



NEXT



TO INVISIBLE
BANKING



SUSTAINABILITY
REPORT 2018





ศุภมิ่งมงคลมหาสมัย
ทรงสืบสันตติวงศ์ผจงเจิม
ถวายเป็นใจรักภักดีพระองค์
สุริย์ศรีสว่างแดนภูมิแผ่นดินฟ้า

พระมิ่งขวัญแห่งไพทพิชัยเฉลิม
ผดุงเผดิมแผ่นดินปิ่นนครา
พระทศธรรมธำรงทรงศักดิ์สง่า
พระราชาสง่าแคว้นภูมิแผ่นดิน

ประพันธ์โดย อ.เนาวรัตน์ พงษ์ไพบูลย์

ด้วยเกล้าด้วยกระหม่อม
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ธนาคารกรุงไทย จำกัด (มหาชน)

Contents

> **6**

Message from
the Chairman
and the
President

> **9**

Report of the
Corporate
Governance
and Social
Responsibility
Committee 2018

> **10**

Organizational
Profile

> **19**

Corporate
Governance and
CG Culture
Creation

> **32**

Operations in
Economic
Dimension

> **46**

Operations in
Social
Dimension

> **80**

Operations in
Environmental
Dimension

> **89**

Sustainability
Reporting
Guidelines

> **95**

Awards of
Honor 2018

> **99**

GRI



TO INVISIBLE BANKING



Krungthai
NEXT

Message from the Chairman and the President



Mr. Ekniti Nitithanprapas
Chairman of the Board of Directors

Mr. Payong Srivanich
President

In 2018, fast change of advanced technology and fluctuation of the world's economy directly affected the banking and financial system. Krungthai Bank, as a mainstay of Thai economic system, also required to make adjustment with the purpose of keeping up with the change under 3 main missions - build up strong foundation; increase efficiency of business operation to support government operation and create opportunity for future business growth via Krungthai Digital Banking. The key purpose of these missions was to transform the Bank into Invisible Banking that could fulfill all customer's lifestyle, adhered to corporate governance and led to the sustainable development. The three main dimensions of the Bank's operation toward sustainability are as follows:

› Economic Dimension

Krungthai Bank had significant mission to support and develop the country's economic system including the Thailand 4.0 model. The Bank continued the National e-Payment Policy aiming to increase the efficiency of payment infrastructure and to decrease cost of gross domestic business. For example,

the Bank along with the Stock Exchange of Thailand and other banks were joining to develop Payment for Capital Market System with the purpose to increase efficiency of payment system between intermediaries in capital market and commercial banks. Moreover, for the Thai government's welfare smart card scheme, the Bank developed Thung Ngern Pracharat mobile

application for stalls and retail shops in the market with the intention to facilitate the payment for the government's welfare smart cardholders. In addition, the Bank had integrated the potential in finance with technology to support the operation of the Bank's 5 target ecosystems - Government, Payment, Health and Wellness, Education and Mass Transit - through several projects i.e. Krungthai QR Code, government's e-Payment, government officer's health care welfare card scheme, etc.

For digital economy development, Krungthai Bank announced partnership with Plug and Play. The Bank will be a Founding Anchor Partnership: FinTech (Singapore) and Ecosystem Membership Plus: FinTech (Silicon Valley) in order to nurture startups and build the organization through the continuous pursuit of innovation that supports the Bank's operation in terms of Digital Banking. Additionally, the Bank cooperated with the Stock Exchange of Thailand and National Science and Technology Development Agency to establish Private Equity Trust Fund for SME Growing Together or PE Trust SME to make a joint investment in SMEs for the purpose of financial support in both initial and growing stage.

› Social Dimension

Consumer behavior had been changing by cutting-edge technology recently; therefore, the Bank had to adjust method of Human Resource Management operation in Digital Banking context by changing organization structure and enhanced employees' skills to be ready for business operation in digital era. In this regard, the Bank reviewed Core Competencies, Technical Competencies, Management Competencies as well as the Leadership Development Framework of human resources management in order to satisfy customer's needs effectively. Besides the Corporate Governance activities, the Bank continued 2017-2021 Corporate Governance Strategic Plans by carrying out the Krungthai Moral initiative with the intention to enhance Zero-tolerance culture through 3 principles-Foster, Prevent and Change. Along with the concept of "Inside-out Blasting", the process encouraged the participation from executives and employees to work together under "One unit, One sustainable plan"

initiative, which in return shall generate good performance, effective working process and public trust from all stakeholders.

› Environmental Dimension

The Bank placed importance on the business operation that contributed to the reduction of environmental effects by means of initiating the project as Internal Digitization - Paperless Branch to digitizing effective operation of the branches and reducing at least 50% of paper usage within 5 years. The Bank also changed office equipment in order to reduce electricity usage such as LED tubes, air-conditioners with EGAT label no.5 and environmental-friendly decoration materials. Moreover, the Bank established Energy Conservation Policy to create employees' participations in energy saving and listed buildings under energy management control. For the utmost effectiveness, the Bank controlled 6 buildings, namely Nana Nua building (head office 1, Sukhumvit building (head office 2), Suan Mali Branch building, Sri-Ayutthaya Road building, Piboonsongkram Computer Center and KTB Training Center at Khao Yai.

Amidst the uncertainty of economic system with the decelerated growth, the change of technology and the increasing number of elders in Thailand, Krungthai Bank is still adhering to Growing Together vision: the intension to grow up together with all sectors in Thai society sustainably and firmly. By taking into consideration the significant of the sustainability, the Bank received several honorary awards such as the Outstanding State-Owned Enterprise (SOE) Awards 2018 for Outstanding Disclosure and Transparency from the State Enterprise Policy Office (SEPO) and the company with Excellence CG Scoring in the Corporate Governance Report of Thai Listed Companies 2018 by Thai Institute of Directors (IOD). Krungthai Bank also got rate AA+ in National Credit Ratings (Long Term) from Fitch Ratings whereas Forbes, the US magazine, ranked the Bank in the Global 2000 list of the World's Best Employers 2018. Therefore, all awards indicated that the Bank has determined to comply with Corporate Governance and shall continue to develop Thai economic system sustainably.

The Corporate Governance and Social Responsibility Committee 2018



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 > **Prof. Dr. Kittipong Kittayarak**
Member of the Corporate
Governance and Social
Responsibility Committee

④ > **Ms. Patricia Mongkhonvanit**
Member of Corporate Governance
and Social Responsibility Committee

Report of The Corporate Governance and Social Responsibility Committee 2018

Krungthai Bank has been taking into account the awareness of corporate governance (CG) and corporate social responsibility (CSR) with the purpose to attain sustainable development regarding 3 dimensions - economic, social and environmental – towards the Bank's stakeholders and in accordance with the "Growing Together" vision. In this regard, the Board of Directors appointed Corporate Governance and Social Responsibility Committee consisting of 4 directors to determine scheme and oversee the operating result. In 2018, the committee totally held 14 meetings.

In 2018, the Corporate Governance and Social Responsibility Committee devised the 2017-2021 corporate governance strategies for Krungthai Bank under the Krungthai Moral Initiative by means of the 3 principles - Foster, Prevent and Change. The objective is to elevate organization culture of zero tolerance through the concept of "Inside-out Blasting". The concept has been adopted from the philosophy of King Bhumibol Adulyadej (King Rama IX) as guiding principle in working with moral. Through the initiative "1 unit, 1 sustainable plan," the executives and employees had a chance to brainstorm ideas about instilling moral in working in an attempt to achieve success and increase efficiency.

As the result of the deliberate operation in 2018, the Bank received the awards relating to the corporate governance and social responsibility as follows:

- Outstanding State-Owned Enterprise (SOE) Awards 2018 for Outstanding Disclosure and Transparency from the State Enterprise Policy Office (SEPO), Ministry of Finance
- Rank as one of the top 50 listed companies of ASEAN CG Scorecard ranking
- Best Social Impact Bank Thailand Award 2018 presented by CFI Journal; the Bank received the award for the second consecutive year
- Commemorative award from Anti-Money Laundering Office (AMLO), awarding for institution that supports and coordinates with AMLO
- Excellent Promotion and Support of Savings Award 2018 from the National Savings Fund, The Ministry of Finance.
- Sustainability Report Award 2018 in the Excellence Award Category from Thai Listed Companies Association, the Securities and Exchange Commission and the Thaipat Institute

All the rewards and assessments the Bank received have reflected the effectiveness of our operation and we ensure that we will continually adhere to the professional standard.



Mr. Vichai Assarasakorn

Chairman of the Corporate Governance
and Social Responsibility Committee

Organizational Profile

At the present, the Bank's paid-up registered capital is

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

102-3



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.CallCenter@ktb.co.th



Facebook :
Krungthai Care



Twitter :
Krungthai Care



Instagram :
Krungthai Care



Youtube :
Krungthai Care

102-1, 102-5

Krungthai Bank PCL was established on March 14, 1966 as a financial institution in the category of commercial bank. In 1989, the Bank became the first state enterprise to list its shares in the Stock Exchange of Thailand 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. Presently, the Bank's logo was the light blue bird Vayupak which reflects modernity, freedom, power of enthusiasm and the will to fly to further progressivity. Vayupak bird also conveys knowledge, convenience and friendliness that every customer will receive from Krungthai Bank.

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 employee competency skills and develop working system.



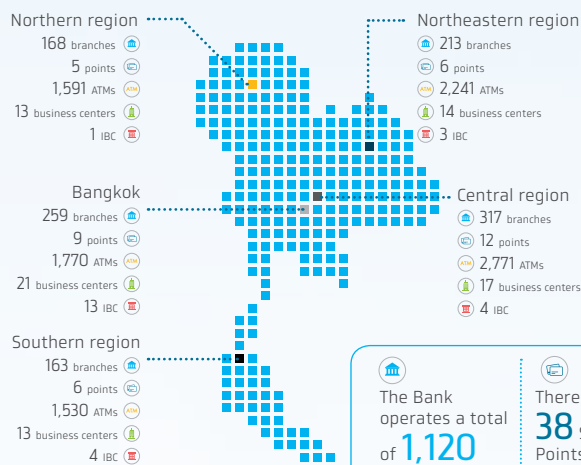
- Constantly provide excellent service and valued recommendation to all customers.



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

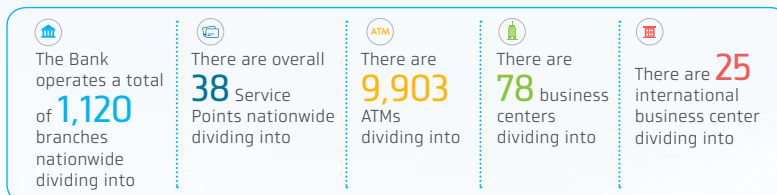


- Generate outstanding and sustainable returns to shareholders



102-7

Since one of the Bank's mission is to develop economic system of the country, the Bank has developed products and services for people in all areas of the country to be able to access sources of financial fund and services.



The information as at 31 December 2018

102-4

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

***Note:** 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 between Thailand and Myanmar.



102-16

> F-A-S-T as the Core value or Brand DNA of Krungthai Bank

Fast

Be fast, prompt, innovative and meet customer needs

Assist

Be a friendly and warm assistant who is helpful and provides useful advice

Simple

Be easy, convenient, modern and have customer insight

Trust

Be trustable, firm, and the key pillar of the country's economy

102-2, 102-6, 203-2

Product Financial Services



The Bank adheres to the customer centric principles, starting from classifying both individual customers and corporate customers by economic segmentation and strategic segmentation. Through data analysis via the survey, products survey, satisfaction survey, the Bank searched for customers' need from information relating to their transactions and type of transaction so as to be able to offer products that are effective and meet customers' needs, including being able to quickly compete in innovative products/services development.

Amid the disruptive change in technology toward the financial and banking fields causing the change in the consumer behavior and lifestyle, the Bank in 2018 had determined goal for the strategic plan and service channels with the intention to encourage all target customers to turn to digital channels. Details of the objective are as followings:

- 1) To increase additional convenience in financial transaction by customers themselves at anytime and anywhere
- 2) To present the Bank's products and service that correspond to the change of customers' lifestyle
- 3) To minimize operation cost for banking transaction
- 4) To align with the technology that plays more role in the daily life correspondingly

102-2, 102-6, 203-2



Scan
to download
Krungthai Next



Scan
to download
Paotung
(Please contact
a branch to use
this APP)

The Bank has developed several products and services to serve customers' needs as follows:

1. **Krungthai Next** the mobile application that provides series of the full-fledged financial services to satisfy modern lifestyle under the theme "Life's complete with one App" to suit lifestyle covering basic transactions and other special services i.e. buy-book advanced lottery, traffic ticket payment and electricity-water bill payment. The Bank also pushes forward to transform the service providing at branch to smartphone i.e. fund trading, debt repayment, credit bureau information, global outward remittance. The functions of application include:

- Basic function which are money transfers, top-up service, bills payment and products/services purchase through Thai Standard QR code, creating Thai Standard QR to receive transferred money, money transfers via PromptPay
- Foreign currency exchange forward transactions (in 10 currencies) with most competitive rates which can be purchased anywhere at anytime. Customers can also use Krungthai Travel Card for ATM withdrawal and purchase products abroad with the same credit limit.
- Request to Pay service on PromptPay system allows users to send messages to other people to request for payment
- Money Connect by Krungthai, the online system for debt and equity instruments subscription, and securities subscription and settlement. Krungthai Bank is the first bank to offer such services online.
- Providing service to apply for fund account opening as well as buying or changing funds by oneself promptly
- E-Donation "Krungthai Termboon" that customers can scan QR code to donate and receive electronic certificate of donation for tax deduction

2. **"Paotung"** is an application that supports 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 application facilitates the merchants in managing the payment of goods and services as its clients can make payment by transferring money directly to the merchant's account while the merchant can view daily sales summary.

3. **KTB iPay (automatic money transfer service)** facilitates customers in financial management and reduces operating costs for money transfer to pay salaries, bonus, and dividend including the money transfer to Krungthai Bank accounts that automatically deducted for paying goods/services by multiple transactions.

4. **KTB LG Express** enhances convenience, reduces the cost, and increases flexibility for customers so that they can request for letter of guarantee issuance (Request LG) / renew letter of guarantee (Extend LG) through the Krungthai Corporate Online system (K-Corp). Moreover, customer can select to receive a letter of guarantee at the branch or at the ARM Center of the Bank nationwide and can check the status of letter of guarantee via K-Corp system 24 hours a day.

5. **KTB PN Online** increases convenience and reduces the cost for customers in making transactions via the Internet Banking system of the Bank (Krungthai Corporate Online System). Customers can withdraw the loan by issuing promissory notes (Request PN) / request to renew the loan by issuing promissory notes (Rollover PN) through Krungthai Corporate Online (K-Corp) and customers can check the transaction status via K-Corp system.

6. **Krungthai Corporate** is the Bank's internet banking service, facilitating to group customer covering juristic person, government agency, state enterprise and individual customer to be able to do financial management. Apart from using information service, customers can manage four financial transactions namely; money transfer and payment, money collection, liquidity management as well as information service. The service can be made through the Bank's website, allowing customers to receive financial services anywhere, at any time 24 hours a day, making it to be convenient, fast, easy to use and also safe with modern technology

102-2, 102-6, 203-2

7. KTB Custodian for Equity Crowdfunding

The Bank has partnered with Live Fin Corp Co., Ltd. (of the Stock Exchange of Thailand) to provide equity crowdfunding services as a channel to raise funds for start-up entrepreneurs. The Bank provides the custodian for equity crowdfunding service as an intermediary for keeping securities subscription money and deliver money when able to raise funds to the target to build confidence for investors.

8. **Krungthai Travel Card** supports the needs of customers who travel and spend money abroad. The card supports 10 currencies exchange service; which cardholders can exchange foreign currencies by themselves through the channels specified by the Bank. The cardholder can also withdraw cash in the currency specified in the card at foreign ATMs around the world, pay for goods and services at shops through EDC machines with the currency in the card at foreign shops that accept VISA cards including E-Commerce businesses.

9. **Krungthai Metro Link** (Krungthai Metro Link Card) refers to a co-brand debit card launched by the collaboration between the Bank and Mass Rapid Transit Authority of Thailand (MRTA). The card can be used for MRT transportation both blue and purple line. The Bank aims to develop the card to cover all kinds of transportation in the future by extending Common Ticketing System for other lines of MRT, Airport Rail Link, Bangkok Mass Transit Authority Buses and other transportation in the Mangmoom network.

10. **PTT Top Up Card** issued by the collaboration of Krungthai Bank and PTT PCL for oil payment and services at 2,000 gas stations that participate in the project.

11. **Krungthai Logistics Card** is the collaboration between Krungthai Bank, the Customs Department and 4 partner organizations, including the Port Authority of Thailand, Thai Airways International Public Company Limited, WFSG Cargo Co., Ltd. and the Customs Broker and Transportation Association of Thailand to facilitate shipping entrepreneurs to pay customs duties, fees and other income, covering all transactions in logistics both import and export.

In addition, the Bank also offers credit products and services, and non-credit financial services from the Bank and its subsidiaries. The details are disclosed in the 2018 Annual Report on page 55-62 and the details about the Bank's subsidiaries are in the 2018 Annual Report on page 51-52

102-13

The Bank joined as a member of organization and association regarding economy, society and business so as to set 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
- Investment Banking Club, Association of Thai Securities Companies
- ICAS: Imaged Cheque Clearing and Archive System
- Thailand Banking Sector CERT (TB-CERT)

› National Association

- CSR Club, Thai Listed Companies Association
- Thailand Business Council for Sustainable Development: TBCSD
- Anti-Corruption Organization of Thailand

Furthermore, the Bank has announced its intention to follow Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)

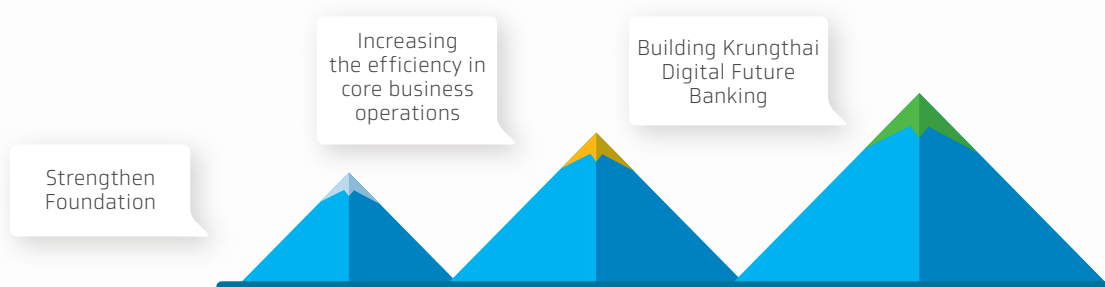
› International Association

- International Swaps and Derivatives Association: ISDA

102-15

The Bank's Strategy 2018

The Bank remained operating business in line with the Three Summits strategic plan. In the year 2018, there were challenges that affected the Bank's operations in many ways, such as change in consumer behavior and digital technology that quickly started to play a role in the banking sector, while the bank has crucial mission to support the government projects that are important and urgent. As a result, the Bank had to adjust itself to the fast changes and have to allocate resources efficiently. Therefore, the Bank must accelerate the three main missions under the Three Summits Strategic Plan simultaneously.



> Mission 1

Continually lay a solid foundation to prepare for the future, such as accelerating credit quality improvement and managing risks more tightly. Secondly, the Bank aims to develop human resource management process to be suitable for the changing in competitive context. Lastly, the Bank also focuses on elevating the level of corporate governance and increasing the efficiency of work processes and essential infrastructure such as IT system and data.

> Mission 2

Increasing the efficiency in core business operations while supporting the operation of the government sector, such as closing the gap with the counterparts in terms of profitability, market share and efficiency, changing the method of offering products and services to further offering products with solution that fully meets the customers' need and increases the opportunity to expand sales of other products (Cross selling).

> Mission 3

Creating future business growth through Krungthai Digital Banking, for example, restructuring organization structure and enhancing the skills of employees to support business operations in the digital age. In this regard, the Bank has initiated innovations via Innovation Lab, which is the new established unit of the Bank. The Innovation Lab has been built for technology development and innovation presentation. Furthermore, the Bank also aims to adjust format of its branches to be modern and in line with the changing consumer behavior, including creating an ecosystem for the advantage of business expansion.

➤ Digital Operation Strategy

Under the Three Summits strategic plan, the Bank has the operation strategy to step into Future Banking. In this regard, the key mission in the third summit is to create opportunities for future business growth from Krungthai Digital Banking. The Bank has announced digital operation strategy with the intention to push forward the transformation into Invisible Banking. Under this endeavor, Krungthai Bank committed to enable customers to spend less time doing financial transactions and capable to do transactions anywhere at anytime. Thus, the Bank has established guidelines as the followings:

- **Establish a strong foundation to support Digital Banking such as**

- **Investment in the development of the entire bank financial technology system** to support new business operations with a budget of more than 10,000 million Baht in 2018 and an investment plan to increase the competency of digital banking continuously.

- **Personnel preparation**, the Bank plans to recruit talented staffs, reorganize organization structure and enhance the skills of employees to support business operations in the digital era, as well as creating innovation through Innovation Lab. For branch employees, they have been assigned to perform their duty as KTB Digital Expert (KDE) - the Bank's financial technology expert - who can give good advice to customers.

- **Internal process improvement** through implementing the Internal Process Digitization project, this is to adjust the process to be more efficient by reducing paper usage as well as reducing costs and expenses in providing services.

- **Efficient data-driven organization**

The Bank raised the importance towards the data. The collected data shall be utilized and support the Digital Banking starting from the data acquisition process, the data management foundation and the data monetization process. By using data analytics as the main tool in analyzing, the Bank aims to deeply understand the customers' behavior and capable to set out the strategy that is in line with the changes caused by the Disruptive Technology much better.



Accordingly, the Bank has carried out significant operations as the followings:

- Determine the targeted 5 Ecosystems so that the Bank can implement Big Data in business operations and capable to personally offer suitable products and services to customers. The examples of products and services in 2018 are as follows:

- 1) Government: Krungthai QR Code, Government electronic payment scheme (e-Payment), Cross Bank Bill Payment via QR Code, e-Donation and the cooperation of Big Data connecting among state enterprises

- 2) Payment: Krungthai NEXT, Krungthai Travel Card, QR Cross Border- as Krungthai has partnered with NETS and ITMX to develop payment technology between Thailand and Singapore through the standard QR Code.

- 3) Health and Wellness: Healthcare Welfare Card Project for Government Officers

- 4) Education: Cashless Smart University project with various universities

- 5) Mass Transit: Krungthai QR Code with BMTA and Mangmoom Debit Card

The details are disclosed in the 2018 Annual Report on page 47-49

- **Implementation of Technology and Innovation in the Bank Business**

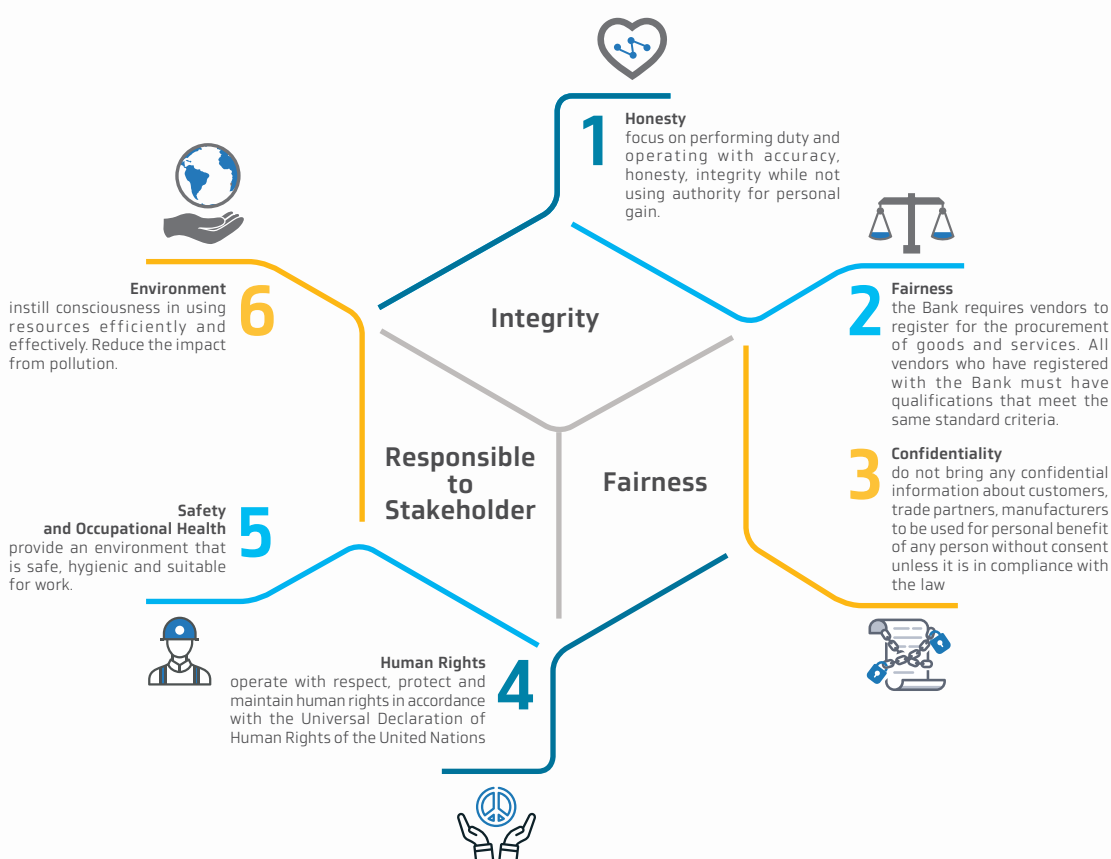
The Bank has implemented new technology and innovation such as Blockchain, Artificial Intelligence (AI) and Biometric Authentication in developing the product and service of the Bank. Additionally, the Bank also collaborated with partners in initiating the solutions that can fully meet customer's request with the intention to increase business income and support the goal of becoming invisible banking.

102-9

Value Chain Management

Krungthai Bank aims to operate business with transparency and integrity as well as adhering to good corporate governance principle and sustainable development guidelines. The Bank focuses on instilling good consciousness both inside and outside the supply chain of the Bank. In this regard, the Bank has organized

the Code of Conduct under the three basic principles that the Bank has always adhered to - 1. Integrity 2. Fairness 3. Responsibility to Stakeholders - in order to be the operating guideline for the Bank's trading partners/vendors, which covers the following operating principles as follows:



On November 22, 2018, the Bank arranged a training for the Bank's trade partners in repaired system regarding the Code of Conduct. There were 56 companies participating in the training to set a guideline







for companies that will continue to work with the Bank. In 2018, the Bank initiated the quality of service assessment with trade partners with a hiring limit of 2 million Baht or higher*

* **Note:** Each of the Bank's department is the appraiser of the trade partners that has been hired. Some trade partners may have signed hire contracts since 2017

102-11, 102-12

Guideline to Operate Business Sustainably According to the International Standard

The Bank has emphasized to sustainably operate business through creating shared benefits with stakeholders under the national and international guidelines and standards as follows

Dimension	Issue	Operation Guideline	Standard	Topic in Sustainability Report
Economic Dimension	Anti-Corruption	<ul style="list-style-type: none"> - Formulate zero-tolerance policy through ‘Krungthai Kunnatham’ or Krungthai Moral Principles, implemented throughout the organization. The Bank will not tolerate any form of corruption. - Announce the 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 Kunnatham or Krungthai Moral Principles. - Prepare an anti-corruption manual to prevent giving/taking of the bribery and a manual to prevent conflicts of interest in order to be guidelines for the Bank’s employees and executives. 		Corporate Governance and CG culture creation
				
Social Dimension	Human Rights	<ul style="list-style-type: none"> - Krungthai Bank operates business by adhering to domestic and international law as well as Universal Declaration of Human Rights or UDHR for instance - The Bank has specified the issue of Human Rights in the operation manual in the matter of hiring a staff member and appointing a position regulation. 		Operations in Social Dimension
	Labour	<ul style="list-style-type: none"> - The Bank took care of its staff in complying with the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work - The Bank has specified the non-discrimination procedure in the matter of hiring a staff member and appointing a position regulation. - The State Enterprise Labour Relations Act B.E. 2543 encourages the establishment of a labour union. - The Standard Qualifications of Directors and State Enterprise Employees Act B.E. 2518 - Children under 18 years old is not allowed to work. - Compliance to the Empowerment Of Persons With Disabilities Act, B.E. 2550, Section 35 	 	Operations 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, providing Green Loan - Launching the campaign to eliminate document safely under the project Shred2Share with the purpose of reducing a number of destroying trees. - Launching the campaign Green Meeting to reduce paper usage - “Internal Digitization-Paperless Branch” Project to reduce paper usage of the Bank’s branches by 50% within 5 years 		Operations in Environmental Dimension

102-16, 102-18, 103-3

Corporate Governance and CG Culture Creation

> 2020 Operational Goal

To become a model of moral organization in 2020

> 2018 Operational Goal

To acquire Integrity and Transparency Assessment (ITA) score more than the previous year which was 84.82 points

> 2018 Operational Performance

Integrity and Transparency Assessment (ITA) score of the Bank in 2018 was 92.21 points

Krungthai Bank operates business by adhering to honesty, integrity, transparency, fairness, 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 companies in the financial business conglomerates adhere to good corporate governance and anti-corruption principle consistently.

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 all 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 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 are transparently counterbalance, the Chairman of the Board of Director, Chairman of the Board of Executive Directors and President shall not the same person.

102-10

There are 12 members of the Board of Directors, which are suitable with size of the organization and can perform their duties effectively as well as behaving appropriate checks and balances. The Board of Directors are comprising 1 Executive Director, 11 Non-Executive Directors, of which 6 of them are Independent Directors or calculated as 1 out of 2 or 50% of the total number of the Board of Directors. Thus, the ratio of the Bank's Independent Directors has been considered to be more than the prescription of the Securities and Exchange Commission, which stated that there must be at least 1 out of 3 independent directors ratio and must not less than 3 people. Details of the Bank's management structure and other sub-committee are prescribed in 2018 Annual Report of Krungthai Bank on page 86-104

Nevertheless, Dr. Somchai Sujjapongse has resigned from the position of Chairman of the Board of Directors on May 1, 2018. The Bank appointed Mr. Ekniti Nitithanprapas as the Chairman of the Board of Directors effectively from June 28, 2018 onwards.

102-16, 102-18

Creation of Organization Culture and Compliance with Ethics

The Bank regularly encouraged instilling the awareness of being compliance with good corporate governance guideline to staffs 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, Krungthai Moral Initiative (Krungthai Kunnatham) and exhibition booth, etc.

With the purpose to drive Krungthai Bank to become the model of moral bank in 2020, Chairman of the Board of Directors, the Board of Directors, President, Group Heads and the Bank's employees "declared the intention" to perform duties morally to a sustainable Krungthai and in order to become the Krungthai Moral initiative and to create the zero tolerance culture.

The Bank operated to upgrade corporate governance standard across the organization in 2018. The Bank upgraded projects and activities in compliance

with corporate governance strategy plan 2017-2021 for Krungthai Bank PCL as well as corresponding with 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 under Krungthai Moral Initiative (Krungthai Kunnatham) operation.

Krungthai Bank PCL Corporate Governance Strategy 2017 - 2021 comprises 5 main strategies as follows:

1

Create an organizational culture which does not tolerate any form of 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



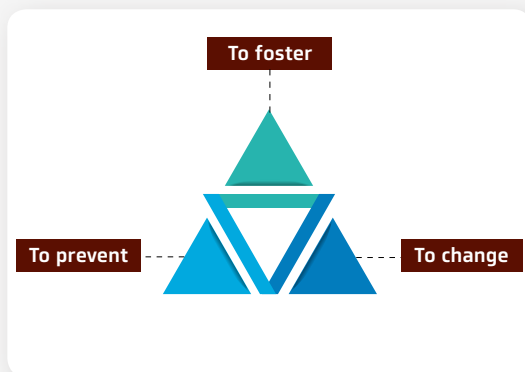
102-16

Krungthai Moral Initiative (Krungthai Kunnatham) operation guidelines in 2018

The Bank complies with Krungthai Moral Initiative (Krungthai Kunnatham) for upgrading zero-tolerance culture with Inside-out Blasting process. The objective is to create participation from executives and employees in brainstorming through the concept “a problem to solve, a good deed to do”, aiming to improve moral standard and create good value and consciousness in accordance with good corporate governance policy. The Bank also encourages all executives and employees to perform their duties with honesty, integrity, transparently, verifiability and not to violate laws and regulation in order to drive the Bank to be the model moral organization in line with international standard. Krungthai Moral Initiative (Krungthai Kunnatham) focuses on Three Lines of Defense policy. Driving Krungthai Moral Initiative (Krungthai Kunnatham) is not responsibility of any committee or any executive but it is the responsibility of all employees to follow and adhere to with the purpose of operating and driving the Bank to be the model moral organization as well as achieving Public Trust.

To drive the Bank to be the model moral organization in 2020, the Bank initiates goals, guidelines, process of moral organization creation and Krungthai Bank's Moral Principles by means of 3 strategies - to foster, to prevent and to change as follows:

3 Strategies to be Moral Organization



To foster

The Bank fosters moral consciousness into employees and encourages them to comply with the regulations of the bank and external auditor, enhance the work effectiveness as well as encouraging employees to participate in the organization development.

To foster awareness, the Bank starts with promoting Top Executives roles in leading the organization into a better way and being a role model for employees. Moreover, the Bank focuses on encouraging, developing and supporting employees to participate in activities together with praising employees who join in the project. Finally, the Bank aims to can create all employees participating network.

To prevent

To prevent, is the act of verifying and preventing any offense caused by the risks related to operations, resulting in development of corruption prevention guideline, developing proactive corruption prevention mechanism together with enforcing regulations and measures in terms of policy, system and operation to prevent offense and corruption.

To change

The Bank upgrades the standard relating to the process of suppressing internal offense and corruption by quickly carried out legal action both for civil and criminal case along with considering disciplinary action as well as effectively integrating internal processes of the Bank such as audit process, disciplinary process and legal process.

Besides the means of 3 strategies - to foster, to prevent and to change, the Bank also initiates “One Unit One Sustainable Plan” scheme in order to drive the Bank to be the model of moral bank.

One Unit, One Sustainable Plan

One Unit, One Sustainable Plan is another activity aiming at participation of employees in creating moral working process. This activity is an implementation from the existing working process. Employees can analyze the implementation and extract it into working plan corresponding with good deeds for successful and effective performance. There are six procedures of moral organization development plan as follows:

102-16

Procedure 1

All employees harmoniously declare their intentions.

Procedure 2

All employees brainstorm about “a problem to solve, a good deed to do”.

Procedure 3

All employees set their goals and proceed the working plan.

Procedure 4

All employees conduct the plan for a concrete result.

Procedure 5

All employees evaluate their performance.

Procedure 6

All employees summarize their performance and creating knowledge management.

Krungthai Moral Initiative (Krungthai Kunnatham) Activities

1. The Bank coordinates with Krungthai Bank State Enterprise Labour Union to organize talk session relating to the Zero Tolerance and Krungthai Moral Initiative (Krungthai Kunnatham). Besides the Zero Tolerance talk session, the Bank also initiates activity entitled Moral for Happiness, Dharma for Happiness and Dharma for Work aiming at inspiration, mind refinement and creating moral among employees.

2. The Bank supports KTB CG in Process, Role Model and strong determination for Anti-Corruption with the intention of showing honest culture and integrity value. The Bank provides KTB CG in Process Awards to praise the units that have the best corporate governance performance in order to create moral inspiration and pride for executives, employees and companies in the Bank’s Financial Conglomerate that

the Bank hold 100% shares aiming at corporate governance implementation for success and sustainable growth.

3. The Bank makes the corporate governance guideline manual to be up-to-date and in compliance with international standard. The Bank improves corporate governance and anti-corruption policies in order to be guidelines for executives and employees as follows:

- Disclosure and Transparency Guideline
- Role and Participation of Stakeholders

Guideline

- Prevention of Receiving and giving bribery and corruption Guideline

- Prevention of Conflicts of Interest Guideline

4. The Bank holds communication and public relations activities of corporate governance in order to educate employees and organizations in connected network of the Bank by focusing on technology usage for communication channels such as public relations video, a broadcast of corporate governance implementation by committee and executives through digital signage which is internal communication, internal and external corporate governance exhibition, etc.

5. The Bank conducting the 2018 employee surveys about the acknowledgement, understanding and the implementation in the issues of corporate governance, anti-corruption policy and code of conduct. The result from the survey shall be used for improvement and development of the next year operation.



205-2

➤ Anti-Corruption

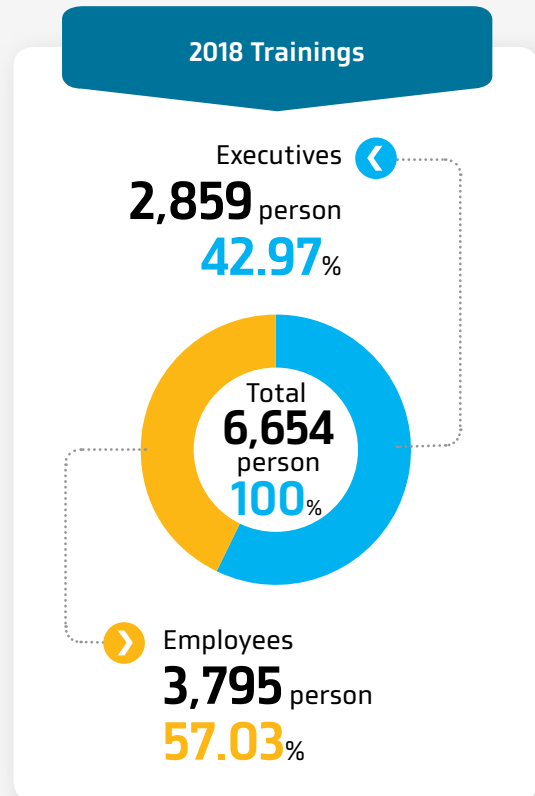
The creation of honest and anti-corruption in organization culture has been instilled continuously by developing several measurement and mechanism in terms of anti-corruption and corruption prevention in the organization. Those principles covered conflict of interest, offering and receiving bribery, 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 and Anti-Corruption: The Practical Guide of National Anti-Corruption Commission.

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 other State Enterprise agencies so as to integrate anti-corruption collaboration, with the purpose to elevate corporate governance in management, reform anti- and preventing corruption process. 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 (ACT) and taking part as a committee in state enterprise's Integrity and Transparency Assessment (ITA) network.

205-2

In 2018, the Bank provided internal and external training programs for supporting employees' development and effective performance. Therefore, the Bank provided internal training programs in accordance with classifications related to anti-corruption together with participated in the external trainings with other organizations as follows:





205-2

Examples of training programs in 2018

Internal Trainings	External Trainings
<ul style="list-style-type: none"> - New staff orientation 	<ul style="list-style-type: none"> - Government Procurement and Supplies Management Administrative Law
<ul style="list-style-type: none"> - Krungthai Moral Initiative (Krungthai Kunnatham) - Change and Good Governance 	<ul style="list-style-type: none"> - Knowledge in New Financial Institution Law - The Effectiveness of Business Collateral Act for Financial Institution
<ul style="list-style-type: none"> - Prosecution of the Central Criminal Court for Corruption and Misconduct Cases 	<ul style="list-style-type: none"> - In-depth Government Procurement and Supplies Management Act B.E. 2560 and recent guideline for executives
<ul style="list-style-type: none"> - Basic knowledge about Government Procurement and Supplies Management Act B.E. 2560 for Committees 	<ul style="list-style-type: none"> - Electronic Transactions Law
<ul style="list-style-type: none"> - Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) 	<ul style="list-style-type: none"> - Government 4.0
<ul style="list-style-type: none"> - Guideline to prevent the grant of bribery to the government officers 	<ul style="list-style-type: none"> - The Civil Service Executive Development Program : Visionary and Moral Leadership
<ul style="list-style-type: none"> - Cyber Security Awareness 	<ul style="list-style-type: none"> - Cyber Security Risk Management & Trend 2018
<ul style="list-style-type: none"> - Model standard branch for market conduct products 	<ul style="list-style-type: none"> - Cyber Security Strategy for Management
<ul style="list-style-type: none"> - Operating procedures in compliance with market conduct 	<ul style="list-style-type: none"> - Risk Management Program for Corporate Leaders (RCL)
<ul style="list-style-type: none"> - Cyber Resilience for Audit IT specialist 	<ul style="list-style-type: none"> - Financial business market conduct supervision

205-2

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. 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. Code of Conduct is signed for acknowledgment by the entire Bank's Board of Directors (100 percent) and 22,042 staffs (continuously signed from 2017 to November 9, 2018).

The offering and receiving of bribery will not be allowed, therefore, the Bank communicate in terms of Anti-Corruption and Bribery Policy through CG Times Bank's Intranet and website to executive and staff, customer, trader and financial business conglomerate for their acknowledgement and implementation. Besides, the Bank also developed procurement process by broadcasting annual procurement plan on the Bank's website. The Bank formulated bribery prevention guideline and Do & Don't manual in order to be a guideline for staff to perform duty, then broadcasting the information via internal channels of the Bank.



The President of Krungthai 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 suspiciousness 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 Directors, Executives, staffs, employees 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 Directors at whistleblowing@ktb.co.th directly. The whistleblower will be kept confidential and protected during and after the investigation process.

The Bank's and affiliates' personnel must not involve in giving or taking bribe and corruption acts, whether directly or indirectly."

103-3

Risk Management

> 2020 Long-Term Goal

- To support the Bank's strategy, operation and sustainable growth
- To optimize risk and return
- To comply with regulation

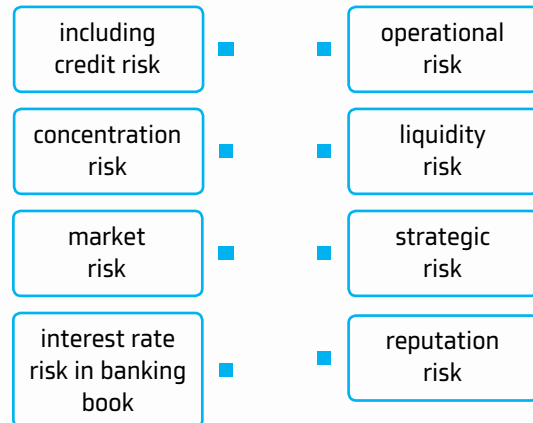
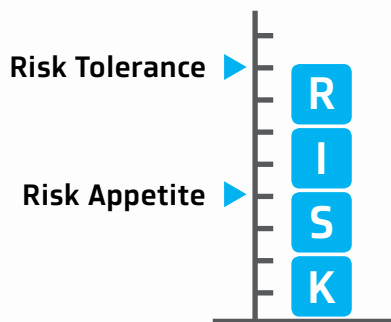
> 2018 Operational Goal

To manage NPL to not be higher than risk tolerance

> 2018 Operational performance

The goal is achieved, as the Bank's NPL is lower than risk tolerance as of December 2018

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.



both in quantitative and qualitative aspects, either as specific number and as 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,

The Bank ensures that it meets the capital requirement of Basel regulations both in normal situation and in 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 Financial Crime and Fraud Management by devising strategy, policy and process to prevent corruption and errors. It will analyze the cause 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, investigate the matter, investigate the fraudster or wrongdoer consider in coexistence with related external organization as well as redressing the customer and handing over documents and evidences to agency for prosecuting. This process is reviewed and improved annually.

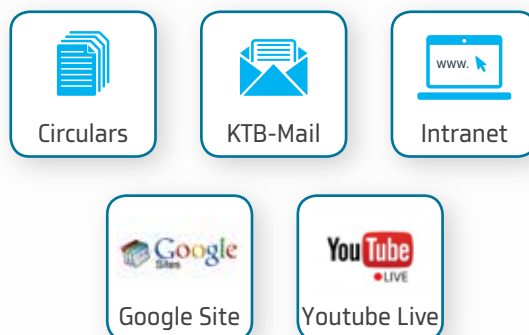
All business units in the Bank must have internal risk management process, e.g. Risk and Control Self-Assessment (RCSA) and Key Risk Indicator (KRI) for risk monitoring. Therefore, it is certain that the Bank has measures to control, assess and monitor fraud risk and other risks that affect the Bank's business operation.

> Fostering a Culture of Risk Management

The Bank fosters a culture of risk management and declares its intent to have zero-tolerance to fraud. The Bank also initiated whistle blowing as a channel to report any wrongdoing conducted by the Bank's executives or employees. The Bank has policies and regulations to create the same sense of responsibility for 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



For Directors in the different committee, the 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



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 as well as between executives and employees. The executives become as trainers in order to create a culture of continual learning within the organization such as Krungthai Moral Initiative (Krungthai Kunnatham), FAST DNA, etc. The executives play important role to make employees realize the importance of abovementioned core values and capable to apply core values to their daily work life and personal life.

➤ 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.

Moreover, the Bank appointed market conduct committee for elevating moral service, suitable sale process for each product type, concise operational supervision/audit and explicit guideline of recurrent report prevention. As the Bank is focusing on market conduct advancement, the committee continuously submit the progress toward other committees including the board of director.





➤ Emerging Risk

Due to fast change and advancement of technological innovation in digital economy age together with disruptive technology in economy, business and new lifestyle, promptly resulting in market and product impact. Therefore, the Bank's business must be adjusted in accordance with digital trend. The number of customers using digital banking are continuously increasing especially for internet banking and mobile banking which are easy, convenient, fast and can be done anywhere or anytime without going to the branch. As a consequence, the Bank must change its strategy to decrease the number of branches as well as providing only complicated service or consultant service at the branch only, leading to the impact of branch employees number. Hence, the Bank takes human resources risk into account as well as focusing on cyber risk due to increasing number of hackers with more desperate attacking tools.

In addition, there are many kinds of financial service provider at the present, such as non-bank financial service provider and new financial technology business called Fin Tech (Financial Technology) especially for electronic payment transactions, resulting in more competitiveness among banking businesses. Technology makes operational cost lower, resulting in less fee received. Thus, this is challenge and strategic risk for the Bank. The Bank has to use technology for reducing cost, creating strategic plan for more revenue and finding new business opportunities.

The Bank is ready to implement policy and be the main supporter of projects relevant with National e-Payment which helps the Bank to maintain governmental customers as well as expanding and supporting quality of life development in society simultaneously. Moreover, the Bank prepares to develop new products in order to meet the needs of customers in the digital age as well as maintaining existing customers together with expanding new customer base for sustainable growth of the Bank.

Management Plan of Emerging Risk

The Bank prepare management plans for risks from digital trend and consumer behavior changes as follows:

1. Branch closure risk management plans are as follows:

1.1 The Bank provides branch channel strategy for supporting a great number of branch closures/branch adjustments by consider suitable work force and relocate employees for new duties and responsibilities that are beneficial for the Bank. The Bank adjusts the branch operation in accordance with customers' needs such as providing full branch for some area or advisory branch for the area that needs advising service.

1.2 The Bank provides HR strategic plan in compliance with organizational adjustment as well as developing employee's competency by providing clear refunction and reskill plan to employees in order to prepare for the Bank's business in the future.

2. Risk management plans from financial technology change, digital banking and competition are as follows:

2.1 The Bank launches Krungthai NEXT Mobile Application, which is the evolution from KTB Netbank for easiness, convenience and supporting other kinds of transactions in the future.

2.2 The Bank plans to generate revenue for replacing the fee decrement such as increasing cross sell/up sell, products and services as well as increasing cross sell/up sell channels through internet.

2.3 The Bank finds new business opportunities for generating more revenue/profit by supporting national e-payment projects, providing cash cards such as e-wallet, providing pre-paid cards for each type of customers such as state welfare card and Prom Jai card (KTB e-Money card). The Bank also launches Krungthai travel card for overseas currency exchange. Krungthai travel card can support up to seven currencies and Krungthai Bank PCL is the first and the only one bank that initiates this product.

2.4 The Bank studies, designs and develops new products and services in terms of digital (full digital process). The examples of such operations are; appointing internal digitization team for developing/improving internal process so as to create value for customers and the Bank; establishing data innovation project in order to integrate units that are relevant to data analytics into business intelligence for business driving; implementing business problems such as CEO dashboard, etc. Moreover, the Bank appoints business innovation lab team in order to plan innovation development for being a foundation of product development plan and basic structure of the Bank in the future. For each project, the Bank considers about appropriateness and monitors progress and performance of the future banking committee. The abovementioned projects are helpful in adjusting competitive strategy according to digital trend.

2.5 The Bank elevates cyber risk prevention until it is assured that the Bank's cyber security can prevent external attack in accordance with international standard as well as continuously develop the Bank's cyber security by closely coordinating with external organization in order to update new cyber risk. Moreover, the Bank appoints information security awareness team for educating employees in preventing themselves from cyber risk as well.





201-2

Social and Environment Risk Policy

The Bank focuses on the importance of credit approval consideration guideline by taking into account the risk from credit approval that may affect social and environment. Thus, the Bank also specifies in credit regulation in terms of credit approval that it must not be stated under the scope of prohibit and unapproved credit. The Bank must not approve credit for a person who operates illegal business/transaction as well as projects related to mangrove forest invasion/transformation and projects related to environmental impact.

Furthermore, the Bank closely monitor the use of credit of customer from the time that the customer gets credit approval until the customer completes the repayment as well as monitoring the process of customer's project in order that the Bank is able to help solving problems promptly in case any risk happens including social and environmental risk. The Bank establishes guidelines for monitoring risk in a preventive manner by monitoring credit quality, laws and regulations compliance, condition of security and annual credit revision in accordance with the Bank's guidelines.

Climate Change Risk Assessment

The Bank assesses impact from climate change or natural disasters. The consideration can be divided into two dimensions, which are operation and business risk of the Bank and risks that will affect customers' business operation and their repayments as follows:

The Bank assesses business impact both in monetary and non-monetary in case there is a natural disaster and the Bank cannot operate its business as normal. The Bank also establishes business continuity management policy, which is approved by the committee and be revised annually. Moreover, the Bank establishes business continuity plan as well as usually revising and testing the plan in accordance with the specified period in order to be sure that the Bank is well prepared for natural disasters and able to operate its business within a reasonable time. In addition, the Bank is continuously monitoring natural disaster news so that the Bank is able to handle crisis situations immediately.

For the risk that will affect customers' business operation and their repayments, the Bank always monitor the situation and assesses climate change risk. In case of natural disaster, the Bank will assess the impact of regional level, industrial level and individual level by notifying units that are looking after these groups of customers. The Bank has closely monitored the situation as well as staying alerted, reporting about the impact and inspecting the damage with the intention of providing customer assistance measures. Thus, the Bank has been adjusting the risk level of individual or industry or region along with monitoring the situation until it is disentangled.



Operations in Economic Dimension



Net operating result
28,491 million Baht,
decreased by **27.0%**



Digitalization Operation in 2018

Operation Goal

The Bank ranks in the top 3 for brand awareness in terms of digital banking.

Operational Performance

The Bank ranks number 3 in brand awareness in terms of digital banking

Build financial stability,
Provide proper return to
stakeholders, Support
government's operations
through excellent products
and service management



Asset
(Domestic
and Overseas)
2,656,181
million Baht



Deposits
2,042,948
million Baht



Liability
2,368,676
million Baht



Shareholders
61,463

Total loans **1,948,702** million Baht*

33.2%



Wholesale
loan
646,016
million Baht

9.2%



Government and
state enterprise loan
179,904
million Baht

17.7%



SMEs
loan
344,197
million Baht

39.9%



Retail
loan
778,262
million Baht

0.0%



Other
loan
370
million Baht

* Less Deferred Revenue

103-2, 103-3, 102-7, 203-2

Digitalization Operation in 2018

> 2018 Operation Goal

The Bank ranks in the top 3 for brand awareness in terms of digital banking.

> 2018 Operational Performance

The Bank ranks number 3 in brand awareness in terms of digital banking



Krungthai Bank, one of the main economic pillars, has a vital role to cooperatively develop Thai economy to 4.0 economic systems. In digital era, technology takes part in a business world as well as totally changing the way people living their lives. As for Krungthai Bank, besides transforming itself to be ready for the upcoming phase of invisible banking through providing products and services to people in digitized society, the Bank as a mainstay of Thai economic system also has a main role in driving Thai economy to achieve 4.0 economic system to sustainably develop the country.

In 2018, Technology Disruption became the main

factor that affected many business operations in several fields, especially in the operation process as well as the development of products and services that corresponding to the customer needs. Therefore, to accomplish such challenge and opportunity among the changes, the Bank dedicatedly allocate extra budget on technological investment of more than 10,000 million Baht. Additionally, due to the 2018 strategic plan of the Bank's business operation focusing on becoming Krungthai Digital Banking, the Bank has created opportunity for sustainable business growth through target customers in 5 Ecosystems as well as

102-7, 203-2

taking part in supporting Thailand 4.0 policy. Examples of the products, services and ongoing plans in 2018 that derived from the Bank's potential in finance and project development are as follows:

1. National e-Payment

The Bank supported National e-Payment initiated by the government since 2015 and continuously pushing forward to increase the efficiency of payment infrastructure and reducing overall cost of domestic business. In 2018, the Bank proceeded as follows:

- **PayAlert** (previously known as Request to Pay) is the extended service for individuals and juristic persons who already registered PromptPay. The system assists the users by notifying bill order for collecting money from another user who also registered PromptPay as well.

- **Payment for Capital Market** is the service under Payment for Capital Market Development Project collaborating with the Stock Exchange of Thailand and other banks. This service extends the efficiency of payment system and creates the standard of a connection between intermediaries in Capital Market and Commercial Banks. A subsidiary of the Stock Exchange of Thailand acts as abovementioned intermediary. Payment for Capital Market service provides Direct Credit / Direct Debit between Securities Company, which has the same bank of origin and destination transaction. The Bank plans to develop the service for supporting interbank transaction in the next phase.

- **Government e-Payment Scheme** is the service that facilitates 163 government agencies nationwide to receive or pay money to individuals with cashless through KTB Corporate Online or QR Code or EDC machines. To facilitate the operation, the Bank started installing the system and EDC machines simultaneously to more than 7,000 points in the government units nationwide

2. State Welfare Card

As continued from 2017, the Bank collaborated with The Comptroller General's Department (CGD) to

develop Welfare Card and distributed around 11.6 million cards to low-income earners who already registered with Government Welfare Registration Program. In 2018, the Bank carried on projects concerning with Welfare Card Scheme as follows:

- **Blue Flag Project** is a project that facilitates low-income earners to gain better quality of life by reducing household and transportation expenses. The Bank continuously installing EDC machines concurrently at Blue Flag Shops, cooking gas (LPG) shops, transportation vehicles, trains, BTS/MRT, Thung Ngern Pracharat Mobile Application, nationwide village fund.

- **Thung Ngern Pracharat** is a mobile application that the Bank had developed to facilitate small vendors registered with the Blue Flag Project in receiving payments from the state welfare cards without having to use EDC machines. Through mobile application or tablet platform, this provides further convenience to customers such as promptly check on selling items and monthly, weekly and daily summarizing sale report. At the present, there are 14,500 shops already using Thung Ngern Pracharat Mobile Application.

- **Welfare Card Phase 2** is a project that the government subsidized additional money amounting to 100-200 Baht/person into e-Money wallet of each welfare cardholders who joined Quality of Life Development and Career Training Project. The cardholder can use the card to withdraw cash at Krungthai ATMs.

- **Healthcare Welfare Card Project for Government Officers** was also implemented to facilitate efficient medical payments for 5 million government officers and their family members. The project aimed to provide a direct disbursement system for medical expenses by using identification card in making transaction through EDC instead of former system. More than 5,600 EDCs were installed to more than 1,300 state and private hospitals in Thailand. Therefore, medical welfare disbursement system was more convenient and faster while the system can reduce the amount of paper using as financial documents because the hospitals could immediately browse the cardholders' information and link the information with the Department of Provincial Administration in verifying the user identification.

102-7, 203-2

- **State Welfare Card with MRT** is one of the welfares provided by the government to low-income earners who hold State Welfare Card and reside in 7 provinces of Bangkok Metropolitan Region. They can travel via MRT blue line and purple line by using e-Ticket system of Bangkok Mass Transit Authority with financial amount for transportation fee of 500 Baht/person/month.

3. Krungthai QR Code Payment

In 2017, the Bank initiated “Paotung” service, an application for merchants to receive payment via QR Code technology. The Bank organized the marketing events for motivating Pao Tung application download and QR Code Payment via the application. As of December 2018, the Bank had installed more than 490,000 QR Code payment points.

4. Smart University

Smart University Project is a pilot project in bringing the ecosystem to integrate with the bank’s payment system through innovation and technology. The objectives of the project aim to set a project model and support the continuity along the chain of transforming to digital banking. The Bank also developed new form of products in corresponding to daily lifestyle and fast change in digital age. Hence, the Bank developed as an application to facilitate university students in both financial service such as tuition fee payment and non-financial service such as communications, bulletin board and information management for basic business analysis, etc. In 2018, the Bank signed MOU of the Smart University Project for a total of 13 universities such as Mae Fah Luang University, Maejo University, Khon Kaen University, Walailak University, King Mongkut’s Institute of Technology Ladkrabang, etc.

5. Cooperation between NETS and ITMX for cross-border payment system development

The Bank joined the cooperation between NETS and ITMX to develop cross-border payment technology between Singapore and Thailand through QR Code with NETS standard of Singapore and QR Code with

ITMX standard of Thailand. This cooperation created basic structure of cross-border payment.

6. Cooperation between Krungthai Bank and Plug and Play

Plug and Play is a global company who runs a major role in incubating technology startups entrepreneurs as well as supporting Venture Capital for potential companies with more than 350 joint venture companies. Examples of the successful startups are Paypal (online payment system developer), Dropbox (the developer and service provider of data synchronizing and data hosting on cloud storage) and Leading Club (the leader of peer-to-peer lending or P2P).

The Bank foresaw the importance of developing products and services in line with customer behavior change. Therefore, the Bank allied with Plug and Play in terms of Founding Anchor Partnership: FinTech (Singapore) and Ecosystem Membership Plus: FinTech (Silicon Valley) for searching and selecting technology from such particular startups relating to loan offering, digital banking payment system as well as taking technology into government operation plan together with enhancing the Bank’s business operation efficiency.

Furthermore, the Bank has taken into account the importance of driving economy by means of building up better strength of SMEs. In this regard, the Bank coordinated with the Stock Exchange of Thailand and National Science and Technology Development Agency to set up “PE Trust SME” – Private Equity Trust for SME Growing Together, aiming to provide financial support during the initial phase of SMEs as well as helping their business expansion and sustainable growth within 2,000 million Baht of investment framework. Krungthai Asset Management Public Company Limited which is one of the bank’s subsidiary, acted as a trust manager. In 2018, approved SMEs with Due Diligence were calculated as 200 million Baht of budgeting amount. The Bank planned to set up Private Equity Trust Startup with 3,000 million Baht of budget amount in terms of startup trust for enhancing Thai economic growth through innovation of Thailand 4.0 Policy framework.

102-7, 203-2

7. Nakhon Pathom: the 1st Cashless Society

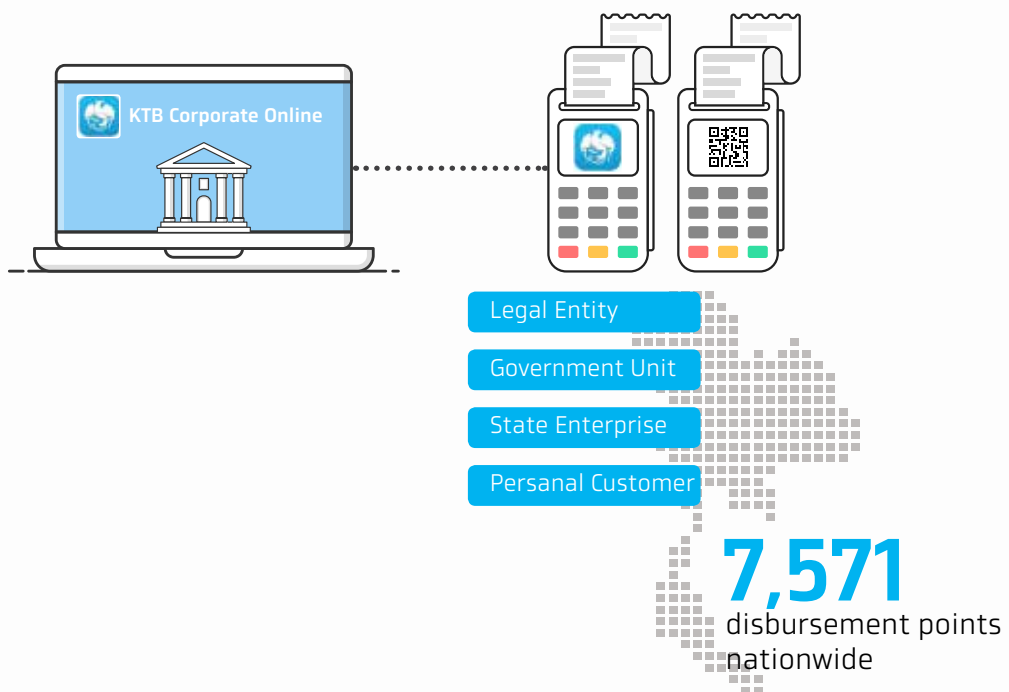
The Bank collaborated with Nakhon Pathom District Office in generating Krungthai QR Code for government agencies, local administration and government service points in order to facilitate people in payment for service and fee via QR Code. Nakhon Pathom was the first province that stepped into cashless society in compliance with National e-Payment Master Plan.

203-1

Building up Ecosystem to Accommodate for Cashless Society

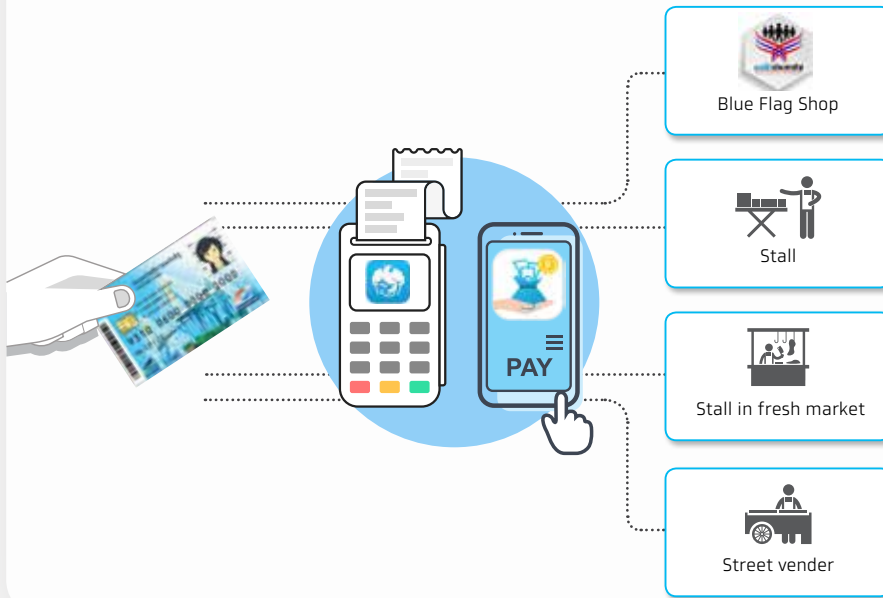
The Bank had a mission in supporting governmental policy in creating cashless society through carrying on the National e-Payment Policy. The objectives were to increase the efficiency of Payment Infrastructure Development, e-Tax System, financial access as well as supporting the implementation of e-payment system in all sectors. The Bank implemented its strength in terms of financial competency to support National e-Payment Policy as follows:

Enhancing the efficiency of governmental electronic receiving and paying money via KTB Corporate Online and the Bank's internet banking services, the Bank intended to facilitate government agencies, state enterprises, juristic persons as well as individual customers to manage their financial transactions, especially receiving money, through electronic card via EDC machine and governmental QR Code of the government agencies. At the present, there are 7,571 disbursement points nationwide.

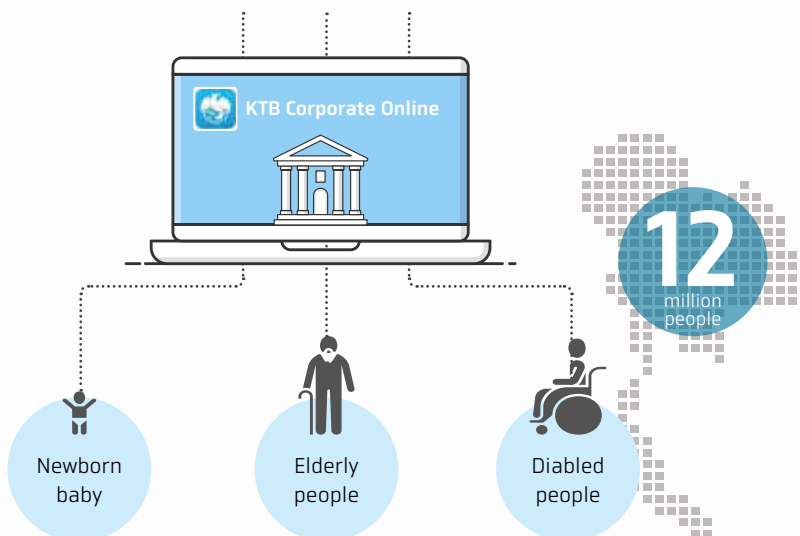


203-2

Supporting State Welfare Card Project the Bank aimed to provide the low-income earners the ability to access basic services and payments at Blue Flag Shops. To accomplish this, the Bank issued the State Welfare Card, installed EDC machines and developed Thung Ngern Pracharat Mobile Application. At the present, the Bank has installed EDC and application to small vendors, stalls in fresh market as well as street vendors registered as Blue Flag Shops to receive payments from the state welfare cardholders.

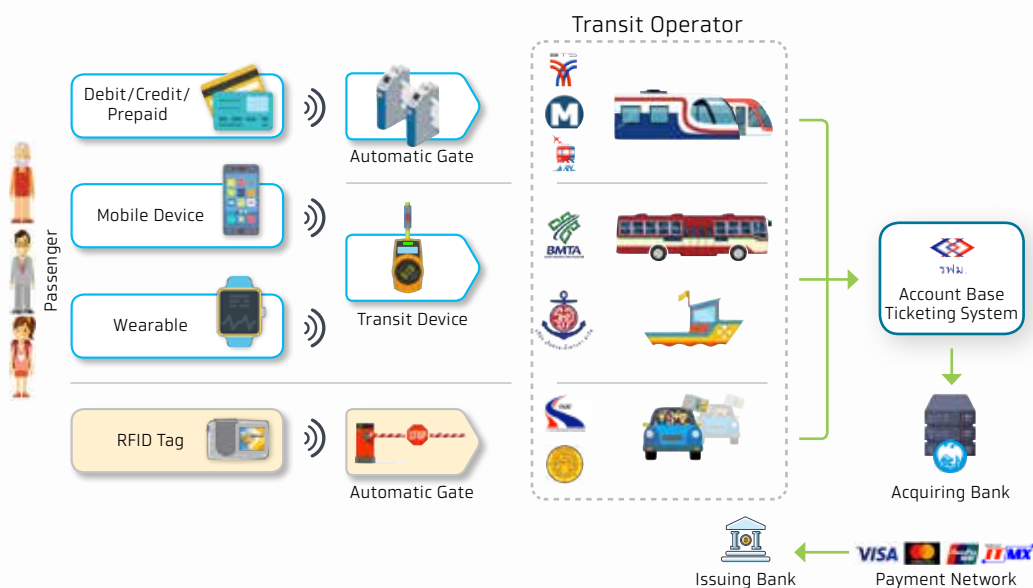


Supporting the integration of social welfare payments and subsidy of low-income earners, covering infant, elder and disabled, the Bank provided the access to the governmental welfare through KTB Corporate Online. Presently, about 12 million people received this welfare.

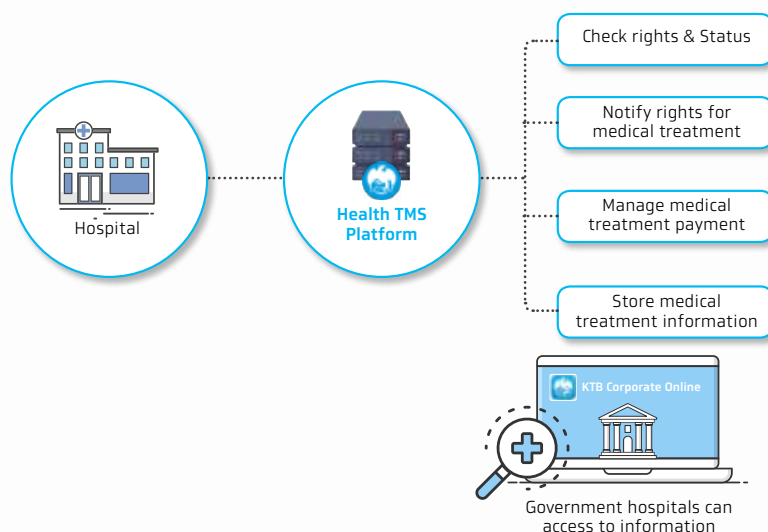


203-2

Supporting e-Payment for transportation system such as MRT, BMTA, M-Pass and Easy Pass, the Bank aimed to facilitate all users while developing common ticketing system (Mangmoom Debit Card) to extend services to cover entirely public transportation service.



Enhancing the healthcare system by creating **Health TMS Platform System** for verifying rights, status and medical welfare, the Bank monitored and managed the medical payment of the hospital by collecting medical data at KTB Corporate Online. In this regard, government hospitals can access to such data.



103-2, 203-2

Operations in Supporting Government Policy

One mission of the Bank is to implement its financial competency to develop the country and life quality of Thai people through many projects such as National e-Payment Development, financial products and services to satisfy customer needs, loans for government officers and state-enterprise employees aiming for better life quality.

In 2018, the Bank developed products and services to pursue the government operation in many ways. Details are as follows:

- Buy-Advanced Booking for Lottery Tickets Project: customers can conveniently buy-advanced booking for lottery tickets via Krungthai NEXT Mobile Application. Presently, the Bank had 174,989 people registering for buy-advanced booking for lottery tickets.
- KTB e-LBD Project: the Bank provided electronic local bill discounting service to customers in sugar manufacturing and facilitate them in the payment for sugar cane and sugar cane deposit instead of using cheques.

- Krungthai Long-Love SMEs Loan: the Bank initiated loan to support SMEs (Size M), both existing and new SMEs customers who want business or business expansion working capital.

- National Savings Fund: the Bank encourages customers' savings and stability in living during old age for those freelancers who have no income guarantee.

- The Child Support Grant Scheme for newborn children (born in fiscal year 2016-2018): the project provided 600 Baht/month of welfare support to children in poor households or households at risk of poverty for 3 years.

- Traffic Ticket Payment Service: this service facilitates people in paying fine in terms of bill payment. Customers can pay fine through ATMs, KTB netbank, Krungthai NEXT Mobile Application and all Krungthai Bank branches.

- SMEs supporting measure in compliance with civil state guideline: the Bank supported potential SMEs in 10 S-Curve target industries, which considered as the important strategic group in economic and social development corresponding to the civil state guideline.

- KTB Kids Savings for Thai individuals aged not over 15 years old: by aiming to instill saving



203-2

behavior to the youth, they will receive 100% bonus of the total interest when the total amount of deposit exceeds the total amount of withdrawal.

- Krungthai sSME Start-up & Innovation Loans: the Bank initiated loans to support new sSME and sSME in innovation and technology industries in developing Thailand's digital economic system by providing 7 years of maximum loan period without minimum income specification.

- Basic Saving Account: the Bank provided the service for Thai individuals aged 65 years and above or the state welfare cardholders in order to receive government welfare without additional expenses and the customers can easily access to the financial services.

- Village Fund: the Bank initiated this project since 2003 by providing loans to be the village and community fund as a working capital for agriculturists or village members. Therefore, agriculturists or village members can use the capital for investment, occupation development, revenue increment, expense reduction and emergency relief within loan fund in the amount not exceeding 1 million Baht.

- Digital Student Loan Fund System: the Bank developed Digital Student Loan Fund System (DSL) for facilitating borrowers with QR Code payment so that they can conveniently and quickly access payment system. Moreover, DSL has been connected with PromptPay.

In addition, the Bank coordinated with Thai Credit Guarantee Corporation (TCG) with the purpose to provide support to potential SMEs that played important role in terms of economic development. In accordance to this, the Bank launched five credit products as follows:

- Krungthai sSME loan for Blue Flag Shops to support blue flag shops that installed EDC machine as well as planning to support blue flag shops that installed Thung Ngern Pracharat Mobile Application for the purpose of easy access to capital fund and effective business operation.

- Krungthai sSME loan for tourism business and tourism-related business in order to support financial fund for business expansion of SME related to tourism industry such as hotels, tourist packages, restaurants and OTOP shops in both primary tourist cities and secondary tourist cities as well as supporting business continuity.

- Krungthai sSME loan for EEC 4.0 to support entrepreneurs or business partners in Eastern Economic Corridor (EEC), which are located in Chon Buri, Rayong and Chachoengsao.

- SMEs loan for 10 S-Curve target industries, which played important role in driving economy for the future growth, such as next-generation automotive, industrial robot type, aviation, logistics, etc.

- Krungthai Minibus loan to support capital fund with the maximum credit line of 20 million Baht/person for passenger van operators in using minibus instead of van.

102-11, 203-2



Social and Environmental Products and Services

Krungthai Bank, as a financial institution, can take part in creating positive environmental impact through

acting as the source of funds for private sectors and social entrepreneurs so that they can develop innovations to minimize the impact from climate change and to preserve the environment.

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 became an important financial mechanism in commercializing innovations. The loan subsidized interest payment for 3 years and the credit limit is 5 million Baht per project.	The Bank considers loan approval based on the Bank's regulations to entrepreneurs with innovation projects received support from NIA.
Environmental Loan	<p>As the manager of the Environmental Fund, the Bank carried out the Environmental Loan for Private Sector in collaboration with the Environmental Fund. The loan offered low interest rate (minimum 2-3 percent per annum) to encourage the Bank's customers in private sector to contribute to the environment conservation.</p> <p>*In 2018, the Environmental Fund specified 3 project characteristics that the Bank can consider for loan approval by itself (without the consideration of Environmental Fund Committee) to facilitate for smooth workflow as follows:</p> <ol style="list-style-type: none"> 1. Project of replacing machinery and equipment in the air pollution treatment, wastewater treatment system or waste management instead of the existing machinery and equipment within the budget not exceeding to 50 million Baht. 	The Bank considers loan approval based on the Bank's regulations to entrepreneurs who work on constructing/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

102-11, 203-2

Environmental Products and Services	Objectives	Loan Approval Criteria
	<p>2. Manure fermentation system installation with a productivity of not exceeding 20 tons/day for making fertilizer or soil nourishment.</p> <p>3. Construction project specified for Wastewater Treatment System with treatment capacity not exceeding 100 cubic meters/day.</p>	
SME-R&D Fund	The Bank and National Science and Technology Development Agency (NSTDA) collaborated to encourage the business sector to invest in developing R&D capability in scientific engineering so that they could enhance the business, increase ability to compete and survive in the industry sustainably.	The Bank considers loan approval based on the Bank's regulations to entrepreneurs 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 aimed to encourage investment in energy conservation by offering loans to entrepreneurs who can sustainably conserve energy within their organization. At the present, the Bank proceeds phase 6 th of the project (with additional credit limit).	The Bank considers loan approval based on the Bank's regulations to entrepreneurs who work on energy conservation project approved by the Environmental Fund.
KTB Green Loan	KTB Green Loan is a loan offered to the Bank's customers for investing in energy conservation.	The Bank considers loan approval in accordance with the objectives of KTB Green Loan Project.

102-7, 203-2

1

SME Innovation Loan (with no interest)

- Operating Years 2008 - present



Accumulative Credit

170.44
(MTHB)

2

Environmental Loan

- Wastewater treatment capacity is **107,672.50** cubic meters per year)
- Operating Years 1998 - present



Accumulative Credit

2,199.84
(MTHB)

3

SME-R&D Fund

- Operating Years 2008 - present



Accumulative Credit

290.50
(MTHB)

4

Energy Efficiency Revolving Fund Loan by Financial Institutions

- Reduce electric consumption by **7,020,131.54** KWH/year
- Save electricity charge by **28,703,187.59** Baht/year
- Operating Years 2003 - present



Accumulative Credit

134.24 (MTHB)

5

KTB - Green Loan

- Operating Years 2010 - present



Accumulative Credit

3,531.79 (MTHB)

Moreover, the Bank approved loans for supporting Renewable Energy Entrepreneurs who produce renewable energy, which do not cause dangerous pollution to society and environment. The Bank approved loans to two types of renewable energy entrepreneurs as follows:

1. Solar Energy: the Bank approved loans to solar energy plants, as the solar energy is high safety with long-term trustworthy because there are no moving parts. Moreover, solar energy is clean and not generating carbon dioxide, smoke or pollution. Solar energy is renewable and suitable for Thailand as the country is a tropical city with sunlight all year long.

2. Biomass/Waste Power: the Bank approved loans for biomass and waste power plants, as biomass and waste power are generated by agricultural leftover biomass such as sugar cane and manure. Therefore, there are less amount of wastes and all wastes are being used for maximum benefit with lower cost than other types of power plants.



Credit approval

16,685.26
million Baht*


Production capacity

531.38
MW*


Credit approval

6,999.60
million Baht*


Production capacity

252.70
MW*

*Information as of December 31, 2018 and the Bank started to provide loans approval for renewable energy since 2016.

102-7, 103-3, 201-1, 201-4

Economic Performance

Krungthai Bank is a commercial bank with the Ministry of Finance as a major shareholder through the Financial Institutions Development Fund (FIDF), holding the shares totaling to 55.05 percent. However, the Bank also maintains the status as a public limited company listed on the Stock Exchange of Thailand. As a result, the Bank has a major role in supporting governmental policies and projects as well as developing Thai economy and increasing employments. In details, the Bank supports Thailand 4.0 policy, Digital Economy for enhancing Thailand's competitiveness ability, State Welfare Card, Blue Flag Shops and Elderly Society Support, etc. Meanwhile, the Bank also aims to acquire a good business performance both for the Bank and its subsidiaries and for utmost benefit of shareholders. The Bank has been operating business with the good corporate governance as well as taking into account all stakeholders, which complies with the vision "Growing Together" covering 3 dimensions namely Economy, Society and Environment. Accordingly, the Bank truly wishes to sustainably grow together with all parts of Thai society.

Table: Economic value generated by the organization and direct distribution of economic value
Sustainability Performance Data, Krungthai Bank, 2016-2018

Performance Data	Amount (MTHB)		
	2016	2017	2018 *
Economic Performance			
Income	150,202.81	142,944.27	135,966.56
Operating cost	45,746.79	56,875.05	43,005.98
Employee expenses and benefits	23,151.95	22,490.45	24,111.44
Expenses for sources of finance	40,758.88	34,375.41	34,429.12
Tax expenses	10,351.68	7,698.44	9,092.27
Social and Environmental Expenses	225.72	192.45	227.13
- Donation to public charity/for public benefit	19.79	45.38	11.26
- Donation for educational/sport-related purpose	76.07	72.09	96.86
- Financial aid for local activities	62.01	22.30	50.23
- Financial aid for the benefits of the society	8.03	4.63	8.66
- Scholarship to the outsider candidates	5.62	2.09	5.23
- Association membership fee	54.20	45.96	54.89
Total Economic Value	29,967.79	21,312.47	25,100.62

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 + sources of capital fund + tax + social and environmental expenses)

Krungthai Bank's income derives 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), the Stock Exchange of Thailand and State Enterprise Policy Office (SEPO).



Operations in Social Dimension

Krungthai Bank emphasizes on relevant stakeholders including employees, customers and communities

Human Resources Management in 2018

Operational goals



Efficiency of
personnel expense
≤ 15.62%

Performance



17.34%
(Personnel expense/
Total income)



Due to the change of technology and customer behaviors that lead to challenge in operations and intense competition of being digital banking, the Bank has stipulated guidelines on human resources management in accordance with Invisible Banking Policy. The Bank has formulated a guideline on overall workforce planning to gain maximum benefits. For the recruitment of vacant positions, the Bank has given the first priority to rotation and internal recruitment. External recruitment is conducted for the positions related Invisible Banking Policy that require specialists.



103-2

Human Resources Management



For human resources development, the Bank has focused on building “smart and good person” to drive the organization within the context of digital banking to reach its goal. The Bank has reviewed core competencies, technical competencies and management competencies as well as leadership development framework in line with Digital Banking Policy. Furthermore, the Bank has assessed competencies of employees organization-wide to find out strengths and development. The Bank has used assessment results to formulate guidelines on HR developments by emphasizing different types of development – coaching, rotation and secondment as well as upskilling and reskilling of employees who are rotated because of Digital Banking Policy in order to develop employees’ performance and potential according to their career path.

The Bank has given importance to leadership development of heads at all levels (first level, middle-level and top executive level) because heads are an important factor in enhancing employees' engagement

and performance. This will lead the Bank to performance driven organization (PDO), retain a smart and good employee, and create firm and sustainable growth of the Bank further.

The Bank has implemented Krungthai Moral Initiative that is a successful scheme to build smart and good employees. The scheme will help employees brainstorm ideas for “Problems to be solved, Good deed to do” to improve work process, create zero tolerance culture and drive the Bank towards a moral organization.

Due to the Bank's determination to take care of and develop employees continuously with the aim of being Best Place to work, in 2018, Krungthai Bank PCL was ranked the 8th in Thai companies or the 143rd in 500 ranked global companies on the US Forbes' Global 2000 list of the World's Best Employers 2018.

In 2018, Krungthai Bank had 21,764 employees in total, classified by gender, type of employment, position level and working location as follows:

102-7, 102-8, 103-2

Amount of Employee		2016			2017			2018		
Classified by Contract Type	Classified by Employee Level (person)	Male (person)	Female (person)	Total	Male (person)	Female (person)	Total	Male (person)	Female (person)	Total
Full-time Employee	Top Executive Level	54	24	78	49	24	73	50	29	79
	Permanent Employee									
	First and Middle Level	1,618	1,701	3,319	1,561	1,732	3,293	1,498	1,694	3,192
	Officer	5,615	14,599	20,214	5,179	13,872	19,051	4,938	13,397	18,335
	Total	7,287	16,324	23,611	6,789	15,628	22,417	6,486	15,120	21,606
	Temporary Employee									
	Contract for Service*	108	27	135	106	21	127	103	36	139
	Outbound**	5	27	32	2	14	16	2	17	19
	Total	113	54	167	108	35	143	105	53	158
Total		7,400	16,378	23,778	6,897	15,663	22,560	6,591	15,173	21,764

*Temporary employee: all employees except Call Center reception

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

405-1

The Bank shall recruited a new employee, 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.

The Bank attracts outsiders who have knowledge, outstanding ability and high potential in Top Notch group to work in the Bank through Management Trainee Project (MT), International Master's Scholarship Program at leading universities in England, the United States and France. Furthermore, the Bank has increased channels for recruiting outsiders with ability related future banking such as Data Scientist/Data Analytics and Finance Technology Instrument. In order to develop innovations for business operations and financial services to support the Bank's operations aimed at becoming digital banking, the Bank has cooperated with educational institutions with innovative works and worked in partnership with Ministry of Science and Technology to recruit potential employers from its scholarship students to work with the Bank.

The Bank will consider business units or challenging job descriptions and project-based work including applying agile method more. Furthermore, before employing a high

potential employee, the Bank will consider appropriate remuneration in line with skills, knowledge, ability and experience by reference to market rates. The Bank has also adjusted the organization to be more agile and suitable for operations in the current situation.

For high potential employee retention, the Bank has studied information in Best Practice of national and international leading organizations, including analyzing internal information in order to provide a guideline to take care of those employees properly and accurately. The guideline on retention of high potential employees is divided into 2 aspects: financial and non-financial. In financial aspect, the Bank has conducted compensation review and market adjustment in order that its employees receive the remuneration in line with market rate. Meanwhile, in non-financial aspect, the Bank has made rotation plan in order that employees can rotate to do challenging jobs and improve their skills, knowledge and various experiences. Moreover, the Bank has made individual development plan to prepare high potential employees to be successors and formulated a guideline to taking care of them by providing mentor, experience exchange, project assignment and show & Share Session to create more value to themselves and the Bank.

102-7, 102-8, 401-1, 405-1, 406-1

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

Employee Information	2018		2017		2016	
	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	287	594
Percentage	6.77	4.41	3.85	3.16	4.35	9.01
• Female	1,579	619	595	542	367	854
Percentage	9.56	3.75	3.63	3.31	2.42	5.63
Total	2,090	952	880	776	654	1,448
Amount of Employees Classified by Age Range						
• Age < 30	1,687	536	572	437	233	303
Percentage	19.64	6.24	8.33	6.37	5.35	6.95
• Age 30 - 50	401	228	305	297	415	521
Percentage	3.81	2.17	2.71	2.64	3.41	4.29
• Age > 50	2	188	3	42	6	624
Percentage	0.04	3.81	0.05	0.74	0.11	11.89
Total	2,090	952	880	776	654	1,448
Amount of Employees Classified by Working						
• Central Branch (in Bangkok and Perimeters)	1,319	507	638	480	606	850
Percentage	11.15	4.28	5.45	4.10	5.47	7.67
• Domestic Branch	769	443	242	296	48	598
Percentage	6.30	3.63	2.01	2.46	0.45	5.60
• International Branch	2	2	0	0	0	0
Percentage	14.29	14.29	0	0	0	0
Total	2,090	952	880	776	654	1,448
Ratio of New Employees to Terminated Employees	2.20	1.00	1.13	1.00	0.45	1.00

In addition, the Bank has policy on fair appointment and employment, non-discrimination and providing equal and transparent opportunity to effective and efficient employees. The guideline is as below.

1. In Staff Regulation on Appointment and Employment of the Bank's Employees, no criteria or conditions of employment discrimination or discrimination are specified, but equal opportunity of employment and qualifications are provided in accordance with qualifications of public enterprise employees. The Bank also has transparent recruitment by employing internal recruitment from successor pool. If the Bank cannot select the suitable candidates, the

Bank will recruit outsiders with knowledge, ability and good attitude towards the Bank. In this regard, the committee is appointed to recruit and select the candidates to work with the Bank.

2. For job application advertisements, the Bank respects human rights and provides gender equality for job application, including providing special job position for the disabled person. The Bank also gives importance to the disabled by formulating policies and guidelines on promoting and improving life quality of disabled person such as employment, career development fund and any helps, including providing fund as prescribed by law.

Furthermore, such fund is also given to disabled persons. In 2018, the Bank followed Clause 33 by employing one disabled person and Clause 35, no. 3 by hiring 200 disabled persons.

Employee Performance Appraisal

The Bank has systematic and continuous performance management to encourage employees to reach goals of the Bank, department and individual as follows:

1) Planning to determining performance indicators, goals and criteria used in the evaluation must be clear and comply with directions of the Bank's strategies. Key performance indicators are used as a tool to set employees' work goal by having mutual agreement between supervisors and subordinates in order that employees can improve their performance.

2) Monitoring, suggestion and coaching &

feedback: supervisors can monitor their subordinates' performance whether their performance progresses or subordinates reach their goal in line with KPI. Moreover, supervisors is required to develop subordinates in order to encourage subordinates to work better by providing suggestion and coaching & feedback.

3) Performance appraisal is to measure job accomplishment compared with specified goal.

4) The link between results of the assessment has been used to consider financial and non-monetary rewards in order to motivate employees who have good performance and determination to work according to pay for performance principle to drive the organization to be performance driven organization.

Performance appraisal of employees at all levels in the Bank in total of 100 percent has been completely accessed.



401-2, 201-3

Employee Welfare and Benefit

The Bank's welfares and benefit has been provided to 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 below:

Rewards and Welfares of Krungthai Bank's Employee Classified by Types	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	✓	✓	-	-
Business unit allowance	✓	✓	-	-
Special remuneration for gratuity	✓	✓	-	-
Special remuneration for long working tenure	✓	✓	-	-
Special remuneration for working in 3 Southern Border	✓	✓	✓	✓
Remuneration for the branch that opens 7 days a week	✓	✓	-	-
Uniform	✓	✓	-	-

10

Rewards and Welfares of Krungthai Bank's Employee Classified by Types	Permanent Employee	Contract Employee	Temporary Employee	Outbound
Health, sanitation and work environment				
Medical and dental 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 and get welfare as in the above table.
- Outbound means the employee who works as a Call Center reception.

1

Many countries in the world are going to become an aging society. Krungthai Bank realizes that retired employees have to spend a large amount of money, therefore, the Bank provides them the provident fund registered on June 16, 1992. The provident fund of the Bank is managed by Krung Thai Asset Management Public Company Limited, MFC Asset Management Public Company Limited and SCB Asset Management Company Limited. In this regard, the Bank shall contribute to the employees' 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 salary. Furthermore, 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 26,014 million Baht as at **December 31, 2018**.



401-3

With effective human resources management, the Bank became the employees' second home. This

has been reflected in 2018 that all employees returned to work after the end of leave for taking care for their children (classified by gender) as follows:

Case of Leave	Male	Female	Total
• Number of employees who are eligible to take a parental leave	6,591	15,173	21,764
• Number of employees who return to work after the parental leave	74	21	95
• The return rate and retention rate of employees who return to work after the end of the leave	70	18	88
• Number of employees who return to work after the parental leave and continue working for one year (Comparing 2017 to 2018)	56*	11**	67
• Number of employees who return to work after leave and has no position	-	-	-

* In 2017, 73 male employees took a paternity leave to help their wife look after their newborns

** In 2017, 19 female employees took a parental leave

➤ Remuneration Management

Policy on Executives' Remuneration Management

The Bank has formulated policies on fair, reasonable and competitive compensation of executives to motivate executives to perform their duties in compliance with the Bank's objectives and goals as well as benefits in long term. The Nomination and Remuneration Committee reviewed executives' compensation according to the following factors:

1. Appropriateness of compa-ratio, short-term and long-term performance
2. Suitability and alignment with the position and the responsibilities of executives
3. Financial status of the Bank and compensation rate that can be compared to the Bank's industry peers.

Executives' compensation consists of salary and wages, benefits as prescribed in law and benefits according to employment conditions.

Employees' Remuneration

For employees' compensation, the Bank has implemented the "Performance Driven Organization" (PDO) policy. Employees will receive compensation in line with their performance. Moreover, The Bank

ensures that employees' salary and benefits that are appropriate to their position and responsibilities, comparing to the Bank's peer. The Bank also provides various welfare that can meet employees' needs appropriately and considers increasing special adjustment during the year to high potential employees.

The Bank pay bonus in line with the last year's performance of employees to encourage employees to continue their work determinedly and retain efficient employees to work with the Bank.

The detail of the committee's policy on remuneration management can be read in the Annual Report 2018 on pages 101

404-2

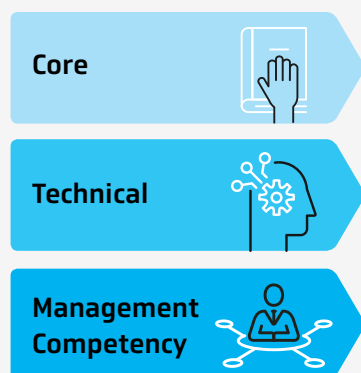
➤ Training and Education

"Employees" are the key factor in driving the Bank to become the sustainable organization. Therefore, the Bank puts emphasis on continuous employee development based on fair treatment to employees, provides career path and collaborative working environment and encourages them to practice skills and increase knowledge by themselves anywhere and anytime.

103-2, 404-2

Policy/Strategy/Strategic Plan

With the determination to develop employee capabilities in corresponding to the Bank's strategy, in 2018, 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, 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 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



in various comprehension for example product knowledge, sell and service, credit, leadership, etc. via different training channels as internal and external classroom training, E-Learning, VDO Conference, on the job training (OJT), coaching, mentoring, case study & workshop, webinar, Sale GURU manual, etc. Moreover, the importance has also been placed on Experience Based Training. Top executives involved in creating learning-organization atmosphere incessantly by being an internal trainer to employees directly for sustainable human development. This shall help building up the coaching culture focusing on top executives'

development of professional and standard coaching skill in order to unlock their potential and generate their motivation in working.

In addition to the abovementioned trainings, in order to provide an effective personnel and leader development process, the Bank has designed courses and contents that emphasize interactive learning by integrating training content with games or simulating various situations so that employees get involved in learning and can practice in real situations. The examples are Consultative Selling Skill course in that the participants can offer products to their customers in real situation, Strategic Planning and Development course and Coaching course.

103-2

Operational Measures in 2018

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 by analyzing and specifying development areas. The development areas will be used to set human resource development plan to close competency gap. Moreover, The Bank aims to achieve the goal to be digital banking in accordance with rules and regulations of regulators. Therefore, Krungthai Academy as a main business unit for personnel and leader development has considered various factors for planning - organizational needs to develop executives and employees, the Bank's strategic plan, policies of executives and Groups and individual needs together with competency, strategic challenges and short-term and long-term action plans. Such factors are collected and analyzed to formulate human resource development plan that cover all necessary dimensions to the Bank's business operations as well as aiming at upskilling of employees and reskilling of rotated employees to perform their duties with sustainable effectiveness and efficiency. In 2018, the Bank has focused on 5 dimensions in development as follows:

103-2, 404-2



Digital Mindset & Digital Literacy Skill

Amid intense competition in digital technology in the present, the Bank has aimed at creating necessary skills for becoming digital banking. Employees' digital mindset & digital literacy skill are developed to enhance necessary digital skill to prepare employees' readiness for the Bank's operations as well as being able to initiate and develop products and services to satisfy customers' needs. Additionally, the Bank has aimed to build awareness of and provide knowledge about cyber security or security and privacy of customer data to employees at all levels in order to support continuous increase in financial transactions through digital system and provide convenient and safe services to customers. For this reason, the Bank has provided training courses on awareness and knowledge concerning cyber security to employees at all levels, for example Cyber Security Awareness course, Cyber Security Risk Management & Trend 2018 course and Cyber Security Strategy for Management course, including courses on data analytics for analyzing customers' needs and complying with effectively entering to digital banking era.



Leadership

Leadership development is the enhancement and development for executives' skills so that they are ready and capable to elevate the employees' performance. From management competency analysis, in 2018, the Bank focused on building inspiration, strategic orientation and coaching culture by providing both internal and external training courses to executives from well-known international institutes such as Harvard Business School and Cornell University. All executives will have a chance to exchange ideas and perspectives with experienced instructors such as Harvard Management Program: Leader Solution, Digital Transformation and Change Management in Banking Industry for KTB.



Moral and Ethics

To conduct business in accordance with good corporate governance, the Bank has placed importance of moral and ethical development. Human Resources and Corporate Governance Group has provided training courses under the "Krunghai Moral Initiative" (Krunghai Kunnatham) to foster organizational culture of zero tolerance, create value and good consciousness, adhere to good corporate governance, perform duties with integrity and do not violate rules and regulations, for examples Performance Enhancement in Compliance with Excellent Corporate Governance Course and Krunghai Moral Course to drive the Bank to be a moral organization, Banking Industry Code of Conduct Course, Krunghai Smart Gen D Course. The Bank is eager to instill employees' attitude to be ready for future changes through the projects i.e. Moral Project (Khunnatham Namjai), Dhamma Training Project (Dhamma Sukjai) and Krunghai Yes! We Can: Better Life, Better Vibe.



Train the Trainer

The Bank has given importance of sustainable human resources development. All employees in the Bank are considered as valuable asset that the Bank has to develop and retain. Many employees have worked in the Bank for a long time. They have gained experience, knowledge, skills and proficiency in specific matters of the Bank that can be provided to other colleagues within the Bank in order that colleagues will gain such knowledge and advices that are benefit to their operations to achieve

the goal. Therefore, the Bank has initiated the Train the Trainer Project to develop internal professional instructors with knowledge and skills that are necessary to transfer knowledge to their colleagues. In 2018, the Bank has courses on Train the Trainer such as Situational Leadership Course, .Crucial Conversation Course and The 7 Habits of Highly Effective People Course.



E-Learning

103-2, 404-1, 404-2, 404-3

The Bank has focused on employees' self-learning. In 2018, 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.

To evaluate efficiency and effectiveness of training, the Bank evaluates and follows up development and learning effectiveness of trained employees and leaders to meet the course objectives. The result of evaluation and follow-up will be applied for need analysis and training plan development.

In 2018, trained executives and employees classified by gender and type of employees are as follows:

Type of Employee	2016	2017	2018
Average Training Hour (hrs./person/year)	72.62	75.56	72.15
Total Training Hour (hrs.)	1,726,758	1,693,776	1,591,923
Classified by Gender (hrs./person/year)			
Male	66.85	75.14	66.10
Female	79.66	56.18	63.69
Classified by Type of Employee (hrs./person/year)			
Employee	72.50	73.30	72.33
Executive	93.82	56.18	63.69

Training for Employee	Training (course)			Number of Batch (Batch)			Trained Employee (person)		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Internal Learning	406	414	395	1,233	1,362	1,331	90,654	94,683	99,674
External Learning	192	205	207	222	219	239	558	787	1,692
E-Learning	15	11	40	81	67	370	29,901	11,423	33,448

Performance Appraisal	Percentage of Employees		
	2016	2017	2018
Percentage of Employees received performance appraisal	100%	100%	100%



Occupational Health and Safety

103-2

Policy/Strategy/Strategic Plan

Krungthai Bank PCL recognized the importance health and safety in working of the employees and related person, including work environment in which there is no danger and risks. In 2018, the Bank's goal is between second and third summits, namely closing

the gaps with peer group of commercial banks and state enterprises as well as raising more consciousness and instilling awareness of safety in working of the employees. This will lead to "organizational safety culture" in compliance with Safety Thailand Policy of government sector to achieve the goal "The Bank is a second home." as shown in the figure below:



103-2

> 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 along with 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 safety procedure.
6. All employees must strictly observe safety rules and standards on safety, occupation 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.

In addition, to achieve the goal "The Bank is the second home", the Bank implemented the Krungthai Safety Together Project covering operations of 3 Summits. The scope of the operations are law, knowledge and workplace that focus on taking care of employees' health and create appropriate, safe, risk-free work environment in order to enhance efficiency in working and create good quality of life to all employees. The project has 4 missions as follows:

1. Give knowledge and build realization of safety to personnel within the whole organization.
2. Evaluate and control hazards that may affect personnel and customer's health
3. Keep work environment safe and appropriate
4. Promote good personnel health in physical, mental, emotional and social aspects and conduct the project under 6 Safety Value, namely:

S	Sustainability Sustainable safety
A	Awareness Awareness of safety
F	First Safety first
E	Environment Safe environment
T	Together Safety together
Y	You Safety start with "You"

The Bank aims at being a safety bank and creating zero accident culture that makes employees feel that the Bank is the second home.

In 2018, the Bank has adjusted the goal of safety operation by improving 2017 goal setting and adding new indicators. It was found that 2018 performance is satisfactory.

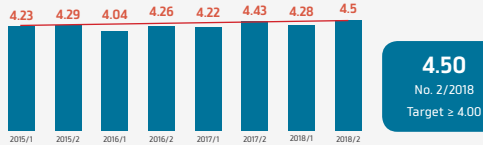
103-3

Overall satisfaction score

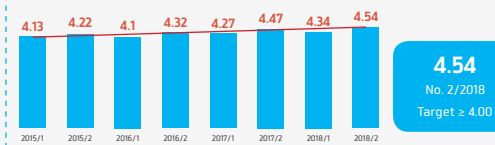
4.52No. 2/2018
Target ≥ 4.00Number of safety-related case that is punished
or fined by government agencies**0**

Target = 0

Safety



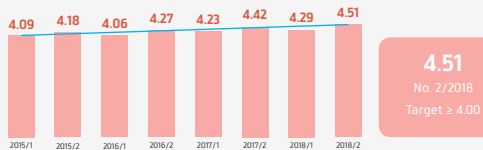
Satisfaction score for occupational health and safety



Satisfaction score for standard in fire alarm system

**99.14%**
No. 2/2018
Target ≥ 75%Recognition and
perception of
occupational health,
safety operation**22**
Target ≥ 20 batches/yearNumber of safety
and health issues
Number of training in
occupational health, safety
and work environment**76.40%**
Target ≥ 75%Resolution of safety
and annoyance
complaints

Security



Satisfaction score for safety standard (Security)

Total injury
0.067
Target ≤ 1.00Lost Time Injuries
0
Target = 0

Total recordable injuries

Health

New indicator

**0**
Target = 0

Sickness rate from working

**73** issues
Target ≥ 70 issues/yearNumber of issues of occupational health,
safety and work environment

Environment



Satisfaction score for work environment

**100%**
Target 100%

5S Practice

403-1

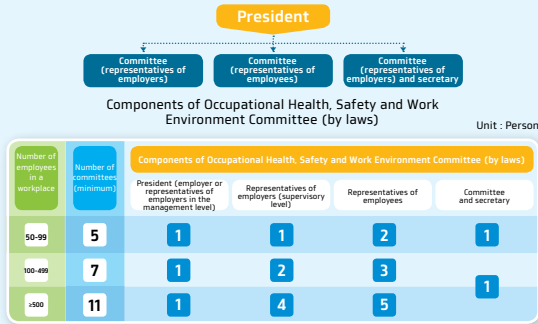
Structure of the Bank's Occupational health and safety management

Person/Work Team	Responsibilities
President	The President announces and delivers safety policy to all employees in all groups of the Bank so that they all perform safety operation together. The President also ensures that agencies in private and public sector acknowledges 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.
20 Environmental Management for Employees' Welfare Committee (0.09%) 	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. (The meetings of the committee were held quarterly.)
KTB - SSHE (KTB - Safety, Security, Health and Environment)	KTB - SSHE (KTB - Safety, Security, Health and Environment) is the operating 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 based on providing equal occupational health and safety treatment to all staff with the same standards throughout the organization.

403-1

Person/Work Team

Occupational Safety, Health,
and Environment Committee
75 committees **459** persons (2.08%)



Responsibilities

The Bank appointed the Occupational Safety, Health, and Environment Committee for each building. The committees consist of the representatives of employers being the Bank's staff in the management level, and other representatives of employees being the Bank's staff in the operational level. The ratio of them and number of members comply with applicable law, so that employees' safety and sanitation in each building nationwide is under control and supervision. (The meetings of the committee were held monthly.)

Safety Officers from the Management
and Supervisor Level**1,311**

Safety officers
from the
Management level
(5.94%)

1,791

Safety officers
from supervisor
level (8.11%)

In 2017-2018, 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.

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 environment.

403-2

**Numbers and ratio of accidents at work in 2018,
Classified by location and gender**

Total Recordable Injuries Rate covering work-related first aid and injuries resulting in death

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		
	F	M	Total	F	M	Total	F	M	Total	F	M	Total	F	M	Total
1 Number of persons injured at work (person)	1	1	2	1	0	1	0	0	0	0	0	0	2	1	3
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	0.05	0.10	0.04	0	0.04	0	0	0	0	0	0	0.05	0.02	0.07
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

- Rate of injury resulting in working day lost or sick leave, but no deaths (IR) was zero.
- Occupational diseases rate (ODR) was zero.

403-3

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

Workplace	Risk Factors
Headquarters (Departments/Business offices/Regional offices)	<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 • Chemical danger ex. dust • Biological danger ex. 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 followed 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 benefits, for example, organizing annual health check and compensation for disability/death as a result of a work-related injury or diseases, 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 Krungthai 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. Moreover, the Bank provided air purifiers for the buildings where the employees suffer from particulate matter air pollution.

102-41, 103-3

Freedom of Association and Negotiation

> 2018 Operational goals

There are less than 5 negotiations.

> 2018 Performance

No submission of negotiations

The Bank gives right, freedom of association and negotiation which are 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: Hire of Services) and State Enterprise Labor Relations by means of appointing the Relation Affairs Committee. One of the committee members is appointed as the Chairman. The committee comprises of 9 the management of the Bank and 9 employees' representatives (representatives of the Labour Union). The committee shall participate in a meeting at least once a month.

Moreover, the Bank has the Krungthai Bank State Enterprise Labour Union being the employee

representative to negotiate with the management. The union was established in 1975 according to Labour Relations Act B.E. 2518 (1975). Presently, there are 18,537 members in the Union throughout the country, accounting for 85.17 percent of total employees.

In 2018, The Relation Affairs Committee held 12 meetings, 41 cases in total in the manner of joint consultation committee. The committee focused 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, adhered to justice and fairness, and had no discrimination against race, religion, gender and friendship. It resulted in the Bank's good labour relations. No filing a claim from the Labour Union. The data during 2016-2018 is shown in the table below.

Negotiation with the Labour Union	2016	2017	2018
Number of negotiations	0	0	0
Number of solved negotiations	0	0	0
Number of negotiations in the process	0	0	0

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.

103-3

Customer Care

> 2018 Operational goals

The Bank could respond at least 95 % of customers' complaints through social media within 2 hours.

> 2018 Performance

The Bank could respond at least 100 % of customers' complaints through social media within 2 hours.



103-2

> Customer Care

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.

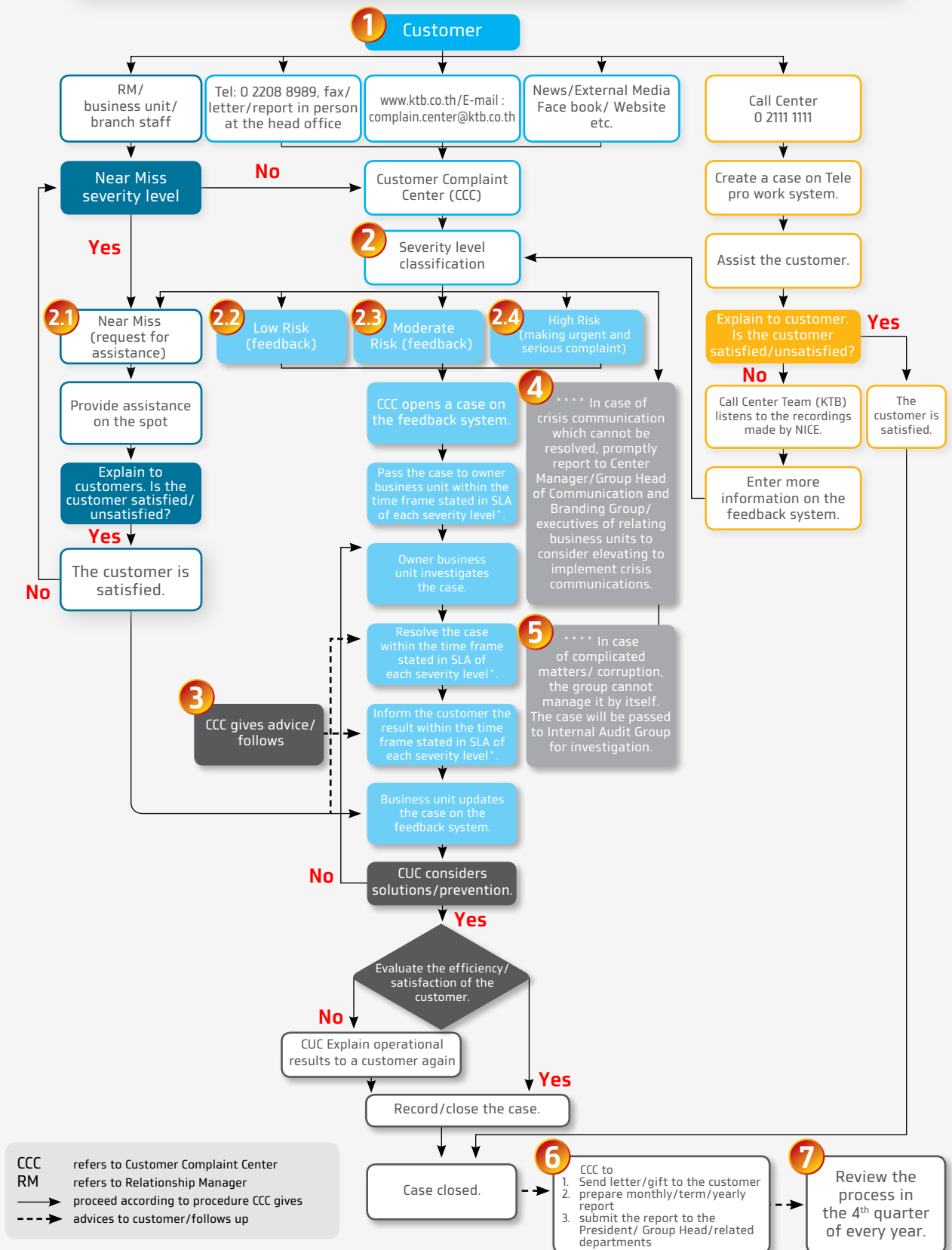
- Advertise, organize marketing activities and offer products and services to meet customers' needs by providing complete and accurate information that is useful before customers decides to choose products and services.

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



In 2018, 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 98.57 percent and the issues that are in the process is 1.43 percent. Meanwhile, number of customers who complained

through the website www.ktb.co.th /Facebook (Krungthai 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 classified by Categories in 2016-2018

Category	2016	2017	2018
Request for assistance	84.87%	88.25%	82.38%
Suggestion	10.10%	5.60%	1.84%
Complaints	2.51%	4.96%	14.93%
Compliment	2.45%	1.16%	0.80%
Informing (starting from 2016)	0.07%	0.03%	0.05%
Total	100%	100%	100%

*Complaints in 2018 increased because complaint categories were defined more clearly. It resulted in the accurate and effective problem solutions and the formulation of preventative measure against repeated complaints.

Definition of Complaint 2017

Complaints mean the issues that customers address to the Bank in order to accuse and express their dissatisfaction with the Bank's products and services, including addressing employees' corruptions with the intention to make corrections/inspections or finding solutions to such issues as soon as possible. A complainant is required to sign or inform name and surname to show the identity clearly. In case of formal or informal submitting complaints to the Bank's channels, the complainant is required to inform name and surname/ID card number or other evidences that can identify the identity of the complainant.

Definition of Complaint 2018 (new)

Complaints mean that a complainant is suffered but he/she can clarify the fact and/or his/her issue can be solved. If the issue cannot be solved as soon as possible, it may affect the Bank's reputation.

Urgent or severe complaints mean that a complainant is suffered; the disputation has arisen and the issue cannot be solved, or the issue concerning corruptions or publishing complaints to mass media or social media. It may damage the Bank's reputation quickly.

> Service Quality

As the Bank places importance on the quality of services offered to customers, the Bank carries out customer satisfaction survey. This is a process used to capture Voice of the Customer (VOC) and feedback

from the customer such as satisfaction level, factors affecting customer's satisfaction, needs and expectation of the Bank's products and services. Such information will be used for elevating the services as well as improving and designing products and services to satisfy customers' needs and go beyond customer's

expectations.

In addition, the Bank conducted opinion surveys of all important customer groups such as individual customers, SME customers and government

organizations by means of face-to-face interview.

The data were collected in different regions - in small, medium and big cities in order to obtain various data according to statistical theory.

	2016	2017	2018
Satisfaction score	4.44	4.51	4.28
Percentage of customers who scored ≥ 4	96.6%	98.7%	91.7%

The result of overall satisfaction survey of Krungthai Bank customers in 2018 was the score of 4.28 out of 5 and percentage of customers who scored ≥ 4 was 91.7%, decreasing from 2017, which was in the same direction as the scores of peer groups of commercial banks. All decreasing scores resulted mostly from common factors that affect the overall banking industry, for example changing consumer behavior to use more online banking, frequent failure in online banking system of commercial banks, competition of non-bank groups in the financial sector that causes consumers to have more choices and expect better services from commercial banks. Therefore, satisfaction rating - satisfied and very satisfied changed from the past survey results.

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 2018, only three complaints about discrimination was submitted. The case involved the discrimination by an authorized teller at a branch while many customers waited for services. 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 and increase authorized tellers during lunchtime 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.

103-2

Cyber Security

Presently, technology and digital system play more roles in daily life and business operation as they deliver more convenience and effectiveness to people and working process. On the other hand, cyber security threats also tend to increase rapidly. Such threats cause direct and indirect impacts such as computer virus threat, threat of ransom software and internet fraud threat, including threat of hacking important data.

The Bank has been aware of dangers of such cyber threats that are considered as a risk factor in preserving the bank's business stability and image, including maintaining the confidence in using services of customers. The Bank has adopted the framework of ISO / IEC 27001: 2013 (ISMS: Information Security Management Systems) and important systems for both financial transactions and computer center to be used as a guideline for information security management system and cyber security maturity

assessment according to NIST Cybersecurity Framework of the United States in order to ensure that the banking system is ready to detect cyber threats, prevent and respond to attacks quickly according to international standards. Moreover, the Bank has used services of FS-ISAC (Financial Services - Information Sharing and Analysis Center) to receive cyber threat intelligence of attacks against global financial institutions in order to prevent the Bank's systems before being attacked. The Bank has also conducted various activities to enhance its cybersecurity, for example annual IT system audits from international experts in assessing the risks caused by vulnerabilities of information systems as well as investing in, developing and increasing capabilities of information security technology in order to ensure that the bank's information system has efficiency and security at the international standard level.



103-2

Besides cybersecurity system development, the Bank has focused on instilling employees' awareness of cybersecurity by organizing activities to educate employees through various channels such as orientation for new employees and regularly providing training courses to employees at all levels in head offices and branches. The Bank has also communicated with employees in the organization through email and e-learning system so that employees have had understanding and known about various threats in cyberspace. Moreover, there are virtual cyber threat tests such as sending phishing emails to entice employees to disclose the Bank's important information. This activity is to train employees to differentiate and cope with cyber threats that will become more complex and realistic, to be aware of the importance of cybersecurity and to be able to effectively advise customers to be careful of various forms of cyber threats.

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. In this regard, the Bank has an information security process and policy in compliance with the rules set by Bank of Thailand, Ministry of Digital Economy and Society and ISO 27001:2013 standards in order to use as a guideline on risk management and information security.

Furthermore, the Bank has disseminated information about storage of personal information and ways to prevent cyber-attacks through various channels so that customers have recognized the importance of storage of their personal information without disclosure of ID number/ID code and password to other persons and used social media with safety.

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 through any channel.

In the supervision of the Bank's security, the Bank has received certificate of safety which complies with the requirements of ISO27001: 2013 (ISMS: Information Security Management Systems) for trade finance, trade online, Bahtnet and ICAS systems, Information Security Policy and Procedure and the Bank's Information Security Standard which complies with the requirements of ISO27001: 2013 and PCI-DSS (Payment Card Industry Data Security Standard) as the following topics:

1. Organization of Information Security
2. Information Asset Classification and Protection
3. Personnel Security
4. Physical and Environmental Security
5. Computer Operation Management
6. Logical Rights Management
7. System Management and Development
8. Software Management
9. Computer Network Security
10. Communication Security
11. Incident Management
12. Business Continuity Plan
13. Policy Compliance

417-3

Communication and Information Accessibility

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 has been continuously organizing marketing, advertising and promotional events, as well as sponsoring events and shows, on the basis of Consumer Protection Act B.E. 2556 (2013) and other enforceable law.

Nevertheless, Customers or anyone interested can inquire about products, financial services and any information through the Bank's Call Center at 0 2111 1111. The Call Center are available 24 hours to provide accurate and helpful information to customers, takes suggestions and fulfill the needs of customers. Customers' information will be kept confidential.

417-3

The Bank also communicates and provide information through online social media 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.

As a result of the Bank's determination to develop products and communicate about them accurately without causing any misunderstanding, **in 2018, the Bank received no complaints about the violation of law relating to customer information disclosure, advertising and promoting products and services. Also, no financial products were suspended for being illegal or suspicious.**



103-2, 103-3, 203-2

Providing Financial Literacy to Society

2018 Operational goals

≥ 80% of participants increase their savings by 5%.

2018 Performance

≥ 80% of participants increase their savings by 29.18%.

The Bank has taken account of financial problems that people has still faced. If people have financial literacy skills, they will be immune to extravagance and can prevent themselves from financial threats in the future. Therefore, the Bank has implemented the Financial Literacy Projects to teach financial literacy that is special ability of the Bank as a financial institution. The Bank has run the project for general public and the Bank's employees and focused on encouraging youths who will be the future of the nation to give importance to saving and have financial discipline that will have good results in the overall development of the country.

- Promotion of saving for teachers and students of 94 schools in the Krungthai Weaving Dream Schools nationwide
- Promotion of thinking before using money for general public

- 1) "Hi-Sa-Ti" Campaign
- 2) "Young man and The seal" Campaign
- 3) Krungthai Chaipen Application

- Promotion of financial knowledge with Krungthai Bank employees: video clip about financial knowledge for 3 target groups
 - New employees
 - Employees aged 30-50
 - Employees over the age of 50

Providing financial literacy through the Bank's website (www.ktb.co.th) in the topic of Financial Partner. Financial literacy is presented in the form of infographics to be easy to understand. Financial knowledge has been categorized into saving, home insurance, personal loan, financial planning and retirement plan. In 2018, the Bank provided 27 financial articles.



203-2

Providing financial literacy through the Facebook Page “Krungthai CARE” (<http://www.facebook.com/krungthaibank>). In 2018, the Bank continued to provide financial literacy through online channel whereby information can be accessed by a lot of people. In 2018, the Bank published 39 contents that are infused with financial literacy. There were total reach of 12,521,176 users and engagements of 699,392 times (likes, comments and shares).

Training and Seminar on financial literacy for customers

The Bank has placed importance on providing services to customers with corporate governance so that customer’ business is able to grow sustainably and customers have financial tools that help manage business, reduce costs and expand the business continuously. Therefore, the Bank has developed financial products that meet customers’ needs and continuously provided seminars on financial literacy according to customer groups as follows:

Target Group	Course/Seminar Name	Description
Personal	Insights into the market perspective to create investment opportunities in 2018	(Ultra High Net Worth : UHNW) Lecture on global economic, political, money market outlook and the asset allocation to increase profit in 2018 to customer and Ultra High Net Worth (UHNW)
	Investment in Digital Telecommunications Infrastructure Fund (DIF)	Provided information about fund and advice on investment to wealth customers
	U.S. Market: An attractive Investment	Advice on investing in the U.S. stock market and asset allocation for Ultra High Net Worth customers
	Where to Invest?: Asset allocation to be ready for fluctuation in the second half of the year 2018	Advice on asset allocation to create a stable return for Ultra High Net Worth customers
Corporate	Digital Banking and Adaptation to Thailand 4.0 Era	Lecture on “Digital Banking and Adaptation to Thailand 4.0 Era” to executives of the Electricity Generating Authority of Thailand to adjust to the changes in Thailand 4.0 era
	Royal Thai Armed Forces Defence Attaché Course, Batch 26	Lecture on global economic situation in 2018, foreign financial transactions and Krungthai Travel Card
	Seminar for executives of the government agencies 2018	Annually organize seminar for executives of government agencies and state enterprises. In 2018, the 2 seminars were hold as follows: <ul style="list-style-type: none"> For government agencies For state enterprises The participants were provided knowledge about the topics “What should we think in Thailand 4.0 era?” and “Thai economics in 4.0 era” in the context of “Technology Disruption”, “Adaptation to AI era” and “Blockchain/Data Analytic”

203-2

Target Group	Course/Seminar Name	Description
SMEs	MMS Course	Training courses for SME entrepreneurs to adjust to the world trend such as finance, marketing, accounting, digital marketing and logistics
	Genius Exporter	Training courses for SME entrepreneurs to have knowledge of export
	New classification of government partners for SMEs who are government partners	Training courses for SME entrepreneurs to have knowledge of rules and regulations on classification of government partners
	Credit Approval	Training course for officers of Ministry of Industry who grant a loan fund to small SMEs to acquire knowledge of guidelines on credit consideration and financial feasibility analysis of debt collection project
	Single Account Course	Training courses on account adjustment and single account record for SME entrepreneurs

Furthermore, the Bank with The Thai Bankers' Association delivered 29 executives and volunteer employees to be trainers in the "New generation of Thai people care about money" project to transfer knowledge of financial literacy to target group of 20,000 students from 10 universities, namely Chulalongkorn University, Thammasat University, Mahidol University, Silpakorn University, Kasetsart University, Srinakharinwirot University, Ramkhamhaeng University, Assumption University, University of the Thai Chamber of Commerce and Bangkok University. The Bank also has given a lecture on financial management and saving to student loan fund borrowers at Nakhon Pathom Rajabhat University in order that the students have placed importance on effective financial management and repaid loan to create opportunities for other students to have educational opportunities.

Through the Bank's effort to provide financial literacy to the society with new ideas, the Bank received Bronze Award of Excellent Marketing Award 2018 at the 10th MAT Award 2018 in the category of corporate social responsibility (CSR) from the work "Krungthai Financial Literacy: Think before Shopping". The award was organized by the Marketing Association of Thailand, which is the annual marketing campaign contest project. Its objectives are to promote and praise potential Thai marketers and to encourage the development of Thai marketers to reach the international level. Moreover, the Bank received ADMAN Awards 2018 at 15th ADMAN Awards & Symposium 2018 which is the contest for creative works on the theme of "Creativity for Sharing" as detailed in Awards of Honor on pages 96

CSR Projects of Krungthai Bank

➤ Krungthai Young Enterprise Awards Projects

Established since 2002, Krungthai Young Enterprise Project has offered opportunity to particular group of people who are interested in startup business so that they can learn and obtain business experience as well as create employment, income and sustainable growth to country's economy. In 2018, the project presented awards to winners in several categories. In details, the winner from the "I do" category is Wealthti team who created application for the underprivileged people to access financial services. The first runner-up is Liluna team who created Carpool application and the second runner-up is the team who created a research database platform. As for the "Idea" category, the first prize was given to Ruam Toh team who created a platform for off-premise catering database. The second prize was awarded to Pet Collar team, a platform to solve stray animal's problem in Thailand. Lastly, the third prize was granted to AZMA team, an innovation to help lost people and prevent lost people problem.



➤ Krungthai Weaving Dream Schools: Good School near Home Project (KTB Digital Learning for Academic Achievement Improvement)

Krungthai Weaving Dream Schools: Good School near Home Project this year has been initiated for students in grade 5-6 of 11 schools in the project to join in studying mathematics and science together through technological devices and digital media. The objectives of this project expected to help students improve their academic achievement and spark their interest in learning mathematics and science more. The project also facilitated teachers to enhance teaching effectiveness and aimed to give children who live in rural areas a chance to receive educational opportunity.



➤ Krungthai Art Awards Project

Krungthai Art Awards Project has been organized since 2014. The 4th Krungthai Art Awards in 2018 aimed to encourage and support all artists to elevate quality of their artworks to an internationally accepted level under the theme and inspiration related to 'Krungthai' (City of Thailand) in various aspects such as art and culture, traditions, lifestyle, nature and environment. The artworks from the awards project shall reflect the atmosphere of virtue society, which adheres to righteousness, contributes to the economic prosperity with creativity and innovation, enriches with valuable art and aesthetic, creates happiness and flourishes the society and humanity.



➤ **Krungthai Business Ethics Initiative (White Seedlings) Project**

The Krungthai Business Ethics Initiative (White Seedlings) Project is the competition for the local community development initiative projects under the Philosophy of Sufficiency Economy. The purpose of the project is to encourage high school and vocational school students to practice analytical thinking and problem solving skills, therefore; students participated in the project can apply the knowledge and skills for the daily life and capable of developing their community sustainably in the future. In 2018, Dek Thai Ban team from Amnatcharoen School won the first prize from Groundwater Bank project. The second prize was awarded to Wonderful Bamboo team from Sathukitprachasan Radchamangkrapisek School and the third prize was presented to V Organic team from Wang Klai Kangwon School under the Royal Patronage of His Majesty the King.



➤ **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 academic achievement and good behavior to be awarded the scholarship for Bachelor’s degree (normal course) from the Bank. The students - who have the highest high-school GPAX of their school and can pass the entrance examination to study in leading public universities as specified by the Bank - will be awarded the scholarship. In 2018, the Bank has granted 312 scholarships, amount to 15,600,000 Baht.



➤ **The Cooperation between Friends in Need (of “PA”) Volunteers Foundation, Thai Red Cross Society, and Krungthai Bank**

Krungthai Bank has signed a memorandum of agreement on cooperation to support the work of the Friends in Need (of “PA”) Volunteers Foundation, Thai Red Cross Society by means of facilitating the foundation in terms of fund raising through the Bank’s payment system. The Bank also joined in helping and visiting victims of the disaster, expanding channels to relieve miserableness and giving vocational rehabilitation for all victims as well as promoting and increasing channels for publicizing the projects and works of the Foundation to be more widely recognized.

According to the tropical storm Pabuk that recently made landfall along the southern coast of Thailand causing people to suffer and many houses were damaged, the Bank as the Foundation supporter had provided assistance through encouraging people to make a donation via QR Code or transferring money to the Foundation’s account directly. In this regard, the Bank publicized printed media with QR code for donation at all branches and other channels. Besides, the Bank also supplied 700 dozen of drinking water to the villagers. Moreover, the Executives and employees in the local area joined together as volunteers in distributing relief supplies bags and helping in the Royal Kitchen.



Next Gen Careers by KTB Project: Youtuber Reviewer

The Next-Gen Careers Project aims to support the youth to learn and practice the skills that are essential for their dream careers. At present, online marketing and reviewing are two career fields that have gained more attention, out of which one can earn money. Therefore, at this point, the youth can start pursuing such careers while they are still in school. In 2018, there are 70 students who attended the project.



Giving Subsidy to the Amateur Boxing Association of Thailand

The Bank has continuously provided fund subsidy to the Amateur Boxing Association of Thailand since 2006 with the intention to pursue the government's policy in promoting sports from the fundamental level to the professional level, which in return shall drive Thailand's sports to success and gain international reputation.



Financial Literacy Project

The Bank realized the importance of the financial problem that the public has encountered continually. Therefore, having financial literacy skills will help people to get immune towards overspending and can also prevent financial threats that will occur. The Bank focused on spreading awareness and knowledge through the KTB: HI-SA-TI Shop (Think before Pay) campaign, creating an application and supporting the students of 94 schools that joined Krungthai Weaving Dream Schools: Good School near Home Project to understand the importance of saving and have financial discipline via the School Tour activities.



Bank of Virtue Project

Bank of Virtue is the project that encourages Krungthai employees to do good deeds for the Bank and for the society by means of collecting virtue credits through participating in Corporate Social Responsibility activities with the employee's family. The activities also aim to promote family relationship and gratitude towards benefactors.



› Krungthai Cultural Heritage Preservation Project

Since 2003, Krungthai Bank supported the National Exhibition of Art organized by Silpakorn University. The exhibition displayed artworks from an art competition, which aimed to encourage Thai artists to develop their potential and offer the public a chance to appreciate good quality artworks.



› Krungthai Sculpture Park

Krungthai Bank Training Center at Khao Yai, Nakhon Ratchasima Province has been established as a school for employees to learn theoretical knowledge and practice their skills. However, its large garden area also functioned as an open-air museum for art learning and appreciation through sculpture displaying.



› Krungthai Art Gallery

Krungthai Bank is aware of the insufficiency of “space” for artworks presentation, as a result; art cannot reach to the public in general. This notion, together with the collection of artworks the Bank acquired from supporting the National Exhibition of Art, drive the Bank to establish “Krungthai Art Gallery” at Yaowaraj Branch building, the first head office building of the Bank, with the intention to give the society the opportunity to “perceive and appreciate artworks”.



› Art for Society Project by Krungthai Art Gallery

Apart from offering the public a chance to learn about art through observing the masterpiece artworks and sculptures at Krungthai Bank’s Art Gallery and Sculpture Park, the Bank also organized learning activities that were suitable for learners in different levels. The activities providing by Krungthai Art Gallery do not only aim to creating intellectual capital, but also help boost up “volunteer spirit” within the society.



› Krungthai Art Lovers Project

The Bank established ‘Krungthai...Art Lovers Club’ in December 2007, aiming to provide executives and employees a chance to enjoy relaxing and useful activities in their leisure time. Through watercolor painting classes, the participants can delightfully create artworks while appreciate their artistic value.





Operations in **Environmental Dimension**



The Bank has determination to continually conserve natural resources and environment under social and environmental policies with objectives to protect and control environmental impacts

The Bank endeavors to conserve natural resources and environment continuously. Therefore, the Bank has established Social and Environmental Responsibility Policy with the intention to prevent and control impact occurring towards environment as well as providing knowledge relating to environment to all employees so that they can generate guideline in developing environmental products and services. The Bank is also determined to conduct environmental operations more efficiently, as a result; the Committee of Energy and Technology Conservation was appointed on June 4, 2016 with the intention to support, control and monitor energy conservation operation, together with implementing method, technology or innovation in process. The Committee has effectively and appropriately managed energy and technology usage in various aspects so as to generate the utmost benefits for the Bank business operation. The main objectives are:

1



to prevent
and control
impact
towards
environment.

2



to provide
knowledge
about
environment
to employees.

3



to set
guidelines
for the
development of
products and
services.

103-2, 302-1

Energy Management

In 2018, the Bank focused on energy conservation, natural resources preservation and decreasing its impact on environment. The Bank established 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, as the coordinator, had contacted and arranged the visit of the advisors appointed by the Ministry of Energy to provide consultant and observe on progress of the operation. The Bank also conducted and collected reports as well as submitting request for approval in the case 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 2018, the Bank's energy conservation projects include the followings:

1. The Bank stimulated employees' contribution to energy conservation through encouraging them to realize the importance of energy conservation. In this regard, the Bank instilled employees' awareness relating to the value of energy using and put emphasis on employee's involvement in changing the organization culture in terms of efficiently and sustainably use of energy.

2. Changing "LED Light Bulbs and Air conditioners" Project was carried out with the purpose to reduce the Bank's impact on environment and increase the efficiency of resource usage within the Bank.

- 2.1 Changing to use LED Light Bulbs will increase the efficiency of resource usage. 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 had the policy to change from T8 lightbulbs to T5 lightbulbs so as to reduce the electricity consumption. The details are as follows:



305-2, 305-5



1. T5 lightbulb can reduce electricity usage by 30% compared to T8 lightbulb and its luminous efficiency is higher than that of T8 lightbulb. Therefore, it can save more electricity at the same luminous efficiency.



2. T5 lightbulb has less impact on the environment because of smaller size, thus using less material and mercury compared to T8 lightbulb.



3. T5 lightbulb's lumen maintenance is 95% after 2,000 hours usage, higher than T8 lightbulb and T12 lightbulb.

2.2 Changing air conditioner by using air conditioner with EGAT Label No.5 and R32 eco-friendly refrigerant, which cause less greenhouse gas destructions.

In 2018, the Bank changed 536 branches to use LED lightbulbs as well as changing 108 branches to

use Inverter air conditioners for the purpose of effective electricity usage.

60+ Earth Hour 2018 Project was a collaboration project between Bangkok Metropolitan Administration, Foundation for Environmental Education for sustainable Development (Thailand) - FEED and WWF Thailand, along with over 7,000 cities around the world to turn off the light for one hour. 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 24th, 2018, between 20.30 and 21.30 hrs.

302-1, 302-4

Besides, 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. The operation hours for lighting and air-conditioning was set during 7.30-12.00 hrs. and 13.00-17.00 hrs. in order to ensure efficient use of electricity and the organization's sustainability.

Head Offices' Electricity Usage during 2016-2018

Unit	2016		2017		2018	
	kWh	GJ	kWh	GJ	kWh	GJ
Sukhumvit Building	5,463,000.00	19,666.80	5,405,000.00	19,458.00	5,493,000.00	19,774.80
Nana Nua Building	6,195,395.00	22,303.42	6,193,576.00	22,296.87	6,386,634.00	22,991.88
GHG Emissions : Total scope2 Co ₂ emissions (Tonco2eq)	6,786.35		6,751.53		6,915.13	

302-1, 302-4, 305-2, 305-5

Electricity Usage in Regional Offices and Branches Nationwide in 2016-2018

Region	Electricity Use in Regional Offices and Branches Nationwide					
	2016		2017		2018	
	kWh	GJ	kWh	GJ	kWh	GJ
Bangkok	79,166,532.00	284,999.52	79,096,370.00	284,746.93	36,711,797.19	132,162.47
Central	50,037,910.86	180,136.48	41,094,030.48	147,938.51	16,082,954.00	57,898.63
Northeastern	33,411,883.02	120,282.78	32,253,854.82	116,113.88	15,991,855.00	57,570.68
Southern	28,301,852.92	101,886.67	26,558,655.59	95,611.16	10,957,547.00	39,447.17
Northern	29,174,272.83	105,027.38	28,684,610.19	103,264.6	11,685,707.00	42,068.55
GHG Emissions : Total scope2 Co ₂ emissions (Tonco2eq)	128,115.82		120,894.91		53,221.32	

* 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: standard version.

303-1

The Bank is aware of the importance of water resources management since water is one of the necessities for every life. In 2018, the Bank improved wastewater treatment pond and drain of Nakhon Phanom City Hall as well as improving wastewater treatment system (with Media structure) in the Bank Training Center at Khao Yai in order to prevent pollution and waste caused by the business operation. Moreover, the Bank encouraged employees to use water more efficiently to generate the most benefits. Example of operation were as follows:

1. 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 had been done during branch renovation.

2. 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.

3. 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 and others. The wastewater 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 during 2016-2018

Unit	Sukhumvit Building			Nana Nua Building		
	2016	2017	2018	2016	2017	2018
m ³	72,672	60,028	52,404	63,877	63,144	60,625

Contributions from all executives and employees allowed the Bank to decrease water usage by 8,221 m³ compared to the previous year.

Impact of Climate Change Management

103-2, 305-5

> Greenhouse Gas Management

Thailand, particularly in Bangkok, is facing with air pollution caused by vehicles and many activities such as lots of constructions, more fuel combustion resulting in higher pollution and climate change. All these factors have caused remarkable impact on the ecosystem and living things. The Bank realizes the importance of climate change mitigation. Therefore, as a corporation under GHG Protocol Scope 2 Guidance (corporations emitting greenhouse gas indirectly by using electricity as steam coal which 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.

Moreover, the Bank also took into account the impact of climate change. As a result, the Bank decided to manage risks caused by climate change by using R32 eco-friendly refrigerant, which will not destruct greenhouse gas. In addition, the Bank established the energy conservation guideline in order to raise environmental awareness among employees while on duty and to drive the organization to become an environmentally friendly business. The guideline, which shall be used bank-wide, were as follows:



Electricity

- Set air conditioner temperature at 25 °C - 26 °C.
- Reduce operation time for air conditioner at least 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.

305-5

The Bank has been participating in “Shred2Share: Safety for Information, Care for Society and Environment” together with over 64 alliances for the tenth consecutive year. This campaign encourages employees to safely shred and recycle disposed documents using methods that meet international standards. In 2018, the Bank reduced the amount of paper used by 63.27 tons, CO₂ emission by 16.45 tons, coal used by 6.96 tons and

water used by 3,163 m³. Throughout ten years of participating in the project, the Bank reduced the total amount of paper used by 620.27 tons, CO₂ emission by 162.3 tons, coal used by 68.24 tons and water used by 31,057 m³. 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 Krungthai 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
2018	63.27	16.45	6.96	3,163
Total	620.27	162.30	68.24	31,057

The Bank’s objective of continuous 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 use, it is found that the Bank has successfully reduced pollution, which is the cause of climate change. Additionally, 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 (flood). The Bank has categorized the severity of the incident and divided flood 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 initiate the influence on the environment by granting loans. The details can be found under Social and Environmental Products and Services on page 42-44

- 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, Krungthai Bank applies the green meetings guideline to meetings within the organization

301-1

Materials Management

The Bank realizes about sustainable business operation as well as emphasizing on the importance of environment. All executives and employees have the same mission in conserving environment and to reduce natural resources usage. The Bank initiated Internal Digitization-Paperless Branch Project aiming for reducing branches' papers usage.

Internal Digitization-Paperless Branch Project was one of the Bank's strategic plans approved by the Board of Directors in October 2017. The Bank aimed to digitize branches working process with a target of reducing 50% of papers usage within 5 years. Besides the cost decrement, this project also increased the effectiveness of branches working process as well as providing impressive experience to employees and customers. The Project's operation procedure was divided into several phases. The Bank started to carry out this project in the beginning of 2018 and expected

to achieve the target in 2020.

In addition, the Bank implemented technology for effective administration via Krungthai NEXT Mobile Application as well as monitoring the progress of the projects and developing the projects to maximize effectiveness. The Bank also encouraged all executives and employees to save paper by using every piece of paper most beneficially. Although this Sustainability Report had been produced with non-recyclable or recycled materials, the Bank endeavored to reduce the use of essential resources for the Bank's operation.

Amount of Material Usage

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

Type	Quantity/ Unit	Weight per unit (kg)	Total material used	
			Total unit	Total weight (kg)
Deposit slip	500 slips/pack	1.44	148,393.00	213,685.92
Withdraw slip	500 slips/pack	0.64	102,004.00	65,282.56
Bill payment slip for utility and fee payment	100 slips/pack	0.25	265,847.00	66,461.75
Deposit slip for passbook	500 slips/pack	0.90	44,635.00	40,171.50
Passbook (savings account)	1 Passbook	0.0134	5,485,459.00	73,505.15
Passbook (fixed deposit account)	1 Passbook	0.0136	108,895.00	1,480.97
Passbook (KTB ZEROTAX)	1 Passbook	0.0122	50,356.00	614.34
Total				461,202.19

Presently, making transactions via Krungthai NEXT has increased convenience and effectively managed the amount of paper used for slips comparing to making transaction over the counters or by using ATMs. The deduction of the slip using can be seen in the following table.

Reduction in slip use	2013	2014	2015	2016	2017	2018	Total
In pack	1,402,322	1,562,665	1,522,050	1,580,922	1,661,834	1,715,325	9,445,118
In kg.	1,500,495	1,672,050	1,628,593	1,691,586	1,778,162	1,835,398	10,106,284

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

Due to the Bank's essential material management, this resulted in 10,106,284 kg. deduction of the Bank's slip use since 2012.

102-46, 102-50, 102-51, 102-52, 102-54, 103-1

Sustainability Reporting Guidelines

Krungthai Bank provides Sustainability Report to disclose its operation in three dimensions, namely economy, society and environment, to stakeholders annually since 2006. The latest issue in 2017, the Bank met with the standard of Global Reporting Initiative Guidelines: Standard version as a framework for the discloses its operating information in Core level covering the Bank's sustainable operation during January 1 - December 31, 2018.

102-46

Identifying Material Aspects and Boundaries

The Bank defines core issues concerning the organization's sustainability and the stakeholders' expectation. With this regard, the GRI Guidelines: Standard version have been applied to the process. 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 the issues by comparing the data from online survey in 2018 and 2017 to consider a change in the issues. The third step is "validation", validate the correctness and completeness of the information. The last step is "review", to prepare for next year's report in accordance with GRI Standards. The details of operation are as follows;



102-46, 103-1

1. Identification

In 2018, 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 which were answered by both internal and external stakeholders in 2017. The Bank then considered whether there was any change in those issues.

Internal Information (Organization's target)

The Bank attended the meeting with departments within the organization so as to scrutiny the change in core issues that was surveyed in 2017 whether there was any change.

Non-Bank Information (Stakeholders)

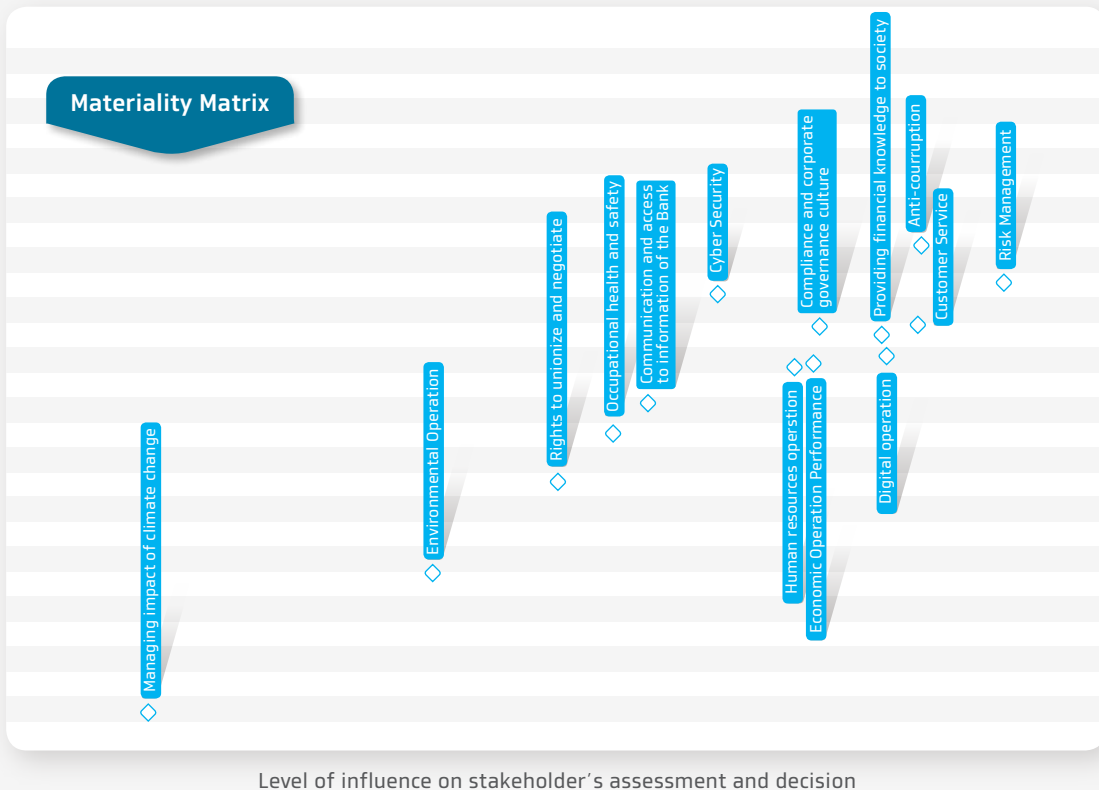
The sustainable growth of the Bank must base on building value on the stakeholders' expectation. Therefore, interacting with stakeholders to find out their needs is the input that will enable the organization to grow stably and sustainably. The information was gathered from various sources including seminars, or accepting comments and opinions via 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 for government agency and corporate sustainability assessment. The information gathered was to be compared with that from 2017.

2. Prioritization

After identifying the core issues that have significant effect to the Bank and the stakeholders, the Bank prioritized the issues in accordance with GRI Standards and perform materiality test by comparing the score from 2018 and 2017 test and from the meeting between the departments in charge of sustainability operation and representatives of staff whose work concerns stakeholders. Moreover, the Bank also considers other factors, namely strategies and organization's core value, government policies and significant issue to the stakeholders. The Bank prioritized those based on two 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 14 issues that affected the organization's sustainability from the point of view of the Bank and its stakeholders as follows;



102-45, 102-46, 102-47, 103-1

In 2018, the Bank stipulates and prioritizes the same significant issues having impact on the organization's sustainability operation as those of 2017. However, there were changes in three aspects. Firstly, "Granting Loan in Accordance with Good Governance" was put in "Compliance and Corporate Governance Culture" because building corporate governance culture involves the operation of all levels of employees in the Bank. Secondly, "Code of Conduct" was reported in the "Anti-Corruption" because code of conduct focuses on operating with integrity and transparency. Finally, "Economic Cooperation" was moved to the "Digital Operation" since the digital operation of the Bank in 2018 was due to the cooperation of many organizations; government, private and international organizations, making it possible to report economic and digital cooperation on the same topic. Apart from the aforementioned changes, "Customer Data Security section" was changed into "Cyber Security" in order to

reflect the overall operation of the Bank and the increasing number of customers who switch to online financial transactions in the present. As for "Marketing Communication", it was renamed to "Communication and Access to Information of the Bank".

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

- Aspect Boundary within Organization (G4-17) consists of Krungthai Bank PCL and its six 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, counterparties and regulators.

Sustainable Topics according to GRI Aspect Guidelines (102-47)	Aspect Boundary												Topics proposed in the report
	Within Organization (103-1) (KTB/KTB Group)							Outside Organization (103-1)					
	KTB	KTBLAW	KTBGS	KTAM	KTBCS	KTBL	KTBA	Shareholder	Customer	Partner	Society	Regulator	
1. Compliance and corporate governance culture	✓	✓	✓	✓	✓	✓	✓		✓				Corporate Governance and CG Culture Creation
2. Anti-Corruption	✓	✓	✓	✓	✓	✓	✓		✓				Corporate Governance and CG Culture Creation
3. Risk Management	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	Corporate Governance and CG Culture Creation
4. Environmental operation	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	Operations in Environmental Dimension
5. Managing impact of climate change	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	Operations in Environmental Dimension
6. Economic operation performance	✓	✓	✓	✓	✓	✓	✓					✓	Operations in Economic Dimension
7. Digital operation	✓	✓	✓	✓	✓	✓	✓			✓			Operations in Social Dimension
8. Communication and access to Information of the Bank	✓	✓	✓	✓	✓	✓	✓						Operations in Social Dimension

102-46, 102-47, 103-1

Sustainable Topics according to GRI Aspect Guidelines (102-47)	Aspect Boundary												Topics proposed in the report
	Within Organization (103-1) (KTB/KTB Group)							Outside Organization (103-1)					
	KTB	KTBLAW	KTBGS	KTAM	KTBCS	KTBL	KTBA	Shareholder	Customer	Partner	Society	Regulator	
9. Providing financial knowledge to society	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		Operations in Social Dimension
10. Occupational health and safety	✓	✓	✓	✓	✓	✓	✓				✓		Operations in Social Dimension
11. Human resources operation	✓	✓	✓	✓	✓	✓	✓				✓		Operations in Social Dimension
12. Rights to unionize and negotiate	✓	✓	✓	✓	✓	✓	✓				✓		Operations in Social Dimension
13. Customer service	✓	✓	✓	✓	✓	✓	✓				✓		Operations in Social Dimension
14. Cyber Security Operation	✓	✓	✓	✓	✓	✓	✓						Operations in Social Dimension

3. Validation

Validation is the process of proving 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 main 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.

102-42

Analysis of Stakeholder and Impact

The Bank is aware of the importance of all stakeholders, both inside and outside the organization, directly and indirectly affecting the Bank's operations in terms of economy, society and environment. The Bank's consideration is based on information from primary and secondary sources to ensure the appropriate, fair, and effective treatment to shareholders, customers, 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 via any channels. The sustainable growth must be obtained from creating mutual benefits that meet the expectation of all groups of stakeholders. The Bank has operated 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"> • HR-Listening to suggestions, problems and complaints from staff members through three channels, for instance, direct e-mail to Executives, HR Care and Hotline • Employee engagement survey • Performance appraisal • Employee training and development • Meeting and seminar with staff members • Report fraud through whistle blowing 	<ul style="list-style-type: none"> • Open for suggestion all year round • Employee engagement Survey twice a year • Performance assessment once a year 	<ul style="list-style-type: none"> • Income, benefits and welfares • Inspiration for work • Interesting and valued work • Work-life balance • Learning and career opportunity • Recognition • Environment and facilities which facilitate operations 	<ul style="list-style-type: none"> • Treat staff members fairly and properly. • Create an atmosphere for employees to participate in offering useful feedback. • Provide engagement activity for employees • Encourage good health and well-being among the employees by providing facilities and activities. • Provide training courses for employees and develop their career path. • Ensure safety, occupational health and good working environment for staff members.
Customer	<ul style="list-style-type: none"> • Customer satisfaction and organization image survey • Meet with customers to offer financial products and services • Communicate with customers via online media • Customer engagement survey • Provide channels for receiving complaints from customers 	<ul style="list-style-type: none"> • Satisfaction and corporate image survey 1 time/year • Customer engagement survey all year round • Customer complaints services survey all year round 	<ul style="list-style-type: none"> • Ensure customer's privacy. • Financial products and services which meet the requirements of each group of customers. • Receive proper services and handle complaints effectively 	<ul style="list-style-type: none"> • Develop and offer products that meet the requirements of each group of customers. • Serve the customers willingly and offer the customers the opportunity to evaluate the service from staff members.
Society	<ul style="list-style-type: none"> • Listen to opinions from local community through CSR activities held by the Bank. 	<ul style="list-style-type: none"> • Listen to suggestions from the public in every activity all year round 	<ul style="list-style-type: none"> • Enrich society • Be responsible to society 	Operate business with responsibility under the principle of corporate governance and international standard covering the aspect of CSR in process, for instance energy saving and social loan for retail customers, the aspect of CSR after process, for instance the CSR activity in three aspects, namely economy, society and environment with the purpose of creating strength and sustainable growth.

Stakeholders (102-40)	Process (102-43)	Frequency (102-43)	Need (102-44)	Guideline (102-44)
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 the activity of shareholder field trip Provide One-On-One Meeting & 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 Shareholder field trip 1 time/year Provide one-on-one interview throughout the year Travel to meet shareholders and investors all year round Provide the meeting for analysts and fund managers 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 adhering to the Bank's code of conduct
Trade Partner	<ul style="list-style-type: none"> Hold meeting, training, seminar and activity to strengthen relationship. Listen to suggestions, problems and complaints all year round 	<ul style="list-style-type: none"> Hold meeting, seminar and activity with trade partners once a year. 	<ul style="list-style-type: none"> Clear procurement policy Cooperate with trade partners to achieve the set goals Fair, transparent and accountable procurement process 	<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 condition and 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, Krungthai Bank PLC., Head Office, Building 1, 14th floor, 35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110, Thailand, Tel. 0 2208 4461-2.

Awards of Honor 2018

> National Awards

Outstanding State-Owned Enterprise (SOE) Awards 2018 for Outstanding Disclosure and Transparency

The Bank received the award from the State Enterprise Policy Office (SEPO), Ministry of Finance. The Bank has committed to the business management with transparency and integrity along with providing report and IT data disclosure in corresponding to international standard of good corporate governance while taking into account the responsibility for all stakeholders. The Bank received the award for the 3rd consecutive year.



Commemorative Award from Anti-Money Laundering Office (AMLO)

The Bank received the award as the organization that supported and coordinated with Anti Money Laundering Office (AMLO) in monitoring phone scammer gang (call-center fraud gang) on deceiving victims, which is against Anti-Money Laundering Act, B.E. 2542. The Bank had provided support so that the problem had been successfully and fast resolved.



The SMEs Excellence Awards 2018

Thailand Management Association (TMA) jointly with Sasin Graduate Institute of Business Administration of Chulalongkorn University presented the award to the Bank as the financial institution supporter for SMEs, which considered as the important business drivers for economic growth. Accordingly, the Bank nominated the Bank's customers for the SMEs Excellence Awards and three companies from the name list won the awards as follow: Yamato Eastern Company Limited received award in category of manufacturing industry, JKN Global Media Public Company Limited received award in category of service industry, and Honda First Company Limited received award in category of retail and wholesale business.



Best Award Thailand Futures Exchange 2017 in Category of Market Maker - Best Performance Currency

Organized by Thailand Futures Exchange (TFEX), the Bank received the Best Performance Currency award as the outstanding Market Maker of Thailand Futures Exchange (TFEX) in currency service.



Excellent Promotion and Support of Savings Award 2018

The Bank received the award as state-owned enterprise that supported National Savings Fund operation and encouraged public sector savings according to government policies in National Savings Day 2018 organized by National Savings Fund.



Bronze Award in the category of Corporate Social Responsibility (CSR) Organization

From online advertisement “Krungthai Financial Literacy: HI-SA-TI SHOP”, the award was granted to the Bank by Marketing Association of Thailand in the 10th MAT Award 2018. The Bank was recognized as the brand that presented marketing campaign with outstanding creativity and helped enrich inspiration.



15th ADMAN Awards & Symposium 2018

Advertising Association of Thailand (AAT) organized the 15th ADMAN Awards & Symposium 2018, the contest on the theme of “Creativity for Sharing” with the intention to support, encourage and honor outstanding organization and personnel that devoted themselves to produce quality work with professional ethic in order to promote important roles of marketing communication to individuals, organizations and society. The Bank’s online advertisement entitled “HI-SA-TI SHOP”, which promoted financial literacy, was nominated and won awards in four categories;

- PUBLIC RELATIONS CATEGORIES
SILVER AWARDS: CORPORATE COMMUNICATION & REPUTATION MANAGEMENT
- DIGITAL & INTERACTIVE MEDIA CATEGORIES
BRONZE AWARDS: CONTENT PLACEMENT
BRONZE AWARDS: DIGITAL MULTI-PLATFORM CAMPAIGN
- DIRECT MARKETING CATEGORIES
BRONZE AWARDS: BEST USE OF AMBIENT: LARGE & SMALL SCALE
BRONZE AWARDS: BEST USE OF CORPORATE IMAGE & COMMUNICATION
- CAMPAIGN CATEGORY
BRONZE AWARDS: USE OF DIGITAL & SOCIAL IN A PR CAMPAIGN



Money & Banking Awards 2018 in the Category of Best Design Excellence Award at Money Expo 2018

Krungthai Bank won Best Design Excellence Award on size of 850-1,000 m² booth at the 18th Money Expo 2018, organized by Money and Banking Magazine. The award was granted based on the overall concept, creativity, art and design, utility area and the presentation on the theme of “Wealth Transformation”.

Sustainability Report Award 2018 in the Excellence Award Category

Presented by Thai Listed Companies Association, the award aimed to encourage companies to enhance the quality of sustainability report so that it continually provided complete and updated content in accordance to the selected issues of each year.



International Awards

The Asian Banker Transaction Banking Awards 2018 in the category of Best Transaction Bank in Thailand and The Best Trade Finance Bank in Thailand

Organized by the Asian Banker magazine - Asia's leading financial and investment magazine in Singapore, the Bank won the awards due to the Government Welfare Scheme and the issuance for electronic International Bank Guarantee through e-GP system of the Comptroller General's Department (CGD). This emphasized that Krungthai Bank has been considered as the government commercial bank that played an important role as significant factor in driving national economy toward cashless society.



IFR Asia Awards 2017 in Category of Best Domestic Bond

The Bank received the award from IFR Asia Magazine - Asia's leading financial and investment magazine in category of Best Domestic Bond from selling Baht Bond to Nam Ngum 2 Power Company Limited.



Best Social Impact Thailand Award 2018

Krungthai Bank received the Best Social Impact Thailand 2018 award for two consecutive years from the Capital Finance International (CFI), a business, economics and finance journal in England. The Bank had received the award for the second consecutive years and was recognized as the financial institution that played important role in steering the nation's economy through the development of the financial innovation that reached all groups of people as well as supporting the government policies.



Best Bank Websites Award

The Bank won the award from Web Awards 2018, a competition opened for website developers. Organized by Web Marketing Association, the award aimed to set standard for internet marketing and search for the best website development from among 96 business fields. The judged were specialists on online media and the criteria comprised 7 aspects - design, ease of use, copywriting, interactivity, use of technology, innovation, and content.



Global Business Outlook Awards in Category of Best Trade Finance Bank - Thailand, 2018

The awards were presented by Global Business Outlook magazine in England. Krungthai Bank was selected based on its function as financial institution that provided fully integrated international trade through Krungthai Trade Online system. The Bank offered services through global technological system with international standard and worldwide network, which connected international banks in all regions around the world.



ASSET ASIAN AWARDS 2018

The Bank joined as a securities underwriter for debentures of Thai Beverage Public Company Limited (“ThaiBev”), debentures of EDL - Generation Public Company Limited (“EDL-GEN”) and the capital increase unit of the Digital Telecommunications Infrastructure Fund (“DIF”) in 2018. The transaction was nominated and received the Best Corporate Bond - Thailand award, the Best Corporate Bond - Laos award and the Best Follow - on Offering - Thailand award respectively from The Asset Triple A, an Asia-Pacific’s recognition for those that have excelled in the banking and finance industry.



ASEAN Corporate Governance Awards

Granted by Thai Institute of Directors (IOD) in cooperation with ASEAN representatives, the Bank was one of eleven Thai registered companies that received assessment ranked in TOP 50 ASEAN PLCs (TOP 31 - 50). The awards aimed to promote constant implementation of good corporate governance by listed companies in ASEAN in order to build the global investors’ trust and acceptance.



GRI

General Standard Disclosures	Page Number		External Assurance	Direct Answer	SDG Mapping Linkage to disclosure
	AR	SR			
STRATEGY AND ANALYSIS					
102-14		6-9			
103-15		6-9			
ORGANIZATIONAL PROFILE					
102-1		10			
102-2	51-52, 55-62	12-14			
102-3		10			
102-4		11			
102-5		10			
102-6		12-14			
102-7		11, 34-37, 44-45, 49-50			
102-8		49-50			Goal 8 good job and economic growth -Employment
102-41		65			
102-9		17			
102-10		20			
102-11		18, 42-43			
102-12		18			
102-13		14			
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES					
102-45		91			
102-46		89-92			
102-47		91-92			
102-48				No any restatement	
102-49				No significant change	
STAKEHOLDER ENGAGEMENT					
102-40		93-94			
102-42		93			
102-43		93-94			
102-44		93-94			
REPORT PROFILE					
102-50		89			
102-51		89			
102-52		89			

General Standard Disclosures	Page Number		External Assurance	Direct Answer	SDG Mapping Linkage to disclosure
	AR	SR			
102-53		94			
102-54		89			
102-55		99-103			
102-56				No Assurance Statement	
GOVERNANCE					
102-18	148-162	19-20			
ETHICS AND INTEGRITY					
102-16		10-11, 19-22			Goal 16 peace and justice - Ethic and lawful behave

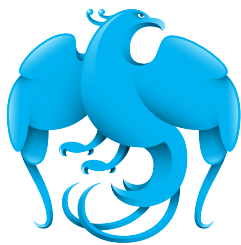
SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page Number		Omissions	External Assurance	SDG Mapping Linkage to disclosure
	AR	SR			
GRI 103 Management Approach					
103-1		89-92			
103-2		34, 40, 48-49, 55-59, 66-67, 70-71, 73, 82, 85			
103-3		19, 26, 34, 45, 60, 65-66, 73			
Economic					
Economic Performance					
201-1	194-195	45			Goal 8 good job and economic growth - Economic Performance Goal 9 innovation and infrastructure - Infrastructure investment
201-2		31			
201-3		52-53			
201-4		45			

DMA and Indicators	Page Number		Omissions	External Assurance	SDG Mapping Linkage to disclosure
	AR	SR			
Indirect Economic Impact					
203-2		13-14, 34-44, 73-75			Goal 8 good jobs and economic growth - Indirect impact on job creation - Jobs supported in the supply chain
Environment					
Materials					
301-1		88			Goal 12 responsible consumption - Material efficiency/ recycling
Energy					
302-1		82-84			Goal 12 responsible consumption - Material efficiency
302-4		83-84			Goal 12 responsible consumption - Material efficiency Goal 13 climate action - Material efficiency
Water					
303-1		84			
Emissions					
305-2		83-84			Goal 13 climate action - Material efficiency
305-5		83-85, 87			Goal 13 climate action - Material efficiency
Social					
Labor Practices and Decent Work					
Employment					
401-1		50			Goal 5 gender equality - Gender equality Goal 8 good jobs and economic growth - employment
401-2		52-53			Goal 8 good jobs and economic growth - Earning, wages and benefits

DMA and Indicators	Page Number		Omissions	External Assurance	SDG Mapping Linkage to disclosure
	AR	SR			
401-3		54			Goal 5 gender equality - Parental leave
Occupation Health and Safety					
403-1		61-62			Goal 8 good jobs and economic growth - Occupational health and safety
403-2		63			Goal 3 good health - Occupational health and safety
403-3		64			
403-4		64			
Training and Education					
404-1		57			Goal 4 quality education - Employee training and education Goal 8 good jobs and economic growth - Employee training and education
404-2		55-57			Goal 8 good jobs and economic growth - Employee training and education
404-3		57			Goal 8 good jobs and economic growth - Employee training and education
Diversity and Equal Opportunity					
405-1		49-50			Goal 5 gender equality - Gender equality - Woman in leadership Goal 8 good jobs and economic growth - Diversity and equal opportunity
Non-discrimination					
406-1		50, 69			Goal 5 gender equality - Non-discrimination Goal 16 peace and justice - Non-discrimination

DMA and Indicators	Page Number		Omissions	External Assurance	SDG Mapping Linkage to disclosure
	AR	SR			
Anti-corruption					
205-1		27			Goal 16 peace and justice - Anti-corruption
205-2		23-25			
Marketing Communications					
417-3		71-72			
Customer Privacy					
418-1		71			Goal 16 peace and justice - Compliance with laws and regulations - Protection of privacy



Krungthai
กรุงไทย

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 | <input type="radio"/> High | <input type="radio"/> Medium | <input type="radio"/> Low |
| The appearance of report design | <input type="radio"/> High | <input type="radio"/> Medium | <input type="radio"/> Low |
| The noteworthiness of the content | <input type="radio"/> High | <input type="radio"/> Medium | <input type="radio"/> Low |
| Your level of satisfaction | <input type="radio"/> High | <input type="radio"/> Medium | <input type="radio"/> Low |

6. Which module of Sustainability Report do you think is the **most** useful for you?

- ☐ Organizational Profile ☐ Corporate Governance and CG Culture Creation
☐ Operations in Economic ☐ Dimension Operations in Social Dimension
☐ Operations in Environmental Dimension

7. Which module of Sustainability Report do you think is the least useful for you?

- ☐ Organizational Profile ☐ Corporate Governance and CG Culture Creation
☐ Operations in Economic ☐ Dimension Operations in Social Dimension
☐ Operations in Environmental Dimension

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.



Corporate Social Responsibility Department

Krung Thai Bank PCL.
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Bangkok 10331

ใบอนุญาตเลขที่ ป.น. (ค) /3782 ศฝ.หัวลำโพง
ถ้าฝากส่งในประเทศไม่ต้องฉีกตราไปรษณียากร



Responsible Banking Growing to a Sustainable Future

This Sustainability Report is printed on green card and green offset paper, eco-friendly uncoated paper which is composed of eco fiber. This environmentally friendly paper eliminates the use of virgin fiber in the papermaking process but still maintains the same quality as that of virgin fiber. This report is also printed with the environmentally friendly soy ink.

Krungthai
NEXT



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กรุงไทย

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