

**KASIKORNTHAI**

Sustainability Development Report 2013

**KASIKORNBANK**



ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ

# CUSTOMER CENTRICITY

# K

**KASIKORNTHAI**

**ธนาคารกสิกรไทย**

开泰银行 KASIKORNBANK



**หลักทรัพย์จัดการกองทุนกสิกรไทย**

开泰基金管理 KASIKORN ASSET MANAGEMENT



**ศูนย์วิจัยกสิกรไทย**

开泰研究中心 KASIKORN RESEARCH CENTER



**หลักทรัพย์กสิกรไทย**

开泰证券 KASIKORN SECURITIES



**ลีสซิ่งกสิกรไทย**

开泰租赁 KASIKORN LEASING



**แฟคเตอรี แอนด์ อีควิปเมนต์ กสิกรไทย**

开泰设备融资 KASIKORN FACTORY AND EQUIPMENT



- Multi-Corporate Business • Large Corporate Business • Medium Business
- Small and Micro Business • High Net Worth Individual • Affluent • Middle Income • Mass

## Mission

KASIKORNBANK aims to be a strong financial institution that provides a variety of financial services of world-class quality responsive to customers' needs by harmoniously combining technology and human resources so as to achieve optimal benefits for customers, shareholders, employees and society.

## Vision

KASIKORNBANK aims to be the strongest, the most innovative and the most proactive financial institution in serving customers.

## Core Values

- Customer Centricity
- Organization-Wide Teamwork
- Professionalism
- Innovation

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## Message from Chairman of the Board and Chief Executive Officer

KASIKORNBANK PUBLIC COMPANY LIMITED has embraced Sustainable Development as an integral part of our business advancement plans and goals. It is our firm belief that our corporate strength and sustainability will be achieved only through sharing and returning benefit to society.

Based on the “Green at Heart” resolution, we have set a clear policy framework for Corporate Social Responsibility in consistence with the Mission, Vision and Core Values for organization-wide practices, under concurrence by the Corporate Governance Committee and approved by the Board of Directors. We believe this enhances our balanced operations and develops awareness of economic, social and environmental impacts, helping us to achieve ongoing, sustainable business viability.

### Economic Development

The Bank focuses on the development of integrated, diverse products and services responsive to customers’ needs throughout their lives that also raise their efficiency in conducting financial transactions. We also disseminate financial and other useful information to our customers and the general public through vehicles such as K-Expert, K SME Care, KFam Club, and a TV reality show entitled “SME Mee Tung Yer.” This sharing of knowledge also serves to enlarge our high-quality customer base, helps create business networks for our customers, and mitigates our credit risk in the long run, thus being an important fundamental towards sustainable development within the national economic system.

### Social Development

The Bank aims to empower society and the community, especially our youth, realizing that the continued development of our nation is dependant on our young people developing into high-quality adults. The Bank is cooperating with the Thailand Research Fund (TRF) in embarking on the Cultivation of Wisdom project Year 2 in order to develop and enhance analytical skills in

young people through research-based projects. This will develop awareness of and commitment to local community lifestyles. The Bank supports other educational projects with the same goal in mind. The Bank has embarked on the second consecutive year of the K-Expert Project, with the aim of developing innovative ideas among university students, as well as developing employee skills through various training courses.

### Environmental Development

The Bank is committed to environmental conservation, with our clear policy of promoting the development of “Green Architecture” and long-term management of “Green Buildings.” An example is our Learning Center building, the first building of its kind in Thailand to be awarded LEED® Platinum Certification from the U.S. Green Building Council. On the business front, KBank has environmentally-friendly lending criteria that are consistent with acceptable environmental assessment standards. We have also supported renewable energy power plant projects such as wind, hydro, solar and biomass, and organized voluntary activities for our employees and communities to help preserve and rehabilitate the environment.

This Sustainability Development Report has been prepared in conformity with the Global Report Initiative (GRI) framework being used as a guide for assessment of our Sustainable Development projects, which are on a par with international standards. It has been my pleasure to initiate and support these efforts and to encourage all employees, customers, communities, and the overall society, as well as other stakeholders, to participate in these beneficial activities for our mutual, sustainable development.



(Mr. Banthoon Lamsam)

Chairman of the Board and Chief Executive Officer



Area	Principles of Global Compact	Implementation
<p data-bbox="203 411 386 443">Human Rights</p> 	<ol data-bbox="456 411 951 621" style="list-style-type: none"> <li>1. Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>2. Make sure that they are not complicit in human rights abuses.</li> </ol>	<ul data-bbox="992 411 1487 842" style="list-style-type: none"> <li>• Include respect for human rights in the Code of Conduct.</li> <li>• Have in place effective channels for the Bank to obtain suggestions and information useful for business operations, including complaints about unlawful or improper actions - which could be conveyed directly to the Bank's Board of Directors. Measures that safeguard informers against reprisal must also be available.</li> </ul>
<p data-bbox="256 905 332 936">Labor</p> 	<ol data-bbox="456 911 951 1251" style="list-style-type: none"> <li>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>4. The elimination of all forms of forced and compulsory labor;</li> <li>5. The effective abolition of child labor; and</li> <li>6. The elimination of discrimination in respect of employment and occupation.</li> </ol>	<ul data-bbox="992 911 1487 1965" style="list-style-type: none"> <li>• Include employee practices in the Statement of Business Conduct and the Code of Conduct, whereby employees are protected against discrimination, have access to knowledge building opportunities, and are offered a proper welfare and security, good benefits comparable to leading companies.</li> <li>• Encourage establishment of KASIKORNBANK Labor Union and KASIKORNBANK Officer Labor Union in order to foster good relationships between employers and employees, and among employees.</li> <li>• Provide career opportunities for the disabled, allowing them to be able to live with dignity in society, in compliance with the Persons with Disabilities Empowerment Act B.E. 2550 (2007).</li> <li>• Have in place effective channels for employees to offer their opinions and suggestions.</li> <li>• Develop a policy related to complaint acceptance and employee grievance procedures.</li> </ul>

Area	Principles of Global Compact	Implementation
<p data-bbox="175 407 342 436">Environment</p> 	<ol style="list-style-type: none"> <li data-bbox="418 411 915 485">7. Businesses should support a precautionary approach to environmental challenges;</li> <li data-bbox="418 506 915 579">8. Undertake initiatives to promote greater environmental responsibility; and</li> <li data-bbox="418 600 915 674">9. Encourage the development and diffusion of environmentally friendly technologies.</li> </ol>	<ul style="list-style-type: none"> <li data-bbox="954 411 1451 621">• Include social responsibility as one of the major components of Corporate Governance in the Statement of Corporate Governance Principles, Statement of Business Conduct and Code of Conduct.</li> <li data-bbox="954 642 1451 768">• Include participation in environmental protection and preservation in the Corporate Social Responsibility Policy.</li> <li data-bbox="954 789 1451 1199">• Build an organizational culture of helpfulness and volunteerism, in which employees participate in constructive activities that contribute to the sustainability of our community, society and nation, including launching initiatives, giving support and engaging in environmental projects, as well as managing and maximizing natural resource efficiency.</li> <li data-bbox="954 1220 1451 1388">• Align office development with "Green Building" standards, with a focus on energy-saving and environmentally-friendly features.</li> <li data-bbox="954 1409 1451 1629">• Specify use of building equipment and system associated with high technology and efficiency to preserve energy and the environment, e.g. the Solar Rooftop Project (still pending construction).</li> <li data-bbox="954 1650 1451 1860">• Promote "Green Building" knowledge, concerning energy saving and environmental friendliness, through seminars and company visits for organizations and educational institutions.</li> </ul>

Area	Principles of Global Compact	Implementation
<p data-bbox="191 411 396 443">Anti-corruption</p> 	<p data-bbox="456 411 951 485">10. Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<ul data-bbox="992 411 1487 1440" style="list-style-type: none"> <li>• Be part of a collaborative effort to fight corruption in Thailand's private sector by joining the Private Sector Collective Action Coalition (CAC) Project.</li> <li>• Obtained certification from the CAC Council on October 8, 2013.</li> <li>• Enforce the Anti-Corruption Policy and include it in the Code of Conduct.</li> <li>• Establish a policy to receive information or complaints against unethical behavior or fraudulent acts within the Bank.</li> <li>• Disseminate the Anti-Corruption Policy to directors, executives and employees.</li> <li>• Have in place effective channels for direct communication with, and provision of useful recommendation or information to the Bank's Board of Directors, as well as measures that safeguard informers against reprisal.</li> <li>• Be part of the "Sustainable and Green Procurement Initiative" with Thailand Business Council for Sustainable Development (TBCSD).</li> </ul>

KASIKORNBANK PCL, since 2002, has reported social and environmental responsibilities as part of the Annual Report. In 2013, the second Sustainability Development Report was issued separately from the Annual Report to communicate with all our stakeholders about our CSR policies, management and performance comparable to international standards. This report, showing our performance during January 1 - December 31, 2013, has been prepared under the guidelines of Global Reporting Initiative (GRI) version G3.1, and the Bank's information disclosure has been rated at a "B+" level to enhance the standard of report. It covered the Bank's operations based on information compiled from responsible units and divisions including the Corporate Secretariat, Corporate Strategy Management, Compliance and Audit, Corporate Business,

Corporate and SME Products, SME Business, Retail Business, Enterprise Risk Management, Finance and Control, Systems and Human Resource Divisions.

The Bank's procedural guidelines for stakeholders are stipulated in our Statement of Business Conduct and the Code of Conduct, placing particular emphasis on equal rights of all stakeholders, both internal stakeholders, i.e., shareholders, the Board of Directors, and employees of the Bank; and external stakeholders, i.e., customers, counterparties, competitors, creditors, the community, the environment and society at large. Participation of all stakeholders has also been encouraged so that their needs can be effectively satisfied. Salient points can be summarized as follows:

Stakeholders	Needs	Processes	Implementation
Shareholders	<ul style="list-style-type: none"> <li>• Sound and sustainable growth of the organization</li> <li>• Fair and transparent operations</li> </ul>	<ul style="list-style-type: none"> <li>• Arranging Annual General Meeting of Shareholders (Once per year)</li> <li>• Meeting with foreign and Thai shareholders and investors to provide information (246 meetings)</li> <li>• Arranging activities for shareholders (3 activities)</li> <li>• Disseminating complete equal, transparent and timely information through every channel</li> <li>• Accepting suggestions and complaints</li> </ul>	To operate business according to the Statement of Corporate Governance Principles and under a sustainable approach
Board of Directors	<ul style="list-style-type: none"> <li>• Transparent operations that lead to sustainable growth of the organization</li> <li>• Equitable treatment of all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Holding board meeting every month</li> <li>• Providing adequate, complete and timely information</li> <li>• Encouraging participation in corporate governance</li> <li>• Developing knowledge related to directors' discharge of duty</li> </ul>	To operate business according to the Statement of Corporate Governance Principles
Employees	<ul style="list-style-type: none"> <li>• Appropriate remuneration and welfare</li> <li>• Career advancement and security</li> <li>• Continued employee development</li> <li>• Security and safety at work</li> </ul>	<ul style="list-style-type: none"> <li>• Holding employee orientation</li> <li>• Providing skill enhancement via training (781 courses)</li> <li>• Conducting employee surveys (Once per year)</li> <li>• Arranging channels for accepting opinions and suggestions</li> <li>• Undertaking regular salary surveys in the market every year</li> </ul>	<ul style="list-style-type: none"> <li>• Fair and equal treatment of employees</li> <li>• To continuously provide training programs</li> <li>• To offer remuneration and benefits comparable to those of other leading companies</li> <li>• To arrange for a safe and hygienic working environment conducive to working effectively</li> </ul>

Stakeholders	Needs	Processes	Implementation
Customers	<ul style="list-style-type: none"> <li>• Customer satisfaction towards diverse, complete and high-quality financial products and services</li> <li>• Effective customer responsiveness</li> <li>• Protection of customers' confidential information</li> </ul> <p><b>Foreign customers</b></p> <ul style="list-style-type: none"> <li>• Convenience of financial transactions in Thailand</li> <li>• Advice on trade and investment in Thailand</li> <li>• Introduction to potential and reliable trade partners</li> </ul> <p><b>Thai Customers</b></p> <ul style="list-style-type: none"> <li>• Preparedness for overseas financial services</li> <li>• Advice on trade and investment in ASIA</li> <li>• Introduction to potential and reliable trade partners</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancing customer understanding via activities to promote good relationships:</li> <li>• Arranging activities/ providing product information</li> <li>• Accepting suggestions and complaints</li> </ul> <ul style="list-style-type: none"> <li>• Business matching</li> <li>• Development of K Global Business Center</li> <li>• Providing advice from staff members who are fluent in foreign languages</li> <li>• Preparing handbooks of trade and investment in Thailand and other AEC nations</li> <li>• Arranging the Thai-Chinese Business Center</li> </ul>	<ul style="list-style-type: none"> <li>• To offer products that respond to customer needs</li> <li>• To develop employee potentiality to ensure customer responsiveness in all aspects through the offering of products and services</li> <li>• To incorporate protection of customers' confidential information into the Code of Conduct, which must be strictly adhered to and regularly communicated with employees</li> <li>• To strive to become an "Asian Bank" under the "AEC+" strategy with focus on development of financial/ non-financial products and services for the customers of KBank and our allied banks, with an aim to empower our customers ahead of the upcoming AEC advent</li> </ul>
Counterparties	<ul style="list-style-type: none"> <li>• Transparent business operations</li> </ul> <p>Desired cooperation framework:</p> <ol style="list-style-type: none"> <li>1. Facility and process sharing: Customer referral and location sharing for customer service among allied banks</li> <li>2. Human resource collaboration: Staff exchange among allied banks</li> <li>3. Information sharing: Sharing business-related information</li> </ol>	<ul style="list-style-type: none"> <li>• Visiting counterparties</li> <li>• Arranging various forms of activities to strengthen relationships</li> <li>• Accepting suggestions and complaints</li> </ul> <ul style="list-style-type: none"> <li>• Concluding an MOU to serve as a cooperation framework for customer service of KBank and allied banks</li> <li>• Arranging activities to fortify relationships, e.g., seminars, business matching activities</li> <li>• Organization of staff exchange programs</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with contracted terms and conditions in trade</li> <li>• To forge an alliance with local banks in various countries for regional service coverage and preparedness for financial and non-financial transactions of business operators</li> </ul>

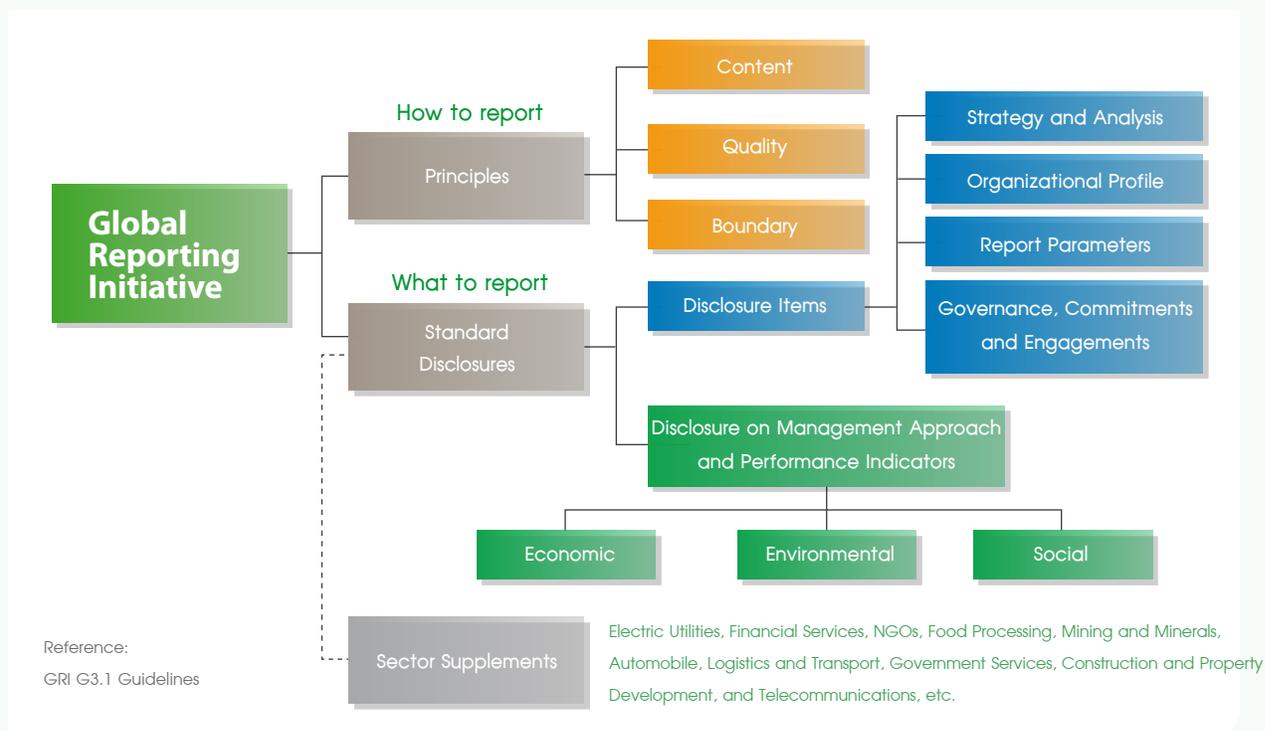
Stakeholders	Needs	Processes	Implementation
Counterparties	4. Network extension: Expanding the networks of allied banks and their customers via referral or business matching programs	<ul style="list-style-type: none"> <li>• Arranging the Alliance Partnership Bank</li> </ul>	
Competitors	<ul style="list-style-type: none"> <li>• Fair and transparent business operations</li> </ul>	<ul style="list-style-type: none"> <li>• Creating fair competitive conditions</li> </ul>	To observe fairness in competition and avoid any <i>mala fide</i> methods
Creditors	<ul style="list-style-type: none"> <li>• Interest and loan payment within due date</li> </ul>	<ul style="list-style-type: none"> <li>• Arranging various forms of activities, including learning-based ones, to strengthen relationships</li> <li>• Accepting suggestions and complaints</li> </ul>	To abide by lending terms and conditions and all legitimate duties to creditors, debenture holders and depositors.
Community, Environment and Society	<ul style="list-style-type: none"> <li>• Support of community activities</li> <li>• Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring needs of local communities and society</li> <li>• Accepting and exchanging opinions</li> <li>• Supporting community participation in CSR activities (71 activities)</li> </ul>	<ul style="list-style-type: none"> <li>• To strictly adhere to the Statement of Business Conduct and to participate in social development and environmental protection</li> <li>• To launch CSR activities for the benefit of communities</li> <li>• To protect the environment of communities and the society</li> <li>• To encourage employee participation in CSR activities</li> </ul>

The Bank gives significance to appropriate and fair treatment in identifying and screening stakeholders and impacts of the Bank's business operations on them. To ensure that the Sustainability Development Report has complete coverage in the dimensions of economy, society and environment, participation of the Bank employees in the establishment of the report's content was allowed. To this end, workshops were held for the management and employees for preparation of the

Sustainability Development Report in accordance with the guidelines of Global Reporting Initiative (GRI) version G3.1. Significant aspects related to the Bank were selected for materiality test under GRI Reporting Framework.

The meeting of relevant parties considered incorporation of the Financial Services Sector Supplement into the report, which elaborates aspects with materiality and readiness as follows:

Aspect Category	Aspects
Product and Service Impact	Product domain
Economic	Economic performance, Indirect economic impacts
Environmental	Energy, Water, Emission, Effluents and waste, Products and services
Labor Practices and Decent Work	Employment, Labor/management relations, Occupational health and safety, Training and education, Equal remuneration for women and men
Human Rights	Investment and procurement practices, Non-discrimination, Child labor, Prevention of forced and compulsory labor
Society	Corruption, Public policy
Product Responsibility	Product and service labeling, Marketing communications



The Sustainability Development Report will be improved for completeness over the coming years. Details of performance indicators for each aspect identified herein are shown in the item

of Content Index subject to GRI Reporting Framework which will be used to assess the Bank's performance for improvement of our operations.

KASIKORNBANK PCL conducts commercial banking business, securities business, and other related business under the Financial Institution Business Act, Securities and Exchange Act and other related regulations.

Head Office	:	1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-District, Rat Burana District, Bangkok 10140, Thailand
Company Registration Number	:	0107536000315 (formerly PLC 105)
Telephone	:	+662-2220000
Fax	:	+662-4701144
e-mail	:	info@kasikornbank.com
K-Contact Center	:	+662-8888888 (Thai) +662-8888822 Press 2 (Mandarin) +662-8888800 (English) +662-8888826 (Japanese) +662-8888888 Press *5 (Myanmar)
K-BIZ Contact Center	:	+662-8888822 (Thai, Mandarin, English and Japanese)
Website	:	www.kasikornbankgroup.com

The Bank was established on June 8, 1945. It was listed on the Stock Exchange of Thailand on February 9, 1976. The Bank's registered capital now totals Baht 30,486,146,970; paid-up capital, Baht 23,932,601,930, with 2,393,260,193 ordinary shares at a par value of Baht 10.

The Bank operates business under good corporate governance practices, based on integrity, transparency, impartiality, and fairness to all stakeholders along with firm determination towards moral business practices and responsibility for improvement of economy, society and environment.

Being aware of environmental preservation, the Bank emphasizes preservation and effective use of resources in the organization and enforces an energy conservation policy and internal standard for environmental preservation as concerns data storage, examination of energy consumption and system

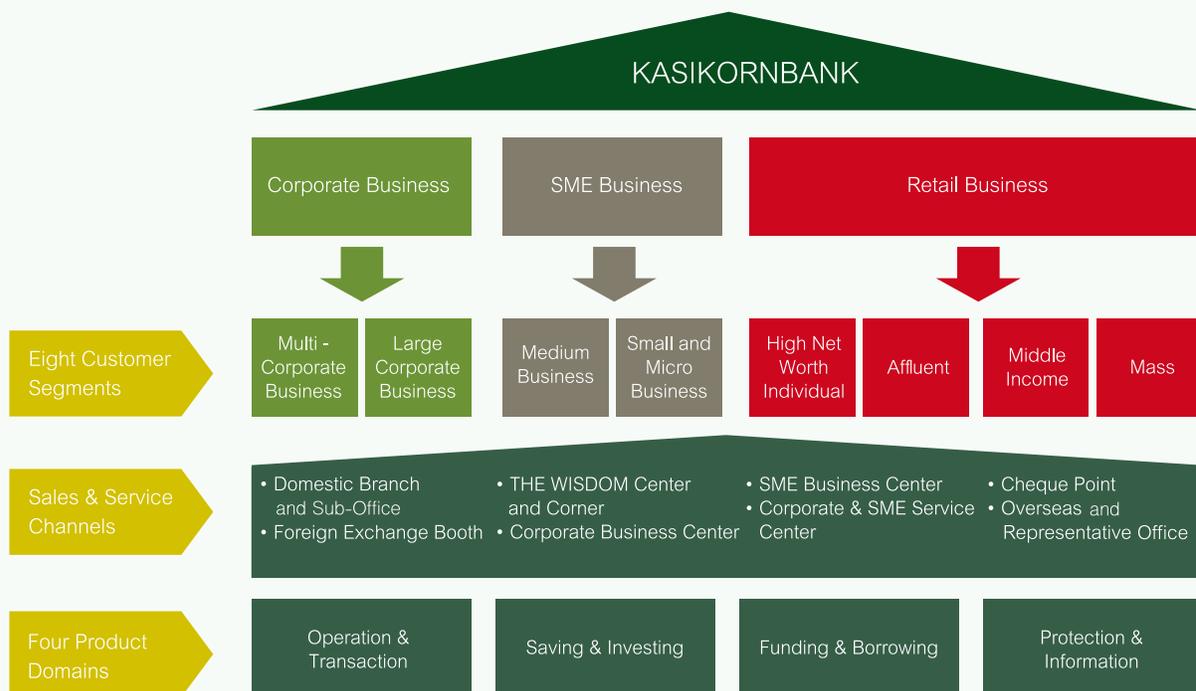
management in order to promote better quality of the environment, in accordance with an international standard - the Leadership in Energy and Environmental Design (LEED) and Thailand's local standard of the Ministry of Energy, etc.

In addition, the Bank participates as a partner, networker and member of an organization or agency established for economic and social benefits, and adopts their best practices for implementation within the organization, including participation in the development and knowledge sharing. The Bank executives also participate as members and directors of agencies and organizations responsible for the development of financial institutions and sustainable development, such as Thailand Business Council for Sustainable Development (TBCSD), Thailand Management Association (TMA) and CSR Club of the Thai Bankers' Association (TBA).

### K-Culture

<p><b>Customer Centricity</b></p> <ul style="list-style-type: none"> <li>• Being Friendly and Approachable</li> <li>• Delivering Products and Services Beyond Customer Expectation</li> <li>• Striving for Customer Success and Satisfaction</li> </ul>	<p><b>Organization-Wide Teamwork</b></p> <ul style="list-style-type: none"> <li>• Trust &amp; Respect</li> <li>• Constructive Communication</li> <li>• Collaboration</li> </ul>	<p><b>Professionalism</b></p> <ul style="list-style-type: none"> <li>• Competence</li> <li>• Ownership Spirit</li> <li>• Integrity and Ethics</li> <li>• Social Responsibility</li> </ul>	<p><b>Innovation</b></p> <ul style="list-style-type: none"> <li>• Courage to Initiate and Implement</li> <li>• Courage to Embrace Change</li> <li>• Continuous Development</li> </ul>
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### Strategic Directions of KASIKORNBANK



KASIKORNBANK and the wholly-owned subsidiaries of KASIKORNBANK always adhere to the Customer Centricity strategy, striving to become the customer’s main bank by satisfying their needs with comprehensive financial services plus delivery of good experience for all customer segments. To this end, we have placed an emphasis on three main areas: Product, via creation of innovative products to meet customer needs in a timely manner; branding and marketing, through clarity and consistency of the brand at all levels; and Service Quality, by delivery of the finest service experience for all customers through our various service channels. These efforts have been put into place under our key strategic directions, i.e.,

1. Understanding Customer Needs
2. Innovative & Managing Products
3. Sales & Services Excellence
4. Proactive Risk Management

KASIKORNBANK and the wholly-owned subsidiaries of KASIKORNBANK have adopted the Balanced Scorecard system as a tool for strategic implementation. Strategic Direction is under an annual review for consideration by the Board of Directors once a year.



**KASIKORNBANK is a financial institution undertaking business under good corporate governance with adherence to transparency, specificity and inspectability in all operational process.**



**Corporate Governance Policy and Structure**



**Anti-Corruption Acts**



**Participation of Stakeholders**

## Corporate Governance Policy and Structure

The Bank is a financial institution undertaking business under good corporate governance with transparency, fairness and accountability for all stakeholders. The Bank's Board of Directors is determined to engage in ethical business undertakings, and has put considerable effort into the responsibility to participate in social, quality-of-life and environmental development. The Board of Directors, thus, has stipulated principles and adhered to business operations with these major components of corporate governance:

- Integrity
- Transparency
- Independence
- Responsibility
- Accountability
- Fairness
- Social Responsibility

Every year, the Board of Directors approves and reviews the Mission, Vision, and Core Values as well as strategic directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, reviews the annual business plan and budget, and oversees the management in effectively carrying out actions that are in line with the designated policies and business plans and are in accordance with the rules and regulatory requirements of related government agencies and the resolutions of shareholders meeting. The Board of Directors decision are independent, in order to ensure that the Bank and its stakeholders receive the maximum benefit. Moreover, the Board ensures the existence of an effective internal control system and appropriate risk management framework, and cooperates with the Bank's management in business undertakings in order to continuously attain the excellent results with current and future risks taken into consideration.

The management's duties and responsibilities involve daily business operations. The relationship between the Board of Directors and management is one of partnership. The Chief Executive Officer and President is accountable to the Board of Directors for daily business operations in terms of operational planning, decision-making and implementation. The Board of Directors provides its views on operational plans and suggestions on business strategies, and monitors implementation and performance of management.

The Board of Directors comprises qualified persons who possess knowledge, ability and experience beneficial to the Bank. In 2013, the Board was composed of 17 members, comprising 9 Independent Directors, 5 Non-Executive Directors and 3 Executive Directors, 4 of whom were 30 - 50 years old and 13 more than 50 years old. Of the total, there were 4 female directors. The Chairman of the Board and Chief Executive Officer are the same person, in order to ensure business continuity amid changes both inside and outside the organization, and to maintain shareholders' and investors' confidence. To comply with the Statement of Corporate Governance principles, the number of Independent Directors constitutes more than half of the number of the Board of Directors, and the Board appointed Vice Chairman as the Lead Independent Director in order to ensure sound checks and balances in management. The Board also appointed the Independent Directors Committee, including the clear roles, duties and responsibilities stated in the Charter, for checks and balances, and protection of equal rights of the shareholders.

The Board of Directors has appointed directors who have suitable knowledge and skills to act as members of Board Committees, with the specific duty to pre-screen matters that need prudent attention prior to submission to the Board of Directors. Board Committees include the Audit Committee, Corporate Governance Committee, Human Resources and Remuneration Committee, and Risk Management Committee. The Board has

also established a Management Committee consisting of the Chief Executive Officer, President, and other Bank officers, to manage and operate the Bank's business as defined by the Board.

The Human Resources and Remuneration Committee has been designated by the Board of Directors to conduct the nomination process - approved by the Board under transparency - in order to select qualified candidates who possess qualifications, skills, knowledge and experience beneficial to the Bank for the position of director in tandem with the proportion, number, diversity and composition of an appropriate Board of Directors without gender discrimination and in compliance with regulatory requirements, the Bank's Articles of Association and best practices for corporate governance principles.

The Bank has established a set of well-defined and transparent remuneration policies for directors. The Human Resources and Remuneration Committee is responsible for reviewing these policies, taking into consideration the appropriateness of remuneration with respect to the scope of responsibilities of each director to ensure that the Bank's remuneration is comparable to that of other commercial banks, prior to submission for consideration by the Board and approval by the Annual General Meeting of Shareholders. Remuneration to executives is paid according to the policies and criteria set by the Board of Directors. It is tied directly to the performance of the Bank and the performance of each individual executive. The Human Resources and Remuneration Committee shall propose remuneration to the Board of Directors for consideration and approval.

The Bank has mapped out an annual self-assessment plan for the Bank's Board of Directors. It serves as a tool for reviewing performance, as well as issues and obstacles facing each director over the past year. It also helps increase the operational effectiveness of the Board. Performance assessment of the Board of Directors is conducted in two ways: the overall performance assessment of the Board and the performance

assessment of each individual director. To facilitate this, the Bank has developed an assessment form consistent with the Statement of Corporate Governance Principles, as well as the duties and responsibilities stated in the Board of Directors Charter. The Board of Directors conducts self-assessments once a year, and the assessment results were then analyzed and evaluated to indicate the level of achievement of objectives for self-assessment by the Board of Directors. In 2013, the self-assessment process was also applied to the Independent Directors Committee and all Board Committees. These assessment results have been presented to the Board of Directors. The Chief Executive Officer and Presidents also undergo self-assessment in order to compare actual performances with the Bank's targets and the annual business plan.

To comply with standards of good governance, and to meet targets related to its implementation, the Bank has initiated guidelines to control, supervise, and prevent transactions that may involve conflicts of interest, or connected or related transactions. This is one of the key components of corporate governance policy that the Board of Directors and the Bank's employees must strictly comply with to earn the trust of all stakeholders. Directors, executives, or employees with related interest in a transaction with the Bank or its subsidiaries must not participate in considering or approving such a transaction. The price of the transaction must be set appropriately and fairly, and in accordance with general commercial terms as applied to general customers. To achieve the practical implementation of the Code of Conduct and regulations to prevent transactions that involve conflicts of interest and connected transactions, the Bank has communicated with employees accordingly via short dramas as fillers of internal TV programs, including prevention of conflicts of interest in auction filing, integrity in customers' deposit, anti-money laundering in customers' account opening, etc.

Placing great importance on good corporate governance, the Board of Directors has regularly revised and approved the

Statement of Corporate Governance Principles, the Statement of Business Conduct, and the Code of Conduct, which are aimed primarily at communicating to all people of the organization the significance of corporate governance implementation. K Companies and P Companies have been encouraged to set up and review the Statement of Corporate Governance Principles, the Statement of Business Conduct, and the Code of Conduct, as well as related operational procedures. The Corporate Governance Committee has been assigned to establish principles and best practices involving corporate governance procedures, to communicate policies, principles, and the Code of Conduct to all related parties, to ensure practical implementation of corporate governance appropriate to the Bank, and to supervise the move towards Sustainable Development.

## Anti-Corruption Acts

The Bank engages in transparent and ethical business undertakings with a well-designed organizational structure that promotes transparency and efficiency, in accordance with the Bank's business goals and nature. Segregation of responsibilities, operational procedures, and line of command in each unit are well-defined in order to ensure existence of checks and balances for the Bank's sustainable growth. The Board of Directors has approved the Statement of Corporate Governance Principles, the Statement of Business Conduct, and the Code of Conduct, which involve fundamental principles of professional operations that directors and employees must adhere to. These are a common scope of accountability to the Bank and stakeholders with integrity and anti-corruption principles under the Code of Conduct that maintains transparent, honest and fair business conduct, together with punitive clauses against any violation. For practical implementation, operational guidelines have been established including regulations to prevent transactions that involve conflicts of interest and connected transactions, regulations to supervise the use of inside information, regulations

involving anti-money laundering and combating the financing of terrorism, regulations in securities and stock futures trading, employee guidelines in accepting gifts and/or benefits, etc.

The Operational Risk and Fraud Management Department has been established with the assignments to identify the processes of operational risk and fraud management, in order to cope with fraudulent acts and operational mishandlings that may lead to fraud. The department is responsible for risk assessment, analysis, monitoring and control. It also compiles the overall risk position to remain within an appropriate risk appetite, as well as examining and gathering preliminary information or evidence of fraud, and coordinating with relevant parties to minimize damages. The Bank is now equipped with fraudulent risk analysis in all products. In 2013, the Operational Risk and Fraud Management Department supervised all departments to identify and assess their related operational risks as per the Bank for international Settlements (BIS) criteria, including fraud issues, in order to formulate guidelines for risk management and regular monitoring and assessment of control measures, all of which are reported to the management and Board of Directors. All related employees have been trained on fraud prevention. In addition, responsible employees have been assigned to attend courses organized by outside agencies, such as VISA, MasterCard, the Thai Institute of Banking and Finance Association (TIBFA), the Fraud Management Club of Thai Bankers' Association and the Office of the National Anti-Corruption Commission (NACC), etc.

The Compliance Department acts as the center of compliance supervision, responsible for overseeing the Bank's business operations in compliance with the Bank's policies and regulations, as well as regulatory requirements. It is the Bank's policy to ensure full regulatory compliance of KASIKORNBANK FINANCIAL CONGLOMERATE. The Compliance Policy, approved by the Board of Directors, stipulates the duties and responsibilities related to compliance of the Board of

Directors, the Audit Committee, executives, departments or units and employees. Employee communications have been conducted to instill the awareness of their duties and responsibilities in studying and understanding related laws and requirements, as well as Bank regulations, and in strictly complying with such regulations.

The Internal Audit Department performing its functions with independence, relies upon risk-based auditing approach. Fraud and unethical conduct are among the concerned risks assessed and audited by the Internal Audit Department. In addition, recommendations on fraud-prevention measures are proposed.

The Corporate Governance Unit, Office of Corporate Secretary, has organized employee training courses on the subject of compliance with the Code of Conduct and Statement of Corporate Governance Principles, and communicated regularly with the Board of Directors, executives and employees via the annual corporate governance activities. Emphasis has been placed on maintenance and development of the corporate governance standards, and promotion of the corporate governance practices as the organizational culture. Moreover, guidelines for monitoring and concrete evaluation have been mapped out.

Placing emphasis on anti-corruption efforts, in 2013, the Bank organized training courses on Anti-Money Laundering and Combating the financing of Terrorism Practices (AML/CFT: Module I and Module II) for employees respectively. For AML/CFT: Module I, there were 4,202 employees attending these courses, comprising 153 executives in the position of First Vice President or higher (59.30 percent of all executives), and 4,049 operating employees in the position of Vice President or below (21.53 percent of all operating employees), equal to 6,748 training hours. For AML/CFT: Module II, there were 8,747 employees attending these courses, comprising 225 executives in the position of First Vice President

or higher (87.21 percent of all executives), and 8,522 operating employees in the position of Vice President or below (45.32 percent of all operating employees), equal to 8,619 training hours. Since 2009, there have been 17,757 current employees, or 93.15 percent, attending the AML/CFT: Module I courses. The Bank also revised the contents of the "Governance, Risk Management and Compliance" course for Class 3/2013 to incorporate the Anti-Corruption Policy. This course was attended by 27 executives from the level of Vice President and Senior Vice President.

The Bank, KASIKORN ASSET MANAGEMENT CO., LTD. AND KASIKORN SECURITIES PCL. have co-signed a declaration of the "Private Sector Collective Action Coalition Against Corruption" (CAC) project jointly initiated by the Thai Institute of Directors Association (IOD), the Thai Chamber of Commerce, the Joint Foreign Chambers of Commerce in Thailand, the Thai Listed Companies Association, the Thai Bankers' Association, the Federation of Thai Capital Market Organizations and the Federation of Thai Industries, with the purpose to raise anti-corruption awareness as a common practice of general organizations. In 2013, the Bank, KAsset and KSecurities were granted certification by the CAC Council.

The Bank has established anti-corruption regulations on all fronts with abstention from receiving or giving bribes and inducements in the Code of Conduct strictly observed by directors and employees. In 2013, the Board of Directors approved the Anti-Corruption Policy, which includes the issues of bribes and inducements, gifts and benefits, charitable contributions and sponsorships, and political participation. Communications on the Anti-Corruption Policy have been made with directors, executives and employees via Bank internal media and website, while tests have been conducted to measure the knowledge of executives and branch managers across the country. The results will be compiled and used in further

communication planning. K Companies and P Companies have been notified to prepare this policy. Moreover, KBank and TBCSB have Participated in the “Sustainable and Green Procurement Initiative” project in Private sector.

## Participation of Stakeholders

The Bank provides various communication channels for stakeholders via the K-Contact Center, KBank Live, Branches, Investor Relations Unit, Shareholder Relationship Management Unit, etc. In order to promote operational transparency, direct communications with the Board of Directors in alignment with the criteria specified on the Bank’s website under the “Investors” tab at [www.kasikornbankgroup.com](http://www.kasikornbankgroup.com) have been enhanced to receive useful information for business undertaking or complaints on improper actions. Also, information or complaints can be directly

submitted to the Internal Audit Department via documents or e-mails to inform about improper actions of employees or evidences of internal fraud. To protect the rights of information providers, the Bank has established a written policy of information or complaint receiving, identifying the receiving channels, information or complaint management processes, measures to protect the rights of information providers, protection of confidential information - only authorized persons can have access to such information and only independent directors are assigned to give orders and report to the Board of Directors on confidential information. Fair measures have been established for stakeholders, whom losses are incurred to, due to violation of their legal rights.

For query, recommendation or complaint submission, please contact the Bank at:



### K-Contact Center:

e-mail : [info@kasikornbank.com](mailto:info@kasikornbank.com)  
 Telephone : +662-8888888 (Thai),  
 +662-8888822 Press 2 (Mandarin),  
 +662-8888800 (English),  
 +662-8888826 (Japanese),  
 +662-8888888 Press \*5 (Myanmar)

### Investor Relations Unit (Thai and Foreign Institutional Investors and Shareholders):

e-mail : [IR@kasikornbank.com](mailto:IR@kasikornbank.com)  
 Telephone : +662-470 6900 to 1, +662-470 2659 to 62  
 Fax : +662-4702690

### Shareholder Relationship Management Unit (Thai Investors and Shareholders):

e-mail : [Shareholder\\_Relations@kasikornbank.com](mailto:Shareholder_Relations@kasikornbank.com)  
 Telephone : +662-4706116  
 Fax : +662-4702747  
 Address : KASIKORNBANK PCL Head Office, 33<sup>rd</sup> Floor,  
 Office of Corporate Secretary,  
 Corporate Secretariat Division,  
 1 Soi Rat Burana 27/1, Rat Burana Road,  
 Rat Burana Sub-District, Rat Burana District,  
 Bangkok 10140

### Internal Audit Department

e-mail : [InternalAudit@kasikornbank.com](mailto:InternalAudit@kasikornbank.com)  
 Address : Internal Audit Department Head  
 Internal Audit Department, Compliance  
 and Audit Division  
 Muang Thai-Phatra Complex 1, 31<sup>st</sup> Floor,  
 252/40-41, Ratchadaphisek Road,  
 Huai Khwang Sub-District, Huai Khwang District,  
 Bangkok 10320



*Green at Heart*



Business



Employees



Environment



Society

**KASIKORNBANK** is a financial institution operating in conformity with the Statement of Business Conduct, as well as Corporate Governance and Sustainable Development Principles, to enhance sustainability, transparency and responsibility, under the "Green at Heart" concept.

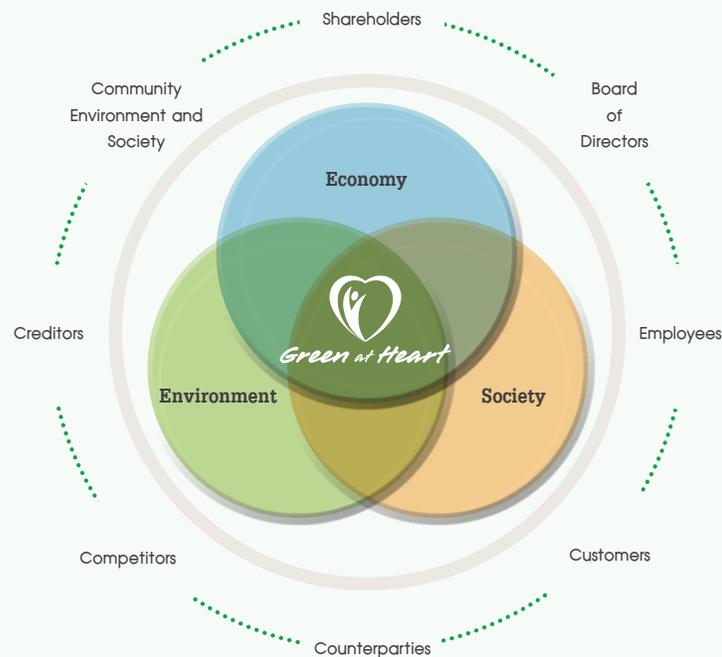
KASIKORNBANK is a financial institution operating in conformity with the Statement of Business Conduct, as well as Corporate Governance and Sustainable Development Principles, to enhance sustainability, transparency and responsibility. The Bank has adopted the “Green at Heart” concept that focuses on fostering staff awareness of said principles in all of their operational processes. Any lessons learnt therefrom Sustainable Development will be applied in the creation of a strong business foundation with optimal benefits for both business and society.

The Board of Directors has approved the Corporate Social Responsibility (CSR) Policy , as follow:

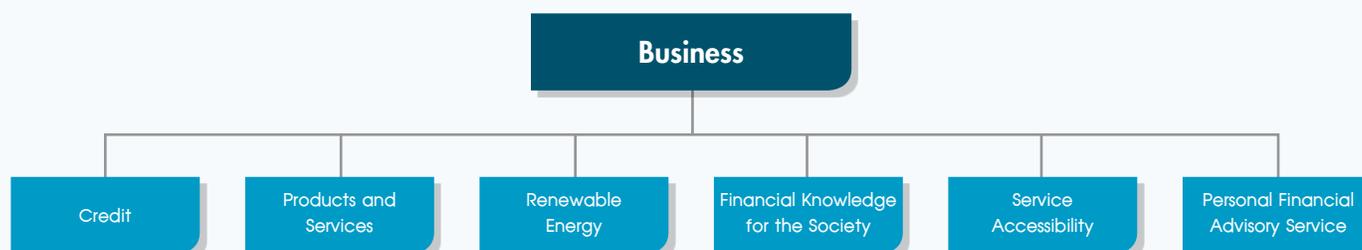
- To strictly adhere to the Statement of Business Conduct, and to participate in social development and environmental protection
- To encourage employees at all levels to strictly abide by the Code of Conduct and CSR Principles

- To launch CSR activities for the benefit of all stakeholders
- To arrange workplaces with an emphasis on safety, occupational health, environmental concerns, and facilitation for employees and customers
- To promote environmental preservation and contribution to society

The Bank has developed business plans and created innovations for optimal benefits for business and society, holding full responsibility for economy, society and the environment. Sustainable Development undertakings were ongoing throughout 2013, promoting participation by employees, customers, society and communities. The Bank allocated a budget of 1-1.5 percent of annual net profit for such undertaking, and Sustainable Development framework reports were submitted to the Corporate Governance Committee and the Board of Directors on a regular basis. Sustainable Development framework may be summarized under four headings, i.e., business, employees, environment and society.



## Business



Emphasis has been placed on efficiently offering quality products, as well as standardized and responsive services to customers, the general public and society. KBank has also aimed at being the country's leading financial conglomerate that participates in the sustainable economic development of Thailand. Based on this determination, the Bank has outlined our credit policy and measures in alignment with the national development directions and in deterrence of illegal activities, to upgrade internal work standards, and to revise product/service patterns and work processes for greater cost effectiveness and responsiveness to the diverse needs of customers and the general public. The Bank has also assisted in the improvement of customers' work processes for greater rapidity and efficiency, while providing knowledge for customers and developing their skills in financial management and planning to elevate their potential competitiveness and business operations, which will be beneficial to the economic advancement of the country as a whole. Credit policy and various projects initiated by the Bank include the following:

### A Rigorous Culture of Credit

The Bank has adopted a credit culture and policy to avoid granting credit to certain types of credit request contradicting morality and social norms, credit request associated with encroachment into mangrove forest or under a plan to convert mangrove forest areas, and credit request violating the national environmental protection laws. The Bank's credit policy gives top priority to environmental protection in order to show the Bank's awareness of business likely to harm the environment. Any credit request shall be in accordance with the regulatory requirements for environmental protection, which will lead to sustainable development of the whole nation. To consider credit associated with the environment, the Bank has set a policy guideline, as below:

- Environmental Impact Assessment Report will be regarded as an important factor for credit underwriting, in addition to business viability.
- All credit requests for manufacturing or business likely to produce environmental or social impacts shall strictly enter the Environmental Impact Assessment process.
- In case of projects to be implemented overseas that may cause environmental impacts, they must comply with the generally accepted international standards.

The Bank has devised credit strategies that engender a rigorous and stable credit culture, as part of our corporate culture, to generate continued returns amid growth in quality assets. A definitive credit policy, along with operational principles and conditions, as well as procedures for credit consideration, have all been established, based on effective risk management, operational efficiency and cost management applied to the products and services we offer. The duties, roles and responsibilities within our credit operations have been identified for proper investigative and control mechanisms, particularly in the Credit Policy and Risk Management Department, including all Assistant Relationship Managers, senior credit supervisors and their subordinates as well as credit analysts, Integrated Risk Management and Analysis Department, Corporate Segment Management Department, Product Managers, Risk Assessment Review Department, etc. Above them, we have a Credit Policy Sub-Committee that engages in consideration of recommendations to our credit policy. The Sub-Committee also urges employee communications on credit policy and operational procedures that would be consistent with market conditions and an appropriate risk appetite.

Business lending varies with each industry's structure and their intrinsic risk factors, wherein we strive to maintain credit quality and prevent unjustifiable credit extension. In addition to our general criteria, pre-screening criteria have been devised for each industry, taking into account each industry's primary success factors, statistical average values and historical case studies of such customers. KBank also focuses on efficient use of energy by our business customers, because it is cost effective, deriving great benefit to their bottom line, which in turn benefits our country's environment and energy efficiency. Through our "Green Bank, Green Financing and Green Projects" program, we have supported investments in energy management, and have promoted the use of alternative and/or renewable energy sources where we offer consultations, financing and relevant data to aid in planning.

Risks associated with credit extension to small-scale solar, wind and biomass projects have been assessed as follows:

1. Raw Material Risk: Both prices and available volumes must be assessed amid a growing number of power plant projects, given limited raw material resources used by other industries, as well.
2. Technology/Machinery Risk: This would entail design features such as boilers, turbines and generators (preliminary inspection in IE reports undertaken by independent engineers).
3. Civil Unrest Risk: Mass protests while credit requests are under consideration could prevent a power plant from being commissioned.
4. Environmental Impact Risk: Matters to be investigated would include security systems, initial environmental examinations (IEE) by responsible agencies, plus environmental and social impact assessments.

In addition to solar and wind power plant projects, considered as clean energy, the Bank has granted credit support for hydropower projects in the People's Democratic Republic of Lao, also considered as clean energy. KASIKORNBANK, in cooperation with Multilateral Development Banks (MDBs) and financial institutions in many countries, has granted credit supports for the development and construction of hydropower projects in Lao PDR. All projects have placed considerable emphasis on social and environmental management, ranged from the assessment of construction impacts, and monitoring of impacts during construction and after commercial power generation, taking into account the laws, regulations and international best practices. There are independent consultants on technical, as well as social and environmental management issues for all banks in order to ensure sufficiency in the operational plans of the companies, closely and continuously. In detail:

1. **Nam Theun 2 Project** — Construction of a hydropower dam with social and environmental management meeting the following international guidelines:

- Equator Principles
- ADB Safeguard Policies
- Environmental Guidelines under "Hydroelectric Power Stations and Large Dams", Coface, July 2003
- World Bank Safeguard Policies
- MIGA Environmental Assessment Policy

2. **Theun-Hinboun Project** — Construction of hydropower project that were built later as project extensions per the following guidelines and requirements:

- Equator Principles
- Preparation of an environmental impact assessment
- Preparation of an environmental management and monitoring plan
- Preparation of a social impact assessment and resettlement action plan, or mitigation of impacts from resettlement plan and/ or impact on occupation and plantation, including compensation for those affected before/ and after resettlement

3. **Xayaburi Project** — Construction of run-of-the-river hydroelectric power project in Lao PDR. With this type of project, the power station is built on the river with a consistent water flowing through for electricity generation. Unlike reservoir-type projects, there will be no significant active storage. The project places considerable emphasis on social and environmental impact management, under the following guidelines:

- a. **Mekong River Commission (MRC) Guidelines**

- As a signatory of the 1995 Agreement on the Cooperation for Sustainable Development of the Mekong River Basin ("the 1995 Mekong Agreement"), Lao PDR is subject to the Procedures for Notification, Prior Consultation, and Agreement (the "PNPCA"). As the Xayaburi Hydropower Project is constructed directly on the Mekong River, Lao PDR was required to follow the Prior Consultation Process under the PNPCA. In 2012, all members of the Mekong River Commission - Cambodia, Lao PDR, Thailand and Vietnam - concluded that the Prior Consultation Process applicable to the project had been completed.

- To ensure minimum environmental impacts, the Laotian government has engaged two internationally accepted independent engineering consulting firms specializing in the construction and operations of run-of-the-river projects— as technical consultants to the project
  - Project design and construction details have been revised per the recommendations by these technical consultants.
- b. Laotian social and environmental laws
- The project strictly complies with all applicable laws of Lao PDR , as well as with specific Government of Lao Guidelines, IFC Performance Standards, IFC Environmental Health and Safety Guidelines and other International Standards and Guidelines such as the Mekong River Commission’s Guidelines (including requirements for environmental impact assessments and environmental management procedures).
  - The project has also completed the resettlement action plan, an environmental management and monitoring plan, and social impact assessment -- all of which have been approved by Laotian regulatory agencies. Regular project monitoring and inspection will be carried out by the relevant government offices to ensure that the project is in compliance with said approved plans.
- c. Project Approval vis-à-vis Thai Law
- The project is incorporated in Thailand’s Power Development Plan of 2012-2030, Third Revision.
  - The National Energy Policy Council, the Council of Ministers and the Attorney General’s Office have all passed resolutions to approve a power purchase agreement for the Xayaburi Hydropower Plant.
  - Confirmation by the Ministry of Natural Resources and Environment to the Ministry of Energy, reconfirmation to the Electricity Generating Authority of Thailand (EGAT) towards compliance with Thai laws, etc., have been given, therefore permitting EGAT to sign the power purchase agreement.

Since its launch in 2009, our “Green Lending” program has granted loans to over 30 small-scale solar, wind and biomass projects. From the project start until one year after the beginning of electricity supplies to the national power grid, continual monitoring and supervision is conducted by independent consulting engineers, e.g., Team Consulting Engineering and Management Co., Ltd., ATT Consultants Co., Ltd. EGCO Engineering and Service Co., Ltd., Energy for Environment Foundation, Full Advantage Co., Ltd., Excellent Energy International Co., Ltd., Energy Conservation Foundation of Thailand, Mott MacDonald (Thailand) Co., Ltd., Sinclair Knight Merz (Thailand) Co., Ltd. and other energy consultants. Such monitoring and supervision proceeds over three phases:



Prior to  
construction and initial  
credit request:

Credit applicants shall report on technical data, construction plans, technical assumptions and detailed recommendations towards issues of concern.

During the period  
of construction and power  
grid connection:

Credit applicants shall report on operational progress against established plans; invoices presented for loan drawdown must have costs vis-à-vis that particular phase of the project properly itemized and consistent with the construction schedule, and connections to the power grid must proceed satisfactorily, including assessments on the quality of the electricity generated, heat values and the efficiency of the overall generating system.

During initial commissioned service  
to the power grid:

Credit applicants shall report twice annually on operational results of the first year and submit quarterly reports for another year, involving technical aspects of the electricity generation, e.g., volume of power generated, volume delivered to the grid, problems during generation and resolutions undertaken to exhibit the viability of system controls and supervision, plus use of raw materials, e.g., volume used. Such reports would ensure that the finished project meets with their original plans.

“Over the past three years, the alternative energy business has exhibited high growth potential, based on the government support through tariff “adders” and its plan of power purchase from private alternative energy projects under the Power Development Plan (PDP), 2012-2030, Third Revision. Up to February 17, 2014, KBank has granted ongoing support to 66

projects of solar and wind energy, biogas and biomass (with exception of hydropower projects), with a combined capacity of 667 megawatts and value of Baht 68.2 billion. KBank’s credit facilities are totally worth Baht 25.6 billion, 88 percent of which have been extended to solar energy projects and 11 percent to wind energy projects.”

## Product and Service Enhancements

Business ventures led by our “Customer Centricity” philosophy are aimed at responding to customer needs in financial products and services, including services that improve customers’ quality of life, and value-added innovations that cater to their needs at all stages of their lives. Product and service enhancements undertaken last year included:

- 1) New products and services: They serve customers in a broader and more thorough manner, for example, “K SME Credit: Easy and Worry-free” that enhances greater access to financial sources for SME operators, introduction of “lifestyle space” branches that provide digital financial services to match new customer lifestyles.
- 2) Product and service innovations: New items facilitate customers’ business undertakings, boosting their potential and responding to particular demands. Examples can be seen in the “K-CONNEX” service that simplifies financial management of customers with a system to enable financial status monitoring in all companies in customers’ networks, and “K-PowerP@ (mPOS)” for payments of goods and services via smartphones and tablets.
- 3) More efficient operational procedures have been developed in more rapid credit underwriting processes to facilitate customers’ business expansion. In addition, KBank assists customers in planning for successful business management through quality product and service solutions.
- 4) Sales promotional campaigns and marketing activities provide benefits that are responsive to customers’ requirements, for example, home loans and credit

cards. KBank reassures the public towards the safety of our services, with warnings having been released about “call center fraudsters” that embezzled money via ATMs skimming or fake websites. Efficient procedures are now in place to thwart such incidents.

The Procurement Management Department has been assigned for strategic planning and operations towards procurement, plus the management of relationships with vendors/service providers, creation of business alliances. Procurement of illegal goods/services and doing business with firms that have histories of money-laundering are prohibited. A primary factor in accepting any supplier for inclusion in the Bank’s producer database is the CSR practices of that particular supplier, which must not produce any pollution to the environment. In addition, supplier selection uses the CSR practices as a major point in scoring. As for products, particular criteria have been established as concerns environmental degradation caused by the production, use, and disposal of these products. Based on an awareness of efficient resource management and reduction of environmental pollution, the Bank promotes efficient production, transportation, use and disposal of products, as well as “Reuse and Recycle” efforts. A “Supplier Manual” has been prepared for those in the Bank’s Supplier List to acknowledge relevant procedures, practices, and cautions that they must adhere to in their operations.

Our marketing communications plan has been prepared in accordance with laws related to consumer protection, being regulations of the BOT, SET and SEC, as well as laws related to disclosures of complete, correct and clear information on products and services to customers and the general public. Our advertising and public relations policies are based on principles

of transparency, corporate governance and standards of fair trade with respect to planning, selection, use of media and promotional strategies. Our successful products and services are founded on quality and maintenance of our reputation as a responsible provider. Representatives from our business and communications divisions review our marketing communications committee monthly and quarterly to comply with the Bank business directions.

KASIKORNBANK places great emphasis on customer service quality as our first priority. We have thus conducted customer satisfaction surveys since 2006, as annual surveys that collect data through monthly customer interviews via phone in a random manner, in order to survey their satisfaction with our service channel as well as other factors impacting their satisfaction. According to the most recent survey conducted by AC Nielsen, average customer satisfaction stood at 89 percent as of year-end 2013, the highest score in Thailand. The survey results are used for enhancing our service quality to attain maximum efficiency.

Apart from the aforementioned processes, the Bank also puts significance on other relevant infrastructure, including efficient cost management, risk management in accordance with the external environment, human resource development,

and IT development to ensure strategy execution and consequently achievements as stipulated.

### Value added throughout business chain

K-Value Chain Solutions - This business platform has been created to add value to the supply chains of customers and their trade partners from upstream to downstream, with financial and non-financial support that can connects all customer segments from large corporations or sponsors, SME operators or dealers and suppliers, to retail customers or end users/customers. Various benefits are offered, such as lower operating costs by up to 30 percent and saving time with real-time internet banking transactions via electronic tools. For efficient risk management, a credit control management has been introduced so that approved credit limits will match the risk level of customers' trade partners, via specific total solutions for a particular single industry chain, cross-industry chain or cross-border chain. This service is aimed at attaining a win-win-win scenario Situation for customers, trade partners and KBank, for ultimate and sustainable competitiveness.



**K-VALUE CHAIN SOLUTIONS**  
 เชื่อมโยงความสำเร็จให้ธุรกิจไทย

K-Value Chain Solutions : Total Solutions that connect the needs of our customers and thier trade partners, throughout the value chain, upstream to downstream

## Leader in renewable energy and energy-efficiency lending

### Credit Program

In keeping with the commitments to Sustainable Development, it is KBank policy to develop and promote environmentally-friendly products and technologies, and to inspire environmental awareness and cooperation in preserving the earth. The Bank values energy efficiency (EE) and renewable energy (RE), in responding to business demand and educating customers and the general public through the “Green Bank” concept. We have realized this concept since 2009 through provision of financial consultation and financing to renewable power plants. The Bank also developed the K-Energy Saving Guarantee Program, offering businesses consultation for full-cycle energy conservation of SMEs and financing their investments in energy management for maximum savings. This initiative should reduce energy usage and benefit the environment nationwide. At the same time, these policies will strengthen businesses through long-term cost saving and earning improvement. Dissemination of knowledge on energy efficiency and renewable energy has been conducted in a variety of forums.

Being the leading lender for large-scale power plants, KBank support to EE and RE projects can help establish linkages of an integrated power business, from the procurement of power sources or supply side management (SSM) to the electricity consumption or demand side management (DSM).

As the Bank has engaged in product enhancement that supports environment-friendly energy use, we have not only become specialized in seeking diverse funding sources that match customers’ demands, but also one of the best financial institutions with expertise in the energy business. This is reflected

in a number of energy enhancement projects wherein the Bank has offered advisory and fund raising services.

In 2013, KBank set up Thailand’s first power infrastructure fund an innovative fund mobilization for infrastructure projects. The Bank has been appointed the financial advisor of Amata B.Grimm Power Co., Ltd. to raise funds via the Amata B.Grimm Power Infrastructure Fund (ABPIF), worth 6.3 billion Baht, that will be invested in two small power plant projects (SPP) run by Amata B.Grimm Power 1 Co., Ltd. and Amata B.Grimm Power 2 Co., Ltd. This deal reemphasizes KBank’s leading role in the energy market and reflects staff potential in initiating and developing new financial tools towards full financial solutions. Meanwhile, this infrastructure fund is anticipated to be a fund-raising channel for other renewable energy projects in the foreseeable future.

### Financial Knowledge

Over the past year, KBank representatives were invited to give lectures at both national and regional seminars to provide information about financial support for energy projects. These seminars, with participation by government officers, SME operators and other business persons, included the following:

- APEC Peer Review on Low-Carbon Energies (PRLCE) - organized by the Department of Alternative Energy Development and Efficiency (DEDE), on the topic of “Successful Renewable Financings”
- Financial Schemes for Renewable Energy Projects - organized by DEDE, on the topic of “Challenges for Investing in Small-Scale Renewables in Thailand - Barriers and Solutions”
- Clean Energy Expo Asia 2012 Conference - a panel discussion, on the topic of “Bridging the ‘Finance Gap’”

- Fundamental Solar Farm Business (FSB) - organized by the National Science and Technology Development Agency (NSTDA), on the topic of "Financial Support to the Solar Farm Business"
- Waste Management, Waste Recovery & Waste to Energy 2013 - on the topic of "Waste to Energy in Financial Perspective"
- Workshop on Renewable Energy Support Mechanisms for Bankable Projects - organized by the Renewable Energy Support Programme for ASEAN (ASEAN-RESP), in Johor Bahru, Malaysia, on the topic of "Best Practices from the Region and Options for Policy Makers"
- Sustainability Management Course for SASIN Centre for Sustainability Management (SCSM) - a panel discussion organized by Sasin Graduate School of Business Administration of Chulalongkorn University, on the topic of "Energy Efficiency"
- Innovative Business Models for Distributed Solar Systems at Thailand's Solar PV Roadmap Initiative - organized by the Energy Research Institute, DEDE and the British Embassy in Bangkok
- Solar Power - An Abundant Energy Resource in the Mekong Region: Prospects, Challenges and Opportunities at the 4<sup>th</sup> EEP Mekong Annual Regional Forum - organized by the Energy and Environment Partnership - Mekong Region (EEP Mekong), in Siem Reap, Cambodia

KBank has been invited to participate as an advisor for the preparation of Thailand's Solar PV Roadmap with lecturers and experts in the energy field and the industrial sector. This contribution also confirms our leading role in the renewable energy business.

KBank is now taking consideration of lending in the form of project finance in accordance with the government's policy to buy 200 megawatts (MW) of electricity generated by rooftop solar photovoltaic systems (PV), of which 100 MW would be bought from household solar stations and the rest from SMEs and other commercial buildings. Commercial delivery was expected to start within 2013, based on a feed-in tariff of 6.16-6.96 Baht per unit during the subsidizing period of 25 years. KBank financing may be granted to operators of 15-20 MW of capacity. As for residential units, we provide service to equipment installation firms through interest-free credit card spending for a period of 10 months. We are also developing a new loan for solar PV installation at homes, as well as machinery and equipment leasing and hire purchase loans.

Last November, a seminar was organized by KBank entitled, "Cutting Business Costs with Energy-Saving Concepts" to disseminate useful knowledge to generate higher profits for organizations and to exhibit the Bank's preparedness in playing the role of advisor and financial supporter to projects related to efficient energy use.

In 2013, KBank was awarded the ESCO Excellent Supporting Bank Award by DEDE and the Thailand Energy Award from the Prime Minister for the second straight year, given our special loan service for a number of energy conservation projects of energy service companies (ESCO).

## Financial Knowledge

KBank has consistently placed emphasis on offering financial knowledge to customers, the general public, and business operators, as we believe good financial skills produce good life skills, a key element that builds a prosperous future for individuals and their families, communities, and society as well as sustainable development of the country. With our capability

and financial expertise, we have assisted the society and community to attain sustainable independence and to become supporters themselves in the future, by offering knowledge which can be accessed rapidly and thoroughly via diverse channels of the Bank.

### Business Strength and Sustainability through K SME Care

The K SME Care project has been continually implemented in seventh year, with focus on providing up-to-date knowledge and advisory service, and business connections for SME operators, so that these three features can drive the overall economic development of the country. Seminars and activities to forge business networks have been organized for SMEs to apply the knowledge gained in their business management. They were open to all, including those who are not KBank customers, with a variety of topics and experience sharing by many well-known gurus. Under cooperation with the Faculty of Commerce and Accountancy, Chulalongkorn University, the annual theme varies each year, such as "Creative Economy AEC" or "Fit & Firm". Interesting

activities include, for example, business network, inbound and outbound study trips, case studies and business plan proposition.

To build sustainable business networks, participants in the K SME Care activities have been introduced to their seniors who are members of the K SME Network Club to share knowledge and experience with them. Seven years after its establishment, there have been over 10,000 participants in 19 classes of the K SME Care project across the nation, including Bangkok, Nakhon Pathom, Chiang Mai, Chiang Rai, Phitsanulok, Udon Thani, Khon Kaen, Ubon Ratchathani, Rayong, Chanthaburi, Phuket, Songkhla, Surat Thani and Nakhon Si Thammarat. All participants have become members of the K SME Network Club, where a learning society exists to achieve sustainable business advancement.

### SME Mee Tung Yer (SMEs earn a lot of money)

The SME Mee Tung Yer program has been initiated with an aim of providing knowledge and realizing business dreams for SMEs



K SME Care project completion to congratulate the SME entrepreneurs trained at KASIKORNBANK Head Office

during their start-up process. It is an additional privilege apart from regular training courses and seminars offered by the Bank. Two chapters of training have been facilitated under this program:

SME Mee Tung Yer Camp is a new concept of a business camp offering knowledge through first-hand learning and experience rather than lecturing. To seek participants in the camp, interested persons were invited to submit a two-minute video clip describing their business for the contest. From a total of 1,200 two-minute video clips submitted, 30 participants were selected. Joining the free-of-charge camp, they were trained by renowned business gurus for seven days and nights. Unlike traditional instruction courses, the business camp was unique in offering business training workshops, while addressing intensive beneficial business issues including sales presentation, marketing and finance along with entertainment.

During the camp training, famous business gurus including Mr. Thunyawat Chaitrakulchai and ML. Chaiwat Chayangkul were invited to provide business insight for participants, while experienced businessmen from the Bank's K SME Network Club were also available for one-on-one advice which also helped create inspiration. After a six-day training, the camp participants were offered funding on the seventh day to open a shop for one day in front of the MBK building for competition. Nine winners from the contest were chosen to participate in a reality TV show named "SME Mee Tung Yer". Under this business camp program, the Bank has achieved its goal in offering knowledge and business skills to SMEs, thus helping them to realize their business dreams, while participants can apply insights offered in the camp to their future business operations.



Launching SME Mee Tung Yer at JSL Studio on September 26, 2013, which announced the 9 finalists to compete in the TV Program

The SME Mee Tung Yer program was the follow-up activity after the success of the SME Mee Tung Yer camp, participants dealing with real business, shops, sales, business planning and daily competition strategy. With equal startup funds offered by KBank, the nine contestants had to maximize their sales and profits during the contest. The TV show presented a business contest airing Sundays at 10:40 p.m. on Thai TV Channel 5, running from October 6 to December 29, 2013. Focusing not only on entertainment and KBank brand awareness, the Bank also emphasized offering business knowledge through contestants' strategies as well as gurus' advice. These business experts including KBank's Executive and renowned marketing guru offering financial knowledge. The winner of each was awarded a 1 million Baht cash prize as capital for their future business operations.

In the first round, "Who will win in the first round?", three contestants competed in selling food to office workers at La Villa, Aree.

The second round, "From online to on ground", featured three more contestants who had been successful in online clothing sales, and were now required to sell their products at real shops.

The third round, "More money, more duty", highlighted established SMEs which were ready for business expansion.

The five-day real circumstances of the contestants were analyzed by experts at the TV studio. Winners were judged from the highest sales and scores given by the business gurus.

Unlike lecture-based training which limits participants, the SME Mee Tung Yer TV show was aimed at offering beneficial business insights to a large segment of the general public and SME operators. Their demand for knowledge was successfully met through this accessible TV show, which was also on a convenient and widely-aired channel. Consequently, more viewers gained knowledge, in accordance with KBank's "Full Support for SMEs" strategy.

#### **K SME Care Knowledge Center: The First of its Kind in Thailand**

KASIKORNBANK has opened the K SME Care Knowledge Center, the first of its kind in the Thai banking business, on the second floor of the Chamchuri Square Building, to provide advisory service solutions to all SME proprietors and those wishing to start their own businesses. Interested persons can make an appointment to use our advisory services.

1. Business Intelligence: A knowledge base for SMEs
  - KBank works with business partners from many organizations to compile news and information beneficial to SMEs. Services include SME Guru, through which business specialists give one-on-one consultation on such matters as brand building, listing on the stock market, accounting and more. The Knowledge Corner is a study zone providing business-related books, magazines and analyses. Online Intelligence provides internet access to business research and information in databases throughout the world.

2. **Business Training:** Seminars, training and other activities addressing SME needs at every stage of growth. The Start-up Business course trains entrepreneurs for the initial stages of new business, conveying basic knowledge and inspiring passion for business success. The Business Owner course helps entrepreneurs to develop and expand their businesses while maintaining stability and sustainability. The Lifestyle course trains businesspersons for work/life balance.
3. **Business Network:** Networks are one of the most important element of any successful business. The K SME Care Knowledge Center facilitates SMEs in building up strong networks, through activities for SMEs to meet and share experiences. SME Society brings operators together with new trading partners through Business Matching activities. Online Business Matching is a networking tool available through [www.ksmecare.com](http://www.ksmecare.com).

In 2013, more than 10,000 SME entrepreneurs used the services of the K SME Care Knowledge Center and there were over 20,000 visitors at [www.ksmecare.com](http://www.ksmecare.com) on average each month.

#### Financial Institution's First Chinese-Thai Business Center to Facilitate Chinese-Thai Transnational Investment

KBank has a policy of providing continual support for Chinese-Thai businesses. In 2012, the Bank opened the Chinese-Thai Business Center on the 16<sup>th</sup> floor of the Chamchuri Square Building. It is the first complete Chinese-Thai Business Center ever established by the Thai commercial bank, with the purpose of providing advisory service for Chinese and Thai entrepreneurs interested in investing in either country. This center also serves as an intermediary between those entrepreneurs and KBank's partners. The advisory service at the center is provided by our Thai and Chinese to provide maximum convenience for investors and SMEs of the two countries. The Chinese-Thai Business Center offers three types of service, as follows:

1. **Information service on Thailand and China:** Useful information available at the center includes basic social and geographic data about the two countries, economic figures, news, protocols and regulations on bilateral investment, plus work permit application protocols. The service is offered by our competent officers.



Chinese -Thai Business Center

2. Advisory service on business planning, establishment and operations: KBank has joined hands with our allies to provide advisory service in four areas, including 1) legal and investment; 2) accounting and tax; 3) land leasing and purchase for company establishment; and 4) business know-how by Thai-Chinese experts from leading educational institutions.
3. Financial and business matching services available at over 900 KBank branches nationwide, as well as six offices in China, including branches in Shenzhen , Chengdu and Hong Kong and representative offices in Beijing, Shanghai and Kunming. Our leading Chinese partner banks also help simplify investment transactions between the two countries.

### K Global Business Center

As part of the preparations for AEC integration, KBank has opened the K Global Business Center on the 16<sup>th</sup> floor of the Phahon Yothin Main Building to enhance business potential in overseas expansion. The center provides advisory service on trade and investment in ASIA nations, as well as industry data and related regulations. A global business matching service

is provided for Thai and reliable foreign entrepreneurs via the networks of our allied banks in these countries.

In 2013, there were 80 - 90 inquiries per month made by our corporate customers to the K Global Business Center, involving such issues as trade and investment in Thailand and other ASIA member states, trends of growing industries in various regions, business set-up patterns, investment promotion privileges, regulations of international funds transfer, and documents required for opening a savings account.

### KFam Club

As a traditional driving force of the economy, family businesses usually face a cycle that starts with growth but cannot be sustained, due to conflicts between different generations. Placing emphasis on family business development and sustainable business succession, KBank established the KFam Club for over 500 members from 250 large family businesses that are our customers, who participate in our academic and recreational activities to exchange their knowledge and experiences. One of KFam Club's activities, the Professional Family Business Management (PFBM) course,



Professional Family Business Management (PFBM) Course of KFam Club at Chon Buri

which was jointly designed with the University of the Thai Chamber of Commerce, focuses on promoting business networks and fostering good understanding between generations in a family business.

More activities were held both at home and abroad to inspire Thai family businesses with succession techniques of world-class family businesses. Among these activities were a trip to visit the world's oldest family business establishment in Japan, or cooperation with the IMD Global Family Business Center - one of the most famous family business institutions, in Switzerland, that serves as a business advisor for many leading businesses and brand names - which has teamed with KBank in transferring valuable know-how and experience of family business sustainability to Thai operators.

### **KBank: The Bank for All**

In addition to our efforts in developing financial products and services to meet the needs of our customers, KBank also places importance on convenience and accessibility of our financial products and services through the following programs:

#### **The Savings for Future Benefit Program**

KBank has introduced this program specifically for the self-employed and others with limited documentation showing a steady income to gain access to financial services of financial institutions. KBank has introduced the Savings for Future Benefit program for customers who hold a deposit account and/or mutual fund account with the Bank and other financial institutions where they have monthly step-up deposits, based on their average asset under management (AUM). Customers' depositing as prescribed indicates their debt servicing ability, thus making them eligible for a variety of loans such as K-Home Loan, K-Auto Finance, K-Credit Card and K-Express Cash among others.

#### **KBank to Post**

KBank and Thailand Post Co., Ltd. offer the KBank to Post service to facilitate funds transfer for recipients in provincial areas where there are no bank branches and no ATMs. Funds transferred via over 8,700 KBank ATMs across the country, 24 hours a day, can be received at any post office in Thailand. Without having a deposit account with KBank, a national ID card is needed together with an 8-digit PIN code notified by the fund transferor from the transfer slip. In addition to the service coverage, funds recipients in remote areas can save transportation costs in receiving money.

#### **Assistance Measures for Flood-affected Customers**

In 2013, the Bank introduced assistance measures for both retail and corporate customers affected by severe flooding in 27 provinces. In brief:

1. K-Home Loan customers were assisted by reduced monthly repayment up to 40 percent for a period of one year, or they could choose to pay only interest without principal for six months. Clients with flood-ravaged homes could apply for K-Home for Multi Purpose for home repair up to the full repaid loan amount with 15-year term.
2. K-Credit Cardholders and K-Express Cash customers were granted a 50-percent cut in interest rate for a period of three billing cycles during the floods, or between October and December 2013.
3. SME and large corporate clients were allowed to pay only interest without principal for a three-month period for increased liquidity in their businesses. Customers with trade finance or P/N line could opt for payment of interest only while also putting off paying principal for three months.

In case of severe damages to inventories and inability to collect debtors' payment, customers could request that both principal and interest be put off. If customers needed higher limits for enhancing their liquidity or purchasing new stocks, the Bank provided new limit for business rehabilitation for the period of three years, with a grace period of up to six months.

### K Home Smiles Club

KBank recognizes the importance of the decision-making of those who are planning to buy a home. As part of our efforts to assist prospective homebuyers, KBank set up the K Home Smiles Club to provide three types of advisory services, i.e.,

- 1) Home Advisory - involving selection of location, home design, negotiation with estate projects, inspection before home delivery, related laws, contract conclusion and assessment of buying capability and financial planning;

- 2) Home Loan - including pre-screening service to allow loan applicants to monitor their preliminary approved limits via the internet and mobile phone, home loans with feng shui and housekeeping services; and
- 3) Home Care - offering useful information and coordination services 24 hours a day, plus other special services, such as a personal manager to offer advice or make contacts for home repair and extension, gardening, pest control, cleaning, emergency roadside assistance, traffic information and personal assistance in many issues. K-Home Loan Delivery service offers advice about home loans from expert officers.



K Home Smiles Club website, a home advisory solution

### K-Personal Loan for Pensioners

The Bank launched K-Personal Loan for Pensioners in response to the government's policy to assist government retirees. The loan has a fixed repayment period with pension inheritance rights required as collateral. Applicants must be retired government officials receiving monthly pensions with pension inheritance rights certified by the Comptroller General's Department or by a Provincial Office of the Comptroller General's, Ministry of Finance.

### K-Payment Gateway Clinic

Amid the growing e-commerce business, small to large businesses have shifted to this channel to make their presence felt in the global market. With overwhelming response from customers, business operators - especially those of the new generation - seek to acquire online business know-how and payment systems to accommodate clients from around the globe. In response to this trend, the Bank initiated the K-Payment Gateway, which facilitates online payment with credit and debit cards. Given that websites of online merchants are linked directly to the system, customers are assured of faster, more convenient and secure transactions. Since 2009, the Bank has organized seminars to provide advisory assistance for K-Payment Gateway, as part of the K-Payment Gateway Clinic program for business proprietors, executives and relevant officials, on a continual basis. Every month, 20 to 40 interested persons are invited to attend a lecture on knowledge of online trade and services, e-commerce trends and online payment methods, given by e-commerce experts of the Bank. Out of around 400 participants in the seminars thus far, 80 percent have said that the event was very useful to their business operations.

### K-Express Credit Center

In response to growing demand for retail loans, the "K-Express Credit Center" was set up to serve retail loan customers, in particular those with monthly salaries of 15,000 Baht and higher, with four products, including K-Home Loan, K-Credit Card, K-Express Cash and K-Auto Finance (Refinance). The center provides preliminary approval results, which the respective applicants can use as advice for making their borrowing plans. Rapid approvals are offered, for example, one business day for K-Home Loan in place of three days via normal channels, and two hours for K-Credit Card and K-Express Cash as compared with the usual 5-7 business days. Additionally, K-Express Cash customers can get their requested cash within one hour of approval, instead of the next business day under the normal process, while the approval results are issued within only 90 minutes compared to the previous norm of one day. The center also offers advisory service for credit applications, selection of appropriate credit types and financial management to avoid excessive household debt.



K-Express Credit Center

## askKBank.com

KBank offers askKBank.com where customers and the general public can find useful information for use in their businesses as well as day-to-day life. The website provides a search channel for financial knowledge and various lifestyle topics that are classified under seven titles, including Finance & Banking, Corporate Business, SME, What's Hot, Investment, Smart Planning, and Casual Lifestyle. In each of these segments, well-known gurus act as the presenters of information to service users. There is also a question-and-answer function for those who need in-depth data that is transmitted via e-mail.

## Personal Financial Advisory Service

### Personal Financial Advisory Service

Our K-Expert service was created with an aim of helping KBank to become a professional advisory bank that can meet the specific needs of each customer, by means of our study on customers' financial needs according to their segments and ages. We have around 2,235 K-Expert team members, available at branches nationwide, who have undergone intensive training courses. Need-based guidebooks have been prepared for branches, covering 14 different issues involving customers' lifestyles and requirements, in three main areas:



simple financial management tips, how customers can fulfill their dreams, and savings for future security. In addition to meeting K-Expert officers at branches.

### K-Expert Saving Memo

The K-Expert Saving Memo program records income and expenses, as well as personal investment data, in Excel format, and can be obtained from the Bank or downloaded from the K-Expert website. In 2013, the program was downloaded over 70,000 times. There is also the online K-Saving Memo that is applicable via the K-Expert website and smartphones with the "K-Mobile Banking Plus" application. At this time, there are approximately 24,590 users of the online program.

### K-Expert Tax Buddy

This is software to help users fill out tax forms (Por. Ngor. Dor. 90 and 91), with advice on tax-deductible benefits. The program can be downloaded free of charge at [www.askKBank.com/K-Expert](http://www.askKBank.com/K-Expert). Total downloads are now 4,050.

### K-Expert Tax Buddy for Doctors

This tax calculation program has been designed to assist medical doctors in preparing Por. Ngor. Dor. 90 for the 2012 tax year and Por. Ngor. Dor. 94 for the 2013 mid-year tax filing, along with additional advice on tax-deductible benefits from long-term equity funds (LTFs), retirement mutual funds (RMFs), plus life and retirement insurance policies. Three thousand copies have been downloaded.

### K-Expert Wealth Diary

The K-Expert Wealth Diary is a systemic data management tool for financial assets and investments, along with tips to create, maintain and accumulate wealth, and pass it on to one's successors. This modern online tool is easy to use, and to date, it has been downloaded 15,913 times.

**K-Expert Cash Flow Memo**

This tool for businesses to record their revenues and expenses in a systemic manner has been available for download since February 2013. At present, it has been downloaded 16,300 times.

**K-Expert Debt Solution**

This debt management tool has been developed to assist customers having formal loans and shark loans, providing guidelines for reducing interest and shortening the period of indebtedness. Available since September 2013, the program has been downloaded 8,450 times.

**Knowledge Dissemination through Various Channels**

KBank has continually published interesting articles about financial management and investment in various public relations media to match different lifestyles of customers, among others "A Day Bulletin" magazine, the 'Save Zone' column in "PostToday" newspaper, 'Talatnat Kanngoen' ('Financial Market Fair') in "Money and Banking" magazine, the 'Wealth Management' column in www.dailynews.co.th, the 'Kapook

Money' column in www.kapook.com, as well as TV and radio programs at Chula Radio, the "CEO Talk" program at FM 101.5, "Money Plus" at FM 101.1, and the "Money Biz" and "Smart Money" programs on the Money Channel.



**Online Knowledge Dissemination and Advisory Service**

In our endeavor to enhance knowledge of the general public as concerns financial management, easy and convenient access to sources of information and advice has been provided, as follows:

1. www.askKBank.com/K-Expert - provides knowledge on financial management, investment and taxes for the general public. Interesting articles, news and calculation tools are offered for customers so that they can do their own research and make their own financial plans. The number of page views in 2013 was over 954,000.



Executive Vice President and K-Expert, professional financial advisors



Dissemination of financial knowledge through various channels

2. Twitter@KBank\_Expert - currently has 4,947 followers who can get updates of financial news, data and helpful tips.
3. Facebook KBank Live - offers simple financial tips for day-to-day management. Question-and-answer sessions have been organized three to four times a year, wherein K-Expert team members reply to customers' inquiries. There were three live chat sessions in 2013 on the topics of taxes and information from salary earners.
4. Finance-related blogs have been made available at OKNation and Bloggang, with 140,000 and 58,000 page views, respectively.
5. Fourteen K-Expert mini series have been produced in the form of 3-5 minute clips, showing customers' dreams and how they can make them come true. Financial knowledge presented in an entertaining style can be viewed on YouTube and [www.askKBank.com/K-Expert](http://www.askKBank.com/K-Expert).

6. KBank has been giving advice and knowledge in many chat rooms of the Pantip website, including the K-Expert Club in Pantip's Sinthorn forum.

#### "The Expert" Show

"The Expert" is an edutainment reality show with a variety of topics, offering useful financial advice. "Dream Inspirers" of the show represent those who wish to make their dreams come true, but do not know how to start. This is where the "Expert" from KBank and the "Experience" or famous actors/actresses with relevant experience comes to assist them with their advice.

#### "Money Shot" Radio Program

The "Money Shot" radio program on FM 97 MHz uses a two-way communication approach between the guests and listeners. Divided into three sessions, the program disseminates news on economic situations, oil and gold prices, stock markets,



The Expert: Dreams Inspired for whom wishing to make their dreams come true

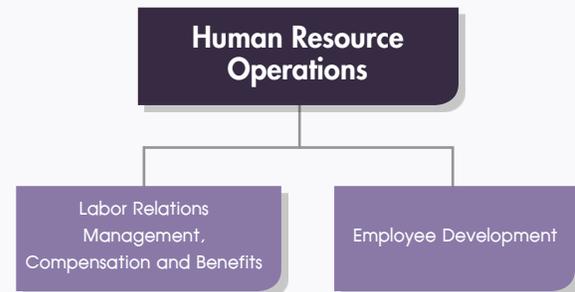
"KBank Live", Facebook: Financial knowledge about K-Expert

government policies in the first session; talks with KBank executives concerning financial tips in easy-to-understand terms, along with some product promotions in the second session; and questions and answers in the last session regarding KBank products.

### Knowledge Enhancement on Personal Financial Management

KBank has organized a number of activities to promote knowledge on personal financial management through visits to various organizations. The topics include financial management for first-jobbers and preparation for retirement, smart investment, conversion of tax into savings, and happy financial and debt management. In 2013, 202 activities were held for around 10,540 participants in over 100 organizations, for example, the Metropolitan Electricity Authority, Thai Airways International PCL, and King Chulalongkorn Memorial Hospital. Our K-Expert team members have been trained to serve as lecturers for nationwide knowledge dissemination.

## Employees

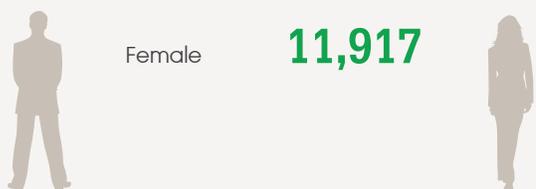
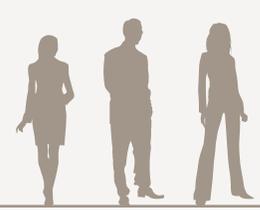


The Bank has adopted a human resource policy wherein we seek to enhance job opportunities and boost the potential of our staff towards professional excellence. This policy is consistent with business requirements and our “Customer-Centricity” strategy that pave the way for us to become an even more secure and innovative financial institution, as well as being able to respond to the needs of customers more efficiently. This is achieved via a number of established methods. Based on our management of labor relations, compensation and benefits, and human resource development, we:

- Undertake to recruit quality personnel and then enhance their competency to suit tasks that further their career growth;
- Motivate each employee to achieve better results by offering incentives to perform well, and encourage them to commit themselves to our organization. Also, we seek to improve employee leadership skills at every level, where appropriate;
- Organize and promote an internal organizational culture emphasizing teamwork and customer-centricity; and
- Continuously promote development and joint efforts under the KASIKORNBANK brand.

The total KBank workforce amounts to 19,303 employees (11,917 female and 7,386 male), all of whom are permanent staff. KBank employees are classified herein by gender, age group, level of educational attainment and workplace:

## KBank Employees Classified by Gender, Age, Level, Educational Attainment and Workplace 2013

Employee Data		Gender		Age Group	
<b>19,303</b>		Male	<b>7,386</b>	Less than 30 years	<b>7,774</b>
		Female	<b>11,917</b>	30 - 50 years	<b>8,932</b>
				Over 50 years	<b>2,597</b>
Level		Educational Attainment		Workplace	
Senior Management level (Department Head and higher)	<b>266</b>	High school graduate	<b>702</b>	Head Offices and Main Buildings	<b>10,093</b>
Operating and staff level (Below Department Head)	<b>19,037</b>	Bachelor's degree	<b>12,678</b>	Elsewhere	<b>9,210</b>
		Master's degree	<b>5,890</b>		
		Doctoral degree	<b>33</b>		

## New Employee Hires and Employee Turnover by Gender and Age Group New Employee Hires 2013

Data of New Employee Hires		Data of Terminated Employees	
Gender		Gender	
Male	<b>4.63 %</b>	Male	<b>4.68 %</b>
Female	<b>16.06 %</b>	Female	<b>9.84 %</b>
Age Group		Age Group	
Less than 30 years	<b>18.03 %</b>	Less than 30 years	<b>9.03 %</b>
30 - 50 years	<b>2.65 %</b>	30 - 50 years	<b>4.22 %</b>
Over 50 years	<b>0.02 %</b>	Over 50 years	<b>1.27 %</b>
Workplace		Workplace	
Head Offices and Main Buildings	<b>8.89 %</b>	Head Offices and Main Buildings	<b>7.65 %</b>
Elsewhere	<b>11.80 %</b>	Elsewhere	<b>6.87 %</b>

## Salary and Basic Remuneration of Female and Male Employees classified by Level and Workplace

Employee Level	Salary and Basic Remuneration of Female and Male Employees
<b>Head Offices</b>	
Executive level (Department Head and higher)	No difference between male and female employees  1 : 1
Operating and staff level (Below Department Head)	
<b>Elsewhere</b>	
Executive level (Department Head and higher)	1 : 1
Operating and staff level (Below Department Head)	



## Return-to-Work and Retention Rates after Maternity Leave/Parental Leave

	Number
Number of employees having the right of parental leave	11,917
Number of employees using the right of parental leave	394
Number of employees returning to work after parental leave	369
Number of employees returning to work after parental leave and remaining in employment one year afterward	369
Return-to-work and retention rates after maternity leave and/or parental leave	93.65 %

## Health and Safety Information

Proportion of Absence by Type (%)	2011	2012	2013
Sickness	13.57	13.58	12.93
Work-related injuries	0	0	0
Others	86.43	86.42	87.07
Number of fatalities	0	0	0

## Labor Relations Management, Compensation and Benefits

It is KBank policy to ensure equal and fair treatment of all employees, as well as adherence to principles of human rights and abstention from any form of discrimination, harassment or abuse on the basis of race, color, religion, gender, age, nationality, citizenship, sexual orientation or disability. Child or other illegal labor is prohibited. KBank recognizes human

rights and does not permit any discrimination against race, color, gender, religion, political stance, citizenship status, social lineage or other forms of human rights violations. All stakeholders, both internal and external, throughout the entire operation, are involved. To prevent malpractice, we have put in place effective channels for employees to offer their opinions and suggestions, as well as voice grievances, wherein we provide consultations from management and employees' committees.

KBank also offers the chance for employees and representatives of their union to discuss with us, or file complaints on any matter of grievance.

KBank treats employees without favoritism, in accordance with the statutes of the Labor Protection Act (second amendment) B.E. 2551 (2008), Labor Relations Act B.E. 2518 (1975), Workmen's Compensation Act B.E. 2537 (1994), Provident Fund Act (second amendment) B.E. 2542 (1999) and Social Security Act B.E. 2553 (2010). Labor relations processes comply with these laws, as well as principles of human dignity and rights, in accordance with our employment policy framework. We do not allow child labor. A separate work group has been set up to inspect practices within the organization, thus, we can ensure that workers are protected and no child employment exists within our organization.

KBank adheres to principles regarding compensation and benefits for a better quality of life for our employees. This philosophy is based on compliance with the rule of law and justice, competitiveness in the job market, staff competencies and expertise that meet the required tasks, as well as retention of competent employees and recruitment of qualified persons to work for the Bank. Staff are motivated towards efficient performance of the work delegated to them and in a manner consistent with KBank business strategies.

With our aim to improve employee living standards, KBank's employee benefits are at the forefront of the industry, including those for housing, healthcare, retirement plans, severance pay and education subsidies for their children. Additionally, we offer other benefits, such as loans for the purchase of private vehicles and computers, scholarships and grants for education, financial stipends upon marriage, as well as other assistance, e.g., healthcare support for employees' parents, spouses and children, help with home renovation, special welfare

in cases of accidental injuries, etc. Annual medical check-ups are provided for employees. Moreover, all of our main office buildings - Rat Burana, Chaeng Watthana and Phahon Yothin - are equipped with nursing stations serviced by medical experts, along with provision of temporary resting areas and modern equipment; employees seeking medical treatment can visit these facilities on any workday. These safety and health benefits have been endorsed by employees, or their unions, in legally binding written agreements, wherein all relevant issues are included. By making those agreements legally binding, we intend to be legally responsible to our employees. Per the labor relations principles as stated in State Enterprise Labor Relations Act, B.E. 2543 (2000), a memorandum of agreement regarding employment status has been made between KBank and the labor unions. The memorandum includes regulations and a code of conduct on medical treatment - including details of medical and dental plans for employees at different levels. KBank disseminates information of that memorandum to all employees. Manuals are also published to ensure that employees are informed about these benefits and understand their use for themselves and their loved ones.

Furthermore, KBank has a policy of promoting bilateral cooperation with employee associations within the organization. Employees are represented by an established committee with meetings held every three months that are attended by KBank delegates. The committee is also responsible for making suggestions and considering solutions on issues such as benefits and workplace problems. Each committee has a collaborative role in determining agreements and helping enforce them in practice. KBank established the KASIKORNBANK unions of employees and executives, which includes 40 percent of all our employees. It aims to foster understanding using principles of good labor relations as stated in the Labor Relations Act B.E. 2518 (1975). Collective agreement protects all employees' benefits.

With regards to internal job changes, KBank must notify the employees involved two weeks beforehand and one month before any merger decision or extension of branches. As for divisional/departmental reshuffling, employees must be notified two weeks in advance. According to labor laws, KBank must receive notifications of resignation one month in advance to allow enough time for KBank to appropriately deal with changes that might affect our business.

Due to our strong commitment to labor relations policies, the Best Labor Relations and Welfare Award was presented to KBank for the eighth consecutive year in 2013, making KASIKORNBANK the only domestic commercial bank to ever have been granted the award.

In upholding the philosophy of a sufficiency economy, we constantly promote a sustainable self-reliance among our staff, by encouraging them to be aware of the magnitude of savings through the Provident Fund system

instituted in 1994. The Fund was established in accordance with the Provident Fund Act B.E. 2530 (1987) as a part of our employee welfare program with the objective of strengthening the security of employees and their families, and to provide employees and their families with a guarantee towards future security in case of employment termination. The Fund has been structured into two categories, wherein staff can choose the category that matches their preferences, being the basic KBank Provident Fund, and the Welfare Security Fund. Both types are mutually contributed to by employees and KBank; permanent employees can choose either one of the two contribution methods:

First option: 3 percent of their basic salary with KBank's contribution being based on their employment tenure;

Second option: An equal rate with the KBank contribution being based on their employment tenure as stated below:

Employment Tenure	Bank Contribution (%)	Employee Contribution (%)
Up to 10 years	3.0	3.0
>10 - 15 years	3.5	3.5
>15 - 20 years	4.0	4.0
>20 years	4.5	4.5

Today, the Fund has adequate cash reserves to pay each employee who resigns or retires. Upon resignation or retirement, the Fund's members are entitled to receive their savings and KBank contributions, as well as all returns from investment. For those who have committed serious misdeeds and are subject to employment termination without compensation, they will receive only the part of their savings.

### Communication and Participation

Regarding internal communications, KBank has diverse media channels to announce information to employees in all our workplaces. Our KASIKORNTV, airing across the country from Monday to Friday, 8:00 a.m. to 5:00 p.m., disseminates news and other programs on the topics of law, travel, languages and health, as well as live programs to announce operational practices during important events. The Lotus Notes intranet system

transmits useful information for efficient staff performance, while the “Kitchakan Samphan” newsletter, issued on the first and third Mondays, presents KBank news and business operations, economic and investment data, languages and games. Public Address communicates with staff at the Rat Burana, Phahon Yothin and Chaeng Watthana Main Buildings on KBank activities and tips of many issues. Other activities to promote employee participation include the “President Meets Staff in Provinces” events in Khon Kaen and Loei to meet with staff in provincial offices and learn about business operations there. The “You are K Heroes towards Excellence” event was organized in 2012 to promote the exemplary performance of outstanding employees, the smiling campaign, while the “K Love” project has been designed to encourage all employees to value one another.

K-Culture activities: “Organization-wide Teamwork” and “Give Me 5 Project” with an aim of promoting the corporate culture, and teamwork spirit between Corporate Relationship Managers and Credit Underwriters within an end-to-end credit process. Other K-Culture activities are ongoing, such as K-Culture on Tour to different regions of the country, the Value “U” to recognize colleagues who have shown behaviors in compliance with the Core Values, and “Talent Show” to make smiles and foster innovative ideas in the organization.

## Employee Development

KBank places much importance on personnel development where capabilities and skills that are consistent with KBank strategies and business plans are stressed:

- Training Roadmaps have been prepared for all organizational job positions.
- Our Management Development Program (MDP) was created to provide continuing education courses for

senior management, while Annual Training Plans have been devised for supervisors and staff in line with their relevant Training Roadmaps within the budgets of each department. Our In-House Acknowledgement System for In-House Training has assisted supervisors in planning their subordinates’ curricula.

- Study courses relevant to staff tasks and financial institution business have been provided, and a course on compliance with anti-money laundering law has been arranged for new employees and other related staff. These courses are provided in traditional text and e-learning formats.
- All e-learning study courses are regularly updated. Employees are able to study at anytime or anyplace via devices that can access online content.

Records on course studies and registration have been collected in personnel records, which each employee can view on the Lotus Notes system and the intranet website of K-Career.

KBank has a policy of installing employees with understanding of labor rights, benefits and welfare, as well as other benefits in kind offered by KBank. New employees are required to attend a one-day orientation to familiarize them with topics like financial knowledge about KBank’s products, corporate and business, teamwork, core values, anti-money laundering and combating the financing of Terrorism law. During the six-hour session, attendees are informed about offers from the organization towards the well-beings. They are also educated on their rights at work as specified in labor laws. Last year, there were 4,230 employees attending, accounted for 89.39 percent of the total of 4,732 new employees.

### Employee Training

2013 Study Courses	Courses	Classes	Staff Attending Courses
Internal study courses	232	842	39,622
External study courses	426	464	1,155
E-learning study courses	123	123	54,626

### Training Attendance of Employees

Average training hours by gender		Average training hours by employee level (hours/person/year)	
Male	Female	Executive level (Department Head and higher)	Operating and staff level (Below Department Head)
47.46	60.40	47.44	55.55

In addition, employees' welfare and right are provided via internal communication channel as intranet network and KASIKORNBANK NEWSLETTER, and further information available as database and electronic searching.

KBank's recruitment procedures also incorporate Intelligence Quotient (IQ) and Emotional Quotient (EQ) tests, as well as tests

on specific skill requirements, so that KBank can properly allocate employees with unique skills and capabilities to work that best benefits the organization.

Aside from courses to boost employees' potential in each person's career path, we also enhance knowledge about practices in conformity with KBank CSR policies, as well as

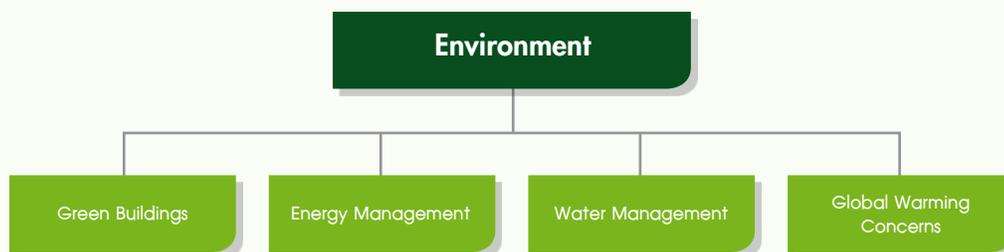


Talent Show for "Smiling Faces" among KBank Employees

staff ethics that shall influence their work and standards of performance. Every employee can make use of a personal learning path record to upgrade their skills which could then lead to career advancement. Employees also have opportunities to work on social skills in the workplace, e.g., 'how to work well with others', 'how to be a good leader'. All such subject matters can be studied inside or outside KBank, including via e-learning systems. Courses include subjects on money laundering law and credit

analysis. In addition to various courses, CSR training has been conducted to enhance staff potential, including the following: Inspiration Inside-Out course: to motivate Bank staff towards achievement and to instill positive attitudes of self-motivation, Train the Trainer course: to create understanding of the trainer's roles, as well as selection of appropriate training techniques and communication skills for transfer of know-how and attracting trainees

## Environment



The Bank is being committed to environmental awareness and to developing procedures, products and services that satisfy the customer needs while contributing to environmental preservation. Our commitment is made concrete in many ways, from Green Buildings for the Environment - the Chaeng Watthana, Phahon Yothin and Rat Burana Buildings, to KASIKORNTHAI Learning Center. Our green buildings have been based on the "energy and environmental preservation" guidelines. For the Chaeng Watthana Main Building, an 18-year-old building was renovated instead of building a new one, to use the minimum resources, in adhering to the sufficiency concept, energy savings and selection of recycled materials, along with the LEED-CI (LEED for Commercial Interiors) concept of the U.S. Green Building Council (USGBC). Domestic consultants and materials/equipment have been used, as well as the adoption of "local wisdom". As for the

global warming concerns, the K-ATM to Reduce Carbon Footprint has been implemented to reduce the volume of paper used as ATM slips, while the K-Cost Excellence program has encouraged all KBank units to propose ways to conserve natural resources in KBank products and services.

Fully recognizing that a safe, clean, and pleasant environment promotes employee effectiveness and facilitates contact with customers and the general public, KBank has implemented occupational safety, health and environmental measures in conformity with standards issued by the Ministry of Labor and consistent with recognized international standards.

- Utilities within buildings are installed and operated with the health of staff as a primary concern. Examples include

two-stage air filtration systems, eliminating inside air pollution; lighting at standard brightness comfortable for the eyes; and ozone drinking-water purification systems. Energy-efficient electrical appliances are used.

- For a better environment in the surrounding community, the Bank has installed exhaust filtering systems limiting smoke, smell and noise. Highly efficient wastewater

systems not only treat wastewater before it flows into the rivers, but also redirect treated wastewater for watering gardens and for use in cooling systems. Besides conserving energy, these systems help to preserve the environment.

### KASIKORNTHAI Learning Center

As part of our energy saving and environmental preservation concept that has been continually implemented, KASIKORNTHAI Learning Center - a six-story building on a 7-rai plot of land in Bang Pakong District, Chachoengsao, with a 5,000-meter usable area - has been designed as a green building. The center is the first project in Thailand that has been granted the Platinum award in the category of New Construction, representing the highest standard of LEED (Leadership in Energy and Environment Design) by the U.S. Green Building Council or USGBC. The design and construction were aligned with the following guidelines:

1. Use of viable technologies and design, of reasonable cost and suited to Thailand's conditions.
2. Sustainable design so that the project always remains a green building, via reduction of energy use by 30 percent, water use by 60 percent and construction debris by 80 percent, no wastewater disposal and full use of rainwater. There is also a management system aimed at using the building for the maximum benefit. It is hoped that, with all these features, the building may serve as a prototype for the green building industry in the future.
3. Focus on the most efficient use of construction budget. Total budget was 245 million Baht, plus an additional fund for LEED implementation amounting to 8.4 million Baht, or 3 percent of total construction costs, which is minimal relative to the higher efficiency. Domestic materials were used, as well as the responsible team members and consultants, who are all Thais.



KASIKORNTHAI Learning Center located in Bang Pakong District, a green building concept certified by LEED



Landscape designed to truly enhance ecosystem and well-beings of dwellers

The building is on an open landscape to promote the value of the ecological system and quality of life of the people inside. To reduce the use of personal vehicles, a shuttle bus system is available for local and Bangkok staff, as well as other visitors. An integrated, low-cost system for sustainable water management includes wastewater, rainwater and water for landscape use, while highly efficient sanitary wares are used, which can reduce total water consumption by 58 percent. Given suitable technologies, the energy use is 30 percent lower than that of other energy-saving buildings, i.e.,

- 1) Use of single-layer glass with sunscreens, instead of insulated glass that is more expensive.
- 2) Use of light-weight foamed concrete blocks, which are cheaper than insulation wall panels, while using other cost-effective technologies for energy saving.
- 3) Use of highly efficient central air conditioning system that is water-cooled, instead of the split-type system that is air-cooled.
- 4) Use of ventilation system with adjustable speed in the classrooms, where the ventilation is in regular use.
- 5) Building design for low-electric lighting, by using T5 technology instead of expensive LEDs, which can also save energy through suitable lamp arrangement and light interior colors to reduce the necessary lighting while maintaining a standard lighting level.

During construction, measures were put in place to control waste disposal and thus produce the smallest-possible environmental impact. By means of waste recycling and management, the project's waste debris was reduced by 80 percent. Environmental-friendly materials were chosen, and great consideration was placed on the interior environment, such as an air-conditioning system with appropriate temperature and humidity. All rooms can enjoy natural light and outside views to keep the people inside close to nature.

## Energy Management

Energy conservation has been executed through various forms of electricity and water management, for ultimate effectiveness and efficiency to enhance sustainable operations of the organization.

### The Green at Heart, the "2<sup>nd</sup> Cutting Electricity Cost competition"

In 2013, the second-annual "Cutting Electricity Costs" competition was held during July–November 2013 among staff on different floors in seven buildings to achieve the highest percentage reduction in average electricity usage as compared with the first six months of the year. The campaign desired to raise an energy-awareness. During the six months of the campaign, energy consumption was reduced 1,097,000.00 kilowatthours (kWh) equal to 3 percent deduction. 637,576.40 kilogram carbon dioxide (kgCO<sub>2</sub>) of green house gas (GHG) was reduced, equivalent to plant 57,961.49 trees a day to absorb carbon dioxide.\*

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\* Calculation based on Thailand Environmental Institute

### Electricity consumption at KBANK's three main buildings, 2013 (kWh/hr)

Month	Energy consumption (kWh/hr)								
	Rat Burana Building			Phahon Yothin Building			Chaeng Watthana Building		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
January	2,105,000	2,237,000	2,123,000	1,126,000	1,138,000	1,172,000	1,062,000	1,142,000	1,203,000
February	2,028,000	2,307,000	2,089,000	1,109,000	1,144,000	1,064,000	1,022,000	1,154,000	1,138,000
March	2,315,000	2,427,000	2,279,000	1,240,000	1,223,000	1,201,000	1,166,000	1,274,000	1,309,000
April	2,131,000	2,204,000	2,153,000	1,084,000	1,091,000	1,127,000	1,109,000	1,174,000	1,234,000
May	2,268,000	2,438,000	2,274,000	1,175,000	1,222,000	1,189,000	1,187,000	1,248,000	1,304,000
June	2,339,000	2,280,000	2,234,000	1,254,000	1,164,000	1,127,000	1,228,000	1,201,000	1,253,000
July	2,261,000	2,446,000	2,283,000	1,177,000	1,192,000	1,155,000	1,180,000	1,253,000	1,314,000
August	2,333,000	2,413,000	2,231,000	1,247,000	1,174,000	1,138,000	1,196,000	1,220,000	1,306,000
September	2,327,000	2,284,000	2,199,000	1,196,000	1,103,000	1,110,000	1,176,000	1,172,000	1,259,000
October	2,284,000	2,371,000	2,305,000	1,195,000	1,151,000	1,153,000	1,137,000	1,211,000	1,312,000
November	2,339,000	2,267,000	2,214,000	1,153,000	1,159,000	1,096,000	1,134,000	1,191,000	1,266,000
December	2,145,000	2,123,000	1,970,000	1,055,000	1,095,000	938,000	1,122,000	1,156,000	1,230,000

Building	Electricity consumption (kWh)			Reduction in GHG emissions (kgCO <sub>2</sub> )	Equivalent to trees planted for CO <sub>2</sub> absorption (trees/day)
	2012	2013	Alter		
Rat Burana Building	27,797,000.00	26,354,000.00	-1,443,000.00	-838,671.60	-76,242.87
Phahon Yothin Building	13,856,000.00	13,470,000.00	-386,000.00	-224,343.20	-20,394.84
Chaeng Watthana Building	14,396,000.00	15,128,000.00	732,000.00**	425,438.40	38,676.22
Total	56,049,000.00	54,952,000.00	-1,097,000.00	-637,576.40	-57,961.49*
Total (GJ)***	201,776.40	197,827.20	-3,949.20		

\* Calculation based on Thailand Environmental Institute

\*\* Electricity consumption of Chaeng Watthana Building increased, because, the building is an information center of KBank, server installation must be expanded to support the business growth every year.

\*\*\* 1 kWh = 0.0036GJ : Conversion Factor from Sustainability Reporting Guideline 2000 - 2011 version G3.1

The second-annual "Cutting Electricity Costs" competition was held during July–November 2013 among staff on different floors in seven buildings to achieve the highest percentage reduction in average electricity usage as compared with the first six months of the year.

## Water Management

The Bank's water resource management goal is to extract the greatest possible benefit from water consumption within the organization. Water is utilized in cooling towers, sanitary systems and gardens, taking into consideration environmental concerns and efficient use of resources. There are three types of water resources at KBank's three main offices: tap water within the buildings, reused/recycled water, and captured and stored rainwater. Two classes

of wastewater are discharged from the buildings, i.e., kitchen wastewater and wastewater from toilets and various cleaning activities. Kitchen wastewater is carried to the primary system for mixing with the second class of wastewater. The wastewater is then passed through an activated-sludge process, a biological process treating wastewater in aeration tanks that allows 50 percent of the water to be reused. This process avoids the production of greenhouse gases.

### Water management at KBank's three main buildings:

Building	Year	Input Volume (m <sup>3</sup> /year)			Wastewater volume (m <sup>3</sup> /year)			Average BOD	
		Public system (M3)	Post treatment <sup>1</sup>	Total	Before treatment	After treatment		Before treatment	After treatment
						Cooling Tower (recycled)	Gardens (reused)		
Rat Burana Building	2009	196,973	12,816	209,789	153,639	6,336	6,480	188	12.5
	2010	180,380	11,115	191,495	140,696	5,126	5,989	186	9.8
	2011	167,873	10,859	178,732	130,941	5,096	5,763	187	9.4
	2012	177,961	11,000	188,961	138,810	5,650	5,350	192	11.2
	2013	181,520	11,289	192,809	143,445	5,410	5,879	198	9.5
Phahon Yothin Building	2010	140,538	3,012	143,550	N/A	-	3,012	N/A	N/A
	2011	143,817	2,950	146,767	123,682	-	2,950	N/A	N/A
	2012	149,924	2,873	152,797	128,934	-	2,873	N/A	N/A
	2013	146,926	2,574	149,500	122,934	-	2,574	N/A	N/A
Chaeng Watthana Building	2010	87,708	45,360	133,068	73,674	41,400	3,960	N/A	N/A
	2011	82,171	46,366	128,537	68,850	42,510	3,856	N/A	N/A
	2012	89,289	46,210	135,499	74,520	42,260	3,950	N/A	N/A
	2013	90,020	44,381	14,401	66,521	40,501	3,880	N/A	N/A

## Global Warming: An Operational Concern

Concerns for the environment are integrally and concretely linked to KBank operations; we develop and adapt operating procedures as well as products and services with care for the environment.

### "K-ATM to Reduce Carbon Footprint" Project

Continuing since 2010, this effort promotes greater environmental awareness among the general public through service innovations that both serve the customer needs and reflect the Bank's commitment to the "Going Green" concept for a clean and sustainable world. In this project, ATM systems were altered to reduce electricity consumption and print slips so as to conserve natural resources, helping to reduce global warming. The Bank has around 8,614 ATMs nationwide, handling over 59.6 million transactions a month. The execution includes the following:

1. Lighting at 872 K-Lobby lounges and 1,400 stand-alone ATMs has been reduced eight hours a day, from 12 to four hours, saving 9,913,999 kWh a year, while air conditioning at ATMs has been cut eight hours a day, from 18 to 10 hours, decreasing consumption by 3,126,356 kWh a year. These results eliminate carbon emissions that are the main cause of the greenhouse effect by 10,563 tons of CO<sub>2</sub> equivalent a year; while the Bank also performs offsetting tree planting of 50,961 rai a year for CO<sub>2</sub> absorption.
2. ATM slips have been reduced from 8.00 x 11.2 to 8.0 x 8.5 centimeters, cutting paper consumption by 30 percent. The reduction in size is environmental friendly while maintaining all information needed for verification.
3. The paper has been changed to a more biodegradable form that decomposes in the environment within five years, halving the previous 10 years. Customers may also choose not to receive the printed slip, as part of our effort to encourage the general public to use less paper.

#### K-Top Up Loan for Energy Saving (Lighting Solution)

The Bank, with the Ministry of Energy and Provincial Electricity Authority, has introduced the K-Top Up Loan for Energy Saving (Lighting Solution) that encourages SMEs to use LED bulbs, with credit limit of up to 100 percent of light bulb replacement costs, collateral-free. In addition, Energy Service Company (ESCO) participating in the project offer complete services, such as light bulb replacement planning and advisory service on lighting quality and energy-saving results. As the LED bulbs help save up to 80 percent of electricity costs, these SMEs are expected to reach the breakeven point within two years under this program.

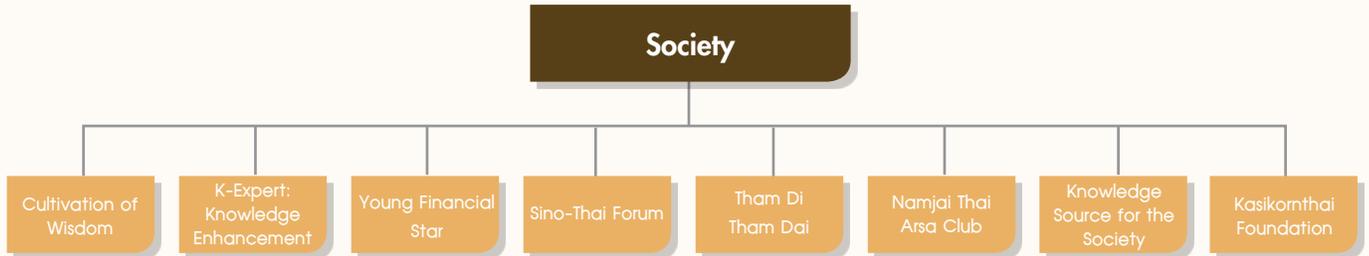
#### Combined KEC Statement and Receipt

Under the Combined KEC Statement and Receipt Project, a new combined form of statement and receipt has been designed to cut related operating costs, including paper, postage and other costs. Consequently, the Bank has been able to cut over Baht 20 million of costs each year, while also complying with the environmental-friendly concept.



K-Top Up Loan for Energy Saving (Lighting Solution)

# Society



The Bank has emphasized the youth development as the core of social development, realizing young people’s potential as a key foundation for the sustainable development of nation.

### Cultivation of Wisdom Project

KBank is purposeful in contributing to the national educational development; the second-year cooperation with the Office of the Thailand Research Fund (TRF) in the “Cultivation of Wisdom” Project is aimed at developing learning skills of youth, enhancing systemic thinking skills, instilling positive conscience and strengthening adherence to local ways of life. The project implementation includes the preparation of research projects

involving communal histories, community economy and creative science to bring about strong and sustainable communities. Courses related to financial skills and knowledge have been initiated for teachers and students that participate in research projects, with focus on income earning to enable the project advancement. Other courses of financial management have been given to participating schools for the benefit of personal financial management capability. The Bank and TRF believe that these research projects will bring about productive thinking processes and will foster the youth’s consciousness, based on communal histories and ways of life, which will lead to sustainable success in their future.



Research project from Cultivation of Wisdom Project

## K-Expert: Knowledge Enhancement Project

In 2013, the second “K-Expert” class was organized for 170 students, comprising 50 student of the Young Financial star (YFS) Program and 120 third - and fourth-year students from 21 universities. This project is aimed at promoting youth’s potential for “Innovative Leadership” that incorporates four qualities:

**Personality** - Dare to think, dare to do and dare to make decisions

**Skills** - Creative and innovative thinking, as well as financial management skills

**Roles** - Positive leadership and teamwork

**Social traits** - Integrity and responsibility towards society

Participating institutions were King Mongkut’s Institute of Technology Ladkrabang, Chulalongkorn University, Naresuan University, Thammasat University, Chiang Mai University, University of the Thai Chamber of Commerce, Mae Fah Luang University, Dhurakij Pundit University, Mahidol University, Bangkok University, Kasetsart University, Sripatum University, Khon Kaen University, Burapha University, Prince of Songkla University, Kasem Bundit

University, King Mongkut’s University of Technology Thonburi, Silpakorn University, Huachiew Chalermprakiet University, Walailak University and Suranaree University of Technology.

## The Young Financial Star

KBank together with The Stock Exchange of Thailand (SET), Muang Thai Life Assurance Public Company Limited and PTT Public Company Limited have participated in the Young Financial Star (YFS) Program. The program was organized for 3<sup>rd</sup> year undergraduate and postgraduate student, not over 25 years old. The YFS was originated in 2009 and aimed to provide opportunities for students who are interested in financing management and investment. Participating students would be able to develop their skill in the profession under financing, analyzing and customer services in capital market. To enrich the militancy of the Young Financial Star Network, students under the program would be provided with modern financial investment knowledge, vision and leadership skills, as well as power to generate idea for managing personal finances.



K-Expert: Knowledge Enhancement Project Class 2 for students from 21 Universities



The 10<sup>th</sup> Sino-Thai Forum 2013 on Topic of "Science and Technology for Sustainable Rural Development"



Launching of Tham Di Tham Dai Project and Activities on June 7, 2013 at KASIKORNBANK Head Office

### The Sino-Thai Forum Program

Each year, KBank organizes the Sino-Thai Forum program. In 2013, KBank and the Office of H.R.H. Princess Maha Chakri Sirindhorn's Projects, along with the Chinese Academy of Agricultural Sciences (CAAS) and National Science and Technology Development Agency (NSTDA), jointly hosted the 10<sup>th</sup> Sino-Thai Forum, entitled "Science and Technology for Sustainable Rural Development", to exchange knowledge and experiences of applying science and technology for sustainable agricultural development, particularly in rural areas, and to strengthen the relationship between the two countries. Her Royal Highness Princess Maha Chakri Sirindhorn presided over the event and gave a lecture on "Enhancement of Children's Potential in Science and Technology as the Foundation for Sustainable Rural Development". There were over 500 interested attendees, both Bank customers and the general public; and there was a live broadcast of H.R.H. Princess Maha Chakri Sirindhorn's lecture on the NBT Channel 11.

### "Tham Di Tham Dai" project

To exhibit our responsibility towards the society, economy and environment, the Bank has initiated the "Tham Di Tham Dai" project to celebrate our 68<sup>th</sup> year of business operations. The project is aimed at inspiring KBank employees to conduct a total of 68 good deeds for the benefit of society and in alignment with the "Green at Heart" concept. In 2013, there have been 68 projects involving child development, providing educational and environmental conservation topic.

### Namjai Thai Arsa Club (Thai Volunteer Spirit Club)

Two years after its establishment, Namjai Thai Arsa Club has 1,278 members, who are staff members of KBank, K Companies and P Companies. Notable CSR activities in social and environmental including sharing the power of charity in 2013, based on the “Green at Heart” concept, included the following:

1. **Coastal preservation activity** - On May 11, 2013, KBank staff joined in mangrove reforestation at Wat Khun Samut Chin in Lam Pha Pa, Phra Samut Chedi, Samut Prakan.
2. **The 4<sup>th</sup> Green at Heart activity** - Members of Namjai Thai Arsa Club participated in the “Hop Din Hom Pa Ru Khunkha Phumpanya Thai” event at Bang Namphueng, Phra Pradaeng District, Samut Prakan, on August 31, 2013. The activities included growing perennial trees and herbal plants, and learning how to make herbal incense sticks from local materials without any chemical substances.
3. **Disaster relief** - Following flooding in many provinces across Thailand, KBank club members prepared disaster

relief kits during August–October 2013 and distributed 5,000 kits along with 60,000 bottles of drinking water for flood victims in Kabin Buri District, Prachin Buri, on September 28, 2013, and in Si Maha Phot, Prachantakham and Mueang Districts, Prachin Buri, on October 12, 2013. Our staff in other regions also distributed disaster relief kits to flood victims in their areas.

### Financial Knowledge for the Society

The Bank launched the “K Beautiful Life” website where financial information and other useful knowledge can be found free-of-charge, including information about education, health, travel, interesting tips and privilege offerings. Surveys were conducted to compile the topics frequently sought by customers for their non-financial decision-making and planning. Information offered is compiled from public sources such as magazines and online news sites, or experience sharing with famous and successful persons or those with long experience in particular fields, for example introduction of tourist destinations and restaurants by branch managers, domestic and overseas



study experience from graduates, and how to live a happy life from celebrities. The website also provides an online examination for interested students and general public. The current page view average stands at 60,000 a month, with total membership of 13,000.

### KASIKORNTHAI Foundation Activities

Through the KASIKORNTHAI Foundation, KBank sponsors activities supporting childhood and youth development. Five continuing projects aimed at enhancing health and learning are described below.



K Beautiful Life website, featuring financial information and other useful knowledge

### Libraries for Schools

KASIKORNTHAI Foundation is active in instituting and building up school libraries in remote areas nationwide, providing opportunities for reading and for developing research skills on par with their urban counterparts and building potential for self-directed learning. These skills enhance self-reliance and student abilities to help their families and contribute to their communities, important strengths to our country's future. The Foundation trains teachers in ways of instilling the reading habit and at the Young Librarian Camp, students learn to assist others and to convey an enduring love of reading. The Foundation integrates information technology with the learning processes using an easy-to-use system including media locations and tracking checkouts and returns. A number of groups have participated, keeping this development-through-reading project vibrant from its inception in 2009 through the present. To date, 41 high quality school libraries have been established in 41 provinces across Thailand.

### Thai School Bus

Inspired by the belief that children should be safe when traveling to and from school, the Thai School Bus project has been implemented since 2000. The project designates standards for vehicles, drivers and on-vehicle staff ensuring physical safety and good care from their home to school. The project serves kindergarten and primary school children of Rat Burana District and those under the care of the Child Protection Foundation, Samut Songkhram.

### Thai Youth Camp

The Thai Youth Camp provides for the productive use of the free time during school vacations for disadvantaged children from shelters and/or detention homes. Initiated in 1995, the Camp offers training in music, sports and the arts, cultivating positive attitudes and imparting an aesthetic of working well with others, including self-respect and respect for others. These activities prepare campers for a productive life in society. Each year, about 280 youngsters from various shelters and detention homes participate in the camp.

### Lunch Box

Food is an essential human need and KASIKORNTHAI Foundation believes that students especially require three fully nutritious meals a day for adequate physical and mental development. Since 1997, the Foundation has subsidized lunch programs for three groups:

- Pre-schoolers at child development centers in congested Bangkok neighborhoods.
- Kindergarten and primary school children in remote areas.

- Disadvantaged children and youth, for example those who are handicapped, orphaned or abused and those living in shelters.

In the third week of December every year, the Foundation gives a New Year's party at the KASIKORNTHAI CLUB for about 400 children from various shelters. The festivities include games, a meal and gifts for all, providing an interlude of happiness and joy to these boys and girls.

### Mettadhamma

Initiated in 2006, the Mettadhamma project, accepts donations of unused items from Bank staff for the benefit of those less fortunate, such as disadvantaged children, the handicapped and elderly persons living alone or in shelters. The Project has a website, [www.mettadham.org](http://www.mettadham.org), through which donations can be made 24 hours a day. In 2013, the Foundation conducted the Thai Rice for Thais project in honor of His Majesty the King's 86<sup>th</sup> Birth Anniversary. Bank staff were invited to purchase 8,600 five-kilogram packets of hom mali rice for distribution to the needy, providing the joy of good meals, health and full stomachs and hearts to impoverished and handicapped children and the elderly at 86 schools and shelters throughout the country.



Thai Youth Camp

This Sustainability Development Report has been assessed at level B+, in accordance with the GRI Reporting Framework, with indicators being based on GRI 3.1 Guidelines.

Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures		Report Externally Assured	Report Externally Assured	Report Externally Assured	Report Externally Assured	Report Externally Assured
Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
Disclosures on Management Approach	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
Performance Indicators & Sector Supplement Performance Indicators	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***		Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

\* Sector supplement in final version

\*\* Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines

\*\*\* Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines

Information of the Organization	Partial	Complete	AR (page)	SD (page)	Remark
<b>1. Strategy and Analysis</b>					
1.1 Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy		✓	5 - 15	3	
1.2 Description of key impacts, risks, and opportunities		✓	61 - 73		
<b>2. Organizational Profile</b>					
2.1 Name of the organization		✓		Cover Page	
2.2 Primary brands, products, and/or services		✓	28 - 56	12	

Information of the Organization	Partial	Complete	AR (page)	SD (page)	Remark
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries or branches, and joint ventures		✓	248 - 249 282 - 283 291 - 319		
2.4 Location of organization's headquarters		✓	285 - 291		
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report		✓	316	12	
2.6 Nature of ownership and legal form		✓	285	12	
2.7 Markets served		✓	28 - 32		
2.8 Scale of the organization (number of employees, number of operations, net sales, net revenues, registered capital, number of products and services within the report)		✓	80 - 83 286, 291	12, 43	
2.9 Significant changes during the reporting period regarding size, structure, or ownership		✓	212, 274 - 275 286		There were changes in the number of Directors and shareholding proportion
2.10 Awards received in the reporting period		✓	14, 287 - 289		
<b>3. Report Parameters</b>					
<b>Report Profile</b>					
3.1 Reporting period		✓		8	8/3/13
3.2 Date of most recent previous report		✓			
3.3 Reporting cycle		✓		11	
3.4 Contact point for questions regarding the report or its contents		✓	212	19	
<b>Report Scope and Boundary</b>					
3.5 Process for defining report content		✓		10 - 11	
3.6 Boundary of the report (e.g., countries, divisions, branches, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance		✓		8	
3.7 State any specific limitations on the scope or boundary of the report		✓		8, 10 - 11, 61	

Information of the Organization	Partial	Complete	AR (page)	SD (page)	Remark
3.8 Basis for reporting on joint ventures, branches, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations		✓		8	
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimation applied to the compilation of the Indicators and other information in the report		✓		51 - 54	There was calculation of CO <sub>2</sub> reduction according to wastewater treatment standard.
3.10 Explanation of the effect of any re-statements of information provided in earlier reports (e.g., mergers/ acquisitions, change of reporting periods, nature of business, measurement methods)		✓		8	
3.11 Significant changes from previous reports in the scope, boundary, or measurement methods applied in the report		✓		8	
<b>GRI Content Index</b>					
3.12 Table identifying the location of the Standard Disclosures in the report		✓		61 - 72	
<b>Assurance</b>					
3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).		✓		74	There is external assurance.

Information of the Organization	Partial	Complete	AR (page)	SD (page)	Remark
<b>4. Governance, Commitments and Engagement</b>					
<b>Governance</b>					
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight		✓	212 - 228, 247 - 248, 254 - 264	15 - 17	
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)		✓	215 - 216	15	
4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members		✓	212, 215	15	
4.4 Mechanisms for shareholders and employees to provide recommendations or directions to the highest governance body.		✓		19	<a href="http://www.kasikornbank.com/TH/Investors/Corporate%20Governance/DisclosureandTransparency/Pages/CommunicationwiththeBoard.aspx">http://www.kasikornbank.com/TH/Investors/Corporate Governance/ Disclosureand Transparency/ Pages/Communicationwiththe Board.aspx</a>
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)		✓	235 - 238	15 - 19	
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided		✓	230 - 232	17 - 19	
4.7 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity		✓	216 - 217	15 - 16	
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation		✓	228 - 230	1, 13, 16 - 19	

Information of the Organization	Partial	Complete	AR (page)	SD (page)	Remark
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles		✓	215 - 216	8, 12 - 16	
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance		✓	234 - 235	16 - 17	
<b>Commitments to External Initiatives</b>					
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization (as per the Article 15 of the Rio Principles)		✓		49 - 54 57 - 58	
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses		✓		12	LEED
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization has positions in governance bodies, participates in projects or committees, provides substantive funding beyond routine membership dues, or views membership as strategic		✓		12	ICAS, CSR Club
<b>Stakeholder Engagement</b>					
4.14 List of stakeholder groups engaged by the organization		✓	205 - 206	8 - 10	
4.15 Basis for identification and selection of stakeholders with whom to engage		✓	205	10	
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		✓	207 - 211	8 - 10	

Information of the Organization	Partial	Complete	AR (page)	SD (page)	Remark
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting		✓		8 - 10	

Disclosure on Management Approach	AR (page)	SD (page)	Remark
<b>DMA FS PRODUCT AND SERVICE IMPACT DISCLOSURE ON MANAGEMENT APPROACH</b>			
Products Portfolio	243	22 - 27, 29 - 31, 49	
FS1 Policies with specific environmental and social components applied to business lines	243	22 - 27, 29 - 31	
FS2 Procedures for assessing and screening environmental and social risks in business lines		22 - 26	
FS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines		49	Partial
<b>DMA EC ECONOMIC DISCLOSURE ON MANAGEMENT APPROACH</b>			
Economic performance	9, 68 - 70, 104	46	
Indirect economic impacts		29, 55 - 60	
<b>DMA EN ENVIRONMENT DISCLOSURE ON MANAGEMENT APPROACH</b>			
Energy	243 - 244	6, 10, 49 - 50	
Water	243 - 244	6, 10, 49 - 50	
Emissions, effluents, and waste	243 - 244	6, 10, 49 - 50	
Products and services	243 - 244	6, 10, 49 - 50	

Disclosure on Management Approach	AR (page)	SD (page)	Remark
<b>DMA LA LABOR DISCLOSURE ON MANAGEMENT APPROACH</b>	243 - 244	6, 10, 49 - 50	
Employment			
Labor/management relations		5, 8, 42, 44 - 45	
Occupational health and safety		5, 8, 42, 44 - 45	
Training and education		5, 8, 42, 44 - 45	
Equal remuneration for women and men		5, 8, 42, 47 - 49	
<b>DMA HR HUMAN RIGHTS DISCLOSURE ON MANAGEMENT APPROACH</b>		5, 8, 42,44	
Investment and procurement practices			
Non-discrimination			
Child labor		5, 8, 44 - 46	
Prevention of forced and compulsory labor		5, 8, 44 - 46	
<b>DMA SO SOCIETY DISCLOSURE ON MANAGEMENT APPROACH</b>		5, 8, 44 - 46	
Corruption			
Public			
<b>DMA PR PRODUCT RESPONSIBILITY DISCLOSURE ON MANAGEMENT APPROACH</b>		7, 17 - 19	
Product and service labeling		7, 17 - 19	
Marketing communications			
	243	27	
	243	27 - 28	

Economic Performance Indicators	Partial	Complete	AR (page)	SD (page)	Remark
<b>Economic Performance</b>					
EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations, and other community investments, retained earnings, and payments to capital providers and governments	✓		80 - 87		

Economic Performance Indicators		Partial	Complete	AR (page)	SD (page)	Remark
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	✓		9, 68		
EC3	Coverage of the organization's defined benefit plan obligations		✓	104, 160	46	
<b>Indirect Economic Impacts</b>						
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement		✓		22 - 26, 29 - 31 55 - 60	
EC9	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	✓			34 - 44, 49 - 54	

Environmental Performance Indicators		Partial	Complete	AR (page)	SD (page)	Remark
<b>Energy</b>						
EN4	Indirect energy consumption by primary source		✓		51 - 52	
EN5	Energy saved due to conservation and efficiency improvements		✓		51 - 54	"Green at Heart" Project, Cutting Electricity Costs" Competition, K-ATM to Reduce Carbon Footprint" Project, K Top Up Loan for Energy Saving and Combine KEC Statement and Receipt
<b>Water</b>						
EN8	Total water withdrawal by source		✓		53	
EN9	Water sources significantly affected by withdrawal of water		✓		53	There is no impact on vicinity community and natural water sources.

Environmental Performance Indicators		Partial	Complete	AR (page)	SD (page)	Remark
EN10	Percentage and total volume of water recycled and reused		✓		53	
<b>Emissions, Effluents and Waste</b>						
EN21	Total water discharge by quality and destination		✓		53	
<b>Products and Services</b>						
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	✓			49 - 54	

Society Performance Indicators: Labor Practices and Decent Work		Partial	Complete	AR (page)	SD (page)	Remark
<b>Employment</b>						
LA1	Total workforce by employment contract, and region, broken down by gender	✓			43	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region		✓		43	
LA15	Return to work and retention rates after parental leave, by gender		✓		44	Only female employees are eligible.
<b>Labor/Management Relations</b>						
LA4	Percentage of employees covered by collective bargaining agreements		✓		45	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements		✓		46	

Society Performance Indicators: Labor Practices and Decent Work		Partial	Complete	AR (page)	SD (page)	Remark
<b>Occupational Health and Safety</b>						
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	✓			44	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases		✓		44 - 47	
<b>Training and Education</b>						
LA10	Average hours of training per year per employee, by gender, and by employee category		✓		47 - 48	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		✓		47 - 49	
<b>Equal Remuneration for Women and Men</b>						
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation		✓		44	

Human Rights Performance Indicators		Partial	Complete	AR (page)	SD (page)	Remark
<b>Investment and Procurement Practices</b>						
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		✓		47 - 48	

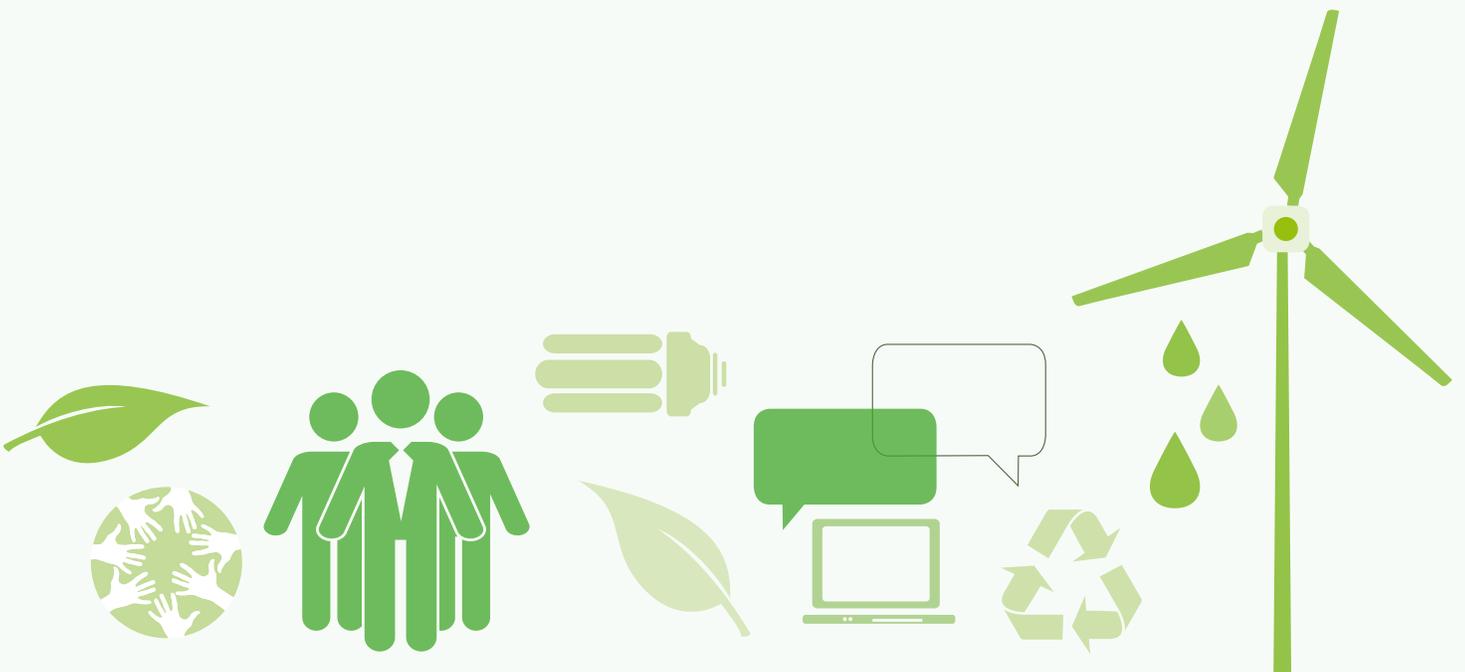
Human Rights Performance Indicators		Partial	Complete	AR (page)	SD (page)	Remark
<b>Non-discrimination</b>			✓		47 - 48	No record of discrimination
HR4	Total number of incidents of discrimination and corrective actions taken		✓		47 - 48	No record of discrimination
<b>Child Labor</b>			✓		45	No record of child labor
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		✓		45	No record of child labor
<b>Forced and Compulsory Labor</b>			✓		45	No record of forced labor and compulsory labor
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		✓		45	No record of forced labor and compulsory labor

Social Performance Indicators		Partial	Complete	AR (page)	SD (page)	Remark
<b>Corruption</b>			✓		18- 19	
SO3	Percentage of employee trained in organization's anti-corruption policies and procedures		✓		18- 19	
<b>Public policy</b>			✓		17 - 19	Public policy for anti-corruption
SO5	Public policy positions and participation in public policy development and lobbying		✓		17 - 19	Public policy for anti-corruption

Product Responsibility Performance Indicators	Partial	Complete	AR (page)	SD (page)	Remark
<b>Product and Service Labeling</b>					
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction		✓		28	
FS16 Initiatives to enhance financial literacy by type of beneficiary		✓		31 - 42, 56 - 57	
<b>Marketing Communications</b>					
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship		✓		27 - 28	



# *Green at Heart*





## Independent Assurance Statement To KASIKORNBANK PCL on the Sustainability Development Report 2013

KASIKORNBANK Public Company Limited requested Thaipat Institute (the Foundation for Thailand Rural Reconstruction Movement under Royal Patronage) to carry out an assurance engagement response to the Sustainability Development Report 2013 based on the following criteria:

- The nature and extent of adherence to the AA1000 AccountAbility Principles Standard (AA1000APS 2008) of inclusivity, materiality and responsiveness
- The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 3.1 and the requirements of Application Level B\*

### Intended users of the statement

The intended users of this assurance statement are the management of KASIKORNBANK PCL and its associated stakeholders.

### Roles and Responsibilities

- The management of KASIKORNBANK PCL has sole responsibility for the preparation and content of its Sustainability Development Report 2013
- Thaipat Institute represents the assurance statement to express its independent and balanced opinion on the Sustainability Development Report 2013 as defined within the scope of assurance below to KASIKORNBANK PCL

### Scope of Assurance

The scope of this assurance engagement based on Type 1, AccountAbility Principles: evaluation of adherence to the AA1000 AccountAbility Principles and to the GRI Sustainability Reporting Guidelines version 3.1. The scope of this assurance engagement does not provide conclusions on the reliability of the performance information.

### Assurance Standard Used

The assurance engagement has been provided in accordance with the AA1000AS (2008).

### Disclosures Covered

The assurance engagement is based on information that is publicly disclosed on the Sustainability Development Report 2013 of KASIKORNBANK PCL for the year ended 31 December 2012.

### Methodology

We carried out Type 1 moderate assurance in accordance with AA1000AS. A Type 1 engagement requires us to report on the nature and extent of adherence to AA1000 APS. To achieve moderate level assurance we have used the criteria in AA1000AS to evaluate adherence to AA1000APS. We undertook the following procedures:

- Reviewed the policies, practices, management systems and processes and performance information to be included within the Sustainability Development Report 2013 of KASIKORNBANK PCL
- Analyzed information on performance provided in the Sustainability Development Report 2013 of KASIKORNBANK PCL as a source of evidence to evaluate adherence to the principles and guidelines
- Inquired the processes KASIKORNBANK PCL undertaken to adhere to the principles of inclusivity, materiality and responsiveness
- Assessed the extent to which KASIKORNBANK PCL has applied the GRI Reporting Framework, including the Reporting Principles and Financial Services Sector Supplement
- Provided observations/recommendations to KASIKORNBANK PCL in accordance with the Scope of Assurance based on defined criteria

### Findings and Conclusions

- Based on the scope of assurance using the AA1000AS (2008), we conclude that KASIKORNBANK PCL has applied processes and procedures that adhere with the principles of inclusivity, materiality and responsiveness as set out in the AA1000APS (2008); and
- Based on the scope of assurance using the GRI Reporting Framework, we conclude that KASIKORNBANK PCL has followed Reporting Principle and Standard Disclosures in a reasonable and balanced presentation of information and consideration of underlying processes for preparing the report

### Observations and Recommendations

Nothing has come to our attention that causes us to believe that the Sustainability Development Report 2013 of KASIKORNBANK PCL does not adhere to the Principles. To improve future reporting of Sustainability in accordance with AA1000APS, we make the following observations:

**Inclusivity:** The report showed the process of engagement and participation of key stakeholder groups across all sectors in comprehensive and balanced manner to address and respond to issues and expectations. It is recommended that frequency of engagement by type and by stakeholder group should be included in the next reporting period.

**Materiality:** The report addresses a comprehensive understanding and identification of material issues to the bank, and to its stakeholders via the materiality determination process in the context of AA1000 principles. However there are some relevant issues to stakeholder groups which are not appeared in the materiality determination process e.g. aspects regarding compliance on product responsibility, customer privacy, local community, and overall environmental aspect. It is suggested that the determination process of material issues to report should be taken into account those relevant aspects in relation to stakeholders and therefore merit particular attention in the report.

**Responsiveness:** KASIKORNBANK PCL has demonstrated its response to material issues that affect its sustainability performance through governance structure, policies, management approach, actions and performance. However it is recommended that its responses should include targets and timeline to achieve those targets it commits to on each material issues, as well as measurement and monitoring of performance, and communicate to stakeholders.

To improve future reporting of Sustainability in relation to GRI Reporting Framework, we make the following observations:

KASIKORNBANK PCL has in place the underlying processes for preparing the report content indicated on Standard Disclosures (Strategy and Profile, Management Approach, and Performance Indicators) including Financial Services Sector Supplement (Product and Service Impact Section: FS1, FS2, FS4). However it is recommended that KASIKORNBANK PCL has room to improve on Principles for ensuring the quality and appropriate presentation of reported information such as the clarity on identifying the location of the Standard Disclosures in the report against GRI Content Index, the availability of information where the content index referred to, and also the level of disclosure according to its Application Level declaration. In addition to the recommendations, there are a number of suggestions:

- Page references in the GRI Content Index should be specific to one or two pages. In case a disclosure can be found across a wide range of pages, the Content Index should state the pertinent information that can be found on each of these pages.
- The ICAS information referred in the GRI Content Index on Standard Disclosures Section (4.13) should be made available in the referenced page (p.12)
- The performance information on energy saved due to conservation and efficiency improvement (IENS) under the Combined KEC Statement and Receipt Project should be made available in the referenced page (p.54)
- The information on total water discharge by quality and destination (EN21) should indicate water quality (BOD) before and after treatment of wastewater discharged from the buildings at Phahon Yothin Site and Chaeng Watthana Site, also the description of remarks in the water management table (p.53)
- The accuracy of information on number of employee training (p.48) is greater than the total number of employees in the organization (p.43)

### Competencies and Independence

Thaipat Institute is a public organization established in 1999 with its roles in researching, training, and consulting in corporate responsibility and sustainability practices. Thaipat Institute is an AA1000AS (2008) Licensed Providers granted by AccountAbility, the creator and proprietor of the AA1000 Assurance Standard. Thaipat Institute has become the first GRI Organizational Stakeholder in Thailand since 2010 and has been certified as GRI training partner in Indonesia, Thailand, and Malaysia in 2013. Our team has the relevant professional and technical competencies and experience in corporate responsibility and sustainability for several years. During FY2013, we did not provide any services to KASIKORNBANK PCL that could conflict with the independence of this work.

For Thaipat Institute

By Vorranut Piantam  
Assistant Director

Bangkok  
2 March 2014





## Statement GRI Application Level Check

GRI hereby states that **KASIKORNBANK Public Company Limited** has presented its report “Sustainability Development Report 2013 KASIKORNBANK Public Company Limited” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 10 March 2014

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint background watermark of a globe.

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The “+” has been added to this Application Level because **KASIKORNBANK Public Company Limited** has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 3 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

# K

**KASIKORNTHAI**

**ธนาคารกสิกรไทย**  
开泰银行 KASIKORNBANK



**หลักทรัพย์จัดการกองทุนกสิกรไทย**  
开泰基金管理 KASIKORN ASSET MANAGEMENT



**ศูนย์วิจัยกสิกรไทย**  
开泰研究中心 KASIKORN RESEARCH CENTER



**หลักทรัพย์กสิกรไทย**  
开泰证券 KASIKORN SECURITIES



**ลีสซิ่งกสิกรไทย**  
开泰租赁 KASIKORN LEASING



**แฟคเตอรี แอนด์ อีควิปเมนต์ กสิกรไทย**  
开泰设备融资 KASIKORN FACTORY AND EQUIPMENT



## KASIKORNBANK PUBLIC COMPANY LIMITED

1 Soi Rat Burana 27/1, Rat Burana Road,  
Rat Burana Sub-District, Rat Burana District,  
Bangkok 10140, Thailand

Tel.: +662-2220000 Fax: +662-4701144

e-mail: [info@kasikornbank.com](mailto:info@kasikornbank.com)

K-Contact Center: +662-8888888

SWIFT: KASITHBK

Website: [www.kasikornbankgroup.com](http://www.kasikornbankgroup.com)

Initiating the “Green at Heart” concept in a move to reduce consumption of resources and the global warming effects, KASIKORNBANK has used environmentally-friendly material, i.e. Green Paper and Soy-based Ink in producing the Sustainability Development Report 2013.



**ธนาคารกสิกรไทย**  
**开泰银行 KASIKORNBANK**