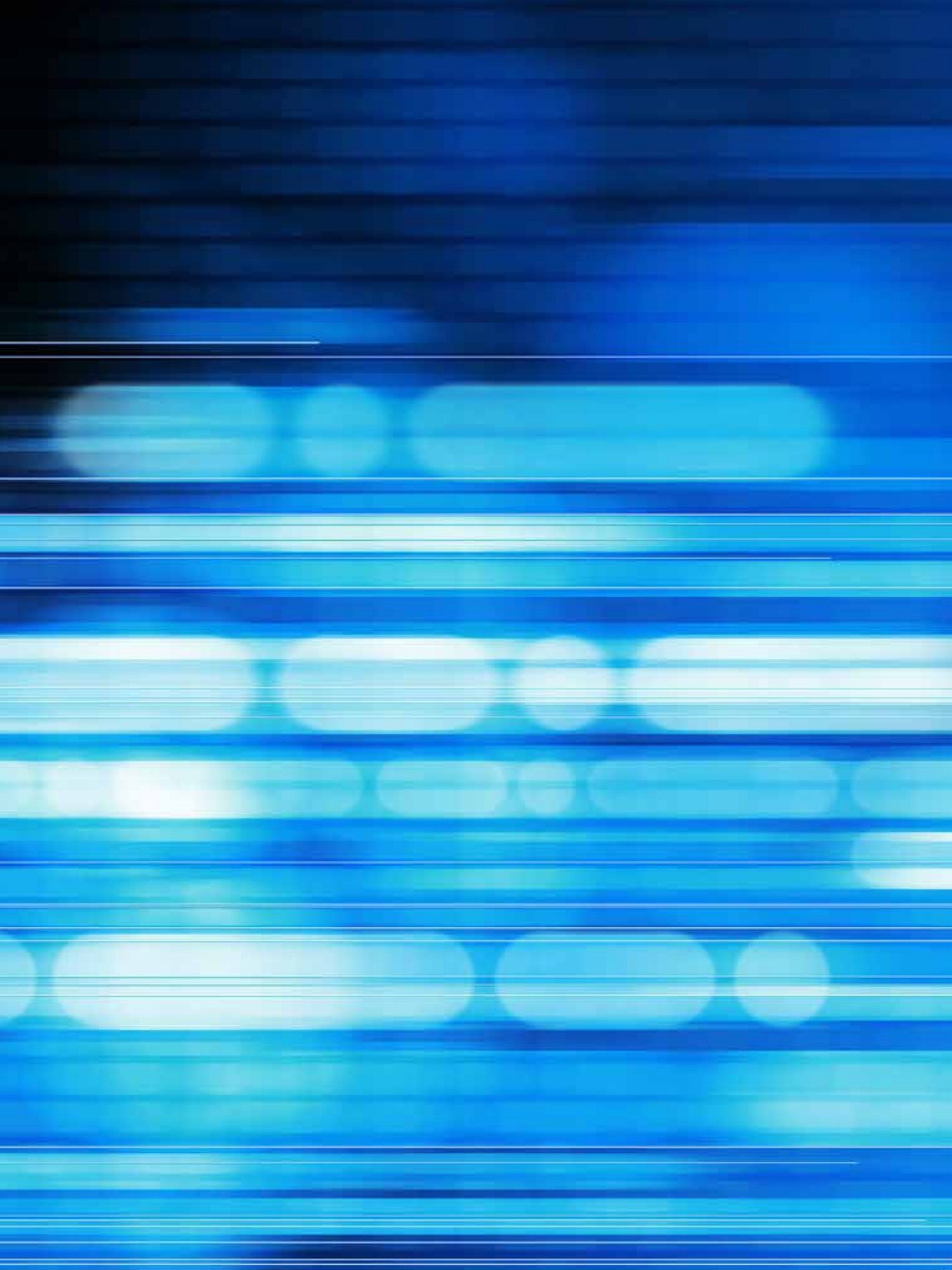




RESPONSIBLE BANKING

Growing to a Sustainable Future



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Message from the Chairman and the President

In 2017, the Bank has developed the organization in various aspects so that the Bank is ready to become a top digital bank and the best place to work, both in terms of structure and working culture of the organization. The Bank has also come up with novel innovations so that it can offer digital products and services which respond to abrupt and continuous changes.

The Krungthai Moral Initiative was launched to cultivate corporate governance culture, instill moral awareness and push forward Krung Thai Bank to become zero-tolerance organization on the basis of code of conduct which will lead to sustainable development.

The 3 main dimensions of our operations toward sustainability are:

Dr. Somchai Sujjapongse
Chairman of the Board of Directors

Economic Dimension

As a key player in Thai economy, the Bank expressed full commitment to the advancement and reformation of the country's economy in alignment with Thailand 4.0 policy by executing several projects, e.g. supporting National e-Payment scheme by accepting PromptPay registration for individuals and juristic persons, which will be the basis of Request to Pay and Cross Bank Bill Payment Service; issuing over 11 million welfare cards in time for the delivery of the cards to low-income earners who had registered for welfare card scheme as well as installing EDC terminals to support the welfare card and other electronic cards usage, which not only aided millions of people suffering from high cost of living but also facilitated merchants to accept payments. Moreover, the Bank has developed Krungthai QR code payment services such as Paotung-an application for receiving payment using QR code technology-offering a secure, novel and easy-to-use alternative with lower cost of cash management, paving way for cashless society.

The Bank carried out Krungthai Young Enterprise Project to open up opportunities for startup entrepreneurs to apply innovations to further their business, which will essentially contribute to the development of digital economy in alignment with the government's policies. In 2017, Inno Waste Startup Team who presented the innovation which transformed food waste to soil won the first prize while the second prize belonged to Fresh Water Shrimp Farm Ecosystem Team who created aqua ecosystem for shrimp farmers operating natural aquaculture. The third prize went to ORICGA Team who developed anti-aging cosmetic substrate extracted from grub. Furthermore, the Bank has also established a fund to invest in high potential SMEs and startups allowing them to develop their businesses continuously.

Social Dimension

As employees are the most valuable resources in driving the organization toward sustainable development, the Bank is determined to treat employees fairly, appraise performance using performance driven organization (PDO) model. The Bank also put great emphasis on developing employees' agility and multi-tasking skills so they are equipped for the upcoming KTB Digital Banking under the theme "excellent work, skillful man, proficient in technology" through training employees in core, technical and management competencies. Additionally, in 2017, the Bank devised corporate governance strategic plan 2017-2021 under the Krungthai Moral Initiative to ensure



Mr. Payong Srivanich
President

that the Bank's operation is in line with the National Anti-Corruption Strategy Phase 3 (2017-2021) along with the Bank's plan to become model moral organization. The Bank encouraged all employees to employ corporate governance in their work process (KTB CG in Process) with the aim of achieving Zero-tolerance policy. The Bank also organized the Compliance Champion Project to encourage and give all employees a chance to submit projects promoting transparent operation and corruption prevention.

As for social development, the Bank built on "Krungthai Weaving Dream Schools: Good School near Home Project" and coordinated with a social enterprise, Learn Education, to integrate e-learning into Math and Science classes to enhance the quality of teaching for Grade 5-6 classes in 11 schools in the project (out of a total of 94 schools). The two subjects are basic and essential foundation for human resources development to support digital economy in the future. "The Krungthai Business Ethics Initiative (White Seedlings) Project"

opened up opportunities for high school students and participants to carry out projects in accordance with King Bhumibol Adulyadej's sufficiency economy philosophy to work in cooperation with local communities to solve issues in the areas. After 11 years of continuously running the projects, 4,908 communities have been developed in alignment with sufficiency economy philosophy.

Environmental Dimension

The Bank is aware of the importance of environmental conservation and effective resources management. Therefore, it launched KTB Think Green+Project to encourage employees in both headquarters and branches to take part in preserving energy and using energy wisely. Besides, the Bank converted lighting in both of headquarters buildings to LED lighting to reduce electricity usage in the two buildings and digitalize many work systems to reduce paper usage. The Bank also took part in 60+ Earth Hour 2017 Project in which the Bank turned off the light for 1 hour to reduce climate change together with Foundation for Environmental Education for Sustainable Development (Thailand): FEED, WWF Thailand and over 7,000 cities around the world on March 25, 2017 between 20.30-21.30 hrs.

Amid the VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world, the sustainability of organization's operation is considered the foundation of the organization's stability and readiness for unpredictable challenges. As a result of our strong determination to create sustainability, the Bank won many awards such as Outstanding State-Owned Enterprise (SOE) Awards 2017 for Outstanding Disclosure and Transparency from State Enterprise Policy Office (SEPO), a Five-Star (excellent) Rank in Corporate Governance Report of Thai Listed Companies 2017 from Thai Institute of Directors (IOD). As one of the pillars of Thai economy, Krung Thai Bank is determined to operate business under corporate governance principles to contribute to sustainable development of Thai economy.

(Dr. Somchai Sujjapongse)
Chairman of the Board of Directors

(Mr. Payong Srivanich)
President

The Corporate Governance and Social Responsibility Committee

1. Mr. Vichai Assarasakorn
Chairman of the Corporate Governance and Social Responsibility Committee
2. Mr. Nontigorn Kanchanachitra
Member of the Corporate Governance and Social Responsibility Committee
3. Dr. Kulaya Tantitemit
Member of the Corporate Governance and Social Responsibility Committee



Message from the Chairman of the Corporate Governance and Social Responsibility Committee

Krung Thai Bank has taken into account the awareness of corporate governance (CG) and corporate social responsibility (CSR) concerning 3 dimensions; economic, social and environmental dimension, in leading the entire organization and external stakeholders toward the sustainable development and becoming a main institution of the country in developing nation's economic and social systems. With the intention of formulating guidelines and monitoring operating results, the Board of Directors appointed 3 directors as the Corporate Governance and Social Responsibility Committee. In 2017, the committee held a total of 13 meetings.

In 2017, the Corporate Governance and Social Responsibility Committee devised the 2017-2021 corporate governance strategies for Krung Thai Bank PCL under the Krungthai Moral Initiative using the 3 principles: foster, prevent and suppress. The main strategies of the Bank covered 5 aspects: 1) to create the organization with zero-tolerance toward corruption, 2) to enhance the intent on anti-corruption ethics, 3) to develop a proactive anti-corruption system, 4) to elevate the standard of anti-corruption process and 5) to improve integrity and transparency assessment (ITA).

As the result of the deliberate operation in 2017, the Bank received the awards relating to the corporate governance and social responsibility as follows:

- Outstanding State-Owned Enterprise (SOE) Awards 2017 for Outstanding Disclosure and Transparency from the State Enterprise Policy Office (SEPO), Ministry of Finance
- Best Social Impact Bank Thailand Award 2017 by CFI Journal: the Bank is the only organization in Thailand which received the award from CFI in Q4, 2017.
- Thailand Sustainability Investment (THSI) Award 2017 from the Stock Exchange of Thailand (SET)
- "Excellent State Enterprise of Ethics and Transparency Planning Operation" Award 2017 from Office of the National Anti-Corruption Commission (NACC)
- An honorable NACC Integrity Awards 2017 at the 7th annual awarding ceremony held by the Office of the National Anti-Corruption Commission (NACC)
- Sustainability Report Award 2017 in the Recognition Award Category from Thai Listed Companies Association, the Securities and Exchange Commission and the Thaipat Institute
- Green Meeting Plus Certificate from the Thailand Business Council for Sustainable Development (TBCSD)

All the rewards and assessments the Bank received have reflected the effectiveness of our operation and we will strive to ensure that we will keep up the high standard.



(Mr. Vichai Assarasakorn)
Chairman of the Corporate Governance
and Social Responsibility Committee

Organizational Profile

102-1, 102-5

The Bank was established on March 14, 1966 as a financial institution in the category of commercial bank. The incorporation was made through a merger between the Mondhon Bank Limited and the Agricultural Bank Limited. The Bank was the first state enterprise that listed its shares in the Stock Exchange of Thailand in June 1989 and registered its transformation to public limited company in 1994. Ministry of Finance is a major shareholder through the Financial Institutions Development Fund (FIDF), holding the shares totaling to 55.05 percent. In October 2012, the Bank has increased its capital by allotted newly issued ordinary shares totaling to 2,796.31 million shares to the existing shareholders, in relevant to their holding ratio on both ordinary shares and preferred shares. The Bank's logo was light blue vayupak, reflecting to modernity, unlimited freedom, power of enthusiasm and strong determination to fly away to farther advancement all over the Thai air space while the color "Sky Blue" signifies feeling of convenience, comfort and friendliness that all the customers will get from Krung Thai Bank.

In 2017, the Bank succeeded in issuing subordinated debentures to be the Bank's Tier 2 capital amounting, not over, to Baht 20,000 million to increase capacity of lending loan and extending business of bank in the future. With this regard, these subordinated debentures gained a lot of attention from individual, juristic person and institutional investors including life insurance, insurance company, asset management company and other company.

Presently, the Bank's paid-up registered capital amounted to

- ▶ **72,005,040,437.50** Baht
divided into
- ▶ **13,976,061,250** ordinary shares
and
- ▶ **5,500,000** preferred shares,
totaling
- ▶ **13,981,561,250** shares.

102-7

With the Bank mission to develop the country economy, the Bank improves products and service to serve public in all area nationwide so that people can access source of fund and services with the purpose of growing and extending their business.

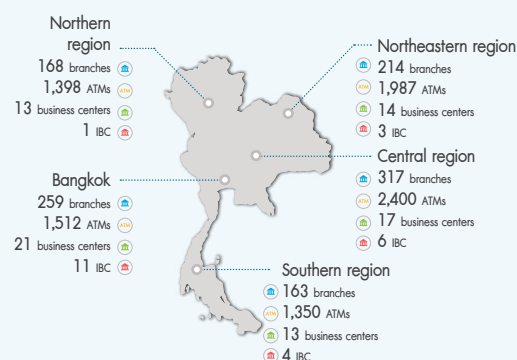
The Bank operates a total of **1,121** branches nationwide dividing into

There are **8,647** ATMs dividing into

There are **78** business centers dividing into

There are **25** international business center dividing into

The information as at 31 December 2017



102-3



Head office address (Nana Nua Building):

35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110

Head office address (Sukhumvit Building):

10 Sukhumvit Road, Klong Toey Subdistrict, Klong Toey District, Bangkok 10110



Registration Number :

0107537000882 (formerly Bor.Mor.Jor.335)

The Bank registered its transformation to public limited company on March 24, 1994



Tel :

0 2255 2222



Fax :

0 2255 9391-3



Krungthai

Call Center :

0 2111 1111



Complaint Center :

0 2208 8989



Website :

www.ktb.co.th



E-mail :

Call.Center@ktb.co.th



Facebook :

KTB Care



Twitter :

KTB Care



Instagram :

KTB Care



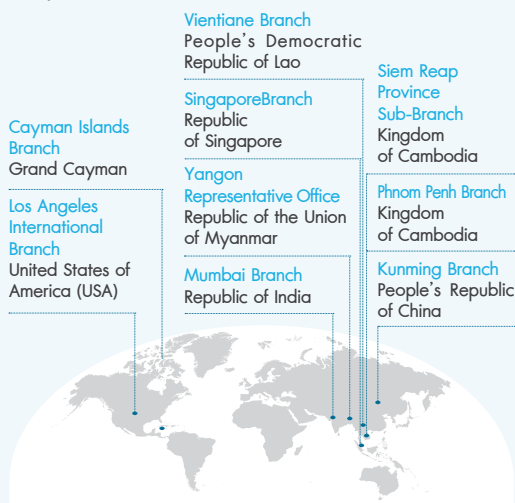
Youtube :

KTB Care



102-4

There are 8 international branches in 7 countries and 1 representative office. The details are as follows;



(as at 31 December 2017)

*Remark Cayman Islands Branch has been established with the purpose to emphasis transaction which collects fund from external sources. Yangon Representative office is responsible for taking care and facilitating customers with trade and investment.

102-16

Vision

GROWING TOGETHER

The Bank is determined to develop employee competency in order to support the growth and wealth of customers, enhance the better quality to society and environment and generate outstanding and sustainable returns to shareholders.

Mission



Enhance potentiality and develop employee skills and working system



Constantly provide excellent service and valued recommendation to all customers.



Contribute to the development of the country's economy, society and environment.



Generate outstanding and sustainable returns to shareholders

102-10

Krungrat Bank's core values or Brand DNA

The Bank set up Krungrat Branding Project to lay the foundation of strong and sustainable organization brand. The project was carried out systematically and in a step-by-step manner as prescribed in global theory. The Bank has done the researched and gathered information from various sources including from its stakeholders in all sectors through the opinion survey of employees, customers, the general public and in-depth interview with Executives and regulators, in addition to the management-level workshops. The results were analyzed, assessed and scrutinized in order to determine the F-A-S-T Brand DNA which truly reflects the Bank's identity. The Brand DNA is crucial because it is used as guidelines for brand development as well as business operation, product development and work process adjustment. Accordingly, the Brand DNA has been considered as its compass for the operation. Furthermore, F-A-S-T Brand DNA fits well in social and technological context, as well as responding to fast-changing customer behavior and aligning with the Bank's statement of direction. Moreover, the Management Committee and the Board of Directors approved of changing the Bank's core value FIRST to F-A-S-T Brand DNA. The meaning of F-A-S-T is as follows:



Products, Services and Subsidiaries

The Bank adheres to customer-centric operation by using KTB Customer Life Cycle Management Model, starting from classifying customers into groups, define target groups and customer needs, develop products and services that satisfy the needs of both current and potential customers, present products and service, manage the service, ensure customer satisfaction to create brand loyalty and engagement, evaluate the result of operation to ensure efficiency. The Bank endeavors to understand the needs of customers with each specific life style and develop financial products and services to align with the specific needs of each group of customers. The products and services can be categorized as follows:

Loan products

Corporate loan for large corporates with sale volume of over Baht 1,000 million and credit line of over Baht 500 million in agricultural, construction, hospitality & service and general industrial businesses

Medium enterprise loan for corporate with credit line of over Baht 20 million but less than Baht 500 million serves as source of fund for SME businesses.

Small business loan responds to the government policy aiming to help SME operators. Examples are Krungthai Jai Dee Help SMEs loans for SME customers

Government loan possesses large customer base. It is divided into loan for government agencies, loan for state enterprise and loan that the Bank cooperates with government agencies.

Personal loan is granted to individuals. Examples are:

- KTB Thanawat is a financial welfare loan and the target customers include government officer, government employees, full-time employees of government agencies and state enterprise employees. The loan aims to improve customers' liquidity, mitigate their financial problems when they are in need and allow the customers to repay the principal of the loan at their convenience.
- KTB Home Easy Cash is a loan for customers with fixed income and they can use to pay for anything they wish or to support their profession.
- KTB Smart Home Loan is a loan provided to customers to buy a house with land, townhouse, a room in condominium or economic building to be the residence of the customer and family.



102-2

Financial Institution Loan is provided to control and develop business partnership with financial institution customers e.g. offshore financial institutions and branches.

Overseas Branches Loan is offered to Thai and foreign customers via Bank's 8 overseas branches and 1 representative office.

Loan granting in accordance with the principle of good governance

The Bank's loan granting policy is in accordance with the principle of good governance, transparency and fairness. The Bank does not discriminate loan applicants and its guideline is to grant loan to all customers with reliability and ability to repay without discriminating race, religion, gender or marital status. However, the Bank does not intend to grant loans to any business which is illegal, immoral or against the good tradition.

Furthermore, the bank also has non-loan products such as wealth management, any service and products through capital market, supply chain financing and other kinds of products and services from the bank's subsidiaries. Read more about Products and Services in the Annual Report page 50-58 and 47 (the bank's subsidiaries detail)



203-2

Electronic Products and Services

In 2017, the Bank developed electronic products and services which are convenient and suitable for the digital life style of different groups of customers.

- **KTB netbank** allows customers who have a bank account with the Bank to conduct transactions on electronic platform via the internet. Currently, customers can transfer money via PromptPay using mobile number and 13-digit ID card number as reference number. This offers customers a new option for transferring and receiving money which is more convenient but cost less and is as safe as traditional money transfer service. Moreover, KTB netbank: Talk to net officer service allows the customer to contact a bank officer via video call. At present, there are over 4 million netbank users.



Scan to download
KTB netbank
application

- **"Paotang"** is application for individuals to conduct financial transactions such as making a transfer and making a payment. The application can be used by scanning QR Code to make a transfer via PromptPay and make a payment for product and service in accordance with Thai QR Standard. The application has fingerprint identity verification to confirm payment and the user can view transaction history.



Scan to download
Paotang
application



Scan to download
Paotung
application-Please
contact a branch
to operate this
application

- “Paotung” is application that support QR Code payment for merchants, e.g. shops in government agencies and universities, shops in community areas as well as retail and wholesale shops that accept cash. The applications facilitate the merchant in managing the payment of goods and services as its clients can make payment by transferring money directly to the merchant’s account and the merchant can view daily sales summary.

- **KTB LG Online** is the payment service of e-Guarantee issuance and e-bidding document to facilitate operators who wish to bid for a government agency project. Operators can buy e-bidding document and place e-Guarantee when bidding on the Comptroller General’s Department’s Electronic Government Procurement (e-GP) platform which is linked to KTB Corporate Online. Krung Thai Bank and the Comptroller General’s Department signed the MOU and the Bank is the first bank to provide this service to government agencies.

- **KTB Corporate Online** is the Bank’s internet banking facilitating to groups of customer covering juristic person, government agency, state enterprise and individual customer to be able to do financial management. Apart from using information service, customer can manage 4 financial transactions namely; money transfer and payment, money collection, liquidity management as well as information service. The service can be made through application on mobile phone 24 hours.

102-13

The Bank joined as a member of organization and association regarding economy, society and business so as to be a guideline in operating business and to implement any operating standard to improve organization. The details are as follows;

Industry Association

- The Thai Bankers’ Association
- ACI Thailand Club
- The Thai Bond Market Association
- Association of Thai Securities Companies
- ICAS: Imaged Cheque Clearing and Archive System

National Association

- CSR Club
- Thailand Business Council for Sustainable Development: TBCSD
- Anti-Corruption Organization of Thailand

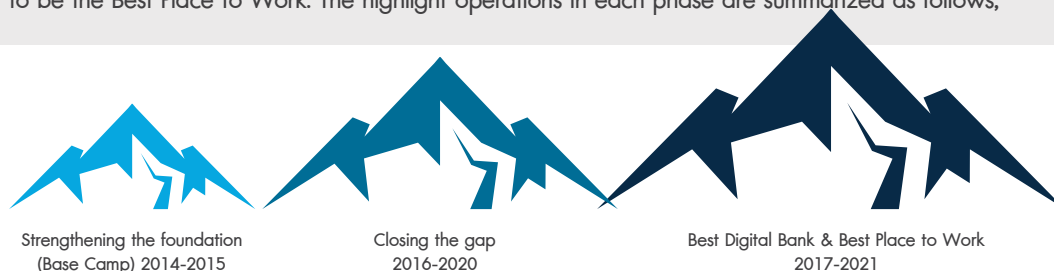
International Association

- International Swaps and Derivatives Association: ISDA

In addition, The Bank jointly signed Memorandum of Understanding on National Anti-Corruption Strategy Phase 3 (2017-2021) with the Office of the National Counter Corruption Commission, State Enterprise Policy Office (SEPO) and state enterprises to drive organization with transparency and no corruption acts. Additionally, the Bank also jointly signed Memorandum of Understanding on driving the Bank to become a model virtuous organization with Moral Promotion Center (Public Organization) under the “Krungthai Moral” initiative.

The Bank's Strategy 2017

The Bank remained operating business in line with the strategic plans timeframe during 2014-2021 which was divided into 3 phases or 3 summits. The first submit, or “strengthening the foundation” has already passed. Presently, it was during the second and third summit. In 2017, the third summit would be started with the aim to become leading bank in digital banking trend and to improve organization to be the Best Place to Work. The highlight operations in each phase are summarized as follows;



Summit 1

Strengthening the foundation (Base Camp) during 2014-2015. The emphasis has been placed on elevating and improving business operation in term of retail, SME, Wholesale, Investment Banking, Global Markets, Transactional Banking and any operation relating to human resource and technology to support the Bank operation.

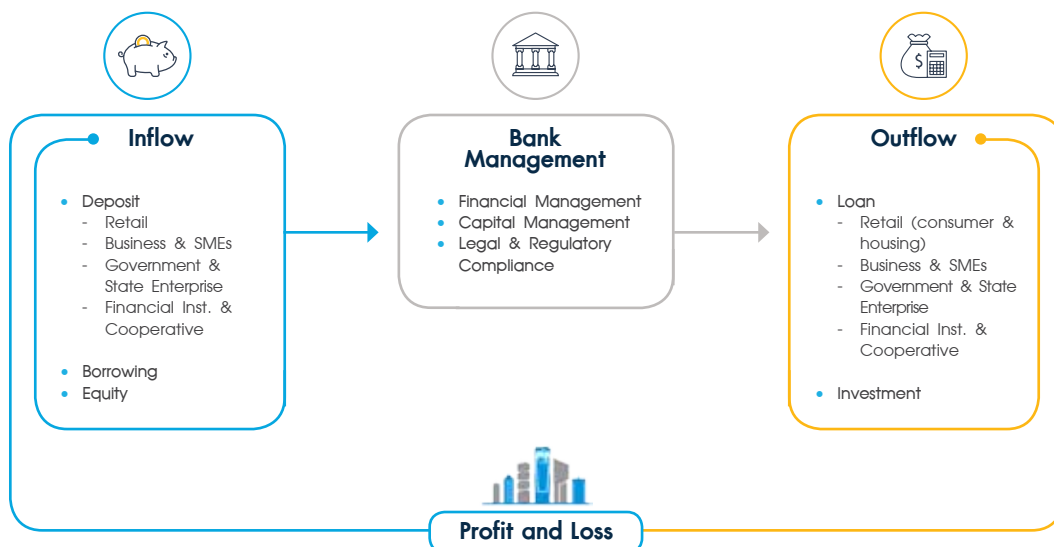
Summit 2

Closing the gap between the Bank and other competitor during 2016-2020 with the purpose to develop the Bank to become leading bank of the country in term of market share and benefit, close gap with between the Bank and other competitor in the aspect of differential from net interest, source of fund, proportion of cost and income, as well as develop the Bank to be the Paperless Organization. The Bank also looked for new opportunity to grow business, for instance, wealth management, extending market in ASEAN region and reaching digital customer base.

Summit 3

Best Digital Bank & Best Place to Work. During 2017-2021, the Bank aimed to be a leading bank in Digital Banking and to be the Best Place to Work. Presently, digitization come to banking business faster than expect and affected the Bank strategy. In this regard, the second and third summit had to overlap closely in order to integrate between closing gap between the bank and competitor together with laying the foundation of turning to be the Best Digital Bank and Best Place to Work in the future. However, the Bank must focus on a vital point and make the direction clear under the same goal. The third summit plans to be started earlier.

Value Chain Management



The Bank performed as a financial manager and had inflow sources such as all types of deposit including savings, current account, fix account for individual and juristic customer (private company is included), government agency, state enterprise and financial institution through any channels, for instance, ATM, ADM and KTB netbank, inter-bank loan, interest from loan. The vital sources of fund were borrowing, equity and fee from all the bank's services which originate from being an agent or a representative as fund management and fee from other services covering fee from currency exchange, fee from transaction, which is presently got decreased due to PromptPay service.

Those fund would be managed by the Bank in compliance with effective risk management and good corporate governance as well as monitored continuously. Additionally, there was a policy to maintain revolving fund. The emphasis has been place

on NPL management, appropriate management, considering liquidity and regulation that changed according to technology progress with the aim of creating highest value to shareholders under the regulation by the regulators, for instance, the Bank of Thailand, Stock Exchange of Thailand and State Enterprise Policy Office (SEPO).

The Bank managed those fund though the Bank's operation. Most of the operation was in form of lending loan, for instance, loan for several size of business, loan for government sector, loan for overseas branch. In this regard, the Bank's income would be in form of interest and fee from the Bank's service and the Bank's subsidiaries service which offered via the Bank. The other source of income also arose from investment and trading transaction, investment in bond, net profit from investment, share of profits from investments for using equity method, etc.

Guideline to operate business sustainably according to international standard

The Bank gave emphasis to operate business sustainably under guidance and standards of the national and international levels.

Dimension	Issue	Operation Guideline	Topic in Sustainability Report
Economic Dimension	Anti-Corruption	<ul style="list-style-type: none"> - Formulate zero-tolerance policy into code of conduct so as to be an anti-corruption guideline for trader, representative, middleman, consultant or related person with the other business of the Bank. - Announce Whistle-Blowing policy as a channel for reporting any wrongdoing. - Formulate the policy of Anti-Money Laundering and Combating the Financing of Terrorism: AML/CFT as in compliance with the Vienna Convention (1988) Financial Action Task Force (FATF). - The Bank jointly signed Memorandum of Understanding on National Anti-corruption Strategy Phase 3 (2017-2021) with the Office of the National Counter Corruption Commission, State Enterprise Policy Office (SEPO) and state enterprises. - The Bank jointly signed Memorandum of Understanding on driving the Bank to become a model of virtuous organization with Moral Promotion Center (Public Organization) under the "Krungthai Moral" initiative. 	Corporate Governance
Social Dimension	Human Rights	<p>Krung Thai Bank operates business by adhering to domestic and international law as well as Universal Declaration of Human Rights or UDHR for instance</p> <p>No.2 Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind.</p> <p>No.3 Everyone has the rights to live liberty and with security.</p> <p>No.7 All are equal before the law and are entitled without any discrimination to equal protection of the law.</p> <p>No.24 Everyone has the rights to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.</p> <p>In order to be a standard in performing, the Bank stated the human rights issue in Section 2 Staff Regulation.</p>	Operation in Social Dimension
Social Dimension	Labour	<p>The Bank took care of its staff in complying with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work</p> <ul style="list-style-type: none"> - The state Enterprise Labour Relations Act and Act on Standard Qualifications for directors and public enterprise employees - Children under 18 years old is not allowed to work. - Male and female get equally promoted. - Empowerment Of Persons With Disabilities Act, B.E. 2550, Section 35. 	Operation in Social Dimension
Environmental Dimension	Environment	<p>ISO26000 standard has been implemented as an environmental guideline, for instance:</p> <ul style="list-style-type: none"> - Environmentally friendly operation, for instance, Green Loan origination. - The establishment of Think Green Plus project to launch campaign of reducing electrical power. - Launching the campaign to eliminate document safely under the project Shred2Share with the aim of reducing a number of destroying trees. - Launching the campaign Green Meeting to reduce paper usage. - Providing Krungthai Green Heart to encourage staff and their family to grow mangrove forest. 	Operation in Environmental Dimension

Corporate Governance and CG Culture Creation

102-18

Krung Thai Bank operates business based on honesty, transparency, fairness, in compliance with regulations and laws, responsibility to society, environment and all groups of stakeholder. The Bank strongly believes that operating business with ethic is an important foundation for the Bank to grow steadily and sustainably and become Public Trust bank. The Bank's Board of Directors, executives, employees and financial business conglomerates adhere to good corporate governance and anti-corruption principle consistently by concerning about the vital role of being a part of One in Compliance organization.

With the strong determination, the Bank corporate governance guideline has been formulated as CARPETS for the Bank's executives and employees to adhere to. CARPETS consists of the following details;

- C**reation of Long Term Value
- A**ccountability
- R**esponsibility
- P**romotion of Best Practices
- E**quitable Treatment
- T**ransparency
- S**ocial and Environmental Awareness

However, the Bank raised awareness of corporate governance to 100 percent of employees across the board and consistently through internal activities and other communication channels such as CG TIMES – a newsletter publishing easy-to-digest and up-to-date news articles relating to good corporate governance through Bank's intranet.

Moreover, the Bank has established a good corporate governance structure by appointing committees to ensure that the Bank's operation is in line with its objectives and that the operation is monitored and overseen more closely while the committees get reported about the progress regularly. The Bank's committees are:

1 The Board of Directors is aware of its duty for utmost benefit of the bank and shareholders. The duty and responsibility of Board of Directors and management have been separated obviously. The Board of Directors is responsible for formulating policy and monitoring any bank's system to be in accordance with law and integrity. Additionally, so as to prove that their roles counterbalance transparently, chairman of the Board of Director, chairman of the Board of Executive Directors and President are not the same person. However, the Board of Directors comprises of the personnel with knowledge, skill and beneficial experience for the Bank. In 2017, there were 12 directors comprising of 7 independent directors, 11 non-executive directors and 1 executive director, dividing into 11 males and 1 female.

(the data as at 31 December 2017)

The Bank has fully complied with the principles of good corporate governance in all 5 categories set forth by the Stock Exchange of Thailand comprising, Rights of Shareholders, Equitable Treatment of Shareholders, Consideration for Stakeholders, Disclosure of Information and Transparency and Responsibility. Read more detail in the Annual Report 2017 on page 137-147.

2 **Management Committee** has duties to support the Board of Directors' operation in formulating regulation and guideline, scrutinize or approve credit, restructure debt, investment and business plan.

3 **Audit Committee** has vital roles to review the financial reports to ensure their adequacy, accuracy and reliability in accordance with the generally accepted accounting principles, key issues that may adversely affect the reliability of the financial reports, related transaction. Moreover, the committee also reviews and monitors internal control system, risk management to be effective and reviews business operation to be in compliance with law and regulation.



4 **Corporate Governance and Social Responsibility Committee** formulates policy, guideline and measure to ensure good corporate governance of the Bank. Moreover, the committee also operates business under that law, regulation of related regulators, for instance; Bank of Thailand, Stock Exchange of Thailand, Securities and Exchange Commission, Office of the National Anti-Corruption commission. The related guidelines have been gathered in written as stated in the Bank's good corporate governance policy and code of conduct.

5 **Nominating and Remuneration Committee** has an important role in formulating policy, criteria, fixing remuneration including other benefits of the Bank. The committee also recruits and selects applicants with qualifications and experiences that are advantage for the Bank, including oversees the selection procedure to be in accordance with regulation, law and other rules of related regulators.

6 **Risk Management Committee** is responsible for formulating policy and risk management system, ensuring risk management evaluation and the Bank's operation to be in compliance with policy and guideline for managing prescribed by the Bank and regulators.

7 **Compliance Committee** performs the duties of managing risk arisen from noncompliance of law and related regulation to ensure the Bank's compliance is at acceptable levels.

Additionally, the Bank appointed Independent Committee which is Independent Director having no business relationship with the Bank. The director can express opinions about the Bank's operation independently and supports the Board for efficiency in being compliance with good corporate governance.

102-16

Creation of Organization Culture and Compliance with Ethics

The Bank regularly encouraged instilling the awareness of being compliance with good corporate governance guideline to staff widely through internal activities and several communicative channels, for example; broadcasting CG knowledge which was updated and easy to understand, providing training program about CG for high-level executive, orientation program, E-Learning, Intranet, CG Times and exhibition booth, etc.

With the purpose to drive Krung Thai Bank to become the model of moral bank in 2017, Chairman of the Board of Directors, President, Group Heads and the Bank's employees declared the intention to perform duties morally in order to become a zero tolerance organization under the Krungthai Moral initiative and to create the zero tolerance culture.

The Bank's operations to upgrading corporate governance standard across the board in 2017 are as follows;

1. **Corporate governance strategy plan 2017-2021** for Krung Thai Bank PCL under the Krungthai Moral Initiative to elevate the Bank's operation and accommodate Thailand's Master Plan on national

anti-corruption phase 3 (2017-2021) and the Bank's strategy to become Model Moral Bank and create zero-tolerance culture.

Krung Thai Bank PCL Corporate Governance Strategy 2017-2021 comprises of 5 mains aspects;

1

Create an organizational culture which does not tolerate any corruption (Zero Tolerance)

2

Elevate the intent of anti-corruption morality

3

Develop proactive corruption prevention systems

4

Promote corruption suppression process standard

5

Improve the Bank's score on Integrity and Transparency Assessment: ITA





102-16

2. **The encouragement of executives and staff to implement corporate governance in working process (KTB CG in Process):** the encouragement of executives in all to level to be a role model in expressing honest culture and value; the strong stance on anti-corruption of the Bank and the granting of KTB CG in Process Awards to praise department exhibiting the distinctive operation in term of CG and to encourage the Bank's executives, staff and financial conglomerate which 100 percent of its shares has been held by the Bank to implement corporate governance until achieving goals and growing sustainably.

3. **The updating of corporate governance policy to be in line with international standard.** The bank improved corporate governance and anti-corruption policy so as to be a guideline for the Bank's executives and staff to adhere to. The details are as follows;

- **Code of Conduct :** In order to cover the corporate governance progress which was in accordance with international standard and corresponding to banking industry code of conduct, the Bank also placed importance on universal human rights. With the emphasis on human resources regarding as the most valuable entity, the Bank provided human rights guideline in the Bank's code of conduct for executives and staff to adhere to.

- **Supplier Code of Conduct :** It was conducted under good corporate governance principle aiming to create virtuous awareness and sustainable development to traders and in line with the Bank's code of conduct which comprised of 6 aspects namely; integrity, fairness, confidentiality, human right, occupational health and safety as well as environment. The purpose is to create standard between the hirer and contractor to adhere so as to be morality in operation and support the supply chain management sustainably.

4. **Communication and public promotion activities related to the corporate governance** have been organized for broadcasting and educating knowledge to staff. The stress has been placed on implementing technology as tool and communication channel, for example; broadcasting VDO KTB CG in Process through Digital Signage system, code of conduct in E-Book version. The Bank also widen information channel via QR code scanning and intranet posting.

5. **The Bank provides the conducting of 2017 employee survey** about acknowledgement, understanding and implementing on corporate governance and code of conduct so as to assess on the Bank's annual corporate government operation.



205-2

Anti-Corruption

The creation of honest and anti-corruption in organization culture has been instilled continuously by developing several measurement and mechanism in terms of anti and preventing corruption in the organization. Those principles covered conflict of interest, offering and receiving bribery, the disclosure of procurement information and the monitoring/assessment of risk that might lead to corruption in organization. Furthermore, the Bank also provided training programs regarding anti and preventing corruption to the staff, for instance the bribery prevention guideline, the knowledge about Anti-Money Laundering and Combating of Financing of Terrorism,

rule and guideline complying with AML/CFT regulation for juristic person customer, the manager of advance anti and preventing corruption strategy, Combating Corruption: New Dimension for Thailand 4.0, KTB Compliance Champion: guideline for offence prevention and regulation forcing the Bank.

The Bank signed in the memorandum of understanding to drive national strategy on anti and preventing corruption phases 3 (2017-2021) with the Office of the National Counter Corruption Commission, State Enterprise Policy Office (SEPO) and state Enterprise so as to integrate anti-corruption collaboration, with the purpose to elevate corporate governance in management, reform anti and prevent corruption process in state enterprises. Additionally, the Bank also developed network for anti-corruption together with public and private sector, for instance, being a member of Anti-Corruption Organization of Thailand and taking part as a committee in state enterprise ITA network.

Communication and Knowledge Distribution

The Bank provided channel and activity to communicate knowledge about good corporate governance, business code of conduct and anti-corruption in organization. Code of Conduct is signed to acknowledged by all the bank's director (100 percent) and 22,663 staff (as of 31st October 2017). The Bank also established activities namely; KTB Zero Tolerance, E-Learning Intranet CG Times for distributing knowledge to staff to implement, the new staff orientation, exhibition and activity booth, etc. Moreover, the Bank also organized the CG training program for top executives, for instance, 5 Directors (41.6%) attended anti-corruption training programs by IOD. The details are as follows:



Training Program Ethical Leadership Program (ELP)

1. Mr. Poornis Sakuntanaga
2. Gen. Tienchai Rubporn
3. Mr. Somchai Boonnamsiri
4. Mr. Thanwa Laohasiriwong
5. Ms. Kulaya Tantitemit

Training Program Boards that Make a Difference (BMD)

1. Mr. Somchai Boonnamsiri

Training Program Corporate Governance for Capital Market Intermediaries (CGI)

1. Gen. Tienchai Rubporn

The Bank communicated Anti-Corruption and Bribery Policy to executive and staff, customer, trader and financial business conglomerate for acknowledging and implementing through CG Times Bank's Intranet and website. Besides, the Bank also developed procurement process by broadcasting annual procurement plan on the Bank's website.

The offering and receiving of bribery will not be allowed.

The Bank formulated bribery prevention guideline and Do & Don't manual in order to be a guideline for staff to perform duty and disseminate via any channel of the Bank.

The President of Krung Thai Bank PCL announced the intention to prevent conflict of interest and no gift policy so as to promote and support staff to perform their duty with transparency, present utmost benefit to the public and receive no doubt in their integrity.



Whistle Blowing

The Bank offered opportunity to stakeholders to report any wrongdoing through various channels. Anyone finds any wrongdoing, including corruption, illegal acts, the Bank's or regulator's regulation violation, conducted by director, executive, staff, employee or the Bank's subsidiaries, the whistle blowing can be made via any channel provided by the Bank. Additionally, the whistleblower can send an email to the Chairman of the Board of Director at whistleblowing@ktb.co.th directly. The whistleblower will be kept confidential and protected during and after the investigation process.

Risk Management

The Bank has stipulated clear structure, policy and guideline for risk management, covering several aspects of risk management in compliance with Bank of Thailand's requirements and guidelines of Committee of Sponsoring Organizations of the Treadway Commission (COSO) and State Enterprise Performance Appraisal (SEPA). This is in accordance with international integrated enterprise risk management framework, which is to connect risk management process to strategic plans and business opportunities, integrating risk management throughout the organization. Risk Appetite and Risk Tolerance levels have been defined, both in quantitative and qualitative aspects, either as specific number or range depending on the used key risk indicators and appropriateness. This would enable the Bank to achieve its objectives and goals. The Bank's current risk appetite covers all significant risks according to BOT's capital adequacy assessment process following Basel capital accord, including credit risk, concentration risk, market risk, interest rate risk in banking book, operational risk, liquidity risk, strategic risk and reputation risk. The Bank ensures it meets the capital requirement of Basel regulations both in normal situation and stress test. The risk management policy and strategy will add value to the Bank, its shareholders and stakeholders sustainably.

205-1

Fraud Risk Assessment

Fraud Risk Management and Assessment Department, Risk Management Group, Operates the Bank's risk management by devising strategy, policy and process to prevent corruption and errors. It will analyze the cause, factor, and trend to find ways to prevent, alert, mitigate risk/damage arising from corruption, or prevent recurrent corruption. The Bank conducts fraud monitoring to stop damage to the customer, alert the customer and investigate the matter to consider redressing the customer as well as taking legal action on the fraudster or wrongdoer. The Bank reviews and updates the process annually to ensure its appropriateness in the current context.

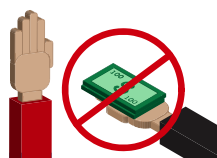
All business units in the Bank must have internal risk management process, e.g. Risk and Control Self-Assessment (RCSA) and Key Risk Indicator (KRI) for risk monitoring. Therefore, it is certain that the Bank

has measures to control, assess and monitor fraud risk and other risks that affect the Bank's business operation.

In addition, the Bank adheres to the principle of good corporate governance. It has stipulated anti-corruption policy to combat any fraud and corruption that may occur while working and established channels for whistle blower to report wrongdoing. All Board of Directors, Executives and employees of the Bank and subsidiaries must strictly adhere to the principles. The Bank communicates with its stakeholders to pursue the Bank's policy and has fair measures to protect, not demote, not punish or not inflict any negative effect on employees who refuse to take part in corruption even though their action lead to the Bank losing business opportunities. The Bank has communicated about the issue through internal communication channels to raise awareness of the consequences of corruption among all employees.



The Bank's and affiliates' personnel must not be involved giving or taking bribe and corruption, whether directly or indirectly.



103-3

Fostering a Culture of Risk Management

The Bank fosters a culture of risk management and has declared its intent to have zero-tolerance to fraud. The Bank has policies and regulations to create the same sense of responsibility for every staff members of the organization. The Bank has devised Standard Operating Procedure (SOP) which is part of internal control process. The SOP ensures that there is check and balance, scrutinization and approval according to the line of report which enables the Bank to generate quality work, to have good and consistent practice which can be established as best practice for continual adoption with regular updates. Furthermore, SOP can be used as part of training courses to develop employees' capabilities, as a reference for operation at certain times, as a checklist for verification.

Besides, the Bank emphasizes the importance of risk management and provides the knowledge to employees via circulars, KTB-Mail, Intranet, Google Site, Youtube Live, etc. For committee members, orientation, overview of the Bank's risk management (for RMC) and guideline for Product Committee are provided. Employee development plan is reviewed annually to ensure alignment with the Bank's strategies and strategic objectives. Competency development is divided into 3 aspects, namely core competencies, technical competencies and management competencies. Examples of competencies are Product Knowledge, Sales and Service, Credit Knowledge, Debt Restructuring, Risk Management, Auditing Skill, working procedure, Leadership Development, Coaching, etc. Various delivery methods were used including classroom training, E-Learning, training through video conference, on-the-job training, coaching and mentoring, case study, workshop, webinar, etc.

In addition, the Bank focuses on developing its employees through sharing experience among employees (Experience Based Training) as well as between executives and employees with executives as trainers, in order to create a culture of continual learning within the organization that executives could directly teach employees. Awards and contests were held, for example, KTB First Awards, Compliance Champion, KTB CG in Process Awards, Risk Process Improvement Awards; in order to make employees realize the importance of following core values and applying core values to their daily work life and personal life.



103-3

Guideline for Operational Risk Mitigation and the Bank's Operation to Mitigate Risk

Overall, the Bank set Key Risk Indicator (KRI) to set risk management goals by dividing the level of risk is divided into risk appetite level and risk tolerance level and manage risk to be within risk appetite level. Once the key risk indicator rises above the risk appetite level, the Bank will implement the devised risk control action plan and monitor the situation closely to evaluate whether the risk control is effective. If the risk control is not effective, discussion will be held to develop the risk control process. Furthermore, result of risk management is reported regularly to Risk Management Committee and the Bank places importance on integration of risk management, compliance and internal audit by establishing Governance Risk and Compliance Committee (GRC Committee), which is divided into 2 levels as follows:

- **Management-level Governance Risk and Compliance (GRC) Committee processes**

the issues as ordered by the Board of Executive Directors, the Board of Directors, relating committees and/or the President. The Management-level GRC Committee scrutinizes and gives opinion about issues relating to loans and credit process improvement as well as issues concerning audit and response to issues detected by regulators such as BOT, SEC, AOG, NACC, AMLO, etc.

- **Governance Risk and Compliance (GRC)**

Working Group

determines the policy on integration and linking corporate governance, risk management and compliance as well as establishing clear management process and ensure compliance with GRC guideline, its effectiveness and efficiency. At operation level, the Bank has the process or means to make employees of all levels aware of their ownership of risks. All groups in the Bank must have a risk owner and the Operational Risk Officer (ORO) is assigned to oversee operational risk management and report loss data to Operation Risk Management Department. Each business unit undertakes risk control self-assessment annually.

205-2

In 2017, the Bank arranged both internal and external training courses in order to develop the potentials of its staff members and equip them with knowledge that they can apply in order to improve the efficiency of their work. Therefore, the Bank organized internal training courses in alignment with categories relating to anti-corruption as well as having staff members attending external training courses.

Training Course in 2017	Management Level (3,366 individuals)		Employee (19,051 individuals)	
	Trained individual (person)	*Percentage	Trained individual (person)	**Percentage
Classroom Training (Internal Training)				
Orientation for new employees	35	1.04	325	1.71
Good Corporate Governance for Top Executives	55	1.63	2	0.01
Bribery Prevention Guideline	129	3.83	53	0.28
KTB Compliance Champion: Guideline for Prevention of Actions not in Compliance with Law, Rules and Regulations Enforced on Banks	57	1.69	102	0.54
Compliance Guideline for Government Procurement and Supplies Management Act, B.E. 2560 (2017)	101	3.00	270	1.42
Government Procurement and Supplies Management Act, B.E. 2560 (2017) and the Bank's Procurement and Supplies Management	90	2.67	159	0.83
Knowledge about Anti Money Laundering and Combating the Financing of Terrorism	42	1.25	199	1.04
AMLO's Rules and Compliance for Juristic Person Customers	18	0.53	45	0.24
KTB Compliance with AMLO Rules	11	0.33	16	0.08
Classroom Training (External Training)				
Strategy in Creating Transparency and New Brand Image in Thailand 4.0	8	0.24	9	0.05
How are Securities Act and Anti Money Laundering Law Related to Accountants	2	0.06	3	0.02
Government Procurement and Supplies Management Act, B.E. 2560 (2017) and Relating Regulations	8	0.24	7	0.04
Anti-Corruption for Executives	1	0.03	0	0.00
Anti Corruption: The Practical Guide	2	0.06	0	0.00
Anti-Corruption: Synergy to Success (Session Title: Creating Powerful Synergy to Combat Corruption Together)	1	0.03	3	0.02
Combating Corruption: New Dimension for Thailand 4.0	2	0.06	0	0.00
Digital Economy Crime Program (DECP)	7	0.21	2	0.01

* Percentage of all 3,366 management level staff members.

** Percentage of 19,051 employees (excluding management level staff members)

Operation in Economic Dimension



Net operating result THB

22,440 million



Asset THB

2,854,210
million



Deposits THB

2,070,875
million



Liability THB

2,559,991
million



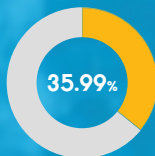
shareholders

70,823

Total loans

Wholesale
loan THB

671,345
million



Government and state
enterprise loan THB

129,623
million



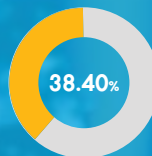
SMEs loan THB

347,698
million



Retail loan THB

716,431
million



Other loan THB

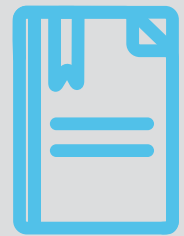
386
million



102-7, 102-10

The Bank operates its business to drive the country's economy and society sustainably, in alignment with corporate governance principles and business ethics as stated in the Bank's Statement of Direction (SOD), which has been revised to ensure that it is applicable to changes in the present world.

Create financial stability,
generate appropriate yield
to shareholders, support
government's operation,
and manage products and
services excellently.





103-2, 102-7, 203-2

Digitalization Operation in 2017

In 2017, technology played an important role in the operation of financial institutions due to the changes in customer behavior and advancement of Fintech. As a pillar of Thailand economy, the Bank had to develop its digitalization operation to respond to changes in the present day. The Bank set a road map toward becoming digital bank and developed working systems to respond to alterations in customer needs and government policies to develop the country in various aspects, which is one of the Bank's missions. Our projects include:

1. National e-Payment:

The Bank support National e-Payment, initiated by the government in 2015 to develop payment infrastructure and reduce overall business operation cost

in the country. In 2017, the Bank performed as follows:

- PromptPay was open for registration to individual, using 13-digit ID number or mobile phone number to make financial transactions on July 15, 2016, and to juristic persons on February 2, 2017. At present, approximately 7.3 million PromptPay IDs are registered with the Bank (as at December 31, 2016). The Bank launched 2 additional PromptPay services, Request to Pay and Cross Bank Bill Payment, in the last quarter of 2016. Moreover, the Bank offers G2C PromptPay transfer services including state welfare fund transfer, individual tax refund transfer, etc.

- The Bank installed EDC terminals at government agencies, shops and private companies. TAPS (Thai Alliance Payment System) was established by Krungthai Bank Public Company Limited, Bank of

102-7, 203-2

Ayudhya Public Company Limited, TMB Bank Public Company Limited, The Siam Commercial Bank Company Limited and Thanachart Bank Public Company Limited; to support card expansion scheme allowing people to pay without using cash and gear Thailand toward cashless society.

2. State Welfare Card Scheme:

In collaboration with the Comptroller General's Department, the Bank developed the welfare card for low-income earners who registered for State Welfare Card Scheme. This card can be used to receive welfare benefits from the government, e.g. credit for buying goods in Blue Flag shops and liquid propane gas. The Bank distributed 11.66 million cards in total, dividing into 10.36 million of which EMV Contact cards and 1.3 million of which Hybrid cards.

3. Common Ticket Project:

The Bank collaborated with the Ministry of Transport and other relating government agencies to develop the common ticket "Spider". Since November 2017, the ticket could be used on Bangkok Mass Transit Authority's busses to support the government's state welfare scheme for low-income earners. Later, it will be expanded to include other transportations, e.g. skytrains, boats and express ways.

4. Krungthai QR Code Payment

e.g. "Paotung" service, an application for merchants to receive payment via QR Code technology. The first trial was held at Krung Thai Bank's canteen and later expanded to stalls in other "digital canteens" at Government House, Ministry of Finance, SME Bank, Customs Department and stalls in Ortorkor market (Farmers market). The Bank also encouraged people in regional areas to foster a cashless society, e.g. at Sam Chuck Market Suphan Buri, Krungsri Market Ayutthaya, Save One Market Nakhon Ratchasima, Khlong Phadung Krung Kasem Market, etc. At the same time, the Bank also developed "Paotang", an application for individual customers who wish to make payment using QR Code technology. The application was launched at the beginning of 2018.

Furthermore, the Bank created a new customer experience by adding a new channel, "Paotungtermboon" application, for making merit, allowing the temple to instantly receive the merit money in the temple's account, get notification when money is received, and check donation balance summary. It also reduces the risk of handling and counting cash. Furthermore, the implementation of QR Code payment is in support of the government's cashless society aspiration.





102-7, 203-2

5. Khon Kaen Smart City Project

The Bank signed Memorandum of Understanding (MOU) in Khon Kaen Cashless Society 4.0 and Khon Kaen Smart City projects in November 2017 to study and develop Khon Kaen into a smart city, as well as develop Khon Kaen University into a true cashless society.

201-1

Non-Performing Loan Management (NPL)

The Bank's strategy for all NPL customers (including retail and SME customers) are as follows:

1. Defining account strategy, action plan and timeline for all loan customers so that they are monitored according to the action plan
2. The Bank identifies target customers for implementation and monitors them weekly. Customers are divided into 3 groups as follows:
 - 2.1 Customers whom the Bank is certain can be resolved. The Bank will monitor this group closely to achieve the target.
 - 2.2 "Extra" customers whom the Bank expect to resolve. They are large corporate customers with complications that require extra effort in resolving.
 - 2.3 Customers who are not cooperative or cannot be resolved: For this group, the Bank has accelerated the legal process to create sanction and sold collateral by auction to repay debt.
3. Accelerating debt resolution for Top 30 NPL customers and monitoring them closely to ensure successful debt collection
4. Selling long-term and difficult-to-manage NPL, especially those of retail customers, which the Bank

has decided that it would be better than managing the NPL itself.

5. Focusing on the prevention of NPL by closely monitoring customers with tendency to default before they fall into arrears. From the first day that a customer falls into arrears, the Bank will urgently attempt to find cause and solution (One Day Past Due Action Approach) and a monthly meeting will be held to find solution for such customers.

6. If necessary, the Bank would consider granting more revolving credit so that the customer's business can continue to operation. However, the Bank must control cash inflow - outflow so that the customer does not have access to the money and control its inventory. The customer may disburse the loan only once suppliers have supplied raw material or goods to the factory. The Bank would select a third party who has the expertise and professionalism in inventory control or a Collateral Management Agent (CMA) to control raw material and reserve money in Debt Service Reserve Account (DSRA) to repay the loan.

7. Attempting to turnaround the customer's business so that it is able to continue to sustainably operate and grow. The Bank will offer advices on how to correct defects, avoid unnecessary expenses, control cash flow to foster financial discipline and control inventory to prevent misappropriation of funds. The Bank would also negotiate with the customer's key suppliers who directly sell raw material and goods to the customer as well as help the customer analyzing supply chain and finding trade partners, so that the customer can further operate its business sustainably.

8. The Bank has enhanced its work process so

that the operation would consume less time and have fewer mistakes by employing technologies and systems to increase the effectiveness and efficiency of debt resolution and prevention. Initially, Credit Restructuring and Asset Management Group divided the working group into 4 teams; namely Preventive Team, Complex Credit Restructuring and Credit Restructuring by Rehabilitation Team, Noncomplex Credit Restructuring Team and Legal & Operation Team.

103-2, 203-2

Economic Collaboration

One of the Bank's missions is to support the government's policies by carrying out projects and developing e-Payment platforms to facilitate ministries, departments, agencies and organizations in government and state enterprise sectors in making payments. The Bank also grants loans to agencies in the government sector, which are constitute the Bank's largest customer base, to develop the country's economy and society. Loans that the Bank grants to support government agencies are as follows: loans for development of local governments, Environmental Loan in collaboration with the Ministry of Natural Resource and Environment, loans to government officers, public officers and government personnel to elevate their quality of life, etc.

In 2017, the Bank developed various products and services to facilitate the government's operation in various sectors, e.g.

- **Booking-purchasing Lottery Ticket Project** allows lottery sellers to book-purchase lottery tickets in advance on Krung Thai Bank's platform and KTB netbank application on mobile devices.
- **GFMS on KTB Corporate Online Service** allows

government agencies to transfer money to the government via KTB Corporate Online system. From October 1, 2016 - December 31, 2017, there are 4,825 disbursement units submitted the applications and the Bank has delivered password to 3,906 disbursement units (above the target of 1,700 disbursement units).

- **Krungthai Jai Dee loan for SMEs** was designed to allow small, medium and large SME operators to access funds with low interest rate for the first 3 years to increase their liquidity so that they can continue operating their business effectively. Total loan granted was Baht 5,539.43 million.

- **Loan for government/state enterprise's business partners** is a comprehensive credit facility offered to operators who work on government and/or state enterprise's projects, under special conditions, allowing the Bank to promptly issue bid bond and/or performance bond and provide support so that the operators have enough revolving fund from the beginning to the finish of the project. Total loan granted was Baht 3,690.25 million.

- **KTB e-Certificate Service** allows the Bank's customers and individuals who wish to use electronic certificates and authorized copies to submit a request and collect them within 30 minutes after fee payment.

- **National Savings Fund (NSF)** was established to foster saving culture and financial stability in retirement among freelancers who does not have any retirement income security. Currently, 56,083 members of NSF have registered through Krung Thai Bank.

- **Student Loan Fund** offers loan to students with financial difficulties to be used for tuition fee, expenses relating to education and cost of living while studying. Students in high school (both studying for academic and vocational qualifications) and undergraduate students are eligible for the loan.

- **The Bank receives fee payment on behalf of Department of Business Development (DBD)** for e-service so that customers may submit a request for a certificate of registered partnership, limited company, public limited company on DBD's website.



102-11, 103-2, 103-3, 201-2, 203-2

Environmental Products and Services

As a financial institution, the Bank is a key contributor in creating environmental impact by providing funds to private sectors and social

entrepreneurs so that they can develop innovations to minimize the impact from climate change and to preserve the environment. The following products and services to support environmental causes have been launched by the Bank.

Environmental Products and Services	Objectives	Loan Approval Criteria
SME Innovation Loan	The National Innovation Agency (Public Organization) (NIA) and the Bank initiated SME Innovation Loan, which is an important financial mechanism in commercializing innovations. The credit for subsidizing interest is Baht 5 million per project in 3 years.	The Bank considers loan approval based on the Bank's regulations to the operators with innovation projects supported by NIA.
Environmental Loan	As the manager of the Environmental Fund, the Bank carries out the Environmental Loan for Private Sector in collaboration with the Environmental Fund to offer low-interest loan (2-3 percent per year) to encourage the Bank's customers in private sector to contribute to the conservation of environment.	The Bank considers loan approval based on the Bank's regulations to the operators who work on building/improving/expanding wastewater treatment system, air pollution treatment or devices relating to the system, technical aspect of which has been considered by the Environmental Fund
SME-R&D Fund	The Bank and National Science and Technology Development Agency (NSTDA) collaborate to encourage the business sector to invest in developing R&D capability and scientific engineering to develop the business, increase ability to compete and survive in the industry sustainably.	The Bank considers loan approval based on the Bank's regulations to the operators who work on projects approved by NSTDA.
Energy Efficiency Revolving Fund Loan by Financial Institutions	The Bank and Department of Alternative Energy Development and Efficiency, Ministry of Energy, aim to encourage investment in energy conservation by offering loans to operators who can sustainably conserve energy within their organization.	The Bank considers loan approval based on the Bank's regulations to operators who work on energy conservation project which has been approved by the Environmental Fund.
KTB Green Loan	It is a loan offered to the Bank's customer for investing in energy conservation, adopting the Bank's normal interest rate (the Bank's funding).	The Bank considers granting the loan to ensure that it is in accordance with KTB Green Loan Project.



Loan Products	Operating Years	Accumulative Credit (MTHB)
1. Energy Efficiency Revolving Fund Loan by Financial Institutions	2003 - present	343.30
2. Environmental Loan	1998 - present	2,149.84
3. SME Innovation Loan	2008 - present	150.00
4. SME-R&D Fund	2008 - present	286.00
5. KTB Green Loan	2010 - present	3,258.00

In 2017, the Bank's environmental loan products made positive environmental impact. Environmental Loan contributed to 107,672.50 m³/year wastewater treatment. Energy Efficiency Revolving Fund Loan by Financial Institutions contributed to 5,348,089.31 kWh/year electricity saving, equivalent to 455.70 Ton, and it could save 22,371,317.52 Baht/year in electricity cost.

[102-7](#), [103-2](#), [201-1](#)

Economic Performance

The Bank operates business under the principles of corporate governance and takes into account all stakeholders. This is in accordance with our "Growing Together" vision - to grow together with all sectors of the society to create sustainable development in economic, social and environmental dimensions. Corporate Governance and Social Responsibility Committee has been assigned to set policies and monitor the implementation.

102-7, 201-1

Table: Economic value generated by the organization and direct distribution of economic value
Sustainability Performance Data, Krung Thai Bank, 2015-2017

Performance Data	Amount (MTHB)		
	2015	2016	2017
Economic Performance			
Income	151,531.33	150,202.81	143,563.63
Operating cost	42,540.70	45,800.99	56,833.73
Employee expenses and benefits	22,732.78	23,151.95	22,490.45
Expenses for sources of finance	49,978.33	40,758.88	35,082.05
Tax expenses	9,634.21	10,351.68	7,698.44
Social and Environmental Expenses	171.56	171.52	146.49
- Donation to public charity/for public benefits			
- Donation for educational/sport-related purpose			
- Financial aid for local activities			
- Financial aid for the benefits of the society			
- Scholarship to person outside the organization			
Total Economic Value	26,473.75	29,967.79	21,312.47

Remarks

1. Since 2013, the Bank has used Thai Accounting Standard No. 12 (Income Tax) and No. 19 (Employee Benefits).
2. Operating cost data in the part relating to expenses for sources of finance have been adjusted.
3. Total economic value = Income - (operating cost + employee expenses and benefits + expenses for sources of finance + tax + social and environmental expenses)

201-4

Krung Thai Bank's income comes from operating business in accordance with the Bank's corporate governance principles, rules and regulations of the regulators such as Bank of Thailand, the Securities and Exchange Commission, Thailand (SEC) and State Enterprise Policy Office (SEPO) - despite having the government sector as the major shareholder with the Rehabilitation and Development Fund for Financial Institution holding 55.046 percent of the Bank's share



203-2

Social Responsibility Campaign to support local economy

In 2017, the Bank conducted social responsibility campaigns to develop the country in various aspects. Important campaigns include:

Krungthai Weaving Dream Schools; Good School near Home Project was initiated in 2005 to develop the teaching quality of 94 schools in "One District One Dream School Project" initiated by the Office of the Basic Education Commission (OBEC), Ministry of Education. In 2017, the Bank collaborated with a social enterprise - Learn Education, to drive "KTB Digital Learning" Project aiming to develop e-Learning platform for Prathom 5-6's Math and Science classes in 11 schools in the Krungthai Weaving Dream Schools Project. Math and Science are two of the four disciplines of STEM Education, which is an important foundation for Thailand's digital economy development.



Krungthai Business Ethics Initiative (White Seedlings) Project aims to encourage the younger generations who are currently in high schools and vocational schools to conduct business and develop their community under good governance principles and sufficiency economy, the philosophy developed by the late King Bhumibol Adulyadej. Participants submit community development plan based on sufficiency economy and innovation development to respond to community needs, leading to sustainable development. So far, more than 28,000 youth have participated in the project, submitting over 4,690 projects. One of the most successful projects is "Jiggala Model" implemented in Kanthararom District, Sisaket Province as people in the community took part in the organic farming project, generating average of extra 20% income per household and reduce their debt by average of 10%. The project also expanded to neighbor communities.



A photograph of three children lying on their backs on a green lawn. The child on the left is wearing a grey t-shirt and has their hands raised. The child in the middle is wearing a red t-shirt and is smiling with their mouth open. The child on the right is wearing a teal t-shirt and is also smiling with their mouth open. All three children have their hands raised near their faces.

Operation in Social Dimension

Krung Thai Bank has taken into account all stakeholders, including employees, customers together with the communities. The details are as follows:

103-2, 102-8

Human Resources Management

Amid the changing of advance technology presently, the Bank has place the importance on personnel development as the key driver in supporting the Bank to become Best Digital Banking and Best Place to Work. The President together with Human Resources and Corporate Governance Group has managed overall manpower and vacancy rate to achieve efficiency and obtain the utmost benefits. The employees within the Bank shall be recruited for a vacant position as first priority. With this regard, the recruitment for outsiders shall be conducted only when the specialist position.





102-7, 102-8

Additionally, the Bank reviewed employees' competencies: core competencies, technical competencies, management competencies and formulated professional development guideline on core competencies to provide training courses that are compliance with digital banking trend to employees. Heads at all levels (first level, middle-level and top executive level) were equipped with leadership skill development because they are a crucial factor to

increase employees' engagement and efficiency as well as the operation effectiveness. The Bank also persists in zero-tolerance policy to support employee to work with integrity and in accordance to code of conduct so that they become the key foundations for further growth.

In 2017, Krung Thai Bank has 22,560 employees in total, classified by gender, type, level and working location as follows:

Amount of Employee		2015			2016			2017			
Classified by Contract Type	Classified by Employee Level (person)	Male (person)	Femal (person)	Total (person)	Male (person)	Femal (person)	Total (person)	Male (person)	Femal (person)	Total (person)	
Full-time Employee	Permanent Employee	Top Executive Level	52	24	76	54	24	78	49	24	73
		First and Middle Level	1,599	1,607	3,206	1,618	1,701	3,319	1,561	1,732	3,293
		Officer	5,793	14,823	20,616	5,615	14,599	20,214	5,179	13,872	19,051
	Total		7,444	16,454	23,898	7,287	16,324	23,611	6,789	15,628	22,417
	Temporary Employee	Contract for Service*	87	22	109	108	27	135	106	21	127
		Outbound*	14	36	50	5	27	32	2	14	16
		Total		101	58	159	113	54	167	108	35
Total		7,545	16,512	24,057	7,400	16,378	23,778	6,897	15,663	22,560	

Temporary employee : the employee who is employed to work for the Bank temporarily or for a period of less than 1 year.

*Outbound : the employee who works as a Call Center reception, a field verification officer and a field collection officer.

103-2, 102-7, 102-8, 401-1, 405-1

A new employee shall be recruited if necessary in order to support digital banking policy. The current employees are retained and received further training on the skills that they respond to the changing behavior of consumers presently and increasing capability to work so that the Bank can achieve its goal as specified in strategic plan.

Amount and Ratio of new and terminated employees classified by age, gender and region

Employee Information	2015		2016		2017	
	New Employee (person)	Terminated Employee (person)	New Employee (person)	Terminated Employee (person)	New Employee (person)	Terminated Employee (person)
Amount of Employees Classified by Gender						
• Male	511	333	285	234	200	507
Percentage	6.77	4.41	3.85	3.16	2.90	7.35
• Female	1,579	619	595	542	298	818
Percentage	9.56	3.75	3.63	3.31	1.90	5.22
Total	2,090	952	880	776	498	1,325
Amount of Employees Classified by Age Range						
• Age < 30	1,687	536	572	437	154	341
Percentage	19.64	6.24	8.33	6.37	2.93	6.49
• Age 30 - 50	401	228	305	297	340	439
Percentage	3.81	2.17	2.71	2.64	2.87	3.70
• Age > 50	2	188	3	42	4	545
Percentage	0.04	3.81	0.05	0.74	0.07	10.02
Total	2,090	952	880	776	498	1,325
Amount of Employees Classified by Working Location						
• Central Branch (in Bangkok and Perimeters)	1,319	507	638	480	468	721
Percentage	11.15	4.28	5.45	4.10	4.17	6.42
• Domestic Branch	769	443	242	296	30	604
Percentage	6.30	3.63	2.01	2.46	0.27	5.34
• International Branch	2	2	0	0	0	0
Percentage	14.29	14.29	0	0	0	0
Total	2,090	952	880	776	498	1,325
Ratio of new employees to terminated employees	2.20	1	1.13	1	0.38	1

401-2, 201-3

The Bank's welfares and benefits cover all working locations: headquarters, business centers, regional offices and branches, including the Bank's workspaces in metropolitan and regional areas. The detail of welfares is as follows:

Welfares of Krung Thai Bank's Employee	Permanent Employee	Contract Employee	Temporary Employee	Outbound
Economic Dimension				
Salary	✓	✓	✓	✓
Living expense	✓	✓	✓	✓
Overtime payment	✓	✓	✓	✓
Welfare borrowing	✓	✓	✓	-
Welfare loan for housing	✓	✓	✓	-
Additional loan for welfare loan for housing	✓	✓	✓	-
Welfare loan for automobile or motorcycle	✓	✓	✓	-
Welfare loan for computer	✓	✓	✓	-
Special welfare loan	✓	✓	✓	-
Subsidy for employees whose working location is on island	✓	✓	-	-
Life Safety and Security				
Subsidy for infirmity/death from working	✓	✓	✓	✓
Compensation for injuries, illness, infirmity or death from working	✓	✓	✓	✓
Compensation for infirmity not due to work	✓	✓	✓	✓
Fund for social cremation	✓	✓	✓	✓
Cremation	✓	✓	-	-
Provident Fund	✓	✓	-	-
Subsidy for child education	✓	✓	✓	✓
Subsidy for child	✓	✓	✓	✓
Subsidy for disaster or force majeure	✓	✓	✓	✓
Friend for friend club	✓	✓	✓	✓
Motivation				
Car allowance	✓	✓	-	-
Position allowance	✓	✓	-	-
Special remuneration for gratuity	✓	✓	-	-
Special remuneration for long working tenure	✓	✓	-	-
Special remuneration for working in 3 Southern Border Provinces and adjacent areas	✓	✓	✓	✓
Remuneration for the branch that opens 7 days a week	✓	✓	-	-
Uniform	✓	✓	✓	✓

201-3, 401-2

Welfares of Krung Thai Bank's Employee	Permanent Employee	Contract Employee	Temporary Employee	Outbound
Health, Sanitation and work environment				
Medical expense welfare	✓	✓	✓	✓
Annual medical checkup	✓	✓	✓	✓
KTB Fitness Center	✓	✓	✓	✓
Recreations				
Welfare staff house	✓	✓	✓	✓
Meditation	✓	✓	✓	✓
Sport and entertainment	✓	✓	✓	✓
Other facilities				
KTB Cooperative Co., Ltd.	✓	✓	✓	✓
Services e.g. service for obtaining Royal insignia, address change and facilities for staff	✓	✓	✓	✓
Welfare canteen	✓	✓	✓	✓

Remarks :

- Permanent employee means the employee who is appointed the status of the Bank's employee.
- Contract employee means the employee who has an employment contract from the Bank for a certain period of time.
- Temporary employee means the employee who is employed to work for the Bank temporarily or for a period of less than 1 year.
- Outbound means the employee who works as a Call Center reception.

201-3

Many countries in the world will become an aging society. Krung Thai Bank realizes that retired employees have to spend a large amount of money. It provides them provident fund registered on June 16, 1992. The provident fund is managed by Krung Thai Asset Management Public Company Limited, MFC Asset Management Public Company Limited and SCB Asset Management Company Limited. The Bank shall contribute to the employee's provident funds at the rate of 10 percent of the employee's monthly wage. The employee can choose to contribute 3, 6 or 10 percent of his/her monthly wage. Employees in case of termination of employment without fault as cited in Provident Fund Regulation and having more than 5-year provident fund from the effective date shall receive the Bank's part of the provident fund. The

Bank shall make a one-time payment of provident fund to employees. Instead of employees, the Bank shall pay total income tax from provident fund. However, the employees who resign or retire at the age of 55 years old shall receive tax waive from all benefits received from provident fund.

According to the provident fund management by the 3 companies as abovementioned, the Bank has total provident fund of THB 24,789.35 million.

401-3

With effective human resource management, the Bank became employees' second home. This has been reflected in 2017 that all employees returned to work after the parental leave. The return rate to work and existence rate of the employees after the end of leave for taking care for their children (classified by gender) are as follows:

Case of Leave	Male	Female	Total
• Number of employees who are eligible to take a parental leave	6,897	15,663	22,560
• Number of employees who return to work after the parental leave	0	17	17
• The return rate and retention rate of employees who return to work after the end of the leave (person)	0	13	13
• Number of employees who return to work after the parental leave and continue working for one year (person) (Comparing 2016 to 2017)	1*	17**	18
• Number of employees who return to work and exist after leave	100%	100%	100%

* In 2016, 72 male employees took a paternity leave to help their wife look after their newborns and 40 male employees worked until January 20, 2017.

** In 2016, 21 female employees took a parental leave and 11 female employees worked until January 20, 2017.

Remarks : Parental leave is the time a mother takes off work to take care for her newborn baby after maternity leave (It is different from maternity leave.).

Paternity leave is the time a father takes off work to help his wife to take care for their newborn baby.

404-2

Training and Education

Employees are the key factor in driving the Bank to become the sustainable organization. With this regard, the Bank put emphasis on employee development continuously based on fair treatment to employees and provide career path and collaborative working environment and also encourages them to practice skills and increase knowledge by themselves anywhere and anytime.

103-2

With the determination to develop employee capabilities in corresponding to the Bank's strategy, in 2017, the main focus has been placed on getting ready to become KTB Digital Banking under the concept of "excellent work, skillful man, proficient in technology" by means of training process in connection with the strategic plans and other factors including the Groups' strategy, competency, job description, career path roadmap, training need, training road map, etc. Staffs have been divided into two major groups namely executives - Top Executive, Middle Manager, First-line Manager and the employees. The Bank has continually provided trainings for both groups of employees as well as annually reviewed the human resources development process in an attempt to be in compliance and associated with the Bank's strategy and strategic objectives. The development has covered

3 aspects - core, technical and management competency, in various comprehension for example product knowledge, sell and service, credit, leadership, etc. via different training channels as classroom training, E-Learning, VDO Conference, on the job training (OJT), coaching, mentoring, case study & workshop, webinar, Sale GURU manual, etc. Furthermore, the emphasis has also been placed on Experience Based Training, which the executive and employee can exchange their experience together. Top executives involved in creating learning-organization atmosphere incessantly by being a trainer to employees directly. This shall help building up the corporate culture, stimulating specialized expertise and creating good relationship between employee and executives.

In 2017, the Bank initiated KTB Management Trainee 2017 scheme to select outsider candidates who have knowledge, excellent competence, high potential and are in top notch group to work in the Bank. There were 7 qualified candidates in the scheme, whom the Bank are in the process of developing on rotation guideline during the first two years of employment in the KTB Management Trainee scheme (they must be rotated every 6-month interval or as appropriate) so that they are well-rounded as well as capable to provide the utmost benefits for the Bank in the future.

Additionally, the Bank executed the KTB High Potential Employee scheme in order to continually

increase and develop knowledge and skills of high potential employees based on the individual development plan. The high potential employees are equipped with the intention to prepare them as the successors of the higher positions as well as engage them with the Bank.

404-2

For retirement employees, the Bank held activity under the concept "KTB Happy Retirement" by providing them the knowledge and plan after retirement as well as getting them a chance to share experience.

103-2

Operational Measures in 2017

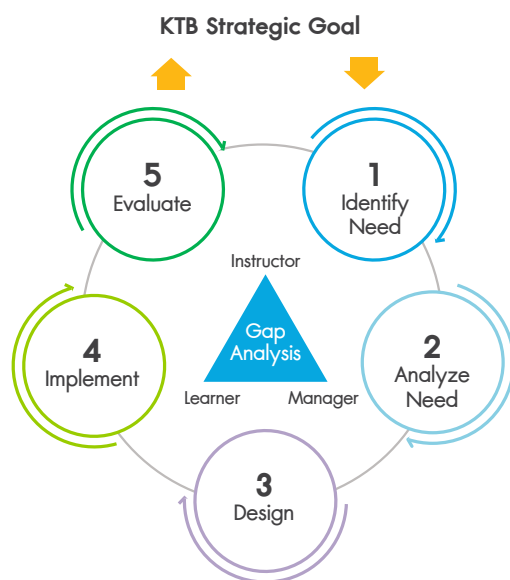
Amid many challenges from advanced technology and intense competition raised by both domestic bank and non-bank business, the Bank has put importance on

developing its employees based on their core competency, technical competency and management competency. Additionally, the Bank also prepared and improved the employees in terms of digital mindset and awareness, digital product as well as digital literacy. Technological tools have been implemented to support the operation and prepare the Bank for the upcoming digitalization.

From employee development process, it shows that the development is systematic. First priority is identifying needs from executive and employee in the organization, the Bank's strategies, policies of Executives and Groups as well as the individual needs. All the needs are collected and analyzed within other factors such as competency, strategic challenges, short-term and long-term action plans to formulate Human Resource Development Plan.

In 2017, the Bank focused on training in 4 aspects as follows;

1. Close competency gap (up-skill/re-skill) by taking the 2016 competency assessment result into account and specifying development areas in setting human resource development plan.
2. Develop digital mindset & digital literacy skill by considering the enhancement of digital skill (basic) which was necessary for and supported staff to work effectively when becoming Digital Banking.
3. Leadership development plan encouraged and improved executives to elevate performance. From 2017 management competency analysis, the Bank focused on creating Inspiration, Strategic Orientation and Coaching Culture.
4. Endeavor to develop staff through self-learning method. The Bank linked knowledge management and E-learning to career path in order to promote self-learning organization where staff can learn anywhere and anytime.





404-1, 404-3

In 2017, trained executives and employees classified by gender and type of employees are as follows:

Type of Employee	Average Training Hour (hrs./person/year)	Total Training Hour	Percentage of Employees that were Evaluated Performance
Total (22,417)	75.56 hours/person/year	1,693,776 hours.	100%
Classified by Gender			
Male (6,789 persons)	66.10 hours/person/year	448,767 hours.	100%
Female (15,628 persons)	79.66 hours/person/year	1,245,009 hours.	100%
Classified by Type of Employee			
Employee (19,051 person)	72.33 hours/person/year	1,377,969 hours.	100%
Executive (3,366 person)	93.82 hours/person/year	315,807 hours.	100%
Type of Training			
Internal Learning	72.91 hours/person/year	1,634,571 hours.	100%
External Learning	0.45 hours/person/year	10,194 hours.	100%
E-learning	2.18 hours/person/year	49,011 hours.	100%

After each training course finishes, trained employees will be evaluated and followed up. The result of evaluation and follow-up will be applied for need analysis and training plan development.

103-2

Occupational Health and Safety Policies/Strategies

Krung Thai PCL recognized the importance health and safety in working of employees and related person, including work environment in which there is no danger and risks. The Bank announced policy on safety summit, policy, vision, mission, values and strategy as frame and guideline on safety management to achieve the goal "The Bank is a second home."



In 2017, the Bank's goal was in the second summit - closing gap comparing with peers i.e. commercial banks and other state enterprises by improving the Bank's operations to be a leader of safety and occupational health when comparing with industry peers and raising more consciousness on safety in working of the employees.

Safety Policy

- 1 Safety, occupational health and work environment are part of every employee's responsibilities in the job
- 2 The Bank shall support issuance of announcements, rules, obligations and regulations on safety, occupational health and appropriate work environment that aligns with related standards and laws.
- 3 The Bank shall operate monitoring, assessment, hazard control and improve work environment in the buildings and the areas around the buildings regularly for the safety and occupational health of the employees and related persons.
- 4 The Bank shall publicize knowledge and create awareness of safety, occupational health and work environment to the executives and employees continuously.
- 5 All employees must cooperate on projects and plans on safety, occupational health and work environment, as well as giving suggestion and comment on how to improve work environment and work safely procedure.
- 6 All employees must strictly observe safety rules and standards on safety, occupational health and physical work condition, as well as any relevant regulations.
- 7 The Bank shall track, assess and improve the operation on safety, occupational health and work environment systematically and continually.

Safety Vision

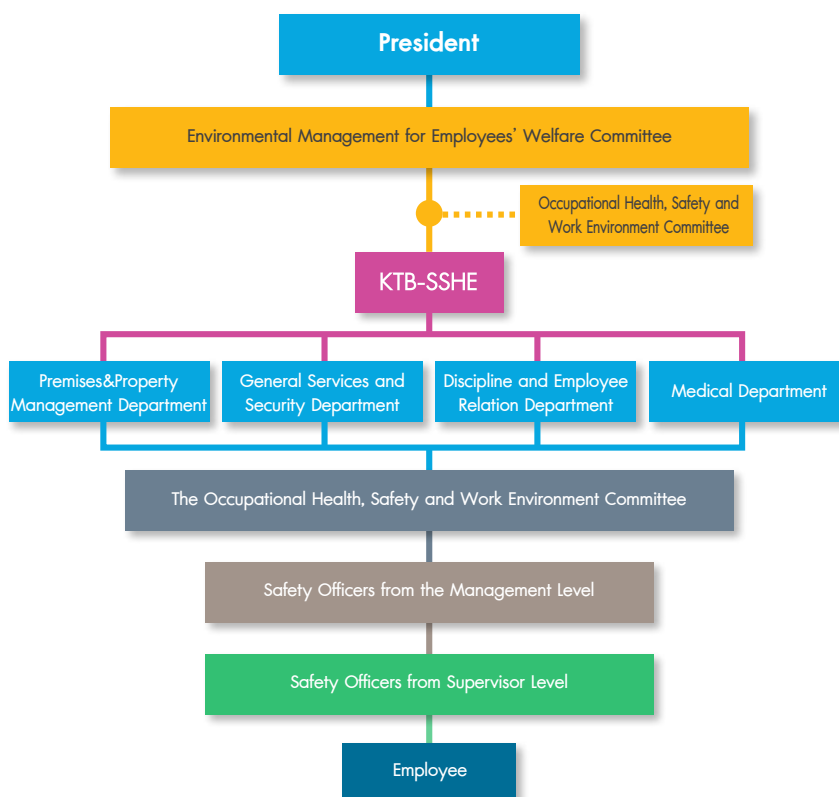
"Focus on taking care of employees' health; create appropriate, safe, risk-free work environment; and enhance efficiency in working and create good quality of life to all employees"

Safety Mission



- Give knowledge and build realization of safety to personnel within the whole organization.
- Evaluate and control hazards that may affect personnel and customer's health
- Keep work environment safe and appropriate
- Promote good personnel health in physical, mental, emotional and social aspects

Structure of the Bank's Occupational health and safety management



1. President

President announces and delivers safety policy related to work safety, occupational health and work environment to all employees in all groups of the Bank so that they all perform safety operation together. With this regard, the Bank can ensure to agencies in private and public sector that the executives have strong determination to care and uplift quality of life of employees, especially to care for work environment that is safe and appropriate for working. Additionally, the President aims to present positive image and become the leader in safety in workplace to all employees.

2. Environmental Management for Employees' Welfare Committee

The Environmental Management for Employees' Welfare Committee has been assigned by the Managing Directors of every group to perform duty in reviewing the Bank's occupational health and safety management system and communicating safety operation to all employees in every group.

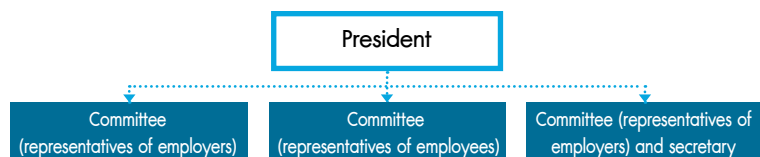
3. KTB - SSHE

KTB - SSHE (KTB - Safety, Security, Health and Environment) is the operation system for overseeing safety, security, health and environment of the whole Bank with each department being in charge of their respective operations. The committee consists of Discipline and Employee Relation Department, Premises&Property Management Department, General Services and Security Department and Medical Department. KTB - SSHE has been operated on the basis of providing equal occupational health and safety treatment to all staff using the same standards throughout the organization.

4. Occupational Health, Safety and Work Environment Committee

The Bank set up the Occupational Health, Safety and Work Environment Committee for each building, consisting of representatives of employers, a.k.a. the Bank's staff in the management level, and other representatives of employees, a.k.a. the Bank's staff in the operational level, at the ratio and number of members as stipulated by law, so that employees' safety and sanitation in each building nationwide is under control and supervision. Presently, there are 75 Occupational Health, Safety and Work Environment Committees.

Figure of Configuration and Meeting of the Committee



Components of Occupational Health, Safety and Work Environment Committee
(by laws)

Unit : Person

Number of employees in a workplace	Number of committees (minimum)	Components of Occupational Health, Safety and Work Environment Committee			
		President (employer or representatives of employers in the management level)	Representatives of employers (Supervisory level)	Representatives of employees	Committee and secretary
50-99	5	1	1	2	1
100-499	7	1	2	3	1
≥50-99	11	1	4	5	



5. Safety Officers from the Management and Supervisor level

In 2016 - 2017, the Bank provided training courses and assigned the safety officers in the management level and supervisor level to encourage, promote and monitor safety operation in compliance with KTB-SSHE plan as well as overseeing employees to follow the safety regulation and guideline. The Bank also promoted and supported safety activities.

6. Employee

Employees have a duty to participate in safety, occupational health and work environment activities and give opinions on improving safe work environment to reach the goal of the Bank's operation on safety, occupational health and work environment

403-1

In 2017, the Bank has committees for occupational health, safety and work environment as summarized:

Committee	Responsibility	Amount (person)	Percentage of All Employees	Meeting
Environmental Management for Employees' Welfare Committee 1 committee	Frame the Bank's occupational health; safety management system and management structure; work plan; implementation; assessment; management review and security improvement.	19	0.08	Once a quarter
Occupational Health, Safety and Work Environment Committee 75 committees	Report and suggest measures or guidelines on adjustment for safety to be legal, promote and support the Bank's safety activities, receive complaints from employees and monitor statistics of hazards occurring in the Bank.	459	2.01	Once a month

**Remark: Krung Thai Bank PCL. In 2016 has 22,860 employees as at October 16, 2017.

Safety Operation in 2017

To emphasize awareness, recognition and understanding of safety, in 2017 the Bank considered the strategy of digital banking and feedback of employees who requires continuing communication about safety operation through convenient and accessible channels as one of the factor to improve/develop information presentation. With this regard, the digital media were used and broadcasted information through interesting channels. Moreover, the Bank also promoted and delivered safety management to all departments by using the same standard throughout the organization - headquarters, regional offices and branches through KTB - SSHE (KTB - Safety, Security, Health and Environment). KTB - SSHE would be applied in different ways to suit the risk that may arise in each office or work environment to build it to have safety and no risk.

Summary of Safety Operations in 2017

- "KTB Mobile Environmental Monitoring"

Project

- "KTB ERGONOMICS CARE" Project
- Waste management and employees' behavior modification project (Pilot in Headquarter building 1 and 2)
 - Fire alarm system adjustment project by changing from zone detection into an addressable fire alarm system (Pilot in Head Office building 1 and 2)
 - Installment of smart key box for keeping car keys of central office (Pilot in Headquarter building 1 and 2)
 - Entrance-and-exit system modification for cars and motorcycles office (Pilot in Headquarter building 1 and 2)
 - Installment of speed bump and traffic mirrors for employees' safety (Thanon Sri Ayutthaya branch)
 - Building renovation project of Sukhumvit building, Nana Nua building and other buildings according to new workplace design and facility

management, Case study: New Office Design and Office Space Management to allocate areas to various operations and workforce.

- Renovation project of Ratburana warehouse 7-8 to effectively store the Bank's documents and assets with official standard

- Renovation project of SV CITY building, Phraram 3 and Nana Nua, Sukhumvit to comply with office area standard criteria (8-12 sq.m./person)

- Activities to encourage good health of employees at the development center of Channels for Public Relations by using digital media such as QR code and Google Suite for the utmost benefit.

403-2

Numbers and ratio of accidents at work in 2017, classified by location and gender

Indicator	Headquarters (departments, business officers, regional officers)			Domestic Branches			Cash Inventory Management Centers Mint Inventory Management Centers			The three Southern Border Provinces and adjacent areas			Total		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
1 Number of persons injured at work (person)	1	2	3	0	0	0	2	0	2	0	0	0	1	4	5
2 Number of accidents resulting in working day lost (person)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Total Recordable Injuries Rate: TRIR : 1,000,000 working hours	0.05	0.10	0.15	0	0.08	0.08	0	0	0	0	0	0	0.02	0.09	0.11
4 Lost Time Injuries Frequency Rate: LTIFR : 1,000,000 working hours	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Number of sick leave	13,256	21,957	35,213	5,151	20,150	25,301	141	163	304	182	451	633	18,729	42,721	61,450

In 2017, the workplace injury and fatality statistics are calculated on a rate of 200,000 hours/person/year as follows:

- Rate of injury resulting in working day lost or sick leave, but no deaths (IR) was zero.
- Occupational diseases rate (ODR) = zero
- Absentee rate (AR) was zero
- Lost day rate (LDR) equaled 2.04 day

403-3

The Bank used criteria for record, report about accidents statistics and guideline according to law. The Bank categorized risks at work as follows:

Workplace	Risk Factor
Headquarters (departments, business officers, regional officers)	<ul style="list-style-type: none"> • Accident from work • Physical danger ex. lighting, temperature • Chemical danger ex. Carbon powder • Ergonomics danger
Domestic branches	<ul style="list-style-type: none"> • Accident from work • Physical danger ex. lighting, temperature • Chemical danger ex. carbon powder • Ergonomics danger • Overtime working • Crime ex. plunder and robbery
Cash Inventory Management Centers Mint Inventory Management Centers	<ul style="list-style-type: none"> • Accident from work • Physical danger ex. lighting, temperature • Chemical danger ex. dust • Biological danger ex. mole, fungus
The three Southern Border Provinces and adjacent areas	<ul style="list-style-type: none"> • Accident from work • Physical danger ex. lighting, temperature • Chemical danger ex. Carbon powder • Ergonomics danger • Terrorism

403-4

Agreement on Health and Safety Covering Labour Union Agreement

The Bank's health and safety operation has obeyed the State Enterprise Labour Relations Act, B.E. 2543 (A.D. 2000) and Occupational Safety, Health and Environment ACT B.E. 2554 (A.D. 2011). The Bank formulated health and safety benefit, for example, organizing annual health check and compensation for disability/death as a result of a

work-related injury or disease, making workplace to have safety, installing more CCTVs, providing safety equipment for car such as bulletproof film, Safety glass, safety bag, backrest pad in three Southern Border Provinces and adjacent areas.

The Krung Thai Bank State Enterprise Labour Union performs as a center to receive employees' complaints about health and safety and the problems shall be raised at the Labour Relations Committee

103-2, 403-1

Indicator of occupational health, safety and work environment in 2017

Indicator	Target for 2017	Operation Result in 2017	Target for 2018
1. Satisfaction score (work environment etc.)	≥ 4.00	4.22	≥ 4.00
2. Survey of recognition and perception of the Bank's occupational health, safety operation	≥ 70%	93.91%	≥ 70%
3. 5S Practice	All department must conduct 5S	100%	All department must conduct 5S
4. Meeting of each Occupational Health, Safety and Work Environment Committee (75 Committees)	Once a month	Once a month	Once a month
5. Accident rate			
• Total Recordable Injuries Rate : TRIR	≤ 1.50	0.11	≤ 1.00
• Lost Time Injuries Frequency Rate : LTIFR	0	0	0
6. Resolution of safety and annoyance complaints	resolved ≥ 75%	78.50%	resolved ≥ 75%
7. Health check-up for employees working in Cash Inventory Management Centers	100%	100%	100%
8. Number of cases of occupational health, safety and work environment/health	≥ 70 cases/year	64 cases	≥ 75 cases/year
9. Number of training in occupational health, safety and work environment	≥ 20 batches/year	15 batches	≥ 20 batches/year

102-41, 407-2

Freedom of Association and Negotiation

The Bank gives rights, freedom of association and negotiation which is considered as basic right to protect an employee from being taken advantage by an employer in compliance with the State Enterprise Labour Relations Act, the State Enterprise Employees' Qualifications Act, the Act for the Establishment of and Procedure for Labour Court, the State Enterprise Labour Relations Commission on minimum standards of working conditions in public enterprise, Civil and Commercial Code (clause 575-586: employment model) and State Enterprise Labor Relations, that is appointing the Relations Affairs Committee with one of the committee members appointed as the Chairman. The committee comprises of 9 employer representatives and 9 employee representatives (representatives of

the Labour Union). The committee shall participate in a meeting at least once a month.

Moreover, the Bank has the Krung Thai Bank State Enterprise Labour Union being the employee representative to negotiate with employers. The union was established in 1975 according to Labour Relations Act B.E. 2518 (1975). Presently, there are 19,269 members in the Union from throughout the country, accounting for 85.4 percent of total 22,560 employees (data as at December 31, 2017).

In 2017, the joint consultation committee held 12 meetings, 41 cases in total (discussed only matters for consideration not matters arising). The committee focuses primarily on the organization's benefits. In case the Bank has net profit, the allocation of returns shall be done appropriately by comparing to the industry norms and other reasonable factors. The committee



discussed, concluded and imposed corrective actions to resolve all of them under the laws applied to the Bank, adheres to justice and fairness, and does not discriminate on the basis of race, religion, gender and friendship.

Furthermore, the Bank provides various channels for employees to voice their opinions as follows:

E-mail :

hr.care@ktb.co.th/we.lovektb@ktb.co.th



Hotline :

0 2208 7606-9



The Discipline and Employee Relation Department is the center in receiving suggestions and complaints, providing advices and recommendations to employees and cooperating with other units involved in the issue in order to strengthen the bond between the Bank and employees.

103-2

Customer Responsibility

The Bank also has operated its business with customer responsibility stipulated in code of conduct covering 3 main principles, namely integrity,

fairness and responsible to stakeholders. The details are as follows:

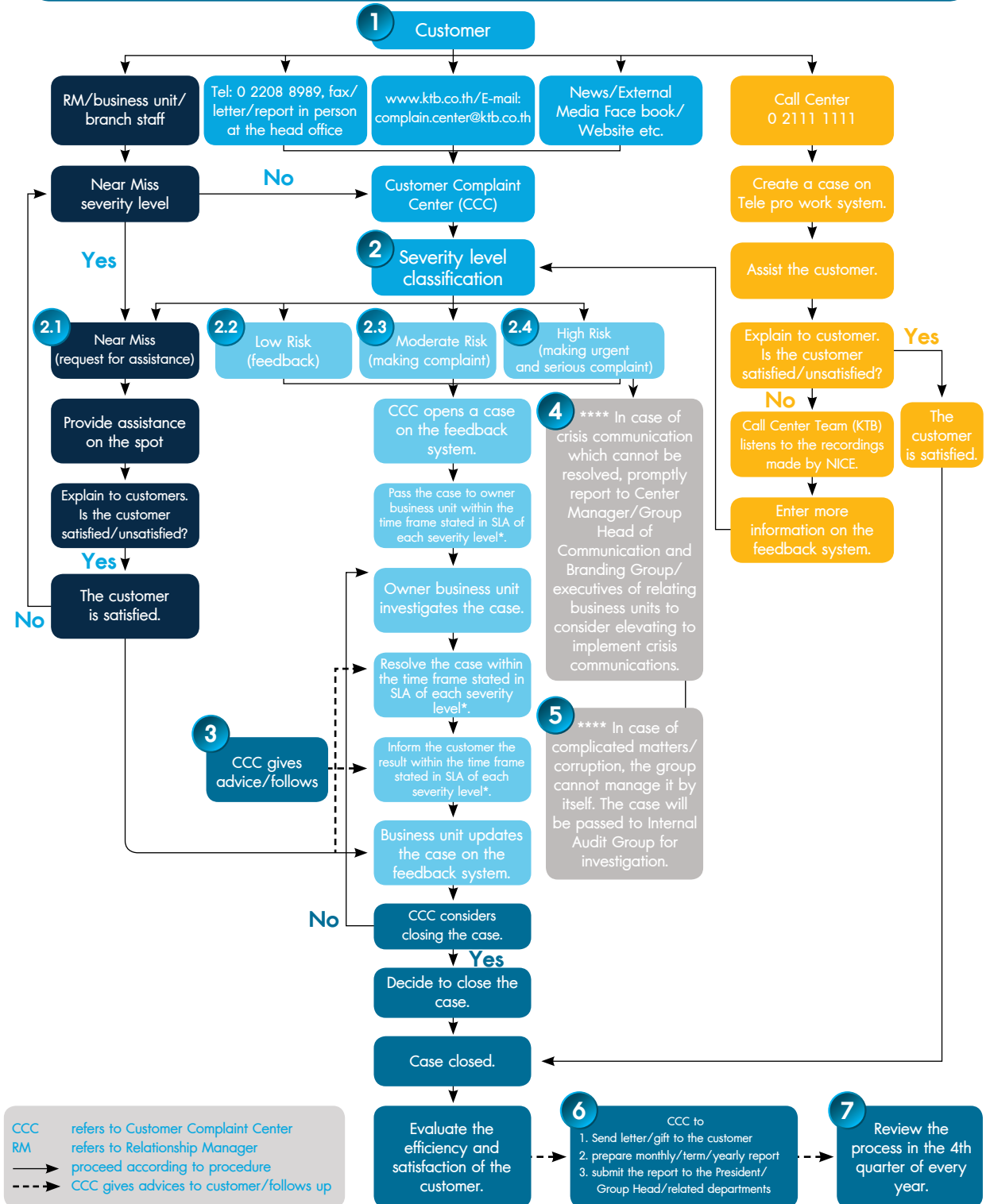
- Prioritize customer benefits and provide services with fairness. The Bank shall not disclose personal or confidential information of the customer except it is required by law to disclose or the Bank receive consent in written from the customer.
- Place importance on responding and managing customers' complaints immediately. The Bank surveys surrounding circumstances, understands and manages customers' complaint with appropriate methods, fairness and transparency.
- Advertise, do marketing activities and offer products and services to meet customers' needs by providing complete and accurate information that is useful before customers decides to choose products and services.

103-2

Delivering Service Effectively

In order to deliver quality service, the Bank has provided complaint channels in case they suffer any inconvenience from the Bank's services. The channels are as follows:

Complaint Channels and Handling Process of Krung Thai Bank PCL



103-3

In 2017, the Bank added process of follow-up and evaluation of the complaint-handling effectiveness in complaint handling guideline in which the complaints are handled systematically. The Bank can provide solutions to customers classified by issues: the issues that reached conclusions is 99.72 percent and the issues that are in the process is 0.28 percent. Meanwhile, number of customers who complained through the website www.ktb.co.th /Facebook (KTB care) increased. To handle changing behaviors of customers, the Bank extended service time through social online channels - changing from office hours to 7 days without holidays between 7.00 am. - 12 pm. Presently, customers has mostly posted inquiry about general information and requesting assistance on other issues, etc.

Comparison Table of Number of Customer Issues by Categories in 2015-2017

Category	2015	2016	2017
Request for assistance	81.71%	84.87%	88.25%
Suggestion	11.63%	10.10%	5.60%
Complaints	4.06%	2.51%	4.96%
Compliment	2.60%	2.45%	1.16%
Informing (starting from 2016)	-	0.07%	0.03%
Total	100%	100%	100%

406-1

Non-Discrimination

The Bank prioritizes non-discrimination and operates according to the International Human Rights Laws.

The Bank treats all groups of stakeholders equally. For employees, the Bank's criteria for recruiting candidates and promotion are based solely on qualifications relating to job description and regardless of nationality, race, gender or any other type of discrimination. Similar to providing service to all customers, the Bank uses queue ticketing to serve customer on a first-come-first-serve basis.

Due to the Bank's determination to resolve problems, in 2017, only three complaints about discrimination was received. The case involved the discrimination by an authorized teller at a branch and it was eventually resolved after the managements took action to investigate the incident and reiterated to branch managers and employees that they need to listen and assist customers in solving their problems so that they are satisfied with the resolution and that they should ensure that such incident will not happen again. The managements also visited the customer to apologize. The customer understood and was willing to continue using the Bank's services.

418-1

Customer Privacy

The Bank is aware of the importance of keeping the customer's personal information confidential and retaining customer's privacy. The Bank shall try its best protect customer's personal information in accordance with the Bank's regulation on maintaining confidential information, including ensuring the security of computer system and the media in which information is stored. The Bank has employed Information Security Policy as guideline for managing risk and keeping assets secure. The Bank has an information security process and policy that cover the Bank's operations, for example personnel security, computer operation management, work system development and management, software management and network system management in order to comply with the rules set by Bank of Thailand and the remark of The Electric Transactions Commission of Ministry of Information and Communication Technology which meets ISO 27001:2013 standards.

Besides, the Bank publicized information through various channels to raise customers' awareness of the security of personal information, not disclose ID and password to others.

However, the Bank strictly observes Clause 24 of the Official Information Act B.E. 2540 (1997) which stipulated that no government units may disclose any personal information in its possession to other government units or any third party without obtaining a written consent from the owner of the information prior to or at the time of disclosure. Furthermore, the Bank has no policy that allows inquiry of personal financial information or other information of the customers via any channel.

417-3

The Bank as a leading financial service provider of Thailand provides financial services to satisfy needs of customers at all levels. The Bank, therefore, needs to communicate information to customer users and related persons to acknowledge about financial products and services correctly. The Bank publicizes and provides information via the Bank's communicative channels such as branches, the Bank's website, printed media, etc. This allows customers to easily, conveniently and promptly access information of financial products and services, fulfilling the needs of various groups of customers.

The Bank also provides online communicative channels such as website, Facebook, LINE, Twitter, and reinforces customers' confidence in the Bank's security by warning and giving suggestions to customers about call center fraud tricking customers into making transactions at ATMs, ATM skimming and phishing websites. The Bank has a procedure in place to prevent such incidents to satisfy customers apart from promoting and providing information.

203-2

According to National Economic Development Policy; Thailand 4.0 with the vision “stability, prosperity and sustainability” in which innovation is a crucial part to drive the economy of the country, the Bank realizes such necessity. Therefore, it gives opportunity to new generation who has creative thinking and innovations as well as is interested in Startup business in order to develop the country’s economy to have sustainable growth. In 2017, the Bank initiated the 15th Krungthai Young Enterprise Awards project: KTB STARTUP which has special theme in this year. The Bank intends that it will help to provide knowledge to the participants as well as creating new design and innovations to strengthen and increase capability of the country in the world competition. There were 608 teams interested to participate this project.

For the result of competition in the category of Best Startup Project (I do), Inno Waste team that had model product that created technology in environmental solution won the first prize, awarded 1,500,000 Baht and popular vote prize, awarded 50,000 Baht. The first runner-up was Fresh Water Shrimp Farm Ecosystem team that created model product in agriculture, awarded 500,000 Baht and the second runner-up was ORICGA team that created model product in

biotechnology, awarded 200,000 Baht. In the category of Best Startup Idea, the winner was MEDINEY team that created model product in health and medical, awarded 200,000 Baht. The first runner-up was Neuro Lab team that created model product in health and medical, awarded 100,000 Baht. The third runner-up was Wu Kong Trip team that created model product in tourist.

The Bank provided seminars to entrepreneurs as follows:

Seminar: "Update Foreign Trade and E-commerce: The Right Way for Thai Entrepreneurs to Borderless Market"

- Participant :** OEM Entrepreneurs in import-export business
- Objectives :** To provide information about foreign trade and e-commerce business, booth exhibition to the participants and opportunity for the Bank to present products and services to the participants
- Topics:**
- "How to manage business to comply with the economy 4.0 and prevention of remittance risk"
 - "Enter to borderless market with Alibaba"

Seminar: "SMEs Fit"

- Participant :** Business customers of BC who use service import-export trade / cash and new customer groups in processed agriculture industry / construction industry / modern trade

The seminars are held in 4 provinces as follows:

1. The seminar: "SMEs Fit" in Nakhornratchasima, Dusit Princess Hotel, on November 24, 2017
2. The seminar: "SMEs Fit" in Trang, Rua Rasada Hotel, on November 29, 2017
3. The seminar: "SMEs Fit" in Chaing Mai, U Nimman Hotel, on February 21, 2018
4. The seminar: "SMEs Fit" in Chonburi, the location is in process of bid, on February 28, 2018

Topics:

- "Be aware, fast adapt, SME grows, no bankruptcy" by the F.T.I provincial chapter of Trang
- "UPDATE!! Tax Privilege for SME" by Revenue Department
- "Measure of supporting SME to access to capital financing" by Thai Credit Guarantee Corporation (TCG)
- "Smart Business in the age of industry 4.0 with KTB PRODUCT SOLUTIONS" by Krung Thai Bank PCL.

Train debtors: the monthly installments shall by no means exceed 40% of the salary.

203-2

Moreover, the Bank also provides financial literacy to the society through the Facebook fan page KTB CARE (<http://www.facebook.com/krungthaibank>). It is quick, convenient and easily accessible. In 2017, 42 topics of financial literacy were posted through social media from June 3 - December 26, 2017. Number of reach is 1,345,566 users in total and number of like, comment and share (engagement) is 86,572 times as the below table:

No.	Date	Content/ Link	REACH	ENGAGEMENT
1	03/06/2017	Train debtors: the monthly installments shall by no means exceed 40% of the salary.	8,498	47
2	03/07/2017	Train debtors: the monthly installments shall by no means exceed 40% of the salary	12,928	63
3	03/08/2017	Be aware before do online shopping	9,382	61
4	03/15/2017	Train debtors: the monthly installments shall by no means exceed 40% of the salary	12,549	32
5	03/18/2017	Ways to poverty: Must avoid if you don't want it!	12,964	113
6	03/20/2017	Train debtors: the monthly installments shall by no means exceed 40% of the salary	12,412	210
7	03/22/2017	Train debtors: the monthly installments shall by no means exceed 40% of the salary	12,071	57
8	03/27/2017	Train debtors: the monthly installments shall by no means exceed 40% of the salary	18,487	413
9	03/29/2017	Train debtors: the monthly installments shall by no means exceed 40% of the salary	12,049	54
10	06/03/2017	No rules for giving parents money but you should do like this...	49,274	1,926
11	08/01/2017	Start to invest	10,900	456
12	08/03/2017	Bonus	83,854	5,652
13	08/09/2017	Cash card	11,715	253
14	08/10/2017	How to buy house	11,650	236
15	08/15/2017	Assets or debts	11,295	168
16	08/17/2017	How Steve Jobs spend his money	253,912	9,180
17	08/22/2017	Manage your money to be wealthy	20,424	945
18	08/24/2017	Salary ceiling	26,955	5,888
19	08/29/2017	Money spending technique by a millionaire lover	18,551	1,049
20	08/31/2017	30-day Money Challenge	164,054	5,250
21	09/05/2017	Key money tricks by Kyle Taylor	19,520	433
22	09/07/2017	4 new business trends to welcome Megatrend	11,795	264
23	09/12/2017	No time but you can save money	75,765	5,149
24	09/14/2017	Financial Planning to be ready for aging society	12,714	504
25	09/19/2017	5 steps for planning your money for travel	10,938	156
26	09/21/2017	Saving money technique for 3 GENs	23,831	2,186
27	10/04/2017	Simple and good idea of managing your money in daily life from the late King practices	15,207	2,545
28	10/31/2017	31 October, National Savings Day: 6 JARS System of Money Management	35,575	1,409



No.	Date	Content/ Link	REACH	ENGAGEMENT
29	10/31/2017	King Bhumibol Adulyadej, a role model of saver for Thai people	17,211	638
30	11/09/2017	Must know before shopping with tax deduction 2017 this Saturday!	41,036	10,618
31	11/09/2017	RMF for retirement	37,198	5,422
32	11/10/2017	Advance payment, online sellers must know!	10,934	693
33	11/16/2017	Choice of investment	66,361	9,388
34	11/23/2017	LTF RMF	20,818	829
35	11/23/2017	Savings: Happy financial management	14,632	5,655
36	11/28/2017	Shopping with tax deduction	22,072	5,568
37	12/01/2017	Keep Friday	19,594	635
38	12/08/2017	5 shops that you must restrain yourself from shopping if you intend to save money	23,365	469
39	12/12/2017	Plan your money like Mark Zuckerberg	20,993	340
40	12/14/2017	Lucky number for Savings	24,478	558
41	12/19/2017	2 things you should pay when receiving bonus	26,274	721
42	12/26/2017	How to buy new year gift without money leakage	21,331	339

From the previous operation results and stipulation of future operations, the Bank surveyed image of operation for providing financial literacy to public. It shows that people think that Krung Thai Bank is the outstanding bank that provides financial literacy. The Bank got average score of 4.46 out of 5 that is the highest point when comparing with peers. In 2018, the Bank has stipulated operation of financial literacy in

its the strategy and built 2018-2022 roadmap of financial literacy with setting long-term goal to be a leader in financial literacy. For 2018, the Bank is planning to provide financial literacy to children of 94 schools in the Krungthai Weaving Dream Schools; Good School near Home Project and set the goal that $\geq 80\%$ of the participants of the project have a $\geq 5\%$ increase in savings.

Service quality

As the Bank places importance on the quality of services it offers to customers, the Bank carries out customer satisfaction survey to extract customers' opinions on the Bank's financial products and services. The survey was held with the Bank's target customers, dividing by types of customers, in Bangkok Metropolitan Region and provincial areas, in order to explore importance information to develop and improve

products and services as well as stipulating marketing strategy, for example satisfactory/unsatisfactory level, factor influence to satisfaction/dissatisfaction and customers' expectation of use of products/services by means of face-to-face interviews that is conducted twice a year (the first half of the year and the second half of the year)

The Bank received 4.51 out of 5 score for overall satisfaction of Krung Thai Bank customers in 2017 which is the highest score comparing to peers.

Customers Satisfaction with the Bank Survey Result 2015-2017

Year	2015	2016	2017
Satisfaction score	4.39	4.44	4.51
Percentage of customers giving ≥ 4 score	94.2%	96.6%	98.7%

As for satisfaction with the Bank's products, the Bank divided products into 19 categories to conduct the survey. The Bank received satisfaction score of more than 4 out of 5 across all categories. Examples of the categories which the Bank received higher score comparing to peers were deposit, loan, foreign remittance, financial management service, internet banking, mobile banking and e-services. Examples of the categories which the Bank received lower score

comparing to peers were foreign trade, foreign currency exchange service, financial and investment advisory services, bill payment service, Debt Capital Market, Supply Chain Financing and Custodian. The result from the survey will be considered with the intention of improving the Bank's product and service in order to create the most satisfactory experience for all customers.

CSR Projects of Krung Thai Bank



Krungthai Young Enterprise Project

KTB created the 15th Krungthai Young Enterprise Awards under the startup concept to provide an opportunity for people interested in startup to learn and gain experience as a businessman and take part to create jobs and income for sustainable economy. In addition, qualified teams can learn some skills such as investing and marketing which they can apply into their works.

Krungthai Weaving Dream Schools; Good School near Home Project

Krungthai Weaving Dream Schools Project aims to give children and adolescents who live in rural areas the chance to receive educational opportunity of the same standard as that of famous schools in urban area. Accordingly, the Bank provides financial support to schools near children's hometown to renovate their buildings, classrooms and laboratories so that they are well-equipped and capable of adequately facilitating all teachers and students. Presently, there is a network of 94 schools in the project nationwide, all of which have already been evaluated as the Dream School or prototypical ideal schools by the Office of the Basic Education Commission.



Krungthai Art Awards Project

Krungthai Art Awards Project has been held since 2014. The 3rd Krungthai Art Awards in 2016-2017 aimed to encourage and support all artists to elevate the quality of their artworks to internationally accepted level. The artworks are required to be inspired by King Bhumibol Adulyadej and Queen Sirikit, including the theme related to 'Krungthai' or the city of Thailand.

Krungthai Business Ethics Initiative (White Seedlings) Project

By adhering to the sufficiency economy philosophy, the competition of ethical business initiatives is organized with the purpose to encourage high school and vocational school students to practice analytical thinking and decision-making skill in generate business projects. With this regard, students participated in the project can apply the knowledge and skills for the daily life and capable to develop their community sustainably in the future.



Krungthai Weaving Dream for University Graduates Project

The Project is an extension of "Krungthai Weaving Dream Schools, Good School near Home Project". Its objective is to provide educational opportunity to students who have excellent study records and good behavior to be awarded the scholarship for Bachelor's degree level (normal course) from the Bank. The students - who have the highest GPAX of their school at high school level and can pass entrance examination to study in leading public universities as specified by the Bank - will be awarded the scholarship.

“Learning from the Late King Bhumibol” Book Project

The special book “Learning from the Late King Bhumibol” is published by Krung Thai Bank as a commemoration of King Bhumibol Adulyadej for Thai citizen to follow his majesty footsteps to live their lives in sustainable and sufficient ways.



Next-Gen Careers by KTB Project

Krung Thai Bank arranged the Next-Gen Careers project with the intention to provide career advice to secondary school students (first three year of secondary school) so that they can gain proper knowledge and inspiration to plan for their university study to suit labor market. In this project, the students will get to know a variety of careers and the working process of jobs from the leading organizations, especially those in the future trend.

Giving Subsidy to the Amateur Boxing Association of Thailand

The Bank has continuously provided subsidy to the Amateur Boxing Association of Thailand since 2006 with the intention to pursue the government’s policy in promoting sports. With the aims to drive Thailand’s sports to success and make Thailand’s reputation goes worldwide, the Bank has offered the support that covers from the fundamental level to the professional level.



KTB Green Heart Project

In 2017, Krung Thai Bank changed the project’s name to “In Remembrance of His Majesty King Bhumibol Adulyadej” and renovated the Nong Yai Area Development Project Under Royal Initiative, Chumphon province. In this regard, the Chumphon Provincial Governor, Krung Thai Bank’s executives and employees planted Ratchaphruek (Golden Shower Trees) together. Moreover, the Bank also gave lobby chairs and a garden pavilion entitled “In Remembrance of His Majesty King Bhumibol Adulyadej” located on Chomnokchommai island (the habitat of birds) at Nong Yai Area Development Project Under Royal Initiative.

Krungthai Cultural Heritage Preservation Project

Since 2003, Krung Thai Bank supported the national exhibition of art organized by Silpakorn University. The exhibition displayed artworks from the art competition, which aims to encourage Thai artists to develop their potential through the competition and give the public a chance to appreciate good quality artworks.



Krungthai Sculpture Park

Apart from being used as a “school” for employees to learn and practice their skills, the large garden area at Krung Thai Bank Training Center at Khao Yai has been used as an open-air museum for arts appreciation through sculpture displaying.



Krungthai Art Gallery

Krung Thai Bank has realized that presently there is insufficiency of space for displaying artworks, as a result; there is lack of people to reach and get connect with art. When there is no space to display art, art cannot be seen by the public. Consequently, with the intention to give the society the chances to perceive and appreciate artworks, Krung Thai Bank provides “Krungthai Art Gallery” at Yaowaraj Branch building as the exhibition hall for presenting the collection of artworks from the National Exhibition of Art.

Art for Society Project by Krungthai Art Gallery

Apart from consenting the public to learning art through masterpieces artworks and sculptures at Krung Thai Bank’s Art Gallery and Sculpture Park, the Bank also held Art for Society Project with suitable learning activities for learners at all levels. In addition to creating intellectual capital, these activities also boost “volunteer spirit” within the society.



KTB CSR Kids Camp Project

KTB CSR Kids Camp Project aims to encourage youths to have awareness of sufficiency economy philosophy and acquire financial literacy, especially related to the financial planning and savings for kids. The activities also include experience enhancing through study tour and learning outside classrooms based on the approach of ‘4 Things to Know to Create Wealth’ provided by the Stock Exchange of Thailand. Organized in five regions nationwide, the youth participants in this project can apply such knowledge in their daily life regularly.

Krungthai Art Lovers Project

Krungthai...Art Lovers Club has been established in December 2007. The club aims to provide executives and employees the chances to enjoy relaxing and useful activities for their leisure time after work. Through the watercolor painting classes, the participants can delightfully create artworks while appreciate in artistic value.





Operation in **Environmental Dimension**

Although the Bank is a financial institution, a part of service industry which does not create any direct impact on environment and natural resources; the Bank realizes the importance of environmental conservation as well as the continuous and serious implementation of such conservation. Therefore, the Bank has established Social and Environmental Responsibility Policy with the aims to prevent and limit impact on environment, provide knowledge about environment to employees so that the knowledge is applied when developing environmental products and services. The Bank is also determined to conduct environmental operations more efficiently.



The objectives are:

- The Committee of Energy and Technology Conservation was appointed on January 31, 2012. The committee's duties are to apply technology and innovation to the KTB's working system and manage energy and technology effectively to generate the most benefits for the Bank.

Energy Management

Due to the country's economic and social growth, energy demand in Thailand is high. Industrial sector has been expanding continuously, resulting in increasing energy consumption in the country. Therefore, the Bank focuses on energy conservation, natural resources preservation and decreasing its impact on environment. The Bank established social and environmental responsibility policies and listed buildings under energy management control by The Energy Conservation Promotion Act B.E. 2535 (1992). The Bank's controlled buildings are Nana Nua building (head office 1), Sukhumvit building (head office 2), Suan Mali Branch building, Sri-Ayutthaya Road building, Piboonsongkram building and KTB Training Center at Khao Yai. The Bank made an arrangement with the advisor appointed by the Ministry of Energy in order to get consult and receive check up on progress of the report. The Bank also compiled the report for submission and request for the approval of appointment/removal of Ordinary Personnel Responsible for Energy in Building or Factory and Senior Ordinary Personnel Responsible for Energy in Building or Factory. The Bank also sent representatives to attend training programs arranged by the Ministry of Energy regularly.

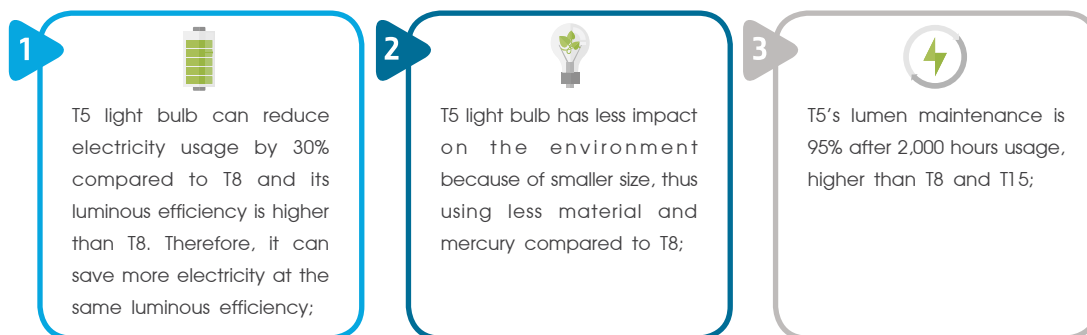
Furthermore, the Bank has been carrying out projects concerning various aspects of environment. In 2017, the Bank's energy conservation projects (302-4) include:

1. **KTB Think Green+** is an ongoing project. Its objectives are to promote employees' contribution to energy conservation by making employees realize the importance of energy conservation. The Bank aims to raise employees' awareness of the value of energy and put emphasis on employee's involvement in changing the organization energy-use culture into one that uses energy efficiently and sustainably. A nationwide electricity-saving competition is held with clear judging criteria. Business units in head offices (Nana Nua and Sukhumvit buildings), branches and regional offices participated in the competition. Extra KPI Points are given to business units/branches that can reduce their energy use when comparing quarter over quarter as the incentive to encourage them to participate in the campaign.



302-1, 302-4, 305-2

2. "LED Light Bulbs" Project is carried out with the purpose to reduce the Bank's impact on environment and increase the efficiency of resource usage within the Bank. It is evident that the LED light bulb is better than the traditional light bulb as it is more efficient and its lumen is much higher. It also has longer life and its maintenance cost is lower. The LED light bulb is durable, lightweight, small, easy to install and it does not require any additional accessories for installation. Therefore, the Bank has the policy to change to T8 and T5 light bulbs so as to reduce the electricity consumption. These light bulbs have been used for the office renovation and new branches e.g. 326 LED light bulbs were used in the renovation of Sukhumvit building's 3rd floor, 273 LED Light bulbs in the renovation of Preecha Complex building and 644 LED Light bulbs in the renovation of Nana Nua building's 6th floor. The details are as follows:



3. 60+ Earth Hour 2017 Project was a collaboration between Bangkok Metropolitan Administration, Foundation for Environmental Education for Sustainable Development (Thailand) and WWF Thailand, along with over 7,000 cities around the world. The Bank's representatives attended the project's meeting and promote the project within the Bank, asking for employees' cooperation in turning off the light for one hour on the designated date and time, which was March 25th, 2017, between 20.30 and 21.30 hrs.

Furthermore, the Bank established energy control measures in alignment with the energy conservation policy. All executives and employees shall continually contribute to electricity saving by setting on/off time for lighting and air conditioner, so that they are on between 07.30-12.00 hrs and 13.00-17.30 hrs, in order to ensure efficient use of electricity and the organization's sustainability.

Head Offices' Electricity Usage in 2015-2017
Unit: kWh and GJ

Unit	2015		2016		2017	
	kWh	GJ	kWh	GJ	kWh	GJ
Sukhumvit Building	5,552,000.00	19,987.20	5,463,000.00	19,666.80	5,405,000	19,458.00
Nana Nua Building	6,238,666.67	22,459.20	6,195,395.00	22,303.42	6,193,576	22,296.87
GHG Emissions : Total scope2 Co ₂ emissions (Tonco ₂ eq)	6,863.35		6,786.35		6,751.53	

Electricity Usage in Regional Offices and Branches Nationwide in 2016-2017
Divided by Region Unit: kWh and GJ

Region	Electricity Use in Regional Offices and Branches Nationwide			
	2016		2017	
	kWh	GJ	kWh	GJ
Bangkok	79,766,532.00	284,999.52	79,096,370.00	284,746.93
Central	50,037,910.86	180,136.48	41,094,030.48	147,938.51
Northeastern	33,411,883.02	120,282.78	32,253,854.82	116,113.88
Southern	28,301,852.92	101,886.67	26,558,655.59	95,611.16
Northern	29,174,272.83	105,027.38	28,684,610.19	103,264.6
GHG Emissions : Total scope2 Co ₂ emissions (Tonco ₂ eq)	128,115.82		120,894.91	

* Emission Factor (GtoG) 1 K=kWh = 0.5821. The calculation is based on Thailand Grid Mix Electricity LCI Database 2557 (2014) and Sustainability Reporting Guideline version G4.



305-2, 305-5

Greenhouse Gas Management

At present, traffic volume in Thailand, especially in Bangkok, is becoming greater, resulting in higher pollution and climate change, having remarkable impact on the ecosystem and living things. The Bank realizes the importance of climate change mitigation. As a corporation under GHG Protocol Scope 2 Guidance (corporations emitting greenhouse gas indirectly by using electricity as steam coal is fossil fuel that emits greenhouse gas while being burnt during electricity generation), the Bank encourages the executives and employees to continuously reduce electricity usage. In 2017, the Bank reduced CO₂ emission by 7,255.73 ton compared to the previous year.

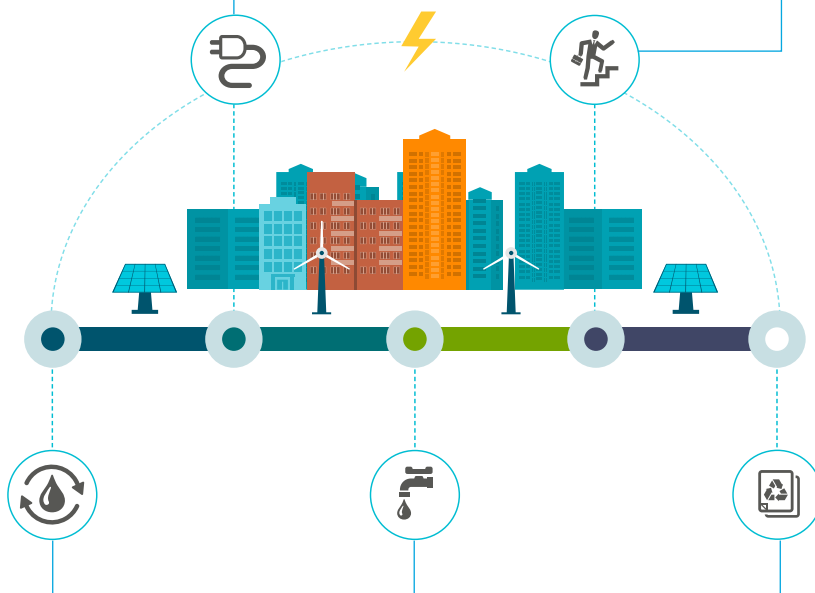
Energy crisis both in Thailand and overseas urged the Bank to establish the energy conservation guideline in order to raise environmental consciousness among employees while on duty and to drive the organization to become an environmentally friendly business. The guideline, which shall be used bank-wide, is as follows:

Electricity

- Set air conditioner temperature to between 25°C - 26°C.
- Reduce the time the air conditioner is on by 1 hour a day or only use air conditioner as needed for customer service and work.
- Place heat-generating appliances, e.g. water boiler, refrigerator, etc., outside air-conditioned room.
- Perform annual maintenance on air conditioners.
- Turn on the lights only where needed and turn off the lights as soon as they are no longer needed.
- Turn off and unplug electrical devices when they are not in used, e.g. printers, photocopiers, etc.
- Turn off computer monitor when not in used. Set the display to turn off if there is no activity for 15 minutes.
- Establish Energy Conservation Team in each business unit to oversee energy usage within the business unit.

Elevator System

- Press either up or down button. Do not press both buttons at once.
- Use stairs if you are going up/down one story. Encourage employees to use stairs instead of elevators.
- Consider shutting off elevators after working hours or during holidays.



Gasoline

- Drive at constant speed. Do not drive faster than 90 km/hr.
- Perform routine car maintenance.
- Carpool if several people are traveling the same route. Always check the route before starting the journey.

Plumbing System

- Use water appropriately. Completely turn off the tap after you finish using the water.
- Check for leaks.

Miscellaneous

- Use both sides of the paper.
- Avoid using non-biodegradable packaging such as Styrofoam or plastic.
- Sort trash to reduce the process and energy required to dispose of the trash.

Assessment of the Bank's risk arising from impact of climate change

The assessment of the Bank's risk arising from impact of climate change can be divided into 2 aspects, namely the Bank's operational risk and the risk that climate change may have an effect on the customers' business and ability to repay, as follows:

- As for the Bank's operational risk, the Bank closely monitors risk that may arise from climate change. In case a natural disaster, such as flood, causes disruption in the Bank's business operation, for example, employees cannot come to work at their primary office or IT system fails, the Bank has business continuity plan (BCP) in place and test the plan to ensure that the Bank can continue to operate business in such situation.
- As for the risk that climate change may have an effect on the customers' business and ability to repay, the Bank regularly monitors the situation and assesses risk arising from climate change. In case a natural disaster occurs, the Bank would assess the impact to regions, industries and individual customers. The Bank will inform relevant business units to closely monitor the situation, report the impact and survey the damage in order to consider remedies measures for affected customers or adjust the customer's/industrial/regional risk level. Accordingly, the customers will be monitored closely until the situation resolves.

Water Resources Management

Water is one of the necessities of life. The Bank is aware of the importance of continual water management and encourages employees to use water more efficiently to generate the most benefits. Example of performances are as follows:

- Signs encouraging water saving were attached to wash basin areas and on the internal side of toilet and pantry doors in Nana Nua and Sukhumvit buildings as well as branches.
- Sanitary wares were replaced by water-saving alternatives; for example, using touchless faucets to prevent unnecessary loss of water, using faucet spray heads in some areas to reduce water wasting and adjusting the water pressure of rinse spray hoses to a moderate level. These changes are done during branch renovation.
- Waste water management is performed in accordance with Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992) in 3 buildings, namely Nana Nua, Sukhumvit and Si Ayutthaya Road Building, as activities in the 3 buildings produce over 200 m³ from toilets, cleaning, etc. The waste water must be treated before disposing into water resources to ensure that the Bank meets the government's effluent standard.

Tap Water Usage in the Two Head Office Buildings in 2015-2017
Unit: m³

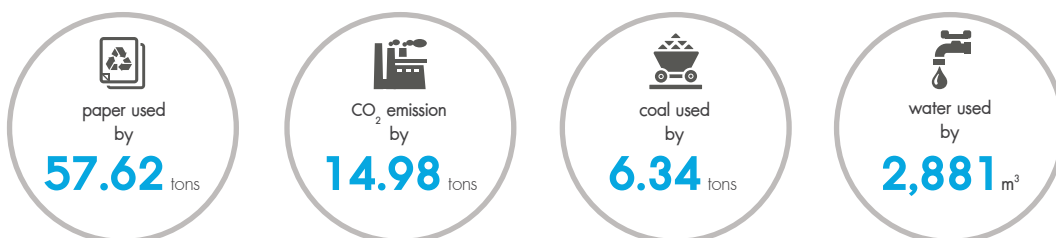
Unit	Sukhumvit Building			Nana Nua Building		
	2015	2016	2017	2015	2016	2017
m ³	61,125	72,672	60,028	64,836	63,877	63,144

Contributions from all executives and employees allowed the Bank to decrease water usage by 13,377 m³ compared to the previous year.

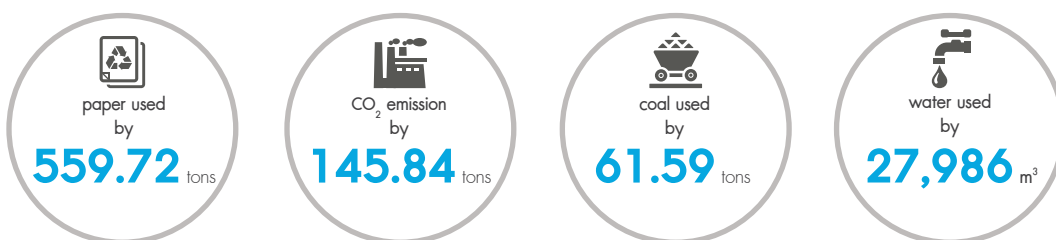
305-2, 305-5

Shred2Share Projects in Association with Alliances

The Bank has been participating in "Shred2Share: Safety for Information, Care for Society and Environment" together with over 64 alliances for the ninth consecutive years. This campaign encourages employees to safely shred and recycle disposed documents using methods that meet international standards. In 2017, the Bank reduced the amount of



Throughout nine years of participating in the project, the Bank reduced the total amount of



The Bank will continue to conserve environment by participating in Shred2Share project and will report the result of its contribution in environmental conservation to executives and employees once a year.

Table Showing Quantity of Documents Destroyed Using Environmentally-Friendly Methods in Shred2Share Project Within Krung Thai Bank Head Offices

Year	Quantity of document (ton)	CO ₂ emission reduction (ton)	Coal use reduction (ton)	Water use reduction (m ³)
2009	39.08	10.16	4.30	1,954
2010	54.72	14.23	6.02	2,737
2011	55.86	15.34	6.12	2,793
2012	62.13	16.38	6.93	3,150
2013	62.66	16.29	6.83	3,133
2014	69.94	18.18	7.69	3,496
2015	68.44	17.79	7.53	3,422
2016	86.55	22.50	9.52	4,328
2017	57.62	14.98	6.34	2,881
Total	559.72	145.84	61.59	27,986.95

The Bank's objective of continual participation in Shred2Share Project is to incorporate in its business operation the benefits for society and environment by recycling disposed documents. Considering the Bank's document destruction together with the reduction of CO₂ emission, coal use and water use¹, it is found that the Bank has successfully reduced contamination which is the cause of climate change. Moreover, some of the paper can be reused and the Bank has donated school equipment made from reused material to border patrol police schools.

Several social and environmental responsibility projects carried out by the Bank include:

- Reviewing business continuity plan to ensure that it covers environmental changes such as natural disaster (ood). The Bank has categorized the severity of the incident and divided ood response plan into 3 phases by the level of severity and impact, in order to ensure business continuity.
- Issuing environmental loans allowing the Bank to create impact on the environment by granting loans. The details can be found under Environmental Products and Services.

Furthermore, the Bank has been participating in TBCSD Green Meeting Project since 2007. It is organized by Thailand Business Council for Sustainable Development and Thailand Environmental Institute. As a result, Krung Thai Bank applies the green meetings guideline to meetings within the organization.

302-1

Materials Management

The Bank has continually implemented paper use reduction and paperless organization policy and set rules in alignment with the Bank's strategies by using technology, especially "KTB netbank", to manage effectively, monitoring the progress of the projects and develop the projects to maximize effectiveness. The Bank also encourages all executives and employees to save paper by using every piece of paper most beneficially. Although the paper use reported here is not recycled after use or not made of recycled material, the Bank endeavors to reduce the use of resources essential for the Bank's operation.

Total Material Usage

Paper is considered essential for the Bank's operation. In 2017, the details of the Bank's paper usage (for slips) are as follows:

Type	Quantity/ Unit	Weight per unit (kg)	Total material used	
			Total unit	Total weight (kg)
Deposit slip	500 slips/pack	1.44	100,054	144,077.76
Withdraw slip	500 slips/pack	0.64	79,967	51,178.88
Bill payment slip for utility and fee payment	100 slips/pack	0.25	246,855	61,713.75
Deposit slip for passbook	500 slips/pack	0.90	26,202	23,581.80
Passbook (savings account)	1 passbook	0.0134	6,661,400	89,262.76
Passbook (fixed deposit account)	1 passbook	0.0136	200,500	2,726.80
Passbook (KTB ZEROTAX)	1 passbook	0.0122	63,800	778.36
Total				373,320.11

301-1

Making transactions on KTB netbank increases convenience and reduce the amount of paper used for slips compare to making transaction over the counter or by using ATMs. The reduction in slip use can be seen in the following table.

Reduction in slip use	2013	2014	2015	2016	2017	Total
In pack	1,402,322	1,562,665	1,522,050	1,580,922	1,661,834	7,729,793
In kg.	1,500,495	1,672,050	1,628,593	1,691,586	1,778,162	8,270,886

Remark : A pack consists of 500 slips, weighting 1.07 kg.

The Bank's essential material management resulted in the Bank reducing slip use by 8,270,886 kg since 2012.



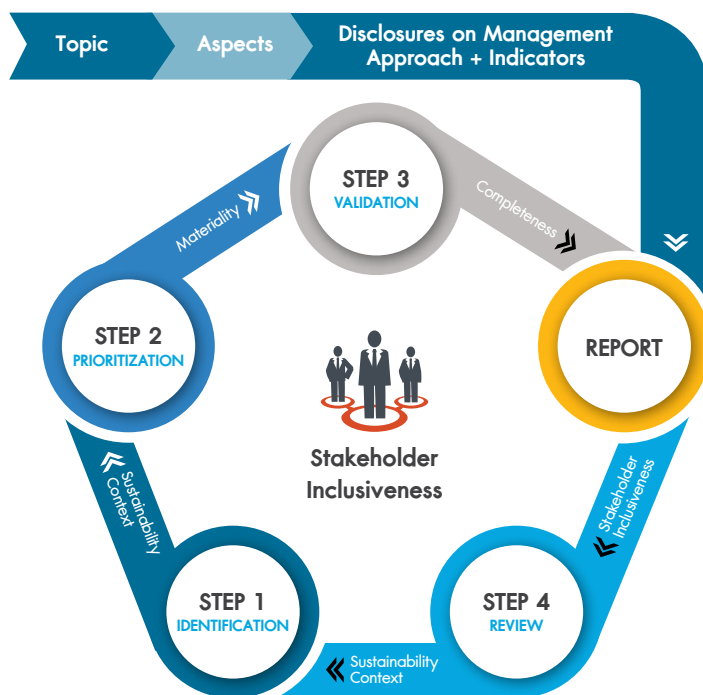
Sustainability Reporting Guidelines

Krung Thai Bank has been preparing Sustainability Report to disclose its operations in three dimensions, namely economy, society and environment, to stakeholders annually since 2006. The latest issue in 2016 was the first time the Bank employed Standards in Global Reporting Initiative as the framework for disclosing information regarding its core operation, covering the Bank's operation on sustainability between January 1 - December 31, 2017.

102-46

Identifying Material Aspects and Boundaries

The Bank has defined core issues concerning the organization's sustainability and the stakeholder's expectation using the guidelines in Standards GRI. The first step is "identification", to identify issues that are important to the Bank's operation in sustainability context. The second step is "prioritization", to prioritize issues by having internal and external stakeholders do online surveys. The third step is "validation", validate the correctness and completeness of the information. The last step is "review", to review the whole report preparation process to prepare for next year's report preparation in accordance with GRI Standards. The details of operation are as follows:



1. Identification

In 2017, the Bank identified issues that are important to the organization's sustainability context in three dimensions, which are economic, social and environmental dimensions, and the issues that have influence on assessment and decision of stakeholders (Stakeholder Inclusiveness). The identification was based on data gathered from online surveys concerning activities, products and services which were answered by both internal and external stakeholders.

Internal Information (Organization's target)

The Bank hold meetings with business units in the organization and have employees complete online questionnaire about issues which are important to the organization's sustainability and risk as well as in alignment with the Bank's strategies. The questionnaire was distributed via the Bank's intranet.

Non-Bank Information (Stakeholders)

Sustainable growth means the growth that all sectors accept. Therefore, interacting with stakeholders to find out their needs is the input that will enable the organization to grow stably and sustainably. The information was gathered from various sources including talks, meetings, seminars, employee engagement survey, online questionnaires, customer satisfaction survey, trade partner evaluation form, quality of life

survey for those participating in CSR projects, Minutes of the Annual General Meeting, shareholder satisfaction factor, sustainability operation standards, integrity and transparency assessment criteria for government agency and corporate sustainability assessment.

2. Prioritization

After identifying the core issues having significant effect to the Bank, the Bank prioritized the issues in accordance with GRI Standards and perform materiality test. The test is based on scored received from online surveys and meetings with business units responsible for sustainability operation and representatives of staff whose work concerns stakeholders. Moreover, the Bank also considers its internal and external organizational factors, namely strategies and organization's core value, government policies and significant issue to the stakeholders. The Bank prioritized those based on 2 core criteria leading to the identification of the material aspects in Materiality Matrix table. It comprises of two axes, namely X-axis which demonstrates significant level of economic, social and environmental impacting on the organization; and Y-axis which conveys impact level on stakeholders' decision and assessment.

The Bank prioritized 17 issues based on their level of impact on the organization's sustainability from the point of view of the Bank and its stakeholders.



102-45, 102-46, 103-1

In this issue, the bank has added several new topics to give a clearer picture of the bank's sustainability operation. "Anti-corruption" was divided into 5 topics, namely Compliance and corporate governance culture, Anti-corruption, Risk management, Code of conduct, Granting loan in accordance with good governance; in order to reflect the bank's strategies aiming at becoming the model moral organization. As for "Economic operation", Digital operation was added to align with the importance the Bank placed on technology which has great effect on banking industry. "Customer privacy" was changed to Customer service and Customer data security. Providing financial knowledge to society was added to "marketing communications" as one of the Bank's strategies responding to national strategies on strengthening the society in all aspects.

"Water", "Energy", "Material" and "Air pollution" were merged into Environmental operation and Managing impact of climate change. "Employment",

"Diversity and equal opportunity", "Training and education" and "Non-discrimination" were merged into "Human resources operation" and "Rights to unionize and negotiate".

"Indirect economic impacts" was changed to economic cooperation which reflects the Bank's direction in supporting the government's policies. "Occupational health and safety" remained one of the topics.

Scope of information disclosure is specified in each aspect according to affected areas (or expected-to-affect area) as follows:

- **Aspect Boundary within Organization** consists of Krung Thai Bank PCL and its 6 subsidiaries (KTB Group), namely, KTB Law Co., Ltd., KTB General Service Co., Ltd., Krung Thai Asset Management Pcl, Krungthai Computer Services Co., Ltd. KTB Leasing Co., Ltd. and KTB Advisory Co., Ltd.
- **Aspect Boundary outside Organization** consists of customer, society, shareholders, trade partners and regulator.

Sustainable Topics according to GRI Aspect (102-47)	Aspect Boundary											Topics proposed in the report
	Within Organization (103-1) (KTB/KTB Group)						Outside Organization (103-1)					
	KTBLAW	KTBGS	KTAM	KTBCS	KTBL	KTBA	Shareholder	Customer	Partner	Society	Regulator	
1. Compliance and corporate governance culture	✓	✓	✓	✓	✓	✓		✓				Corporate Governance
2. Anti-corruption	✓	✓	✓	✓	✓	✓		✓				Corporate Governance
3. Risk management	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	Corporate Governance
4. Code of conduct	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Corporate Governance
5. Granting loan in accordance with good governance	✓	✓	✓	✓	✓	✓		✓		✓	✓	Organizational Profile
6. Environmental operation	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	Operation in Environmental Dimension

Sustainable Topics according to GRI Aspect (102-47)	Aspect Boundary											Topics proposed in the report
	Within Organization (103-1) (KTB/KTB Group)						Outside Organization (103-1)					
	KTBLAW	KTBGS	KTAM	KTBCS	KTBL	KTBA	Shareholder	Customer	Partner	Society	Regulator	
7. Managing impact of climate change	✓	✓	✓	✓	✓	✓		✓		✓	✓	Operation in Environmental Dimension
8. Economic operation	✓	✓	✓	✓	✓	✓					✓	Operation in Economic Dimension
9. Digital operation	✓	✓	✓	✓	✓	✓			✓			Operation in Economic Dimension
10. Marketing communication	✓	✓	✓	✓	✓	✓						Operation in Social Dimension
11. Providing financial knowledge to society	✓	✓	✓	✓	✓	✓		✓	✓	✓		Operation in Social Dimension
12. Occupational health and safety	✓	✓	✓	✓	✓	✓				✓		Operation in Social Dimension
13. Human resources operation	✓	✓	✓	✓	✓	✓				✓		Operation in Social Dimension
14. Rights to unionize and negotiate	✓	✓	✓	✓	✓	✓				✓		Operation in Social Dimension
15. Customer service	✓	✓	✓	✓	✓	✓				✓		Operation in Social Dimension
16. Customer data security	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	Operation in Social Dimension
17. Economic Cooperation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Operation in Economic Dimension

3. Validation

Validation is the process of ensuring the completeness of the information reported in scope and aspect boundary in order to ensure the balance of the Bank's sustainability operations and impacts before reporting the stakeholders.

4. Review

Review is the last process after the sustainability report is disseminated to the stakeholders. The Bank will review the material issues whether they remain material for the Bank based on the feedback received from the stakeholders, which will be analyzed before processing the next year's sustainability report.

Analysis of Stakeholder and Impact

102-42

The Bank is aware of the importance of all stakeholders both inside and outside the organization, directly and indirectly affecting the Bank's operation positively and negatively, in terms of economy, society and environment. The Bank's consideration is based on information from primary and secondary sources to ensure that the appropriate and fair treatment to shareholders, employees, regulators, society and trade partners. Stakeholder treatment policy has been specified as part of good corporate governance policy and the Bank's code of conduct which were disclosed to the public to create a strong foundation for sustainable business. The Bank's operation will create utmost benefit which meets the expectation of all groups of stakeholders to drive the Bank toward stable, prosperous and sustainable development in all sections as follows:

Stakeholders (102-40)	Process (102-43)	Frequency (102-43)	Need (102-44)	Guideline (102-44)
Staff member	<ul style="list-style-type: none"> Listen to suggestions, problems and complaints from staff members through 3 channels as the direct e-mail to Executive, HR Care and Hotline Tel. 0 2208 7606-9 Employee engagement survey Performance appraisal Employee training and development Meeting and seminar with staff members 	<ul style="list-style-type: none"> Open for suggestion all year round Employee engagement survey: 2 times/year Arrange training programs for staff members by taking into account appropriateness and employee's job positions. Activity: 1 time/quarter 	<ul style="list-style-type: none"> Income, benefit and welfare Inspiration for work Interesting and valued work Work-life balance Learning and career opportunity Recognition Environment and facilities which facilitate the work 	<ul style="list-style-type: none"> Treat staff members fairly and properly. Encourage staff members to give useful opinions. Provide engagement activity for employee. Encourage good health and well-being among the employees by providing facilities and activities. Provide training courses to employees and develop their career path. Ensure safe and healthy environment in workplace.
Customer	<ul style="list-style-type: none"> Customer satisfaction and brand image survey Meet with customers to offer financial products. Meet customers through various activities. Communicate with customers via online media. Listen to suggestions, problems and complaints of customers through various channels including phone, customer relations, e-mail, letters, etc. 	<ul style="list-style-type: none"> Listen to customers' suggestions and communicate with customers via various online media and meetings with customers all year round. Customer satisfaction survey: 2 times/year 	<ul style="list-style-type: none"> Ensure customer's privacy. Offer financial products which meet the requirements of each group of customers. Ensure that customers receive decent service. 	<ul style="list-style-type: none"> Develop and offer products that meet the requirements of each group of customers. Serve the customer willingly and offer the customers with the opportunity to evaluate the service provided by staff members.

Stakeholders (102-40)	Process (102-43)	Frequency (102-43)	Need (102-44)	Guideline (102-44)
Society	<ul style="list-style-type: none"> Listen to society's opinion through CSR activities held by the Bank. 	<ul style="list-style-type: none"> Listen to suggestions from general public in every activity throughout the year. 	<ul style="list-style-type: none"> Enrich society. Be responsible to the society. Support the country's economic sector. 	<ul style="list-style-type: none"> Operate business with responsibility under the principle of corporate governance which meets international standard. This covers CSR in process, e.g. energy saving and social loan for retail customers, and CSR after process, e.g. conducting CSR projects in economic, social and environmental aspects, in order to create strength and sustainable development.
Shareholder	<ul style="list-style-type: none"> Hold Annual Ordinary General Meeting in order to clarify the Bank's policy and enquires raised in the Meeting to the shareholders. Hold shareholder field trip activities. Arrange one-on-one meeting and conference call. Hold the meeting for domestic analysts and fund managers. Travel to meet shareholders and investors (Road Show). 	<ul style="list-style-type: none"> Hold Annual Ordinary General Meeting 1 time/year. Hold shareholder field trip 1 time/year. Arrange one-on-one meeting and conference call all year round. Travel to meet shareholders and investors all year round. Hold analyst and fund manager meeting every quarter. 	<ul style="list-style-type: none"> Generate sustainable returns to shareholders. 	<ul style="list-style-type: none"> Pay the dividend properly. Operate business in compliance with good corporate governance and adhere to the Bank's code of conduct.
Trade Partner	<ul style="list-style-type: none"> Hold meeting, seminar and activity to strengthen relationship. Listen to suggestions, problems and complaints. Disclose information publicly online. 	<ul style="list-style-type: none"> Hold meeting, seminar and activity with trade partners all year round. Listen to suggestions, problems and complaints and disclose information online all year round. 	<ul style="list-style-type: none"> Clear procurement policy Work together with trade partners to achieve the set goals. Fair, transparent and accountable procurement process. Duly payment of compensation and gratuity 	<ul style="list-style-type: none"> Stipulate clear and complete procurement rule and policy. The procurement will be conducted with fairness, transparency and accountability. Comply with trading conditions and honor the contract. Avoiding accepting gifts from trade partners or attending private receptions paid by trade partners.
Regulator	<ul style="list-style-type: none"> Attend meeting and acknowledge policies and compliance guidelines. Be audited by regulators. Provide report to regulators and receive feedback. 	<ul style="list-style-type: none"> Throughout the year according to the timeframe of each regulator 	<ul style="list-style-type: none"> Efficient management Stability of the Bank's work system Transparency of the organization and its work system 	<ul style="list-style-type: none"> Adhere to bank assessment including self-assessment and criteria for awards to improve the efficiency of the Bank's process. Comply with the code of conduct to operate the business fairly and transparently. Strictly comply with rules. Adapt and improve work process based on suggestions, observations and feedback from regulators in order to meet international standards.

102-53

Contact for more information about the report

If you have any questions regarding this report, please contact Corporate Social Responsibility Department, Communication and Branding Group, Krung Thai Bank PLC., Head Office, Building 1, 35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District Bangkok 10110, Thailand, Tel. 0 2208 4461-2.

Awards of Pride 2017



International Awards

[The Asset Triple A Digital, Digital Infrastructure, Treasury, Trade, Supply Chain and Risk Awards 2017](#)

The award is granted from The Asset magazine - Asia's leading financial and investment magazine. Krungrat Bank received the awards in areas of digital, digital infrastructure, treasury, trade, supply chain and risk in 2017, with excellence in innovations and applying technologies to widen convenient service channels to customers in following categories.

- Best e-bank in Thailand
- Most Innovative Corporate Payment Project, Thailand
- Best Service Provider: E-Solution Partner
- Best in Treasury and Working Capital: Public Sector

[Best Customer Service Provider Asia Award and Best Innovation in Retail Banking Thailand Award](#)

The award is granted from International Banker magazine - the United Kingdom: the Bank received the award for service quality, development of financial innovations that answer to customer's present lifestyle and being a leader of trustworthy financial technology.

[Best Social Impact Thailand Award 2017](#)

The award is granted from Capital Finance International (CFI) magazine - the United Kingdom: the Bank is recognized as the financial institution that plays important role in steering the nation's economy while developing the financial innovation that is accessible by everyone and helps promote government's policies such as e-tax, SMART City and welfare card scheme.

[The Asian Banker Transaction Banking Awards 2017 in the category of Best Transaction Bank in Thailand and Best Cash Management in Thailand](#)

The Bank won Best Transaction Bank in Thailand and Best Cash Management in Thailand at The Asian Banker Transaction Banking Awards 2017, MAX Atria @ Singapore EXPO, Singapore, on 9 June 2017, organized by The Asian Banker magazine - Asia's leading financial and investment magazine.

For this award presentation, Krungrat Bank received the award for cash management products and services, including GFMS on KTB Corporate Online, KTB eLBD, Online Traffic Ticket Payment and Domestic LG Solution.



National Awards

Excellent State Enterprise Award 2017 in the category of outstanding disclosure and transparency

It is granted from the State Enterprise Policy Office (SEPO) at SOE Award 2017: the award is presented to the state enterprise that has operation with transparency and fairness as well as discloses information while regarding for stakeholders under the international good governance standard. The Bank has received the award for two consecutive years.



Thailand Sustainability Investment (THSI)

The award goes to the listed company that has sustainable business operation with regard to environment, society and governance (ESG) issue as one of the factors that investors can use for making investment decision and analyzing financial data to receive a long-term return.



Distinguished Award for GFMS on KTB Corporate Online in the category of Business Enabler Project

Krung Thai Bank won the award at the Thailand ICT Excellence Awards 2017, showing the Bank's efficiency in service operation and product development that meets all requirements of customers. The award is organized by the Thailand Management Association (TMA) together with National Electronics and Computer Technology Center, Software Park Thailand and College of Innovation, Thammasat University and granted for praising and promoting the organization that has excellence in IT management as well as improving standard and applying IT systematically.



NACC Integrity Awards 2017

The award is organized by the Office of the National Anti-Corruption Commission (NACC) in order to praise agencies, organization, institutions in public sector, state enterprise sector, private sector and other juristic persons that are considered as a good model to exhibit transparency and anti-corruption in operation and with the aim to raise awareness of the management with corporate governance, code of conduct and social responsibility which shall leading to the higher Corruption Perception Index (CPI) of the country.



Sustainability Report Award

The Bank received the award in the recognition category from Thai Listed Companies Association. The award is granted to emphasis on promoting and improving the quality of sustainability report to be inclusive with selected topics that disclosed in the report annually.

Green Meeting Plus Certificate

The Bank received Green Meetings Plus Certificate from the Thailand Business Council for Sustainable Development (TBCSD) for driving its subsidiaries to organize Green Meetings with the intention of promoting worthy natural resources consumption and reduce environmental impacts.

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Reader Feedback Questionnaire

1. Basic personal information
Gender ☐ Male ☐ Female
Age ☐ Below 30 ☐ 30-50 ☐ Over 50
Occupation ☐ Please specify.....
2. Please state from whose point of view are you reading this report?
☐ Customer ☐ Employee ☐ Co-Investor ☐ Shareholder/Investor
☐ Research unit ☐ Educational institution ☐ Government unit ☐ Media
☐ Others (please specify.....)
3. Please specify from which source have you seen Krung Thai Bank's Sustainability Report?
☐ The Bank's website and social media accounts ☐ The Bank's office/branch
☐ Seminar/ lecture ☐ Ordinary General Meeting
☐ Others (please specify.....)
4. What is your purpose of reading this Sustainability Report?
☐ To familiarize yourself with the Bank ☐ To research information for decision-making
for investment purpose
☐ To study about projects that benefit society and environment ☐ To research for educational purpose
☐ Others (please specify.....)
5. What is your opinion on the following:
The completeness of the report's content ☐ High ☐ Medium ☐ Low
The appearance of report design ☐ High ☐ Medium ☐ Low
The noteworthiness of the content ☐ High ☐ Medium ☐ Low
Your level of satisfaction ☐ High ☐ Medium ☐ Low
6. Which module of Sustainability Report do you think is the most useful for you?
☐ Organizational Profile ☐ Corporate Governance ☐ Economic Operation
☐ Social Operation ☐ Environmental Operation
7. Which module of Sustainability Report do you think is the least useful for you?
☐ Organizational Profile ☐ Corporate Governance ☐ Economic Operation
☐ Social Operation ☐ Environmental Operation
8. How do you feel about the Bank's sustainable development operations after reading this Sustainability Report?
.....
9. Which other sustainable development operations do you think the Bank should do in addition of its current operations?
.....
10. Do you have any opinion / recommendation for this Sustainability Report? Please specify.
.....

**Your feedback on this Sustainability Report will be taken into account
when improving and adjusting future sustainability reports.**

The Bank highly appreciates your cooperation.



ใบอนุญาตเลขที่ ปณ. (ค) /3782 ศฝ.หัวลำโพง
ถ้าฝากส่งในประเทศไม่ต้องแนบตราไปรษณียากร



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Responsible Banking

Growing to a Sustainable Future

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