Director to consider appointing the Bank's Executive to be Director in its subsidiaries and requires the Board of Executive Directors to consider appointing the Bank's Executive to be Director in associated companies. However, the Bank formulates procedure for exercising the rights in the shareholders meeting of subsidiaries and associated companies that must be approved by the Board of Executive Directors. The subsidiaries are required to determine business plan and annual budget to report to the Bank for approval together with the Key Performance Indicator of subsidiaries in order to be compliance with the Bank's policy. In addition, the Bank will monitor the uses of funds and business operation of financial business group through conducting business operation report submitted to the Board of Executive Directors in each quarter, quarterly risk management results reported to the Risk Management Committee and yearly business operation report submitted to the Board of Directors before deliver to compliance unit. Moreover, Subsidiaries and Associated Company are required to report their related-party transactions in each month for efficient control.

In case of significant changes in business group such as the capital increase or reduction of capital as well as investment that exceed half of their total asset, the Bank requires Subsidiaries to report the Board of Executive Directors for approval. For Associated Companies, the Bank requires them to report the bank's President for approval before performing any action.





The Bank allows other shareholders to participate as the management of the Joint Venture. Number of committee depended on ratio of shares holding whilst the number of independent committee determined by the regulations prescribed in those associate companies.

7. Supervision of the Use of Inside Information

The Bank establishes the measures for the use of inside information into corporate governance policy as the following details:

1) Staff member is not permitted to purchase, sell or transfer securities in such a way that take advantage of other persons by using internal information that are significant to the changes of security prices of which has not yet been disclosed to the public or The Stock Exchange of Thailand, and to which information he has access by virtue of his office or position, and whether or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts.

2) Director, President, Managing Director, and manager or higher in Account and Finance Group must report details of the securities acquisition issued by the Bank, both of themselves, spouses, and immature children to the Securities and Exchange Commission as prescribed, whilst such details must be reported to Board of Directors on monthly basis. In addition, the details of stakeholder as above-mentioned will be reported to Corporate Secretary in order to inform the Chairman of the Board of Directors and the Chairman of the Audit Committee in compliance with the requirement from the Securities and Exchange Commission. The copy of the report referred as above must be submitted to Compliance Department so as to accumulate as the reference for operation of the related-party transaction thereafter.

3) Buying and selling securities as well as prevention of inside information use will be supervised by fixing a time limitation for selling or buying securities issued by the Bank. Directors, staff members, and related parties will be informed the use of inside information prevention regulations via the Bank channels regularly.



8. Auditor's Fee Paid

- **Audit fee**

The Bank and subsidiaries paid a total of Baht 8,706,750 for the audit fee in the accounting period of 2015. The amount comprised of Baht 7,675,000 for auditing and Baht 1,031,750 for other expenses.

- **Non-audit fee**

The Bank and its subsidiaries paid for the preparation of special report, report on foreign exchange profit, report on electronics money transfer system audit, and the review on the English translation of financial statement as well as Comfort Letter and Bring Down Comfort Letter to the Bank's auditor. No amount is paid within the accounting year and 900,000 Baht will be paid in the future.

9. Other Issues of Corporate Governance Principles

The Bank has fully complied with the principles of good corporate governance and all the five categories set forth by the Stock Exchange of Thailand as details in section 2. The Board of Directors and Executives are required to operate their work in accordance with the Governance Risk & Compliance including risk

management, regulations compliance and corporate governance practice. Management and operation process shall be relevant and connected together while each process requires individual officer to clearly take responsibility, starting from initiating the strategic plan/ business plan/policy of products launching, tool development, compliance practice with the Bank policy as well as monitoring and reporting.

Moreover, the Board of Directors oversees the performance of the Management to ensure its compliance with the key performance indicators (KPI) determined at the beginning of the year. Operating performance is monitored on a monthly and quarterly basis so as to know the status at every stage. In case the operating performance falls short of the target, the Board of Directors will conduct an analysis to find the root of causes for further solutions. At year-end, the Board will compare the Management's performance with the KPI set under the Performance Agreement (PA).

The Board controls and verifies the Management work to ensure transparency and compliance with the Bank's code of conduct, which has been developed in accordance with the dynamic matters as well as supervised internal control and risk management properly.

Related-Party Transactions

1. The Important Related-Party Transactions

As at December 31, 2015 and 2014, loans to the Bank's executives (First Vice President and above) were Baht 1,049 million and Baht 986 million. The average outstanding balances of such loans at month end were Baht 938 million and Baht 737 million respectively.

The loans outstanding as at December 31, 2015 and 2014 to close family members of the Bank's executives mentioned above were Baht 151 million and Baht 149 million respectively.

Apart from the Notes to the Financial Statements No. 6.24, related party transaction, important information on related party transaction of the Bank and its subsidiaries, associated and affiliated companies is shown below;



Unit : million Baht

The Bank's Financial Statements

December 31, 2014

December 31, 2015

| | Loan | Liability | Loan | Liability | Shares held by the Bank (Percent) | Common Director or Top Executive |
|--|-----------|-----------|-----------|-----------|---|--|
| The Bank's Subsidiaries | | | | | | |
| KTB General Services Co., Ltd. | 10.36 | 23.20 | 8.16 | 29.20 | 100.00 | Mr. Parinya Patanaphakdee Mr. Chainarong Isadawong |
| KTB Law Co., Ltd. | - | - | - | - | 100.00 | Mr. Parinya Patanaphakdee Ms. Mayurasiri Pongtaranont Mr. Suchart Dejittirut |
| Krung Thai Asset Management Pcl. | 0.03 | - | 0.05 | - | 100.00 | Mr. Songpol Chevapanyaraj |
| KTB Computer Services Co., Ltd. | 4,084.58 | 4.55 | 3,942.86 | 4.55 | 100.00 | Mr. Chainarong Isadawong |
| KTB Leasing Co., Ltd. | 59,423.54 | 1,071.27 | 50,826.10 | 1,450.60 | 100.00 | Ms. Praralee Ratanaprasartpom |
| KTB Advisory Co., Ltd. | - | - | - | - | 100.00 | Mr. Kittiphun Anutarasoti Ms. Jaree Wuthisanti |
| Krungthai Card Pcl. | 0.82 | 2.15 | 0.62 | 2.30 | 49.45 | Ms. Kittiya Todhanakasem Mr. Tanyapong Thamavaranyakupt |
| The Bank's Associated Companies | | | | | | |
| Krungthai-AXA Life Insurance Pcl. | - | - | - | - | 50.00 | Mr. Tanyapong Thamavaranyakupt Ms. Kittiya Todhanakasem |
| KT Zmico Securities Co., Ltd. | 663.15 | - | 1,080.18 | - | 50.00 | Mr. Kittiphun Anutarasoti Mr. Poonpat Sripleng Mr. Udomsak Rojviboonchai |
| Krung Thai IBJ Leasing Co., Ltd. | 4.84 | 1.27 | 0.07 | 1.39 | 49.00 | Ms. Arisara Dharamadhaj |
| Krungthai Panich Insurance Pcl. | 0.24 | - | 0.23 | - | 45.00 | Ms. Kittiya Todhanakasem Mr. Udomsak Rojviboonchai |

Unit : million Baht

The Bank's Financial Statements

December 31, 2014

December 31, 2015

| | Loan | Liability | Loan | Liability | Shares held by the Bank (Percent) | Common Director or Top Executive |
|--|----------|-----------|--------|-----------|---|--|
| <u>The Bank's Affiliated Companies</u> | | | | | | |
| <u>Other companies (which the Bank holds 10 percent or more of the total shares)⁽¹⁾</u> | | | | | | |
| Kiatpapha Co., Ltd. | 110.99 | - | 110.41 | - | 49.94 | - |
| Metro Designee Co., Ltd. | - | - | - | - | 39.00 | - |
| Alphatec Electronics Pcl. | - | - | - | - | 30.51 | - |
| National ITMX Co., Ltd. | - | - | - | - | 20.06 | Dr. Vites Techangam |
| Dhipaya Insurance Pcl. | 0.57 | 24.63 | 0.31 | 29.19 | 11.92 | Ms. Jaree Wuthisanti |
| Manager Media Group Pcl. | - | 0.29 | - | 0.29 | 16.09 | - |
| Thanathep Printing Co., Ltd. | - | - | - | - | 10.00 | - |
| Saraburi New Industrial City Co., Ltd. | - | - | - | - | 10.00 | - |
| Suvarnabhumi Airport Hotel Co., Ltd. | - | - | - | - | 10.00 | Mr. Werapong Suppasedsak |
| <u>The Bank's Affiliated Companies (with common Directors)⁽²⁾</u> | | | | | | |
| PTT Pcl. | - | 44.95 | - | 47.78 | | Dr. Somchai Sujjapongse Dr. Kittipong Kittayarak Dr. Areepong Bhoocha-oom ⁽⁵⁾ Mr. Prasert Bunsumpun ⁽⁵⁾ |
| Thai Airways International Pcl. | 3,014.57 | - | 10.44 | - | | Dr. Somchai Sujjapongse Dr. Areepong Bhoocha-oom ⁽⁵⁾ |
| Synnex (Thailand) Pcl. | 138.50 | 8.16 | 18.50 | 1.16 | | Mr. Supant Mongkolsuthree |
| Provincial Waterworks Authority | 0.04 | - | 0.04 | - | | Mr. Somchai Poolsavasdi |
| Advanced Info Service Pcl. | - | - | 0.21 | - | | Mr. Krairit Euchukanonchai |
| Sukhumvit Asset Management Co.,Ltd. | - | - | 0.19 | - | | Mr. Distat Hotrakitya |
| Dhanarak Asset Development Co.,Ltd. | - | - | - | - | | Mr. Poonnis Sakuntanaga |
| Don Muang Tollway Public Co.,Ltd. | - | - | 0.41 | - | | Mr. Somchai Poolsavasdi |

Unit : million Baht

The Bank's Financial Statements

December 31, 2014

December 31, 2015

| | Loan | Liability | Loan | Liability | Shares held by the Bank (Percent) | Common Director or Top Executive |
|---|-----------|-----------|-----------|-----------|-----------------------------------|--|
| The Bank's Affiliated Companies (with common Directors)⁽²⁾ | | | | | | |
| Interlink Telecom Co.,Ltd. | - | - | 0.64 | 41.79 | | Mr. Nontigorn Kanchanachitra |
| Advanced Wireless Network Co.,Ltd. | - | - | 3.29 | - | | Mr. Krairit Euchukanonchai |
| T.K.S. Siampress Management Co., Ltd. | - | 41.15 | - | 40.45 | | Mr. Supant Mongkolsuthree |
| PTT Global Chemical Pcl. | 15,589.35 | 16.22 | 16,756.37 | 639.95 | | Mr. Prasert Bunsumpun ⁽⁵⁾ |
| PTT Exploration and Production Pcl. | 0.84 | 0.35 | 0.62 | 0.35 | | Mr. Chakkrit Parapuntakul ⁽⁵⁾ |
| True Move Co.,Ltd. | 1.76 | 337.50 | 1.69 | 337.50 | | Prof. Athueck Asvanund ⁽⁵⁾ |
| True Distribution & Sales Co.,Ltd | 7.24 | - | 7.00 | - | | Prof. Athueck Asvanund ⁽⁵⁾ |
| True Corporation Pcl. | 1.84 | - | 1.82 | - | | Prof. Athueck Asvanund ⁽⁵⁾ |
| Real Future Co., Ltd. | - | 1,900.50 | 0.23 | 115.96 | | Prof. Athueck Asvanund ⁽⁵⁾ |
| True Visions Group Co.,Ltd | 0.42 | - | 0.43 | - | | Prof. Athueck Asvanund ⁽⁵⁾ |
| The Bank's Affiliated Companies (With Common Top Managements)⁽²⁾⁽³⁾ | | | | | | |
| Bangkok Expressway and Metro Pcl. ⁽⁴⁾ | 4,774.70 | 17.98 | 25,416.63 | 78.98 | 6.85 | Mr. Werapong Suppasedsak |

- Notes : (1) Including the companies that the Bank holds the shares due to debt restructuring
- (2) Report only the companies with loan or liability as at December 31, 2015 including the companies with common directors who resigned from the Bank or the companies during the year of 2015
- (3) Top executives shown above are Managing Director of all Groups.
- (4) Information of BECL and BMCL was consolidated on December 31, 2014. However, these 2 companies has already merged and registered the establishment as Bangkok Expressway and Metro Pcl. (BEM) on December 30, 2015
- (5) Mr. Prasert Bunsumpun's term of office as Director expired on April 10, 2015
 Mr. Chakkrit Parapuntakul resigned from the position of Director on September 30, 2015
 Dr. Areepong Bhoocha-oom resigned from the position of the Chairman of the Board of Director and Director on October 31, 2015
 Prof. Athueck Asvanund resigned from the position of Director on December 4, 2015



2. Policy on Pricing

To prevent conflict of interest that may arise from conducting related-party transactions, the Bank has used the market price or fair price in conducting all types of transactions unless otherwise specified by the regulators.

3. Necessity and Justifications of Related-Party Transactions

Related-party or related transactions conducted in 2015 were normal business transactions or support transactions for normal business of the Bank; are

conducted under the same general trading conditions as those done with outsiders and were necessary for business operation and supporting business operation. However, the Bank has justified that related-party transactions between the Bank or subsidiaries and related persons or persons who might have conflict of interest with the Bank or subsidiaries were conducted in accordance with general nature of business. In addition, the Bank received and paid remunerations at market prices or fair prices. Such transactions were also complied with the requirements of the regulators and were disclosed accurately and completely.

4. Measures for Related-Party Transactions Approval

The Bank gives importance to prevention of conflict of interest from conducting inter-party or related transactions. In approving such transactions, the Bank has carefully considered the issues with integrity, good faith, justification and independence within ethical framework, adhering to the code of conduct and good corporate governance principles of the Bank. Moreover, the Bank formulates related transactions procedure and regulations to the responsible unit. To assure that such transactions with the requirements of the regulators, the Bank has assigned the Compliance Department to oversee and re-check the approval procedures of such transaction.

However, if any related-party transactions or related transactions specified by the regulators or by the Bank procedures is required to be approved by the Board of Directors in order to prevent conflicts of interest, the Bank has formulated the best practices of the Directors in relation to approval of related-party transactions or related transactions as follows:

1) Each Director is required to disclose information on transactions that might lead to conflict of interest, related-party transactions or related transactions as the requirements specified by the Securities and Exchange Commission and the Stock Exchange of Thailand.

2) Directors having interest are prohibited from taking part in approval process. In conducting the related-party transaction, the Audit Committee shall participate and give opinion under the principles of

good corporate governance and the regulations of the Stock Exchange of Thailand.

3) Lending or investing in business in which the Director has interest must be unanimously approved by the Board of Directors without attendance of such Director. To prevent conflict of interest, pricing and terms and conditions must be determined in accordance with the Bank's normal trading and with the same treatment given to general customers.

5. Policy on Conducting Future Related-Party Transactions

In general business operation, if the Bank realizes that conducting related-party transactions in the future will benefit the Bank and its shareholders the most, the possibility will be that the Bank or its subsidiaries will follow the regulators' requirements and the Bank's measures for approval of related-party transactions.

Moreover, in conducting future related-party transactions or related transactions, the Bank will adhere to the same practices as those of conducting transactions with general customers under the trading terms and conditions that are not different from those observed by general business or business of the same type. Remuneration paid or received from such transactions shall comply with market price or fair price. Full and accurate disclosure of relevant information concerning related-party transactions or related transactions is required.

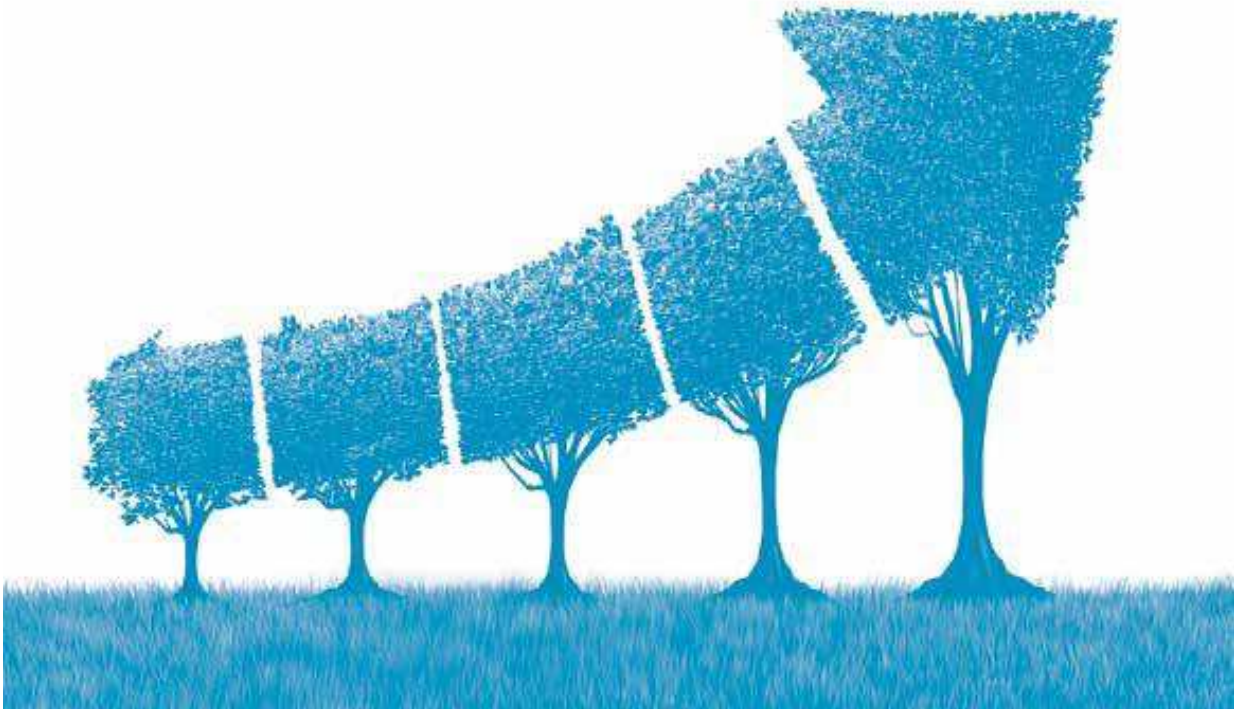
Corporate Social Responsibility (CSR)



Krung Thai Bank Pcl. has taken corporate social responsibility into consideration during the past years, reflected through one of the Bank's missions that is to develop economics, society, and environment to have sustainable growth, good corporate governance policy and anti-corruption policy. The national and international awards have also indicated the recognition that the Bank's performance is seriously and continuously responsible for the society and environment.

In 2015, the Bank was reorganized to effectively enhance its operational processes and customer services; to update its technology system; and to manage the risk carefully and prudently. The Bank aims to build good governance culture through the KTB FIRST:

Firm - Corporate Governance Awards Project in order to motivate all departments to follow the Bank's corporate governance in compliance with its objectives and to have social responsibility and public consciousness. This Project creates sustainable value in the organization. Moreover, the Bank continually operates 4 dimensional activities for corporate social responsibility: educational, social and environmental, sport and art and culture. These activities follow the 4 main ways: 1) to continue the ongoing projects and to extend the outcomes from the main projects to promote and support in building intellectual capital continuously as well as to truly bring the benefits to the society and the environment; 2) to link and integrate the projects



with related objectives and age ranges; 3) to encourage participation of the staff members' at all level by instilling the Bank staff members' consciousness to realize participation in the Bank's projects and activities; and 4) to continually create alliance network to cover all social sectors, namely government sector, private sector and people in order to push forward the Bank's projects to achieve the goals.

In addition to supervising its own organization, the Bank has closely monitored the corporate governance of its subsidiaries. The Bank would coordinate with the subsidiaries in case of the possibilities that their operations could affect to the society and environment. After investigation, the subsidiaries may require to solve the problems and report the progress of their solutions to the Bank. However, during the previous year, there is no case of their operations that affects corporate social responsibility. Moreover, to comply with international standard, the Bank has made Sustainability Development Report based on the guidelines of Global Reporting Initiative (GRI) version 4.0 that is the latest version and is in accordance

with guidelines and Annual Registration Statement (Form 56-1) stipulated by the Securities and Exchange Commission (SEC).

Last year, Krung Thai Bank won CG & CSR awards bringing the pride to the Bank, for example, ASEAN Corporate Governance Awards 2015, Outstanding Sustainability Report Awards 2015, Corporate Governance Report of Thai Listed Companies 2015 rated as "Excellent", Annual General Meeting "AGM" 2015 rating score of 100, ESG 100 Certificate 2015, and Honorary Member Awards from Thailand Business Council for Sustainable Development (TBCSD). These awards become the important factors in generating the confidence for all groups of stakeholders as well as in encouraging the Bank to enhance its operational processes with standard in order to become a sustainable organization, build up business growth, and to increase all stakeholders' wealth.

For more information related to the corporate social responsibility, the Bank has stated the information at the Bank's website www.ktb.co.th. Click the menu "About KTB CSR" and select "KTB Social Responsibility Report".

Awards of Pride

1. Thailand Business Leader of the Year Award

from the 14th Asia Business Leaders Awards (ABLA) held by CNBC. This award was granted to Mr. Vorapak Tanyawong, the President of Krung Thai Bank, who was the first executive in the field of banking business in Thailand to be presented with this award.

2. **Financier of the year 2015** award from Money & Banking Magazine was granted to Mr. Vorapak Tanyawong, the President of Krung Thai Bank, as he was fully qualified for the 4 criteria namely; being a financier with broad and up-to-date vision, being a professional and integrity financier, being a financier to create growth to the organization and being a financier with social responsibility.

3. **The Asian Banker Excellence in Retail Financial Services Thailand Awards 2015** for the Best Deposit Product in Thailand organized by the Asian Banker Magazine. This award exhibits the Bank's outstanding strategic planning for service operation and the development in financial products for retail customers that are modern and satisfy the customers' needs.

4. **The Global Banking and Finance Awards for SME Bank of the Year 2015** from The European Magazine as a result of continuing development of SME operation of the Bank.

5. **World's Most Valuable Global Banking Brands**, ranked at number 172 among the global top-500 banks, conducted by the consultancy Brand Finance, England.

6. **Asean Corporate Governance Awards 2015**. The award ceremony is organized by capital market regulators from ASEAN jurisdictions, with the aim to promote good corporate governance of the public and private companies in the region. Among 550 companies from 6 ASEAN countries, Krung Thai Bank was listed in TOP 50 ASEAN Publicity Listed Companies.



7. **Outstanding Sustainability Report Awards 2015** from CSR Club, Thai Listed Companies Association, the Office of the Securities and Exchange Commission and Thaiptat Institute. The awards are granted to listed companies and general companies that publicized report on corporate social responsibility in the form of sustainability report. This promotes disclosure of useful information about Environment, Social, Governance or ESG to investors in the capital market and to stakeholders of the business. The award also develops the organization to reach sustainability in the long run.

8. **ESG 100 Certificate 2015** is the award granted to companies or organizations for outstanding performance in terms of environmental, social, and governance (ESG) aspects combined with good financial performance that will assist investors in looking for sustainable investment.



9. **Honorary Member Awards** from the Thailand Business Council for Sustainable Development (TBCSD) was granted to the Bank as an outstanding corporate which operates its business along with the policy implementation on environmental conservation and social responsibility.

10. **“Excellent” Corporate Governance Recognition Level** from the Corporate Governance Report of Thai Listed Companies 2015, which ranked at the highest corporate governance scores in the CGR publication, conducted by the Thai Institute of Directors (IOD).

11. **“Excellent” assessment with full-100-score for the quality of ordinary annual general meeting 2015**, awarded by the Thai Investor Promotion Association with the Thai Listed Companies Association and the Securities and Exchange Commission.

12. **Consumer Protection Thailand Call Center Award 2015** for the second consecutive year from the Office of the Consumer Protection Board (OCPB).

13. **Outstanding Booth Award** for Beautiful Booth in the 850-1,000 m² space category under the theme of “Growing to AEC”, indicating the Bank’s attention and readiness to bring customers grow together in the countries, at the 15th Money Expo 2015.

Moreover, Krung Thai Bank, Vientiane Branch is the only foreign bank in Lao People’s Democratic Republic (Lao PDR) that received the Best Business Performance and Management Awards 2015 for the sixth consecutive year and Compliment Certificate of “Good” Performance in Credit Data 2014 from the Bank of the Lao P.D.R.