



ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ

# CUSTOMER CENTRICITY



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



แฟคเตอรี่ แอนด์ อีควิปเม้นท์ 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



## “Green at Heart” Resolution

KBank is **Green at Heart**, committed to economic, social and environmental responsibility. The Bank endeavors to raise awareness, educate and motivate personnel to embrace this concept in all of their operational processes, taking into consideration the concerns of all stakeholders, from shareholders, directors and employees to customers, counterparties, competitors, creditors, the community, the environment and society, being key factors of sustainable development.



## Contents

04

Message from Chairman of the Board  
and Chief Executive Officer

24

Corporate Governance

07

Practices under the United Nations  
Global Compact

34

Serving Customer

10

KASIKORN BANK

PUBLIC COMPANY LIMITED Profile

50

Serving Society  
and Environment

15

Sustainability  
Approach

64

Working  
with KBank

20

Reporting  
Methodology

76

GRI  
Content Index

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

KASIKORN BANK PUBLIC COMPANY LIMITED (KBank) embraces Sustainable Development (SD) as an integral part of our business operations. It is our firm belief that our corporate strength and sustainability will be achieved through our responsibility to the economy, society, and environment. During 2014, our operations were based on a “Green at Heart” resolution, where we sought to instill a spirit of sustainable development within our own corporate culture. To materialize this aim, the Board of Directors has drawn up a Sustainable Development Policy. The Corporate Governance Committee has been assigned the task of ensuring that all concrete actions are incorporated throughout the Bank’s business process. The Corporate Governance Committee is also responsible for providing recommendations on KBank’s sustainable development plan and reporting to the Board of Directors. In 2014, notable achievements included:

### Economic Aspect

KBank’s goals and operational directions have been devised to be consistent with Thailand’s economic trends and growth performance, thus contributing to healthy and balanced economic fundamentals. We are continually developing a diverse array of financial products, responding to the financial needs and lifestyles of each customer segment. Our international expansion precedes the upcoming AEC, to include financial services for continued business expansion for both domestic and international investors. We are broadening our services to offer useful knowledge in the areas of personal financial planning and business operations to benefit our customers and the general public; we aspire to enhance their stability and contribute to the development of a firm foundation for national economy. Important projects include K-Expert, K SME Care, KFam Club, SME Tee Tak, and a broader access to digital banking service through K-Mobile Banking that facilitates convenient and rapid financial transactions for customers nationwide.

### Social Aspect

Realizing that human resources are a key component in meeting these objectives, KBank has accorded great importance to taking care of our employees and maximizing their potential. Significant action has been undertaken via training courses to increase staff skills, knowledge, and capabilities to prepare them for career advancement. Leadership training and succession planning are also important; management of labor relations is a must, as are other operations involving staff remuneration, welfare, and career opportunities. We believe that the creation of a pleasant work environment is good for occupational health and safety. Beyond those factors, KBank aims to empower our society and local communities, especially with regard to our youth, because the development of our nation is dependent upon our young people developing into competent and capable adults. KBank is cooperating with the Thailand Research Fund (TRF) in the Cultivation of Wisdom project to develop systematic and rational thinking skills in secondary school students and engender a sense of responsibility towards their communities. This concept is also fostered with our own employees’ children at our Cultivation of Wisdom camp, or the “Pho Phan Panya Kamp,” in order to create knowledge, understanding, and participation within an organization. Our commitment has expanded to include the AFTERKLASS website, an online community for secondary school students to refine the skill of their dreams, e.g., music, sports, the arts, and academic pursuits, to become high quality and ethical people. In addition, our efforts have broadened to assist customers affected by political protests, rising household debt, and earthquakes in seven provinces of Thailand.

## Environmental Aspect

KBank has defined a clear environmental policy, including credit product development and risk management tools that are environmentally and community-friendly, taking into account the national and global setting. Credit facilities have been extended to renewable energy projects, e.g., solar, wind, and biomass power generation; as well as to electric power-saving programs, e.g., our K-Top Up Loan for Energy Saving (Lighting Solutions) and K-Energy Saving Guarantee Program, to encourage more responsible use of energy. As for our premises management, guidelines have been set for construction and renovation of buildings to fulfill our long-term energy-saving plans. This concept encompasses the entire process of construction, material selection, environmental conservation, and energy management as we create a healthier community ecosystem. Various campaigns have been carried out to encourage staff participation in energy-saving actions, reduction of paper use, and in many environmental rehabilitation programs with community residents. During 2014, KBank's Board of Directors mapped out a Sustainable Development Policy and assigned the Corporate Governance Committee the task of providing advice, supervision over related operations, and a commitment to concrete actions, including the participation of all stakeholders. The Sustainable Development Policy must be followed through in all KBank business processes, including product and service development, risk management, fair and equitable treatment of employees, development of youth potential, promotion of educational personnel, enhanced environmentally-friendly business operations, awareness of environmental impacts, natural resource conservation, and minimization of waste.

By 2017, KBank aspires to have achieved sustainability in all our business processes, supported by well-defined management procedures and operational structures. Staff skills will be enhanced via internal campaigns and efficient monitoring, boosting KBank towards becoming a "Sustainability Organization."

This Sustainability Development Report has been prepared in conformity with the Global Report Initiative (GRI). Indicators per G4 Guidelines have also been used for the first time to identify operational framework to guide us towards long-term sustainability in economic, social, and environmental aspects. On behalf of KASIKORN BANK, I am pleased to witness our participation in promoting sustainable development, and I encourage all employees, customers, communities, and our society, as well as other stakeholders, to acknowledge their own social responsibility and join in these beneficial activities for sustainable development.



(Mr. Banthoon Lamsam)

Chairman of the Board and Chief Executive Officer



## Practices under the United Nations Global Compact

Principles of Global Compact	Area	Implementation
<p>1. Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>2. Make sure that they are not complicit in human rights abuses.</p>	 <p><b>Human Rights</b></p>	<ul 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>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>4. The elimination of all forms of forced and compulsory labor;</p> <p>5. The effective abolition of child labor; and</p> <p>6. The elimination of discrimination in respect of employment and occupation.</p>	 <p><b>Labor</b></p>	<ul 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. Encourage establishment of KASIKORN BANK Labor Union and KASIKORN BANK Officer Labor Union in order to foster good relationships between employers and employees, and among employees.</li> <li>Have in place a policy against forced and compulsory labor.</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> </ul>

Principles of Global Compact	Area	Implementation
<p>7. Businesses should support a precautionary approach to environmental challenges;</p> <p>8. Undertake initiatives to promote greater environmental responsibility; and</p> <p>9. Encourage the development and diffusion of environmentally friendly technologies.</p>	 <p><b>Environment</b></p>	<ul style="list-style-type: none"> <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> <ul style="list-style-type: none"> <li>• Include participation in environmental protection and preservation in the Statement of Business Conduct and Code of Conduct.</li> <li>• Include in the Sustainable Development Policy the issues of environmentally-friendly business operations, conservation and reduction of use of natural resources and waste reduction as well as building on awareness and corporate culture in environmental protection.</li> <li>• Align office development with “Green Building” standards, with focus on energy-saving and environmentally-friendly features.</li> <li>• 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>• Promote “Green Building” knowledge, concerning energy saving and environmental friendliness, through seminars and company visits for organizations and educational institutions.</li> </ul>

Principles of Global Compact	Area	Implementation
<p>10. Businesses should work against corruption in all its forms, including extortion and bribery.</p>	 <p><b>Anti-Corruption</b></p>	<ul 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 Against Corruption (CAC) Project.</li> <li>• Obtain certification from the CAC Council.</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 behaviors or fraudulent acts within the Bank.</li> <li>• Disseminate and provide knowledge on the Anti-Corruption Policy to directors, executives and employees on a continual basis.</li> <li>• Have in place effective channels for direct communication with, and provision of useful recommendation or information to 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>

## KASIKORN BANK PUBLIC COMPANY LIMITED Profile

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### Profile of KASIKORN BANK PUBLIC COMPANY LIMITED

KASIKORN BANK PUBLIC COMPANY LIMITED 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

**Telephone :** +662-2220000

**Fax :** +662-4701144-5

**K-Contact Center (Individual customers) :** +662-8888888  
press 1 - Thai, press 2 - Mandarin,  
press 3 - English, press 4 - Japanese and  
press 5 - Myanmar

**K-BIZ Contact Center (Corporate customers) :** +662-8888822  
press 1 - Thai, press 2 - Mandarin,  
press 3 - English, press 4 - Japanese and  
press 5 - Myanmar

**e-mail :** info@kasikornbank.com

**Website :** www.kasikornbank.com

KBank was established on June 8, 1945. It was listed on the Stock Exchange of Thailand on February 9, 1976. KBank'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.

KBank 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 society, quality of life and the environment. Being aware of environmental preservation, KBank 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.

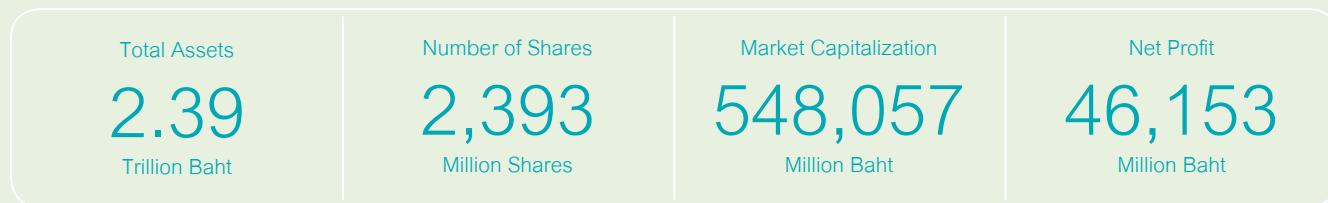
KBank participates as a partner, networker and member of an organization or agency established for economic and social benefits, and adopts their best practices for implementation within the organization, including participation in the development and knowledge sharing. The Bank executives also participate 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)
- CSR Club of the Thai Bankers' Association (TBA)
- CSR Club Thai Listed Companies Association

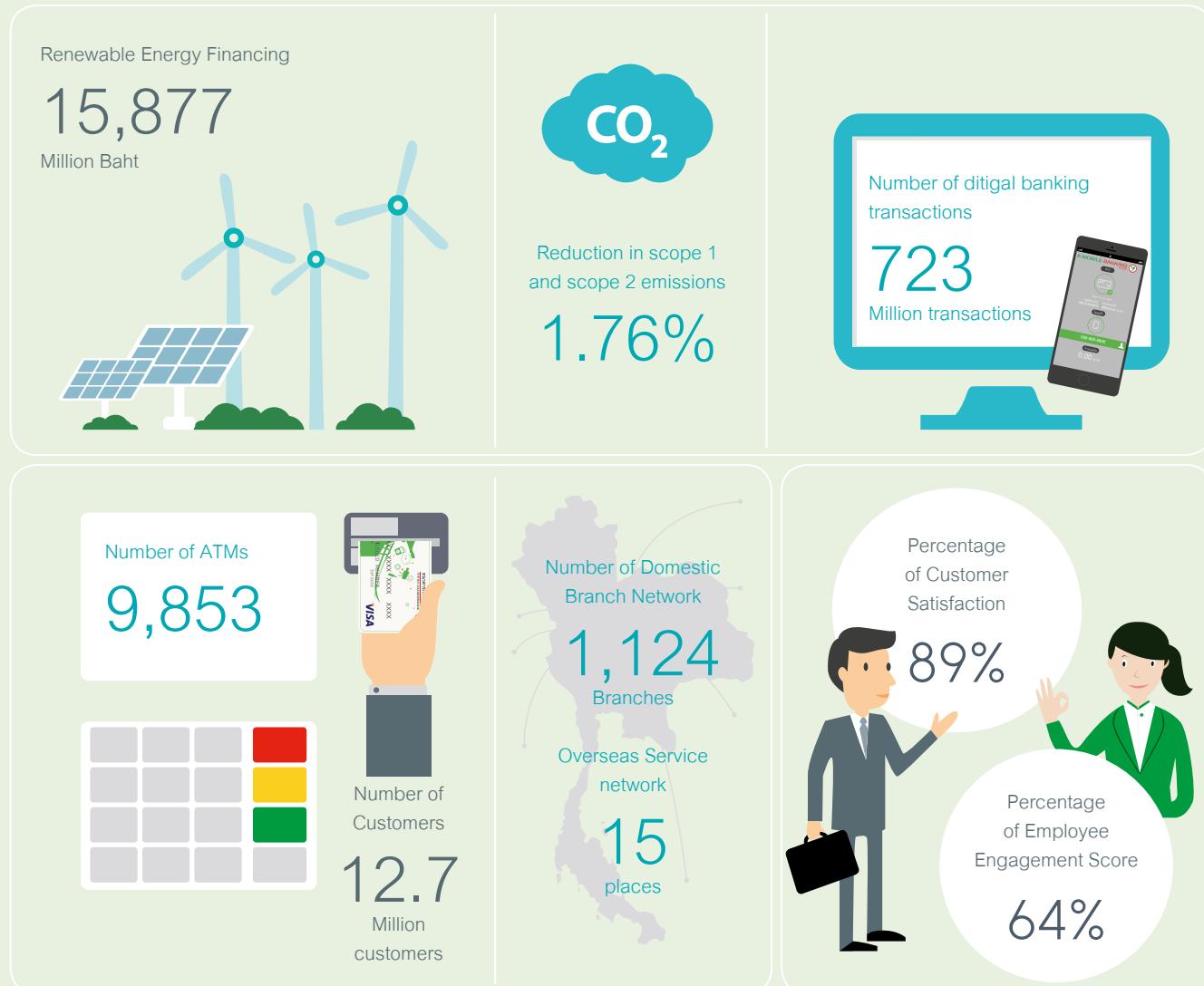
## Our Performance at a glance

KBank aims to be the “Main Bank” of all customer segments, with achievement of sound and sustainable performance under proper risk management, Good Corporate Governance principles and business undertakings with adherence to the Sustainability Development concept.

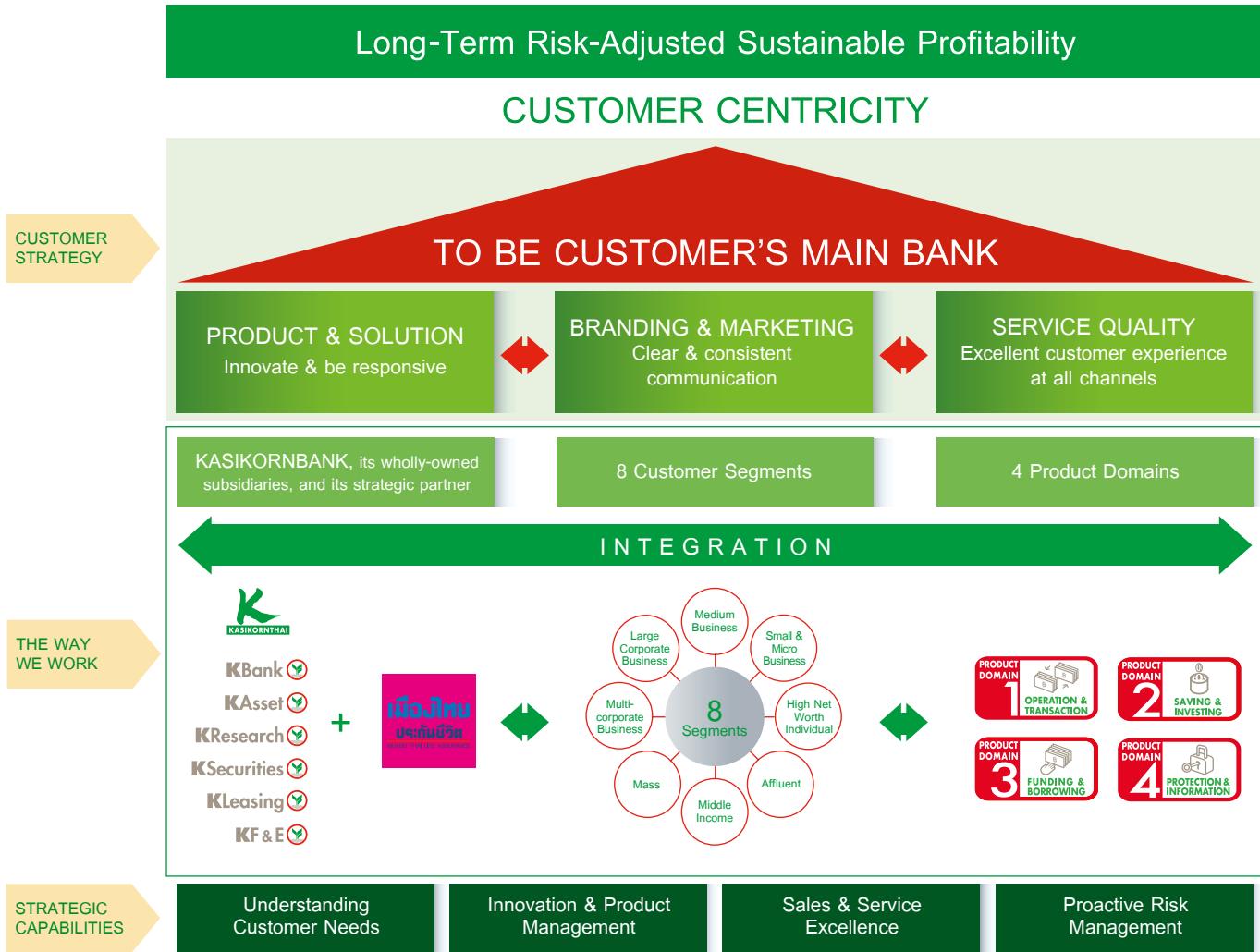
### Financial Performance



### Non-Financial Performance



## Strategic Directions of KASIKORN BANK



KBank always adheres to the Customer Centricity strategy, striving to become the customers' main bank by satisfying their needs with comprehensive financial service plus delivery of good experience for all customer segments via three main areas:

1. Product & Solution: with focus on creation of innovative products to meet customer needs in a timely manner
2. Branding & Marketing: through clarity and consistency of the brand at all levels

3. Service Quality: by delivery of the finest service experience for all customers through our various service channels, under key strategic directions, i.e.,
- Understanding Customer Needs
  - Innovation & Product Management
  - Sales & Service Excellence
  - Proactive Risk Management

### Operational Processes

Towards the achievement of our established goals and sustainable success based on the operational strategy approved by the Board of Directors, KBank has adopted

the Balanced Scorecard system as a tool for strategic implementation. KBank Strategy Map was drawn up, with short- and long-term indicators to measure success through four key dimensions, including financial, customer, internal processes and learning & development. The Strategy Map was communicated to all divisions so that they can devise their own Division Strategy Maps that are consistent across the organization. The central BSC team and division representatives jointly identified the key performance indicators of each dimension, which will be cascaded from the President level to the Division Head level and other parties involved with successful performances. Operational results were also monitored to enable the attainment of established objectives.

## K-Culture

### Customer Centricity

- Being Friendly and Approachable
- Delivering Products and Services beyond Customer Expectation
- Striving for Customer Success and Satisfaction

### Organization-Wide Teamwork

- Trust and Respect
- Constructive Communication
- Collaboration

### Professionalism

- Competence
- Ownership Spirit
- Integrity and Ethics
- Social Responsibility

### Innovation

- Courage to Initiate and Implement
- Courage to Embrace Change
- Continuous Development



## Sustainability Approach

### Sustainable Development

KASIKORN BANK is a financial conglomerate operating in conformity with the Statement of Business Conduct, as well as Corporate Governance and Sustainable Development Principles, to enhance sustainability, transparency and responsibility. KBank 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 from these actions will be applied in the implementation of projects and activities for economic, social and environmental benefits, which will create a strong foundation for sustainable development of our society and nation.

KBank Board of Directors has placed an emphasis on the alignment of sustainable development, with respect

to the economy, society and environment, in all business processes, and has assigned the Chairman of the Board and Chief Executive Officer to represent KBank in driving the organization towards sustainable development. The Corporate Governance Committee has been given the duty to supervise sustainable development operations, as well as considering and providing recommendations on KBank’s sustainable development plans, with reports to be submitted to the Board of Directors. The Corporate Communications and Relations Department promotes and supports KBank operations per the guidelines given by the Board of Directors.

KBank Board of Directors endorsed the Sustainable Development Policy, by revising the Corporate Social Responsibility towards Sustainable Development.



## Sustainable Development Policy



### Economic Aspect

- Business operations defined by good corporate governance practices
- Adherence to a “Customer Centricity” philosophy and effective customer responsiveness
- Professionalism and operational excellence
- Product and service enhancements via value-added innovations
- Sharing of financial knowledge with the general public
- Efficient risk management
- Participation in development of a sustainable economy



### Social Aspect

- Fairness of labor relations management and employee caring
- Employee development
- Promotion of occupational health and safety for employees
- Youth and education personnel development
- Community and Social Development



### Environmental Aspect

- Environmentally-friendly business operations
- Conservation and reduction of use of natural resources and waste reduction
- Building on awareness and corporate culture in environmental protection

KBank has developed business plans and created innovations for optimal benefits for business and society, holding full responsibility for the economy, society and environment. Sustainable Development undertakings were ongoing throughout 2014, promoting participation by employees, customers, society and communities. KBank allocated a budget of 1-1.5 percent of annual net profit for such projects and activities, and Sustainable Development activity reports were submitted to the Corporate Governance Committee and the Board of Directors on a regular basis.

## Stakeholders Engagement (G4-25)

Placing importance on stakeholder engagement, KBank's operational guidelines for stakeholders are stipulated in our Statement of Business Conduct, Code of Conduct and Annual Report. Stakeholders are classified into eight groups: shareholders, the Board of Directors, employees, customers, counterparties, competitors, creditors, the community, the environment and society, according to relevancy to our business processes. With particular emphasis on equal rights of all stakeholders, we have designed processes and procedures to identify their needs and concerns via various forms of activities, with definite frequencies, e.g., meetings, seminars, customer and employee surveys. Results have been adopted to determine harmonized guidelines.

KBank gives significance to appropriate and fair treatment in identifying and screening stakeholders and impacts of KBank's business operations on them, to ensure that the Sustainability Development Report has complete coverage in the dimensions of economy, society and environment.

In addition, KBank has provided various channels for stakeholders to express their opinions via [www.kasikornbank.com](http://www.kasikornbank.com), K-Contact Center at 02-8888888, K-BIZ Contact Center at 02-8888822 and others. Salient points can be summarized as follows:

Stakeholders (G4-24)	Processes (G4-26)	Frequencies	Needs (G4-27)	Implementation
Shareholders	<ul style="list-style-type: none"> <li>Arranging General Meeting of Shareholders</li> <li>Meeting with shareholders and investors to provide information</li> <li>Arranging activities for shareholders</li> <li>Disseminating information via "Sarn Samphan Newsletter".</li> <li>Enquiring via website</li> <li>Accepting suggestions and complaints</li> </ul>	Once per year 209 meetings  3 activities  4 issues per year  265 posts	<ul style="list-style-type: none"> <li>Appropriate return on investment in KBANK stock</li> <li>Sound and sustainable growth of the organization</li> <li>Fair and transparent operations</li> </ul>	<ul style="list-style-type: none"> <li>To operate business according to the Statement of Corporate Governance Principles</li> </ul>
Board of Directors	<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>	12 meetings	<ul style="list-style-type: none"> <li>Transparent operations and adherence to the Good Corporate Governance principles</li> <li>Equitable treatment of all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>To operate business according to the Statement of Corporate Governance Principles</li> </ul>

Stakeholders (G4-24)	Processes (G4-26)	Frequencies	Needs (G4-27)	Implementation
Employees	<ul style="list-style-type: none"> <li>• Holding employee orientation</li> <li>• Providing skill enhancement via training</li> <li>• Conducting employee surveys</li> <li>• Arranging channels for accepting opinions and suggestions</li> <li>• Undertaking regular salary surveys in the market every year</li> </ul>	<p>11 classes 786 courses</p> <p>Once per year Once per year</p>	<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>• 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>
Customers	<ul style="list-style-type: none"> <li>• Marketing Communication</li> <li>• Assisting customer via Relationship Manager</li> <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> <p><b>Business Matching</b></p> <ul style="list-style-type: none"> <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> </ul>	Regularly and continuously	<ul style="list-style-type: none"> <li>• Convenience in product and service utilization, plus provision of financial advisories</li> <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 ASEAN nations</li> <li>• Introduction to potential and reliable trade partners</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>

Stakeholders (G4-24)	Processes (G4-26)	Frequencies	Needs (G4-27)	Implementation
Counterparties	<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> <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>	Regularly and Continuously	<ul style="list-style-type: none"> <li>Transparent business operations</li> </ul> <p><b>Desirable Cooperation Framework:</b></p> <ol style="list-style-type: none"> <li>Facility and Process Sharing: Customer referral and location sharing for customer service among allied banks</li> <li>Human Resource Collaboration: Staff exchange among allied banks</li> <li>Information Sharing: Sharing business-related information</li> <li>Network Extension: Expanding the networks of allied banks and their customers via referral or business matching programs</li> </ol>	<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>
Competitors	<ul style="list-style-type: none"> <li>Creating fair competitive conditions</li> </ul>		<ul style="list-style-type: none"> <li>Fair and transparent business operations and competition</li> </ul>	<ul style="list-style-type: none"> <li>To observe fairness in competition and avoid any mala fide methods</li> </ul>
Creditors	<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>		<ul style="list-style-type: none"> <li>Interest and loan payment within due date</li> <li>Appropriate and continual communications</li> </ul>	<ul style="list-style-type: none"> <li>To abide by lending terms and conditions and all legitimate duties to creditors, debenture holders and depositors</li> </ul>
Community, Environment and Society	<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</li> <li>Provide financial knowledge via <ul style="list-style-type: none"> <li>- K-Expert</li> <li>- KFam Club</li> <li>- K SME Care</li> </ul> </li> </ul>	At least one activity  226 activities 12 activities 5 activities	<ul style="list-style-type: none"> <li>Financial literacy</li> <li>Ability to use financial products and services in daily life</li> <li>Sustainable growth of community economy</li> <li>Support of community activities</li> <li>Environmental protection</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 and to protect the environment of communities and the society</li> <li>To encourage employee participation in CSR activities</li> </ul>

## Reporting Methodology

### Reporting Principle

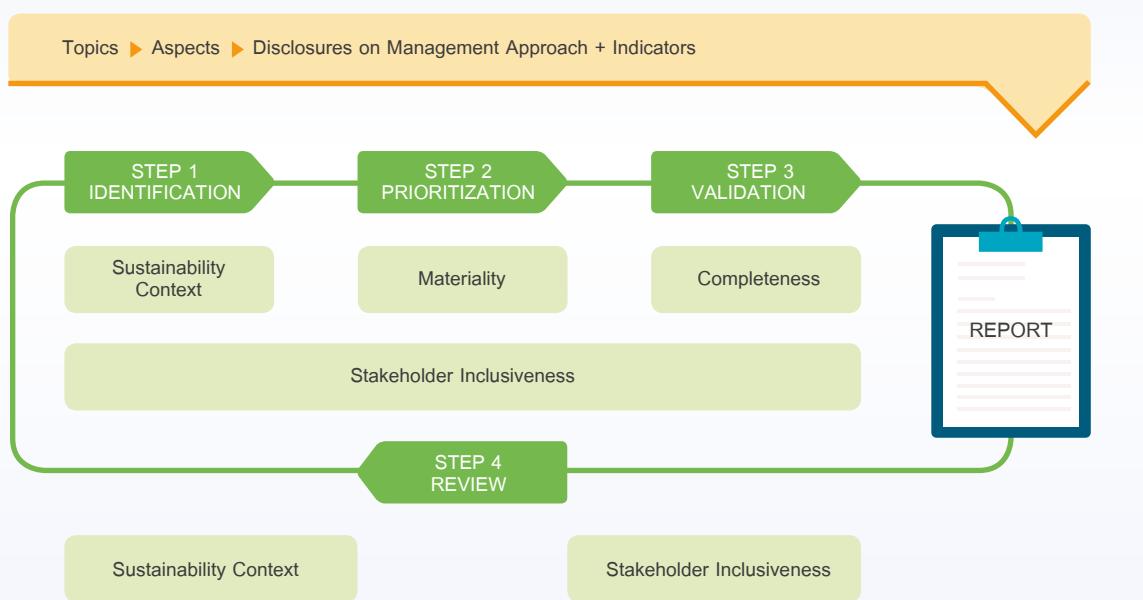
The Sustainability Report of KASIKORN BANK PUBLIC COMPANY LIMITED (KBANK) has been prepared since 2012 as a separate issue from the Annual Report to communicate to all stakeholders about our Corporate Social Responsibility (CSR) policies, management and performance comparable to international standards, under the guidelines of Global Reporting Initiative (GRI) version G3.1. The year 2014 is the first year wherein our Sustainability Report has referred to the indicators given by GRI version G4, with information disclosure in accordance with the "Core" option. The report boundaries cover KBANK performance during January 1-December 31, 2014, which will serve as a guidance of our long-term sustainable development in the economic, social and environmental aspects. Related information

has been gathered from responsible units, for example, the Corporate Secretariat Division, Corporate Strategy Management Division, Compliance and Audit Division, Corporate Business Division, Corporate and SME Products Division, SME Business Division, Retail Business Division, Enterprise Risk Management Division, Finance and Control Division, Systems Division and Human Resource Division.

### Identification of Report Contents

The material aspects of report contents have been identified as those that affect KBANK's sustainable business operations. The AA1000 Accountability Principles Standard (APS) 2008 and the GRI Materiality Assessment (G4-18) have been applied; more details can be found under the Item: Materiality Assessment (G4-18).

### Defining Material Aspects and Boundaries – Process Overview



Source: GRI G4

## Materiality Assessment (G4-18)

KBank has undertaken the materiality assessment based on GRI principles for defining report contents, with the following process

1. **Identification of material aspects relevant to sustainability**, taking into consideration opinions, recommendations and expectations towards KBank performance by all stakeholders, which have been compiled through various activities and communication channels.
2. **Prioritization of aspects relevant to sustainability**, based on the scores given by all stakeholders to such aspects. A meeting was held to inform all KBank units of the prioritization guidelines and important issues were prepared from information submitted by these units to report to the Corporate Governance Committee and Management Level, which provided additional issues and granted their approval for the contents to be included in the Sustainability Report and disseminated on KBank website.
3. **Validation of material aspects relevant to sustainability** to be disclosed in the Sustainability Report and on KBank website to ensure that all report contents are complete, correct and compliant with the reporting principles and indicators.

## Quality Control of Report Preparation

The Sustainable Development Unit, Corporate Communications and Relations Department, is the center for supervising the quality of report preparation to ensure the correctness and completeness of report. The unit is responsible for compiling and verifying related information in compliance with the guidelines. All operational directions and processes have been reported to KBank Corporate Governance Committee.



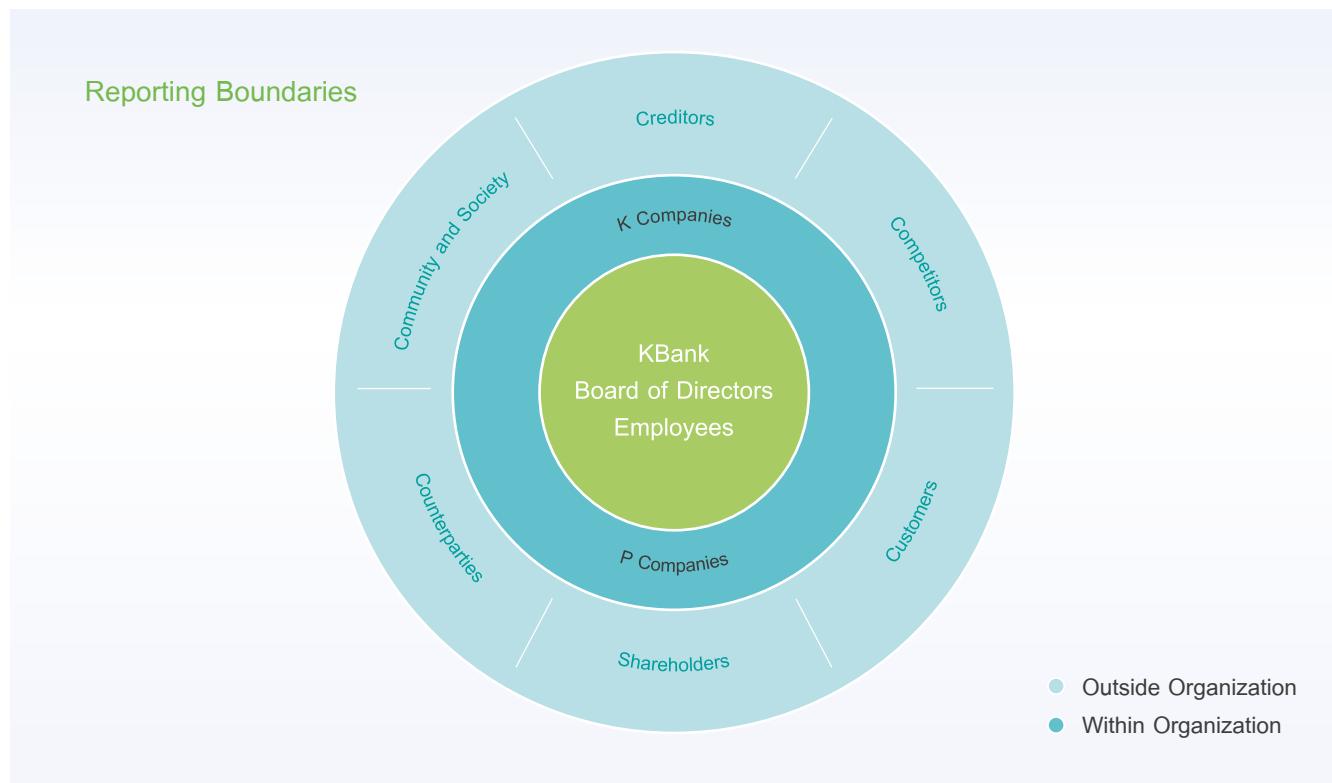
### Contact Person (G4-31)

Head of Sustainable Development  
Corporate Communications and  
Relations Department,  
Corporate Secretariat Division,  
KASIKORN BANK PUBLIC  
COMPANY LIMITED  
1 Soi Rat Burana 27/1,  
Rat Burana Road, Rat Burana Sub-District,  
Rat Burana District,  
Bangkok 10140, Thailand  
Tel. : +662-4702984

## Material Aspects and Boundaries (G4-17 and G4-18)

KBank has assessed the significance of impacts all stakeholder groups have on the organization's sustainability. Three magnitudes of impact significance are determined, which are large, moderate, and small. In 2014, stakeholders and KBank have raised significance level for 15 aspects, as shown in the below Table. Boundaries of each aspect within and outside the organization have been defined. Since this is the first year the report is prepared in accordance with the guidelines of GRI version G4.0 and there are some restrictions in stakeholders' data collection, key report contents are involved with KBank's operations only.

The "Within Organization" boundary comprises K Companies, including KASIKORN ASSET MANAGEMENT CO., LTD., KASIKORN RESEARCH CENTER CO., LTD., KASIKORN SECURITIES PCL, KASIKORN LEASING CO., LTD., and KASIKORN FACTORY AND EQUIPMENT CO., LTD. and the support service providers to KASIKORNBANK (P Companies).



GRI aspects stated in this report are elaborated in the below Table. Based on the 2013 Sustainability Development Report, some changes and additions are made in the dimensions of procurement management and counterparty assessment in regard to environment, employment, human rights, and impacts on society, in order to promote greater sustainable development and coverage of stakeholders.

Material Issues	GRI Aspect (G4-19)	Aspect Boundaries	
		Within Organization (G4-20) (KBank/K Companies/ P Companies)	Outside Organization (G4-21) (Shareholders/Customer/ Counterparties/Competitors/ Creditors/Community and Society)
<b>Large Significance</b>			
• Anti-corruption	Anti-corruption	Within Organization	Outside Organization
• Risk Management	Audit	Within Organization	Outside Organization
• Product and Service Responsibility	Product and Service Labeling	KBank/K Companies	Customers/Counterparties/ Competitors/Creditor
• Corporate Governance	Marketing Communications		
• Labor Practices	Customer Privacy		
• Human Rights	Compliance		
• Information Disclosure	Employment	Within Organization	
• Health and Safety	Labor/Management Relations		
• Stakeholder Engagement	Training and Education		
	Non-discrimination	Within Organization	Outside Organization
	Security Practices		
	Assessment		
	Occupational Health and Safety		
<b>Moderate Significance</b>			
• Empowering Community and Society	Products Portfolio	KBank/K Companies	Customers/Community and Society
• Environmental Products and Services	Local Communities		
• Economic Performance	Economic Performance	KBank/K Companies	Customers/Community and Society
• Brand Management	Indirect Economic Impacts		
<b>Small Significance</b>			
• Value Chain Management	Procurement Practices	Within Organization	Outside Organization
• Energy/Water/Waste Management	Supplier Environmental		
• Climate Change & Environmental Footprint	Assessment		
	Supplier Assessment for Labor Practices		
	Supplier Human Rights Assessment		
	Supplier Assessment for Impacts on Society		
	Labor Practices Grievance Mechanisms		
	Energy		
	Water		
	Effluents and Waste		
	Emissions		

## Corporate Governance



### Anti-Corruption

- Code of Conduct
- Participation in Anti-Corruption
- Channels for Reviewing Information Complaints

### Corporate Governance Structure

- Board of Directors
- Participation of the Board
- Monitoring, Evaluation and Determination of Remuneration



### Environmental and Social Risk Management

- Integration of ESG-Parameters into Lending and Drivers
- Risk associated with Energy Credits
- Monitoring and Evaluation

## Corporate Governance Structure

KBank undertakes business under good corporate governance, with transparency and fairness. All business processes have been in alignment with the good corporate governance concept, from the determination of operational policies and guidelines, to the monitoring and evaluation. It is our firm belief that this direction will ensure balanced and sustainable growth of our organization, thus creating confidence amongst all stakeholders.

### Board of Directors

The Board of Directors comprises qualified persons who possess knowledge, ability and experience beneficial to the Bank. As of December 31, 2014, the Board was composed of 16 members, comprising 8 Independent Directors, 5 Non-Executive Directors and 3 Executive Directors. Of the total, there were 4 female directors. The directors shall not exceed the age limit of 72 years old, and independent directors shall not hold more than three consecutive terms of directorship, effective after the General Meeting of Shareholders in 2013. The Chairman of the Board and Chief Executive Officer are the same person, in order to ensure continuity of important missions that are closely related to KBank's infrastructure and long-term strategies, enhancing stable business operations. The Board appointed Vice Chairman as the Lead Independent Director and 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 acts 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 KBank's business as defined by the Board.

### Participation of the Board

Every year, the Board of Directors approves and reviews and approves the Mission, Vision and Core Values, as well as strategic directions and policies of KASIKORN BANK



#### More details

of the Board of Directors can be viewed in the Annual Report 2014 at <http://www.kasikornbank.com/EN/Investors/Pages/Investors.aspx>

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, corporate strategy 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 decisions are independent, in order to ensure that KBank and our 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 KBank management in business undertakings in order to continuously attain the excellent results with current and future risks taken into consideration.

The Human Resources and Remuneration Committee has been assigned by the Board of Directors to conduct the nomination process – approved by the Board – in order to select qualified candidates 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. Directors have been promoted to participate in training courses or seminars related to directors' performance for their greater knowledge.

## Monitoring, Evaluation and Determination of Remuneration

The Board 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 KBank remuneration is comparable to other commercial banks, prior to submission for consideration by the Board and approval by the 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 KBank 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.

KBank has mapped out an annual self-assessment plan for KBank 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. The assessment results have been presented to the Board of Directors. Also, the self-assessment process is applied to the Independent Directors Committee and all Board Committees, while the Chief Executive Officer and Presidents undergo the self-assessment in order to compare actual performances with KBank's targets and the annual business plan.

Placing great importance on good corporate governance, the Board of Directors drew up the Statement of Corporate Governance Principles, Statement of Business Conduct and Code of Conduct. The good corporate governance policies and implementation have been reviewed on an annual basis. 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 KBank, and to supervise the move towards Sustainable Development.

To comply with standards of good governance and to meet targets related to its implementation, KBank 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 KBank employees must strictly comply with to earn the trust of all stakeholders. Directors, executives or employees with related interest in a transaction with KBank or our 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.

## Anti-Corruption

- In the financial business, transparent and ethical undertakings are key factors
- to enhance maximum confidence amongst customers, the general public
- and all stakeholders. To this end, well-defined guidelines have been set up
- by the Board of Directors for directors and employees to ensure compliance
- with regulatory requirements and attainment of sustainable development
- objective of the Bank.

## Code of Conduct

Anti-corruption has been incorporated in the Code of Conduct, to which the directors and employees must strictly adhere.

### Anti-Corruption Policy

In 2013, the Board of Directors approved the Anti-Corruption Policy that covers the issues of bribes and inducements, gifts and benefits, charitable contributions and financial sponsorships, and political contributions and activities. This policy is subject to annual review.

KBank recognizes the importance of communications on the Anti-Corruption Policy for appropriate practices and actions within the organization. In 2014, KBank has regularly communicated the Anti-Corruption Policy to directors, executives and employees via our internal media and channels, including the Corporate Governance Journal, KASIKORN BANK Newsletter, electronic network and KBank website. Training courses on the Anti-Corruption Policy have been organized for 9,705 employees, accounting

Training sessions on  
compliance with the AML/CFT:  
KYC/CDD measures and  
transaction reporting have been  
arranged since 2009;  
there have been

**92%**

of all staff members

for 44 percent of total staff, consisting of 69 executives in the position of First Vice President or higher (25 percent of all executives) and 9,636 operating employees up to the position of Vice President (44 percent of all operating employees). Staff knowledge and understanding have been assessed via electronic system as concerns compliance with the Anti-Corruption Policy. Training sessions on compliance with the AML/CFT: KYC/CDD measures and transaction reporting have been arranged since 2009; there have been 21,564 attendees in total, equal to 92 percent of all staff members. Additionally, the courses on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) laws were attended by 15,543 employees, or 72 percent of all staff members. No complaint has been filed on Anti-Corruption in 2014. Furthermore, emphasis has been placed on adherence to the United Nations Global Compact.

#### Fraudulent Risk Management

KBank is now equipped with fraudulent risk analysis in all products and all departments. Operational risks have been identified and assessed per the standards of the Bank for International Settlements (BIS), 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.

#### Participation in Anti-Corruption Acts

KBank, KASIKORN ASSET MANAGEMENT CO., LTD. and KASIKORN SECURITIES PCL. co-signed a declaration of the “Private Sector Collective Action Coalition Against Corruption” (CAC) and were granted certification by the CAC Council in 2013.

Training courses on the Anti-Corruption Policy have been organized for

**9,705**

employees, accounting for 44 percent of total staff



executives in the position of First Vice President or higher

**25%**



operating employees up to the position of Vice President

**44%**

## Channels for Reviewing Information on Complaints

KBank provides various communication channels for stakeholders via the K-Contact Center, K-BIZ Contact Center, KBank Live, Branches and Investor Relations Unit. In 2014, a Complaint Hotline was set up to be the center to receive and manage complaints of both individual and corporate customers. Direct communications to the Board of Directors can be made per the criteria specified on KBank website under the “investor relations” tab at [www.kasikornbank.com](http://www.kasikornbank.com), so that KBank can receive useful information for business operations 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.

### Whistle-blowing Policy

KBank has established a written policy of information or complaint receiving, identifying the receiving channels, information or complaint management processes, measure 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 KBank at:



### KASIKORN BANK PUBLIC COMPANY LIMITED

#### Head Office

Address : 1 Soi Rat Burana 27/1, Rat Burana Road,  
Rat Burana Sub-District,  
Rat Burana District, Bangkok 10140, Thailand  
Telephone : +662-2220000  
Fax : +662-4701144-5  
e-mail : [info@kasikornbank.com](mailto:info@kasikornbank.com),  
K-Contact Center (Individual customers)  
Telephone : +662-8888888  
Press 1 Thai, Press 2 Mandarin,  
Press 3 English, Press 4 Japanese,  
Press 5 Myanmar

#### K-BIZ Contact Center (Corporate customers)

Telephone : +662-8888822  
Press 1 Thai, Press 2 Mandarin,  
Press 3 English, Press 4 Japanese,  
Press 5 Myanmar

### Investor Relations Unit, Office of Corporate Secretary

#### 33<sup>rd</sup> Floor, Head Office

- Individual Investors and Shareholders  
Telephone : +662-4706116  
Fax : +662-4702747  
e-mail : [Shareholder\\_IR@kasikornbank.com](mailto:Shareholder_IR@kasikornbank.com)
- Institutional Investors and Shareholders  
Telephone : +662-4706900 to 1, +662-4702659 to 62  
Fax : +662-4702690  
e-mail : [IR@kasikornbank.com](mailto:IR@kasikornbank.com)

### Board of Directors

Address : Corporate Secretary  
1 Soi Rat Burana 27/1, Rat Burana Road,  
Rat Burana Sub-District,  
Rat Burana District, Bangkok 10140, Thailand

### Internal Audit Department, Compliance and Audit Division

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

## Environmental and Social Risk Management

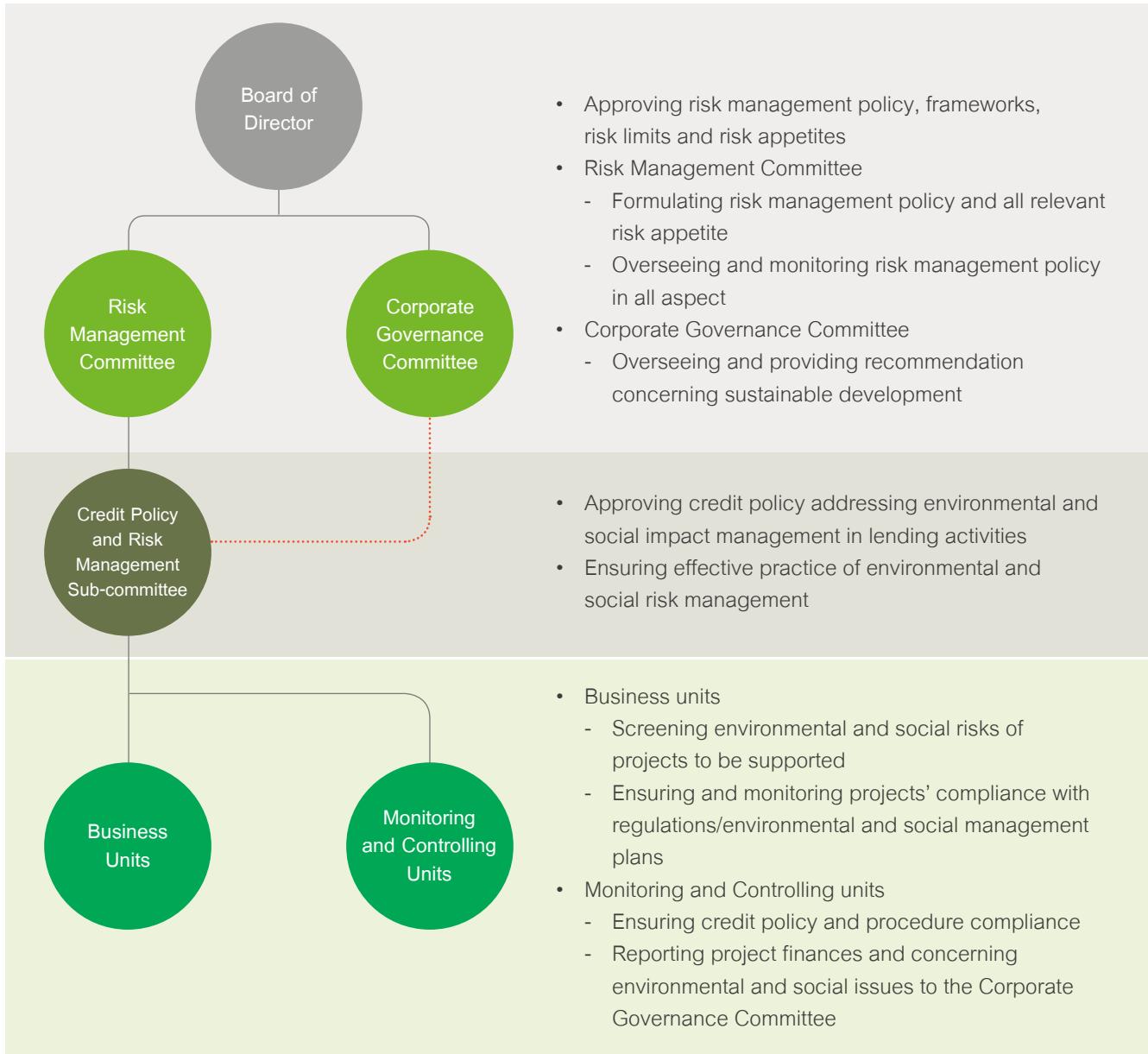
Business lending varies with each industry's structure and its intrinsic risk factors, wherein we strive to maintain credit quality and prevent unjustifiable credit extension. In addition to our general criteria, pre-screening criteria have been devised for each industry, taking into account each industry's key success factors, statistical average values and historical case studies of such customers, to be used as a common framework for all operations concerned.

### Integration of ESG-Parameters into Lending and Drivers

The Bank designs its lending policy and procedure to ensure not only business success but also sustainable growth of the economy and the Bank.

At the management level, the Bank structures its lending activity to demonstrate environment and social responsibility as following:





Monitoring and Controlling unit (in this case is Credit Policy and Risk Management Dept.) will regularly report the Corporate Governance Committee on projects to be supported by the Bank concerning environmental and social issues for comments and recommendation before going forward.

At the transactional level, the Bank ensures that lending transactions do not violate any regulations or good moral of the society.

The credit policy states that:

- The Bank realizes the responsibility of the Bank in lending that might causes certain impacts to environment and society. Any lending made must comply with relevant laws, and does not violate the moral of society.
- The Bank set up environmental and social screening process for project financing, before entering credit underwriting process, to ensure that key environmental and social issues are addressed and managed beforehand.

- For projects identified as possibly causing significant environmental and social impacts, the Bank's executives (Executive Vice President of Business and Enterprise Risk Management Division Head) have to endorse the project according to environmental and social concerns before projects can be processed, and underwritten.
- The Bank will set up covenants to ensure that projects' sponsors fully and continually comply with environmental and social regulations and management plans.
- The Bank reports regularly to the Corporate Governance Committee the projects the Bank involving to get recommendations for further actions.
- The Bank also ensures that projects implemented overseas complying with host countries' laws, other relevant international agreements and relevant internationally-accepted or comparable environmental and social standards.



KBank contribute in renewable energy such as solar cell financing

## Risk Associated with Credit Extension to Energy Projects

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

- Raw material risk: Both prices and availability must be assessed amid a growing number of power plant projects, given limited raw material resources used by other industries, as well.
- Technology/machinery risk: This would entail design features, e.g., boilers, turbines and generators (preliminary inspection in IE reports by independent engineers).
- Civil unrest risk: Mass protests while credit request is under consideration could prevent a power plant from being commissioned.
- Environmental impact risk: Matters to be investigated would include security systems, initial environmental examinations (Initial Environmental Examination: IEE), environmental impact assessments (Environmental Impact Assessment: EIA), environmental and social impact assessments (Environmental and Social Impact Assessment: ESIA) by directly responsible agencies, plus certification of preventive measures and remedies of environmental and security issues.

## Monitoring and Evaluation

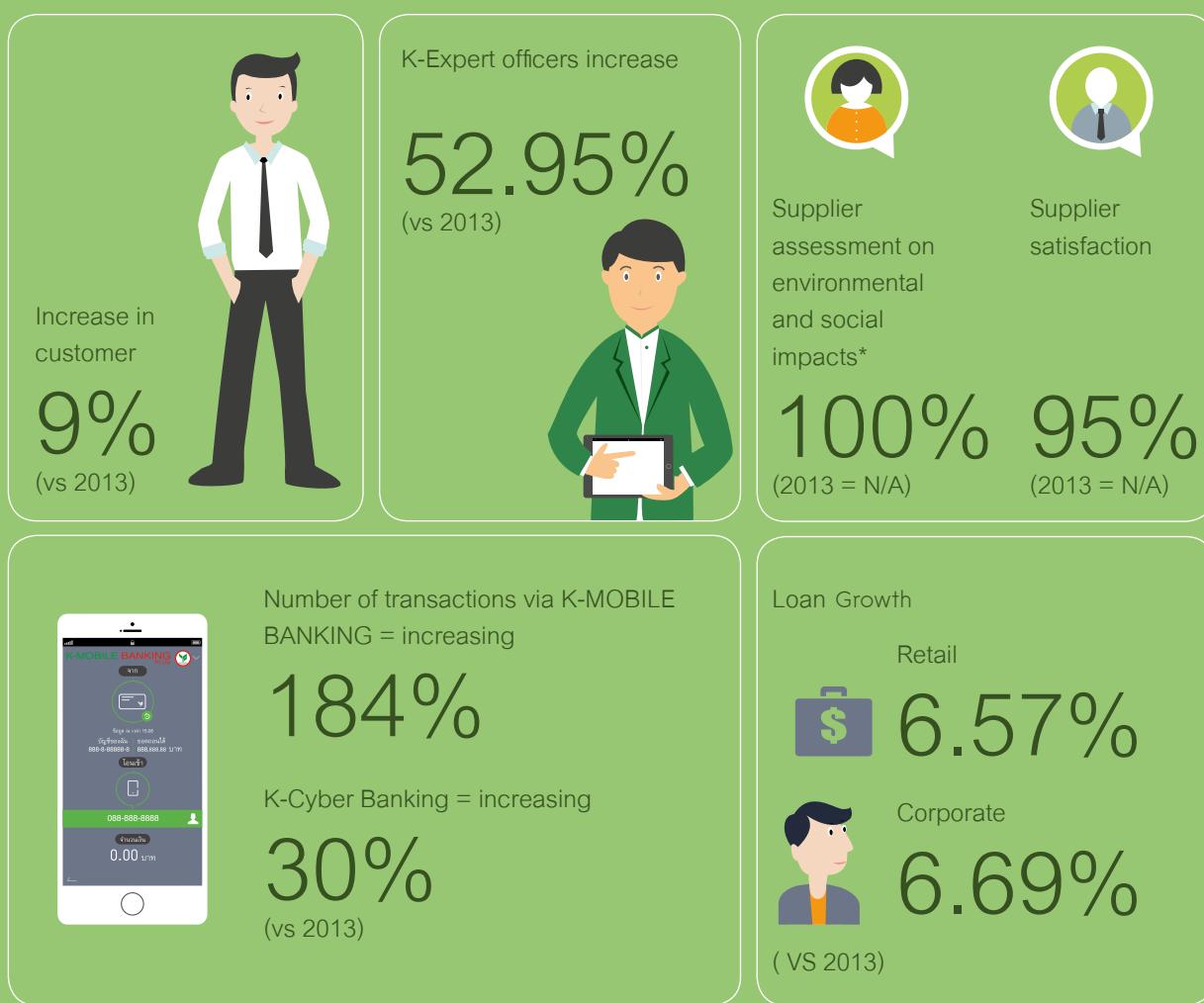
After credit approval, continual monitoring is conducted by independent consulting engineers, i.e., Team Consulting Engineering and Management Co., Ltd., ATT Consultants Co., Ltd., EGCO Engineering and Service Co., Ltd., Energy for Environment Foundation, Matt MacDonald (Thailand) Co., Ltd., Sinclair Knight Merz (Thailand) Co., Ltd. and other key energy consultants. Such monitoring and supervision are undertaken from the project start until one year after the beginning of electricity supplies to the national power grid over three phases:



1. **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.
2. **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.
3. **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.

## Serving Customer

In 2014, KBank serve over 12.7 million customers. Therefore, we grasp the considerable magnitude of product and service quality, ensuring that they achieve desired standards. KBank, as ever, remains focused on devising and improving innovations that perfectly meet the demand of both individual and corporate customers, as well as the society, adding to their convenience and heightening efficiency of those products and services. KBank aims at becoming the nation's leading financial conglomerate that contributes to building, maintaining and developing our sustainable economy.



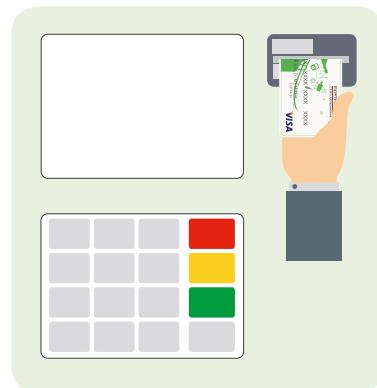
\* Supplier assessment including labor practices and human rights aspects.

## Products and Services Liability

- With adherence to the “Customer Centricity” philosophy, we aim at offering excellence experience to customers of all segments and levels, and through all service channels. To this end, various implementations have been carried out, including launches of new products and services that respond to varied needs, interests and risk appetite of customers entering into our fully-integrated financial transactions. Our product/service improvement and development are meant to ensure that KBank customers can pursue their businesses more competently and conveniently. We have also upgraded our operations and workflows, formulated marketing campaigns – all for customers to gain maximum satisfaction. On top of that, KBank reassures the public towards the safety of our services, with warnings having been released about “call center fraudsters” that embezzled money via ATM skimming or fake websites. Operation-wise, KBank purposely separated the Customer Service Fulfillment Division from the Business Division to guarantee remarkable improvement in services.

## Meeting Customers' Needs

To formulate strategies that serve diverse demands of customers from different segments using different service channels, KBank highlights the necessity to recognize their requirements, which comprise:



Serving Customer

## 1. Convenience

Other than Bangkok Metropolitan and prime provincial districts, KBank has now focused more on localities in outer areas, adding branches and automatic machines in those locales as part of an effort to increase transaction convenience for customers. Meanwhile, our mobile banking service via "K-MOBILE BANKING PLUS" has been developed with a goal to create a modern-looking platform that is user-friendly and safe. With this service, customers can conduct financial transactions regardless of time and place. Even in areas without KBank branches or machines, customers can still deal with their transactions effortlessly while being maximally protected by the Triple Lock Security which is devised for users' highest benefit.

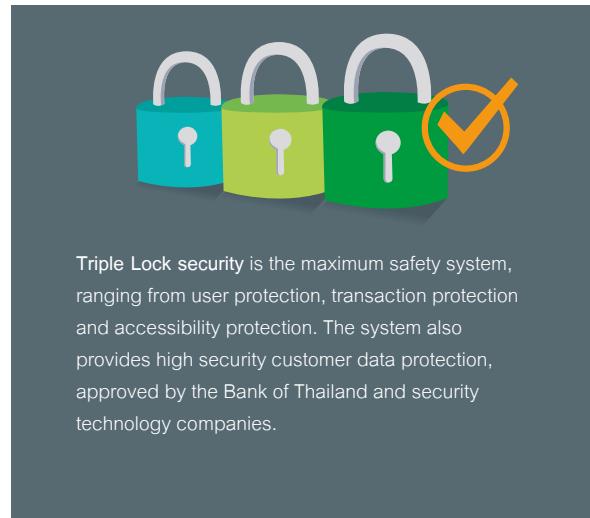
## 2. Service Quality

With our vast array of service channels – both online and offline - KBank intends to keep satisfying our customers with professional service, delivering excellent customer experience whereby transactions are convenient, easy and prompt.

As for branch services, KBank realizes the significance of well-run operations and modernized queuing system. To create efficient operational structure, we separate sales from service units. Branch employees are selected carefully to make sure that they are competent and service oriented; our receptionists are eager to serve and always available to provide answers to any enquiries from customers.

## 3. Banking Relationship

KBank establishes a well-structured unit for customer relationship management to foster a close and long-lasting relationship with customers in each segment, with Relationship Managers (RMs) and Branch Managers always being on standby. We collect customer data, making analyses of their behavior to engineer a wide variety of products that are most suitable for them. Undertakings by KBank extend beyond banking – many non-financial services have also been offered, e.g., various activities associated with customers' financial requirements in respective segments, creating unique experiences ever that are beyond customer expectation.



**Triple Lock security** is the maximum safety system, ranging from user protection, transaction protection and accessibility protection. The system also provides high security customer data protection, approved by the Bank of Thailand and security technology companies.



K-MOBILE BANKING PLUS - Mobile banking service

#### 4. Advisory

At KBank, we pay extra attention to our customer service advisors stationed at a number of channels, including branches or K-Contact Center. In-house training courses have been designed to enhance employees' customer service skills. For instance, the K-Expert program has been aimed at upgrading staff knowledge on financial and investment products so they can give customers well-suited and practical advice. Until now, more than 4,000 KBank employees have already completed the K-Expert Program, qualifying to conduct an advisory session at our branches nationwide.

### Customer Satisfaction

KBank places great emphasis on customer service quality as our first priority. We have thus conducted customer satisfaction surveys since 2006, using both qualitative and quantitative methods.

#### Satisfaction Survey

KBank has arranged focus group/discussions, based on customer segments in Bangkok Metropolitan and provinces, to study customer expectations towards branch services, as well as factors affecting the level of satisfaction.



K-Expert – Financial planning and advisory services

These factors would then be used for random customer interviews by phone, conducted at selected branches each month. As revealed by a Nielsen survey, customer satisfaction reached 89 percent in 2014 (against 89 percent in 2013). Survey results are later synthesized and incorporated into the Bank's management schemes which are aimed at raising our service standard where a maximum efficiency is achieved concretely and sustainably.

#### Channels for Comments

There are a number of KBank channels where customers can pass their feedbacks, suggestions or complaints about our operations and services, including [www.kasikornbank.com](http://www.kasikornbank.com), K-Contact Center at 02-888 8888, K-BIZ Contact Center at 02-888 8822, as well as our Relationship Managers. All comments would be handled by the Customer Relations Department.

### Marketing Communications

KBank marketing communications plan has been prepared in accordance with laws and regulations related to consumer protection, including those enforced by the BOT, SET and SEC, as well as laws relevant to advertising and public relations. We have emphasized disclosure of complete, correct and clear information on products and services via different media, e.g., brochures, posters, handbooks and direct mails.

#### Advertising and Public Relations

Our policy in advertising and public relations has been developed with commitment to transparent management, good corporate governance, business integrity and regulatory compliance. Fair business practices have been observed in our PR planning, selection and utilization of advertising media, as well as promotional strategies. In this regard, the success of KBank products and services is based on our quality, performance and reputation.

## Marketing Communications Committees

Organizational and divisional marketing communications committees have been set up, with members being KBank executives from business divisions and marketing communications departments. These committees, through brainstorming, work to review marketing communication strategies on a monthly and quarterly basis to ensure that they are in consistence with KBank business directions.

Concerning information disclosure, KBank has a strong intention to operate business with transparency, abiding by laws and principles of good corporate governance, where principal concerns are directed towards stakeholders' benefits and fairness. To have our customers stay informed with adequate information which would then allow them to select products that match their demands, our employees make sales presentations based on guidelines provided by KBank. In the meantime, the Board of Directors formulates strategies, approves policies and operational framework for executives to comply with and closely follow up. Product/service information must be provided for customers before and during their purchases, or upon contract conclusion, and during contract validity. KBank also places stress on protection of customers' confidential information, prohibiting information disclosure to third party unless a written consent has been given by the customer, or unless such disclosure is required by laws.



Providing inquiries, suggestion  
and complaint services via  
K-Contact Center 02-8888888

## Complaint Management

Dealing with customer complaints made through every service channel has been one of KBank's priorities. To handle the customer complaints, the Customer Service Fulfillment Division has collaborated with several divisions concerned, i.e. Retail Business Division, SME Business Division, Corporate Business Division, Enterprise Risk Management Division and Systems Division, to establish the Complaint Working Team.

The Complaint Working Team is tasked with drawing up guidelines for complaint management and monitoring in order to assure that the customers' complaints/problems have been addressed in a timely manner, thus leading to customer satisfaction. These include a move to prevent any future incidents, by determining KPIs, to measure performance and define operational strategies in four areas. In detail:

1. **Case handling:** We have devised a format and process for handling customer complaints, comprising: Prioritization - judgment on the importance and urgency of each case; Escalation for Approval - monitoring and resolution; Quality Control - assurance of customer satisfaction; and Performance Report & Analysis - preparation of report to measure work efficiency, analyze the results and review the process for rapid management.
2. **Case acquiring:** We have set up of a Complaint Hotline to be a center for receiving customer complaints. With a team working around the clock, this hotline helps systematize and hasten our complaint management through a standardized process. Customers can lodge their complaints at 02-8888888 ext. 9 or via [complaintcenter@kasikornbank.com](mailto:complaintcenter@kasikornbank.com).

3. **Problem management:** Coordination with the Business Process Management Subcommittee has been established for comprehensive problem management. In so doing, the team focuses on problems/cases that keep recurring or ones that cause extensive damages to KBank's image and/or have profound effects on customers: then finding appropriate solutions that end the problems in an appropriate and sustainable manner.
4. **Reputational risk management:** This involves setting up protocols to handle complaints that may seriously damage KBank's reputation. The Social Network Management Team (SNMT) has been formed

and assigned for complaint consideration. Furthermore, we have established a process to handle complaints submitted through the BOT and other government agencies concerned for greater efficiency by making analyses and coming up with long-term solutions.

KBank has set a clear complaint management plan, in accordance with the Customer Service Fulfillment Division's operational plans and KBank vision. Each year, we set out to attain objectives specified in these plans with adoption of key performance indicators that help direct us to the goal, emphasizing impressive customer experience with KBank.



Serving Customer

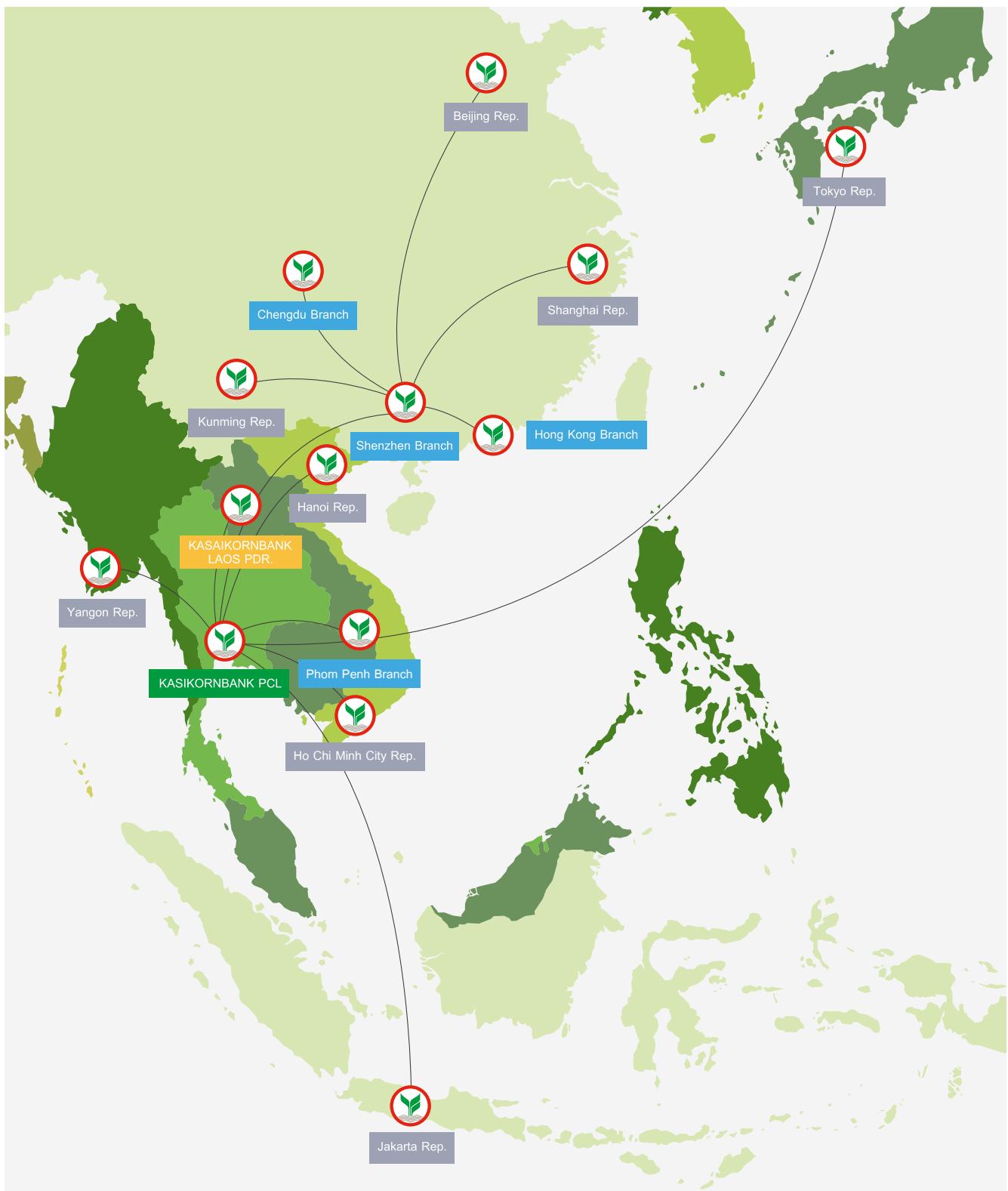
## Sustainable Business Operations

KBank's objectives and operational guidelines have been formulated in line with the nation's economic outlook, prospects and performance. We realize that our business is one of the primary vehicles driving national economic growth, and that it plays a pivotal role in laying the groundwork for a balanced economy for Thai citizens, communities and society, upon which a solid and sustainable economy can be found. With this in mind, KBank has developed a wide-variety of integrated products and services that best meet the needs and are resonate with lifestyles of customers from every segment, who, with our innovations, can be more financially secured. Moreover, we have branched out into ASEAN member nations to accommodate more transactions in the AEC common market, where services will be offered to both local and international investors. Such undertakings will induce our business growth for both domestic and offshore markets.

KASIKORN BANK  
Empowers your business to  
stay ahead in AEC+3 arena 



## KBank's Service Channels in the AEC+3



## Enhancing Economic Security

KBank has placed an emphasis on dissemination of financial knowledge to our retail, business and corporate customers, believing in its countless benefits. Financial knowledge, aside from its usefulness for business operations, helps promote personal financial discipline and perseverance – both are important components of a brighter future of a person, family, community and society. With these elements, our nation would be directed towards sustainable development. We have put our financial expertise and know-hows into good use, compiling them into a body of knowledge and passing it on to communities and society, using our various channels accessible for the general public in every locale.

### Knowledge Repository for Banking and Finance

KBank has launched [www.askkbank.com](http://www.askkbank.com) to be an online platform where our customers can look for information, advice and knowledge on both finance and non-finance, including savings, investment, financial planning, and spending, or even lifestyle-related topics. This website, which reflects KBank's professional proficiency in financial field, is meant to be customers' personal mentor giving copious amount of information classified into groups for easy exploration. Furthermore, via [www.Kbeautifullife.com](http://www.Kbeautifullife.com), customers and the general public can get the latest updates and information useful for their personal life plans, such as education, health and travels, free of charge. This website is also used as a channel to announce activities and privileges offered as part of promotional campaigns from KBank and partners.

### The Expert – The Dream Inspiring Phenomenon

Since 2013, KBank has initiated "The Expert – The Dream Inspiring Phenomenon" which is Thailand's first financial edutainment reality show offering a wide range of contents with financial advice that responds to most people's needs to

fulfill their dreams. While KBank's financial experts are there to give the best advice, there are celebrities sharing their views on similar experience they have had before. Besides, we held financial briefings for numerous organizations; topics include savings, personal debt management, risk hedging, retirement scheme, investment and tax planning. By 2015, KBank plans to open K-Expert Center as the first integrated financial advisory service center in Thailand at Chamchuri Square. Under the concept of a "place for life fulfillment", it will satisfy an array of needs with knowledge, advice and guidelines from our K-Expert teams.



[www.Kbeautifullife.com](http://www.Kbeautifullife.com), featuring financial information and other useful knowledge

### K SME Care Management and Promotional Programs

Knowing that the economy is predominantly driven by SME enterprises, KBank gives priority to these business units. We are determined to support SME operators in areas of knowledge and networking, which are essential for them to flourish. As a result, the K SME Care program has been ongoing since it was first launched in 2007. Until 2013, there have been over 12,000 attendees nationwide in over 20 classes.

In 2014, the program was targeted particularly at SMEs in four provinces, namely Bangkok, Chiang Mai, Chon Buri and Nakhon Ratchasima. It was organized under the "LIVE AND LEARN" concept, where participants were encouraged to assess their strengths, weaknesses and competitiveness. As classes were conducted by experts in respective fields, participants gained useful knowledge of business improvements for higher efficiency and sales, and learnt about business experiences shared by Thailand's leading businessmen.

### "SME Tee Tak" TV show

KBank launches "SME Tee Tak", a TV show created to bring out business ideas, knowledge, and entertainment. Contestants and home viewers would witness how judges work to decide the winner – they visit SME entrepreneurs at their premises to gain first-hand experience which allows them to make in-depth analyses of businesses, uncovering their strengths and weaknesses. Proposed business plan is also evaluated to determine the probability of success. Viewers would learn of smart business tactics and be able to utilize them on their own projects every step of the way, being in agreement with our K SME Full Support for SMEs program.



"SME Tee Tak", TV show created to bring out business ideas, knowledge and entertainment

The K SME Care program has been ongoing since it was first launched in 2007. Until 2013, there have been over



### KFam Club

With our intention to develop family business and facilitate business transitions from one generation to another, a KFam Club has been established, in order to bring together over 250 large-scale family-owned businesses which are KBank's customers. KFam Club staged academic activities and recreations to encourage knowledge and experience sharing among 500 people from these family firms. The Professional Family Business Management Program has been set up, in coordination with University of the Thai Chamber of Commerce, to enhance a stronger business network among the group. The program additionally serves as a central platform where people of two generations can create a better understanding of each other.

We have also run activities both at home and abroad to inspire Thai families to plan a successor from international perspectives. We organized a trip to visit the world's longest-established family firms in Japan, and staged collaboration with Switzerland's IMD Global Family Business Center – KBank's global partner renowned for its family business know-hows. The institution has the oldest program teaching about family-owned business, and is a business consultancy for major global corporations. Collaboration as such brings us knowledge and international expertise from which Thai family enterprises can learn and make use of to create a successful and sustainable succession plan.

Indicators	Definition of Disclosures (Based on Consolidated Financial Statement)	KBank and Subsidiaries
Direct economic value generated and distributed (EVG&D)		(Thousand Baht)
(a) Direct economic value generated		230,420,805.00
• Revenues	Total Operating income except Interest expense	230,420,805.00
(b) Direct economic value distributed		133,227,206.49
• Operating costs	<ul style="list-style-type: none"> <li>• Other operating expenses (Directors' remuneration, PPE, Others)</li> <li>• Deferred Tax Income/ Expense Employee expenses</li> </ul>	28,281,624.81
• Employee wages and benefits	Employee expenses	28,124,471.00
• Payments to providers of capital	Dividend paid to shareholders and Interest expenses	38,822,547.00
• Payments to government	Taxes and duties and Income tax expenses but not included deferred tax	17,704,913.86
• Community Investment	Cash Donation to public charities, Financial Knowledge Programs and Donation for Education Program  Detail of donations: <b>Donation to public charities &amp; Education Programs</b> <ul style="list-style-type: none"> <li>• KBank</li> <li>• Subsidiaries</li> </ul> <b>Financial Knowledge Program</b> <b>Scholarships</b> <ul style="list-style-type: none"> <li>• Domestic</li> <li>• Overseas</li> </ul>	293,649.82  198,638.82 109,015.82 89,623.00 60,707.69 34,303.31 6,570.07 27,733.24
Economic value retained (a-b)		117,193,598.51

Indicators	Definition of Disclosures (Based on Consolidated Financial Statement)	KBANK and Subsidiaries
<ul style="list-style-type: none"> <li>• Taxation</li> </ul>		<ul style="list-style-type: none"> <li>• The Bank has the tax policy to comply with tax law strictly.</li> <li>• The Bank has evaluated operational risk and developed risk preventive process such as check-list of working process, reconciliation and review by senior staff, internal audit and external auditors, consistently.</li> <li>• The Bank has international tax consultant which reviews current tax practice and ensure the bank's readiness to comply with additional or changing tax law in the future.</li> </ul>

## Corporate Image and Brand Management

With regard to corporate image and brand management, KBank has set up a marketing communications committee at Bank level, consisting of Chief Executive Office, Presidents and high-ranking executives of relevant business divisions and market communications departments to map out guidelines, set priorities, allocate budgets and organize our marketing activities. This committee is also tasked with coordinating with various divisions to conduct studies and analyses of KBank's marketing communications operations, as well as reviewing marketing communications plans every month and quarter to ensure that they are appropriate and consistent with KBank's operational directions. In addition, a working team has been established at various divisions to implement marketing communications policies and guidelines of KBank.

In addition, the Corporate Communications and Relations Department, which is chiefly responsible for corporate image and brand management, has set out management guidelines for advertisement production and the use of KBank's logos to ensure that they are in line with our corporate identity. The Department has held meetings with various divisions to produce a standardized logo usage handbook and set out regulations for marketing activities to ensure accurate and consistent portrayal of KBank image. The Department has continuously monitored and assessed branding results through a random sampling survey on various stakeholders; thereafter, submitting the report to its Head for further development and improvement of our brand.

## Supply Chain Management

- KBank has a policy to centralize procurement activities to be under supervision of the Procurement Management Department. In addition, the Department has duties to ensure that KBank's procurement process is transparent and assess suppliers regularly. It must place importance on social and environmental responsibility in all procurement operations. KBank has adopted the "Green at Heart" resolution to encourage our suppliers to place importance on environmental conservation. Striving towards achieving sustainable procurement process, KBank has taken into account such social factors as fair trade, human rights and labor issues, and has set these factors as key criteria for the selection of our suppliers and drafting of relevant contracts (refer to the Procurement Handbook for Suppliers dated September 3, 2014).

### Procurement Regulations

KBank has established a framework for our procurement management under the "Green at Heart" resolution, emphasizing the "green" procurement or the selection of products and services that minimize environmental impacts. Consideration is made to all processes, from raw material procurement, production, selection of energy and technology, packaging, transport, utilization and management of waste after the utilization has terminated. Related operational guidelines comply with:

- **Corporate Governance**

The Bank has set out clear regulations for our procurement process. The regulations are updated regularly and our procurement process can be examined by external and internal agencies.

- **Code of Conduct**

1. KBank's procurement management is undertaken with honesty and transparency under relevant laws. The selection of suppliers is fair as we place importance on mutual interest.
2. Any operation related to KBank's procurement is in conformity with relevant laws, regulations and social norms.
3. Information related to our procurement operations is kept in a systematic manner. KBank ensures that such information is accurate and complete, so that it can be used at all times for the development and improvement of our procurement management.

4. Information related to suppliers is kept strictly confidential and it shall not be disclosed unless permitted by our business partners. However, disclosure must be approved by the Legal Department in line with relevant regulations.
5. Conflicts of interest are prohibited to ensure maximum benefit for KBank in conformity with corporate governance principles and our responsibility towards the economy.
6. Our procurement officers have skills, capabilities and competency to perform their tasks in a professional manner.

- **Risk & Crisis Management**

With regard to risk and crisis management, the Procurement Management Department has established risk management framework and procedures in line with regulations of KBank and BOT. Contingency plans have been prepared and rehearsals have been undertaken on a regular basis.

## Supply Chain Management

### Supplier Relationship Management

KBank's strategic focus is to ensure that our supplier relationship management is systematic for this will help bolster overall business operations. The Bank has cooperated with suppliers to develop products and services that not only meet our business needs, but also help enhance our competitiveness, while supporting businesses of our suppliers, as well.

### Community Participation

KBank has implemented a number of policies to promote community businesses for this effort will help spur employment and income. Among these policies are our support for the purchase of New Year gifts produced by various community-based foundations, hiring of local contractors and use of products produced by various communities.

In 2014, KBank selected a total of 151 new suppliers into our database, based on our social and environmental criteria. There were 144 local suppliers (95 percent of the total) and 7 foreign suppliers (5 percent of the total), representing 97 percent of local expenditures and 3 percent of overseas expenditures, respectively.

### Assessment of Satisfaction Survey

KBank has not only examined operational results of our suppliers every year, but also assessed their satisfaction towards us at every fourth quarter. In 2014, 95 percent of our suppliers expressed satisfaction towards KBank, which was unchanged from that reported in 2013. At the same time, we have advised our suppliers to improve their operations whenever there are errors. In 2014, a total of 57 users filed complaints about service quality, though all cases were addressed.



## Environmental and Social Impact Management Process for Suppliers

The Bank has established three environmental and social impact management processes for suppliers to ensure that our supply chain operations do not affect communities and the environment. Details are summarized as follows:

1. **Pre-qualify Process:** The Procurement Management Department has conducted preliminary assessment on social and environmental impact management, including human right, labor practices, occupational health and safety as well as liquidity and stability of the company, for the supplier selection process.
2. **Price Performance Evaluation Process:** Social and environmental impact management scoring is required for the supplier selection process.
3. **Contract Terms & Conditions:** They have been established to ensure that suppliers comply with our environmental and social development regulations. To ensure that all environmental and social issues have been taken into consideration, we require that all suppliers undergo the processes mentioned above completely.

### Occupational Health & Safety

KBank has adopted Occupational Health & Safety at all procurement operations. Occupational Health & Safety is one of the criteria of the Pre-qualify Process. It is also part of the terms and conditions of the contracts, covering the procurement of personal protection equipment and arrangement of appropriate working environment.

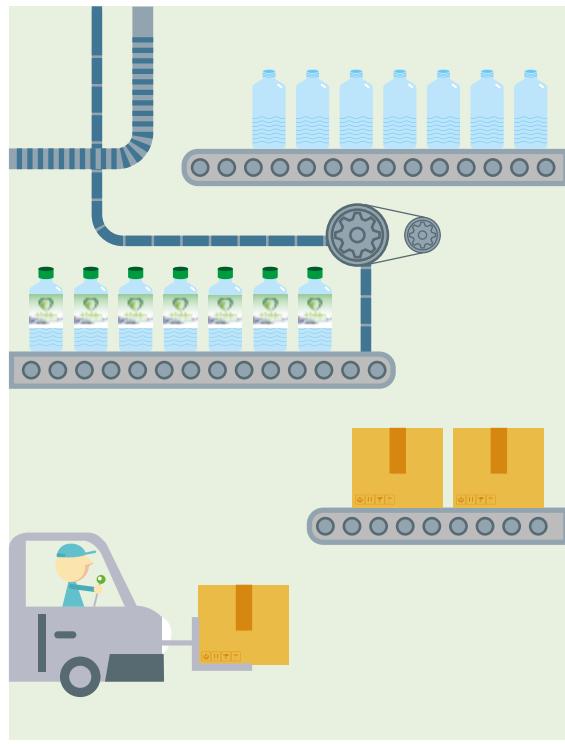
### Labor Standards

KBank always ensures that hiring at any of our workplace meets the labor standards and our employment regulations, covering remunerations, working hours, holidays, request for leave, termination, child and female labor, occupational health and welfares.

## Innovation Management

The Procurement Management Department places importance on operational innovation to ensure maximum operational efficiency. The reengineering process has been implemented to reduce turnaround time by 50 percent and paper use by 100 percent.

The procurement process has been overhauled with recognition towards suppliers offering environmentally-friendly products and services in all processes within our supply chain. For example, we have reduced the bottle weight for our KASIKORNTHAI drinking water to 18 grams from 20 grams, though the bottle strength remains intact. This program helps reduce the use of plastics by some 6,000 kilograms or 6 million grams per year. We have also switched to “Green Label” products, including stationeries, office equipment and electrical appliances.



KASIKORNTHAI drinking water

## Serving Society and Environment

To promote sustainable social development, KBank has been committed to offering services that meet the needs of all customer segments at home and abroad. To this end, we have been involved with improving the society through creating innovations and new services that help promote energy conservation and enhance energy efficiency.



Replace air conditioning that last for more than 15 years with low energy consumption air conditioning unit over

**200** branches

Replace T8 with T5 at main building

**100%**



LED used at ATM Lighting and branches' fascia

**100%**

Renewable Energy project finance consist of

Solar Farms

**483**

MW



Loan to K-Energy Saving Guarantee Program and K-Top Up Loan for Energy Saving (Lighting Solution)

**157**

MB

(The remaining credit of Baht 1,070 million is being prepared)

## Strengthening Communities and Society

KBank places importance on strengthening communities and society by specifying Sustainable Development Policy that requires all operational processes of the Bank, in particular credit underwriting, to consider every dimension of economic, environmental and social impacts. In addition, KBank has developed service channels responding to the needs of customers efficiently in all areas, together with advisory services that cover both financial and non-financial matters. KBank also aims at improving community and social potentials, under consideration by the Corporate Governance Committee in order to ensure that all social development projects can respond to the needs of, and empower communities and society concretely.

### A Rigorous Culture of Credit

KBank always recognizes the importance of a rigorous culture of credit. We have convinced our employees that a sound credit culture is applicable in helping enhance operational efficiency. Therefore, KBank has published a compilation of our credit policy, details on credit authority and credit operational process for use in relevant tasks. We have also induced our employees to recognize their own duties and responsibilities and those who involved with respect to building a rigorous culture of credit.

### Investment Policy

The Bank's investment is in compliance with the defined policy, i.e., avoiding making investments that violate the laws, refraining from conducting businesses that may significantly produce environmental impacts, considering ratings from reliable rating agencies and ensuring effective practice of corporate governance principles by the Bank. All investments by the Bank are monitored by responsible departments.

KBank actively considers environmental, social and governance (ESG) issues within investment decision-making and ownership practices.

Furthermore we have been governed, monitored, and audited by both internal and external bodies as follows:

- Internal Audit: Review and ensure that KBank's operations, governance, and risk management processes are operating effectively
- Compliance: Develop company policies and best practices and ensure that they are enforced throughout all levels
- Risk Management: Identify, assess, monitor, and manage risk under KBank's risk management framework.
- Treasury and Capital Markets Operations: Independently confirm trades from front office to prevent potential frauds and rogue trading
- Information Management: Provide robust IT framework to achieve effective data aggregation and minimal operational risk

- Capital Markets Business: Serve clients and manage trading book separately from treasury department
- External supervisor: KBank always complies with regulatory requirements from supervisory authorities such as Bank of Thailand.

### Credit Operations and Exercise of Credit Authority

KBank has adopted guidelines for “Credit Operations and Exercise of Credit Authority” to ensure that our credit operations are accurate and exercise of credit authority meet the required regulations. Those guidelines are also intended to cultivate sound credit culture and discipline to help avoid operational losses.

KBank has established the “Credit Practice Review Working Team”, comprising executives from relevant divisions, to review inappropriate credit practices, then submit a report along with action plans to Head of the Enterprise Risk Management Division. Such actions include verbal and written warnings, suspension from operations and exercising credit authority. However, they are not regarded as disciplinary actions that KBank shall proceed in accordance to the normal regulations.

### Complete Financial Service

KBank aims to offer underprivileged customers or those residing in remote areas greater access to our financial services. As a result, we have developed various financial products and services, as follows:

#### K-Mobile Banking

In response to the lifestyle and needs of our customers, the Bank has introduced a new version of K-MOBILE BANKING PLUS to allow our customers to make anytime, anywhere transactions, including account statement request, funds transfer, mobile phone top-up, bill payment, plus ATM and branch search.

Our K-MOBILE BANKING PLUS is equipped with the highest security system on par with international standards given its triple lock system that requires users to use specific types of mobile phone, plus correct SIM and PIN numbers as registered with KBank, to access the service. In addition, our customers can set an email confirmation to verify their transactions at anytime.

#### K-Bank to Post<sup>1</sup> and K-ATM to 7-Eleven<sup>2</sup>

Currently, funds transfers are largely made through banks because there are many channels offered. Most funds transfers are made through ATMs to the recipients' accounts; thereafter, the recipients can withdraw cash at bank counters or K-ATMs. However, this may not be convenient for the recipients residing in remote areas, where bank branches or ATMs are not available.

To accommodate the needs of customers who have homes upcountry and wish to transfer funds to their parents or relatives in remote areas, KBank has cooperated with Thailand Post Co., Ltd. and 7-Eleven to introduce K-Bank to Post and K-ATM to 7-Eleven funds transfer services, whereby funds transferred via K-ATMs can be received at 9,100 post offices and 7-Eleven convenience stores nationwide.



K-ATM to 7-Eleven, nationwide funds transfer services

<sup>1</sup> <http://www.kasikornbank.com/TH/Personal/OtherProducts/KMoneyTransfer/Pages/KBanktoPost2.aspx>

<sup>2</sup> <http://www.kasikornbank.com/TH/Personal/OtherProducts/KMoneyTransfer/Pages/KATMto7Eleven.aspx>



### K-Express Credit Center

KBank strives to improve personal loan service to meet growing demand in the market, notably from the middle income segment earning Baht 15,000 per month and higher. To this end, we have introduced K-Express Credit Center, a new service model designed especially for retail customers, who want financial advisor and swift approvals for various types of loan.

At the center, our sales officers are ready to offer advisory service covering four main products: K-Home Loan, K-Credit Card, K-Express Cash and K-Auto Finance (Refinance).

### K-Expert<sup>3</sup>

KBank has introduced personal financial advisory service under the "K-Expert" brand, specifically tailored to meet financial needs of all customer segments. Studies have been conducted on financial demands of each customer segment by its age group, aimed at offering

appropriate products and services suited to their preference. Professional financial advisors, who have passed rigorous training, are available at our branches across the country. In an effort to expand our personal financial advisory service, the Bank has introduced the followings:

1. K-Expert Guidebook to help our customers realize their dreams. It is based on customer needs in each age group.
2. k-expert@kasikornbank.com website that provides online financial advisory service.
3. 24-hour Hot Line financial advisory service at Tel. +662-8888888, press 09.
4. Investment, tax and credit advisory services at www.pantip.com, the most popular Thai language web board in the country.
5. K-Expert MyPort, an online asset manager for our K-Cyber Banking customers that gathers all of a customer's information from any financial institution and displays it on a single page.

<sup>3</sup> <http://k-expert.askkbank.com/Pages/K-ExpertHome.aspx>

### SMC-KBank Home Loan Program

KBank and the Secondary Mortgage Corporation (SMC), a state enterprise financial institution under the supervision of the Ministry of Finance, continue to collaborate through the SMC-KBank Home Loan Program. The SMC is tasked with developing the secondary housing loan and capital markets, as well as assisting people to have their own homes through housing loans at long-term fixed mortgage rate. In 2014, both institutions agreed to execute a purchase agreement for a 10-billion-Baht loan portfolio. Customers participating in this program will be offered four special housing loan rates along with other privileges from K Home Smiles Club, including an extensive advisory service for new and pre-owned home purchase loans and refinancing.

### K Home Smiles Club<sup>4</sup>

The Bank recognizes the importance of the decision-making of those who are planning to buy a home. As part of our efforts to assist prospective home buyers, KBank set up the K Home Smiles Club to provide our customers with three services, as follows:

1. Access to easy-to-understand information on home purchase via various channels.
2. Professional advisory service on home purchase planning and home loan request, thus allowing our customers to make viable decision and avoiding chances of incurring NPLs.
3. After-sales service, is provided for greater convenience for our customers through a number of special services, including a personal manager to offer advice or make contacts for home-related problems and personal assistance in many issues at Tel. +662-8888888, press 888, 24 hours everyday.

### K-Personal Loan Pensioners<sup>5</sup>

In response to the government's policy to assist government retirees in using pension inheritance rights as collateral to apply for loans, KBank has launched K-Personal Loan for Pensioners. Applicants must be retired government officials receiving monthly pensions with pension inheritance rights. Retired government officials have applied for this service steadily. An average credit limit extended to each applicant is about Baht 300,000.



K Home Smiles Club website, a home advisory solution

<sup>4</sup> <http://www.khomesmilesclub.askkbank.com/Pages/Home.aspx>

<sup>5</sup> <http://www.kasikornbank.com/TH/Personal/Loans/KPersonalCredit/Pages/K-PersonalLoanforPensioner.aspx>

### Assistance Measures for Customers affected by Political Strife and Earthquakes

Political conflicts in 2014 directly affected many businesses located in protest areas, forcing them to cut expenses, such as employee wages and overtime pays. Hefty household debt has also affected KBank's retail loan customers, raising concern about their debt repayment. Given this, KBank has introduced various measures to assist home loan and credit card customers, including a maximum six-month grace period for principal repayment, though they still have to make interest payment. KBank has also introduced measures to help our customers affected by earthquakes in seven provinces, i.e., Chiang Mai, Chiang Rai, Phayao, Phrae, Lampang, Nan and Kamphaeng Phet. Earthquakes damaged many homes and commercial buildings, thus adversely affecting businesses and livelihood of our customers in those provinces.

### Potential Enhancement for Youth

KBank 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 the nation.

### Cultivation of Wisdom Project

The third-year cooperation with the Office of the Thailand Research Fund (TRF) in the "Cultivation of Wisdom" Project is aimed at developing and reforming thinking processes 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 based learning (RBL) 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. KBank and TRF believe that these research projects will create 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.

#### Cultivation of Wisdom Project

##### KASIKORNBANK

- Financial Knowledge
- Funding Support
- Participation in Development



เพาะพันธุ์ปัญญา

##### Research-based Learning Process (RBL)

###### Teacher + Children



Community  
Economy



Local  
History



Creativity  
Science

##### Shared Value

###### Balance



Teacher



Children



Family



Community

##### Thailand Research Fund (TRF)

- Research Knowledge
- Funding Support
- Participation in Development

- Development conceptual thinking
- Understand and participate in community development
- Promote love of hometown
- Participate in community economic development
- Promote ethical awareness

- Empower community economy;
- Promote stable social development;
- Create value innovations for community;
- Promote sustainable development

### Pho Phan Panya Kamp

Productive thinking processes and systemic thinking skills enhanced by the Cultivation of Wisdom Project will be with these youth into adulthood. Given the project's achievement that has been widely recognized during the past year, an identical project titled "Pho Phan Panya Kamp" was launched for KBank employees' children to enhance greater employee engagement and to pass on the concept of building a new generation with thinking and research skills and love for their community, so that these children can "think, understand and smile" via experience gained in this activity.

### KASIKORNTHAI Foundation's Health and Learning Enhancement Activities for Children and Youth

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

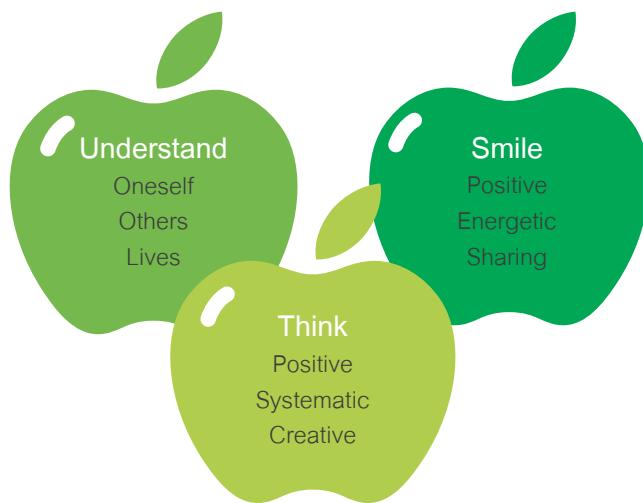
#### Libraries for Schools

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-directing 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

ເພັະພັນອົ້ປ່ວງວາ



Enhancement for KBank Employees's children to.....



of groups have participated, keeping this development-through-reading project vibrant from its inception in 2009 through the present. To date, 53 high quality school libraries have been established in 53 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. 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 since the implementation in 1995.

### 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, e.g., 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, meals 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 KBank 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 2014, the Foundation conducted the Thai Rice for Thais project in Honor of His Majesty the King's Birth Anniversary. Bank staff were invited to purchase 9,000 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 99 schools and shelters throughout the country.

In embarking charitable projects, KBank staff and customers contributed donations in addition to the core budget. Update of the Foundation's activities is available at [www.kasikornfoundation.org](http://www.kasikornfoundation.org) website.



Thai Rice for Thais project, for children and elderly



Activities under Lunch Box programs

## Environmentally-Friendly Products and Services

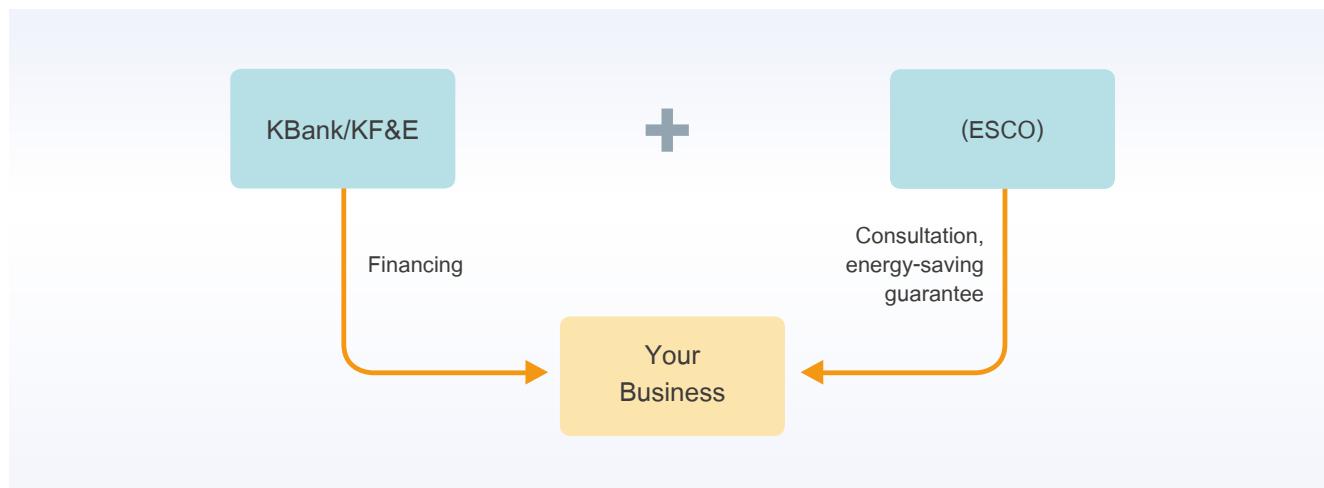
Realizing that healthy environment and ecosystems are fundamental to balanced growth of the country, KBank has unceasingly innovated and developed our products and services for energy saving and environmental preservation. With well-defined policy being implemented by all units, we have provided credit facilities for energy-saving and renewable energy promotion projects of our customers.

### Energy-Saving Products

KBank's provision of financial products focuses on satisfying all customers' diverse demand. In addition, product enhancement has been undertaken under energy saving programs that help save operating costs for customers, while generating reasonable returns for them, in tandem with market competition. As a result, our customers enjoy healthy growth with sustainable competitiveness.

#### K-Energy Saving Guarantee Program

The K-Energy Saving Guarantee Program is available for investments in efficient energy management, with Energy Service Companies (ESCOs) offering integrated consulting and management services, while providing a guarantee for energy saving. Businesses can be ensured that the energy savings generated by the project will be source of loan repayment (a self-financing project).



Loans under this program have also been extended to solar rooftop projects which aim to reduce power cost, or to customers entering into power purchase agreements with government agencies with tenor of up to 12 years. This program is consistent with the government's energy conservation policy and being supported by the British Embassy in Bangkok, as well as private and public business partners.

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

The K-Top up Loan for Energy Saving (Lighting Solution) is a financial facility to encourage SMEs to use LED bulbs for energy saving. Maximum guarantee for LED bulb quality and cost saving will be offered to customers under this program (available to those who choose energy saving guarantee from ESCOs).

A credit limit of up to 100 percent of total investment – including ESCO consulting fees – would be provided under both programs. With the cost-saving guarantee, customers are ensured of energy reduction which would enhance their income and enable them to repay their loans without utilizing normal business cash flows. Therefore, their financial status and competitiveness will be fortified over the long term.

#### K-PowerP@y (mPOS)

In response to the modern lifestyles with increased use of smartphones and tablets, KBank has enhanced an application to enable these devices to accept credit card payment. Changing the card acceptance equipment from electronic data capture (EDC) to a cheaper device - mPOS

Card Reader, KBank is now able to access retail merchants whose total monthly sales are not eligible for EDC. Moreover, we used less paper for sale slip printing. In 2014, at least 20,000 retail and major merchants are expected to have mPOS Card Reader installed in their smart devices.

#### Renewable Energy Credits

KBank has been placing significance on Thailand's power management since 2006, after a major milestone in Thailand's energy sector was marked with the launch of a 15-Year Renewable Energy Development Plan (REDP) for 2008-2022. According to the plan, the share of alternative and renewable energy in the total energy consumption will be lifted to 20 percent. In light of this, we have extended loans to support renewable energy projects, namely solar, wind and biomass power plants, representing approximately 25 percent of our energy loan portfolio at Baht 61.50 billion.

In 2014, KBank provided credits of Baht 15.88 billion to support renewable energy projects including solar, wind and biomass power plants, consisting of the following:

- Baht 13.46 billion for 67 solar farms, with combined capacity of 483 megawatts (MW) and total investment value of Baht 55.15 billion
- Baht 2.03 billion for 2 wind farms, with combined capacity of 180 MW and total investment value of Baht 12.74 billion
- Baht 384 million for 1 biomass project, with combined capacity of 7.5 MW and total investment value of Baht 640 million



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



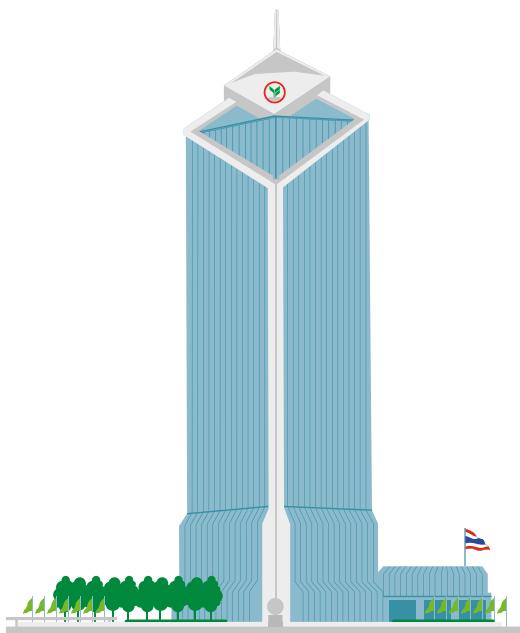
KBank Executive visit and discuss about renewable energy program

## Managing our Direct Environmental Impact

KBank 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, we encourage staff to use resources wholly, in order to maximize benefits from scarce resources, which will help reduce GHG emission.

In addition, KBank has adopted the concept of Green Buildings for the Environment under the “Leadership in Energy and Environmental Design (LEED standards)”, taking into consideration our employees’ and customers’ health and safety. Our office buildings and branches have been designed based on the “universal design” concept. For example, special paths for those who use wheelchair are available at branches located in hospitals, while elevators for disabled persons are installed in KBank’s new offices.

### Energy Conservation Policy



KBank’s energy preservation policy has been clearly established to be adhered to by all staff members as one of their duties. We believe the efficient use of energy in the organization will contribute to reducing carbon emissions, a positive stance towards our environment. Details are as follows:

- Power management systems have been efficiently enhanced and implemented, with energy conservation as an integral part of our operations, in conformity with other relevant laws and directives.
- The efficiency of internal energy use has been improved consistently in accordance with operations, existing technologies and best practices.

- Annual energy conservation plans and goals are established and communicated to all relevant staff for their implementation.
- It is the duty of all-level executives to preserve power and participate in implementing stipulated measures, monitoring, examining and reporting relevant matters to the Energy Management working group.
- KBank will provide necessary support including manpower, budgets, working hours, training and collaboration in power management.
- Energy policies, goals and operational plans will be reviewed and adjusted every year by executives and the Energy Management working group.



Chaeng Watthana Building's atmosphere under green building concept

## Green Building

In alignment with the “energy conservation and environmental friendly” concept, KBank bought a 25-year building instead of buying a new and is renovating it as our Chaeng Watthana Building 2. The renovation that is ongoing during 2014 - 2015 is based on the sufficiency principle, energy saving and use of recycled materials, along with a focus on the “quality of life”. Also, the LEED-CI (LEED for Commercial Interiors) concept has been used, while domestic consultants and materials/equipment have been engaged, as well as the adoption of “local wisdom”.

The Chaeng Watthana Building 2 is currently under construction, with 360-kilowatt solar panels to be installed at its rooftop. Part of electricity will be generated by the rooftop PV system to reduce energy costs, in conformity with the government’s promotion of renewable energy. LED bulbs will be installed for lighting which could save at least 20 percent of electricity cost compared to that of normal T5 bulbs.

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 Ministry of Labor and consistent with recognized international standards.



Illustration of  
Chaeng Watthana  
Building 2 renovation

## Water Management

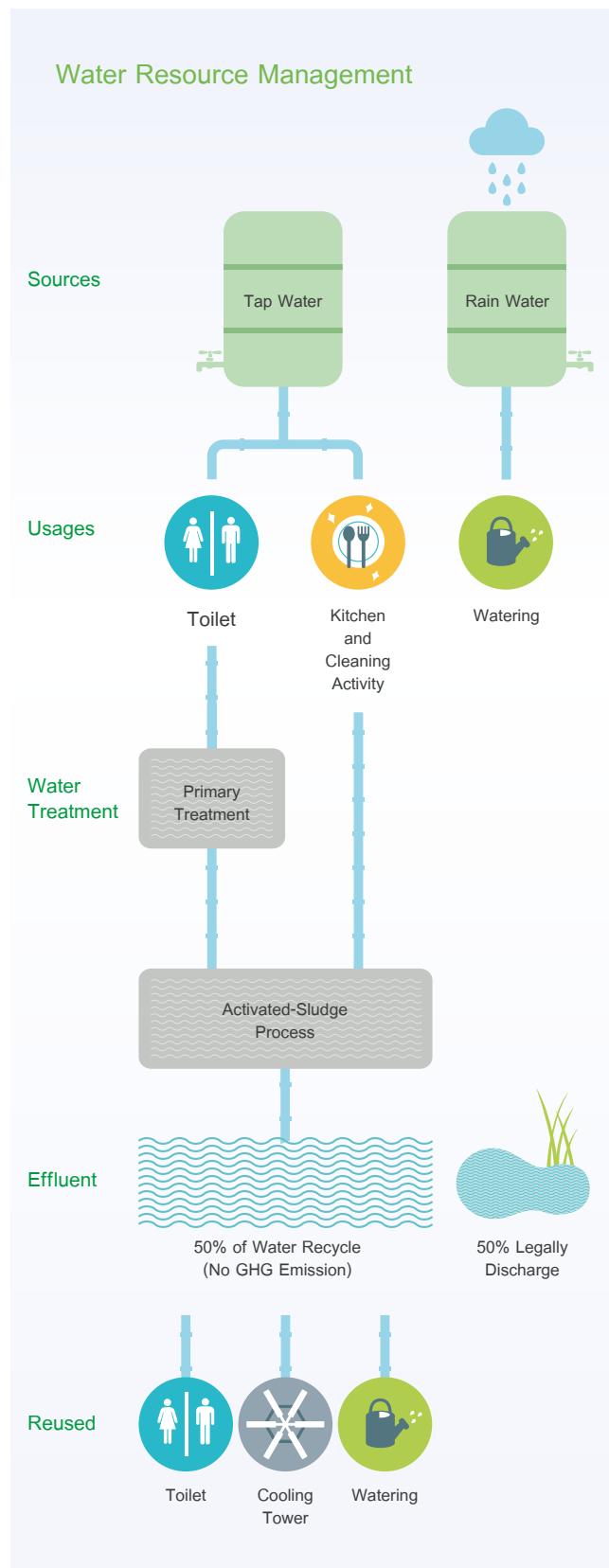
KBank's water resource management goal is to extract the greatest possible benefit from water consumption within the organization. Water is utilized in cooling towers, sanitary systems and gardens, taking into consideration environmental concerns and efficient use of resources. There are three types of water resources at our three main offices:

- Tap water within the buildings
- Reused/recycled water
- Captured and stored rainwater

Two classes of wastewater are discharged from the buildings:

- Kitchen wastewater is carried to the primary system for mixing with wastewater from toilets
- Wastewater from toilets and various cleaning activities

Wastewater then passes 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 is shown below:



## KBank Environmental Impact Table

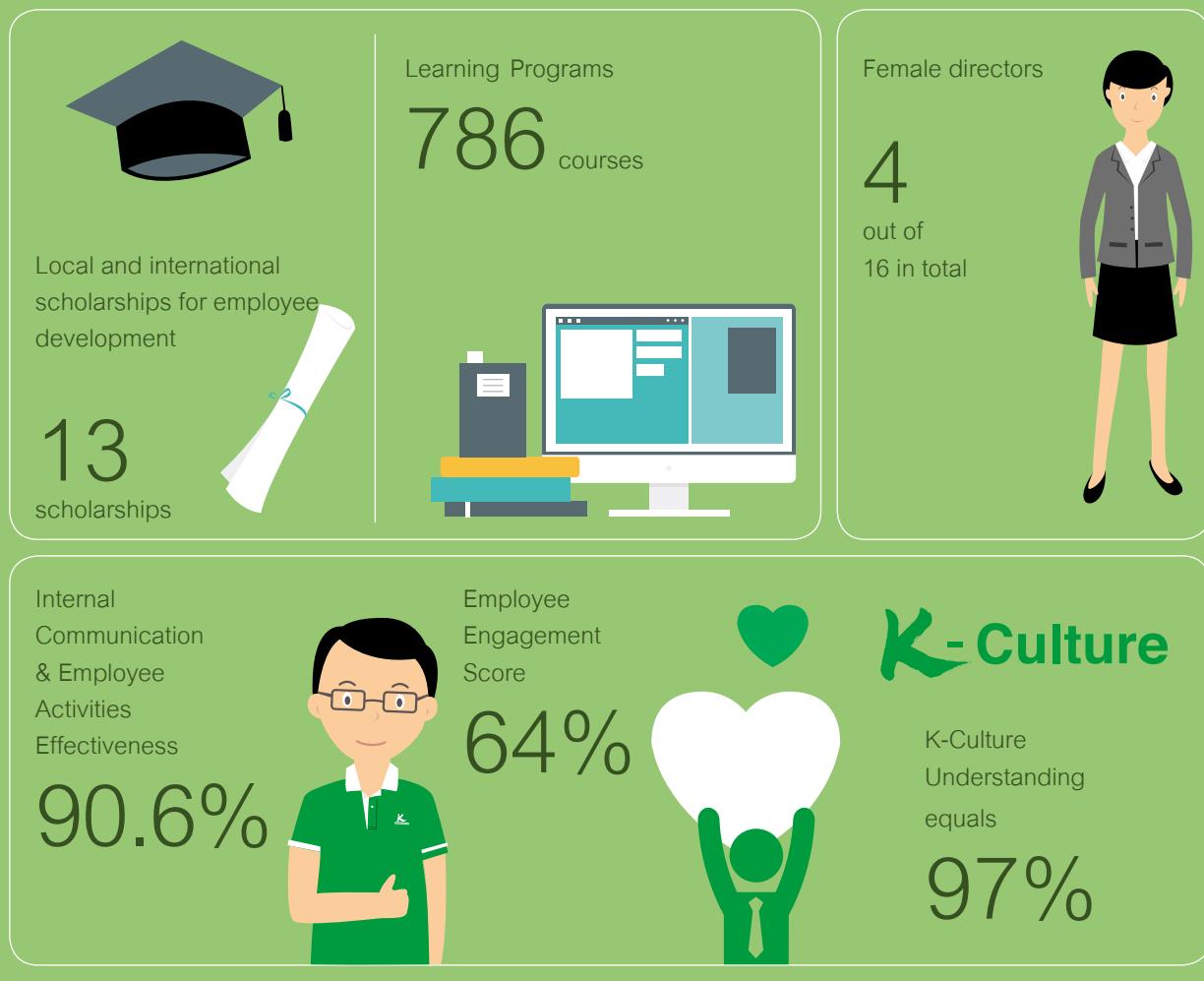
Assessment Parameter					
GHG Emission	2012	2013	2014	% Change 2012 vs 2014	% Change 2013 vs 2014
• Total scope 1 CO <sub>2</sub> e emission (tons)*	0	0	0	0	0
• Total scope 2 CO <sub>2</sub> e emission (tons)	91,263.11	98,996.32	108,895.95	19.32%	10.00%
• Total scope 1&2 CO <sub>2</sub> e emission (tons)	91,263.11	98,996.32	108,895.95	19.32%	10.00%
• Total scope 1&2 CO <sub>2</sub> e emission per FTE (tons)	5.25	5.13	5.04	-4.00%	-1.76%
• Total scope 3 CO <sub>2</sub> e emission from business travel (tons)**	N/A	N/A	N/A	N/A	N/A
Energy					
• Total energy consumption (GWh)	157.00	170.30	177.41	13.00%	4.18%
• Energy use per Full Time Employee (KWh per FTE)	9,028.60	8,822.55	8,208.21	-9.09%	-6.96%
Water					
• Water consumption (mil m <sup>3</sup> )	0.86	0.97	1.07	23.30%	10.00%
• Water consumption per FTE (m <sup>3</sup> )	49.69	50.17	49.29	-0.80%	-1.76%
Waste					
• Total waste generate (metric tons)	2,938.74	3,262.21	3,588.43	22.11%	10.00%
• Waste generated per FTE (kg)	169.00	169.00	166.02	-1.76%	-1.76%
Travel					
• Total CO <sub>2</sub> emission from road travel (tons)	7,276.10	9,031.55	11,409.29	56.81%	26.33%
• Total CO <sub>2</sub> emission from business travel per FTE (tons)	0.42	0.47	0.53	26.15%	12.82%
Full Time Employee (FTE)					
• Full Time Employee (FTE)	17,389	19,303	21,614	24.30%	11.97%

\* Total scope 1 CO<sub>2</sub> emission calculated from the refrigerants, which is exempt according to the Kyoto Protocol

\*\* Information is being prepared and will disclose in the next report

## Working with KBank

KBank has placed our importance on the caring of our employees. We believe a positive work environment, skill development, creation of motivation, good occupational health practices, and attractive welfares can drive employees to perform their duties at their fullest potential. This will, in turn, bring about impressive services rendered to our customers and general public, making KBank performance achieve the goal with sustainable growth. Currently, the total KBank workforce amounts to 21,614 employees. Details are as shown below:



## Employees for Sustainable Business Operation

- To uphold KBank's business undertaking strategy and in preparation for the inception of the ASEAN Economic Community (AEC), we have placed our emphasis on leadership development, K-Culture and preparedness of our employees in terms of language competence, understanding of cultural diversities and business-related knowledge. Focus has also been on increase in workforce and bolstering of employee potential to accommodate our business expansion, both domestically and abroad.

### Treatment of Employees

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 unions 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 (No.2) B.E. 2551 (2008), Labor Relations Act B.E. 2518 (1975), Workmen's Compensation Act B.E. 2537 (1994), Provident Fund Act (No. 2) B.E. 2542 (1999) and Social Security Act B.E. 2553 (2010). Labor relations processes comply with these laws, as well as principles of humanity and rights, in accordance with our employment policy framework. 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.



## Employee Recruitment and Allocation

KBank has recruited a large number of new employees both within Thailand and ASEAN Economic Community via various recruitment programs such as the “[International Career Day](#)” in the run-up to the AEC Inception, Employee Referral 2014 and the job fair entitled “KBANK Recruiting Sales Officers in Southern Esan”.

## Labor Relations and Remuneration Management

### Management of Human Resources in Overseas Branches and Offices

KBANK always focuses on enhancing competitiveness capabilities of our overseas branches and representative offices. Aside from recruitment of new employees to accommodate the opening of overseas branches and offices (in accordance with Standard Requirement and ER Document Checklist), we have upgraded human resource infrastructure such as IT system for local employees, employee handbooks and communication process to inform them of KBANK’s HR management policies and operational procedures. We also create an alliance network with local companies to exchange information related to HR management as well as establishing programs for employee development, organizational culture promotion, creation of common understanding and work process improvement.

### Performance Management

KBANK has placed emphasis on employee performance management. To this end, managers are encouraged to provide advice and coaching to their employees for self-development, and together map out work and individual development plans for each employee. We also establish succession planning and guidelines for individual employee development with an aim of creating leadership.

### Labor Relations Management

KBANK regularly holds meetings with our employees’ committee to promote bilateral cooperation. In addition to strengthening mutual relations, these meetings open an opportunity for our employees to make suggestions beneficial to our business operation, which will finally lead to the rendering of impressive services to our customers.

### Operational Changes

With regard 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. In case of resignation, cooperation is sought from resigning employees to submit notification 30 days in advance to allow enough time for KBANK to appropriately deal with changes that might affect our business.



Internal requirement campaign Working with KBANK



KBANK Career Day

### Compensation Management

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, compensation commensurate with 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 members are motivated towards efficient performance of the work delegated to them and in a manner consistent with KBank business strategies.

KBank has implemented the remuneration and welfare system for local and expatriate staff to be consistent and competitive with local market. Employee Self-Service has been developed to include human resource-related services for expatriate staff working in Thailand.



2014 KBank's uniform

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

Workplace	Employee Level	Salary and Basic Remuneration of Female and Male Employees	
		2013	2014
Head Offices	<ul style="list-style-type: none"> <li>• Executive level (Department Head and higher)</li> <li>• Operating and staff level (Below Department Head)</li> </ul>		
Elsewhere	<ul style="list-style-type: none"> <li>• Executive level (Department Head and higher)</li> <li>• Operating and staff level (Below Department Head)</li> </ul>	No difference between male and female employees 1 : 1	

## Employee Engagement and Welfares

- KBank always recognizes the importance of our employees. In alignment with our KBank Valuing People program, we have arranged multiple media to promote self-esteem among our staff members while also encouraging managers to treat their employees appropriately. KBank executives are equipped with knowledge on diversity management for greater understanding towards employees with different ages and races for effective teamwork and harmonious environment.
- In addition, Employee Engagement Survey is conducted annually, and the result has been used for improving the organization's engagement level.

### Employee Relations Center

Employee Relations Center offers our employees advice and assistance to foster mutual understanding between them and KBank. Employee welfare process has been streamlined to enable faster reimbursement of medical expenses. "Caring for Your Health" program was organized to promote healthiness among our staff members. Given these endeavors, KBank, in 2014, was granted Best Labor Relations and Welfare Award in the category of large establishment with labor unions, for the ninth consecutive year.



KBank granted Best Labor Relations and Welfare Award



Employees engagement internal campaign

## Communication and Participation

KBank always disseminates news and information beneficial to our employees in performing their duties and daily activities. We have diverse communication channels such as KASIKORNTV, the "Kitchakan Samphan" newsletter, Public Address and Lotus Notes internal system as well as other employee relations activities. These efforts are aimed at:

1. Providing knowledge to our employees and ensuring common understanding among them
2. Fostering mutual understanding and unity
3. Exchanging beneficial information and promoting employee participation
4. Creating positive work environment and experience

### Assessment

KBank conducts an annual Employee Satisfaction Survey in relation to awareness of our employees about the dissemination of news, information and internal communication activities via various channels, with the

threshold set at more than 90 percent. The survey result is used for further improving our communication process. In 2014, our employee satisfaction rate equals 90.6 percent.

## Employee Welfares

Welfares are provided for all staff members, with some differences concerning the expenditure rates, e.g. hospital room rates.

With our aim of improving employee living standards, KBank's employee benefits are at the forefront of the industry, including those for housing loans, healthcare, severance pay, retirement plans and education allowances for their children and retirement benefits. Additionally, we offer other benefits, such as loans for the purchase of private vehicles and computers, educational loans, financial stipends upon marriage, as well as other loans under our financial assistance programs (e.g., health support for employees' parents, spouses and children, home renovation financing, etc.)

### Sustainable Self-Reliance Policy

In upholding national philosophy of a sufficiency economy, we constantly promote a sustainable self-reliance among our staff, by encouraging them to save through the Provident Fund system instituted in 1994. The Fund which established in accordance with the Provident Fund Act B.E. 2530 (1987) 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;

**Second option:** An equal rate with the KBank contribution being based on their employment tenure.



KASIKORNBANK Newsletter

## Occupational Health and Safety

### Health and Safety

KBank provides annual health check-ups for our employees. Moreover, all of our three main office buildings – Rat Burana, Phahon Yothin and Chaeng Watthana – 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 regularly revised to match the prevailing circumstances. Manuals are also published to ensure that employees are informed about these benefits and understand their use for themselves and their loved ones.

### Work-related Danger, Injury and Sickness

In compliance with the Workmen's Compensation Act, B.E. 2537 (1994), KBank has made our contributions to the Workmen's Compensation Fund to become compensations for our employees suffering from injury, sickness or death as the result of work employment of KBank. Upon our employee's injury or sickness caused by work, KBank immediately informs the Social Security Office to proceed with payment of compensation if medical leave or absence is required.



Health care unit at KASIKORN BANK headquarters

## Building Organizational Culture

KBank has always promoted organizational behavior that is in alignment with our four core values, based on the firm belief that KBank staff is a key factor for target achievement and also a key driver towards consistent directions. Recognizing its importance, KBank executives at all levels have granted support for the building of organizational culture. To this end, communications and public relations have been conducted via such channels as KASIKORNTV, electronic media, i.e., "Oops! K-Culture" e-Magazine. Our 2014 K-Culture Understanding survey showed that KBank employees' awareness and understanding about our core values equaled 97 percent, rising steadily from 91 and 88 percent achieved in 2013 and 2012, respectively. Behaving in accordance with our four core values, KBank employees have rendered excellent services to our customers, bringing about their positive experiences and trust towards KBank. This will eventually make us grow sustainably with the Thai society.

## Employee Engagement Survey

Employee Engagement Survey provides employees' feedbacks and opinions towards factors and environment that have influenced their work performance. KBank conducts an employee engagement survey every year and uses the result for improvement so as to ensure the optimum employee satisfaction, thus inducing them to work at their fullest potential - a key contribution to our success. The 2014 Employee Engagement Survey showed that the level of engagement was high, which stemmed mainly from our improvement in many areas such as communications, leadership development as well as operational processes and environment.

## Human Resource Development

KBank believes that human capital is the most important driver towards sustainable growth of our business. We have therefore established clearly-defined policies and plans for human resource development. In so doing, we can assure that all KBank employees are capable, knowledgeable with necessary skills while also having decent characteristics that will make them perform consistent with our strategies for the delivery of service excellence to all customer segments. In addition, KBank treats and supervises all employees equally, providing them channels to express their opinions and complaints. These will be treated with due care in order to foster love and engagement with the organization.

KBank's human resource development has been undertaken in accordance with our well-devised planning to ensure efficiency and consistency and can be categorized into four key areas, i.e.,

1. Human Resource Development Plan
2. Leadership Development Program & Scholarship
3. Career Development
4. Knowledge Management (KM)

KBank has a policy of communicating with our employees to ensure their understanding and knowledge about our products, labor rights, benefits and welfares offered by KBank. New employees are required to attend a one-day orientation to familiarize them with topics like financial knowledge about KBank products, work principles, values and actions in compliance with Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) law. During six-hour session, employees are also informed of offers from the organization towards the well-being.

### Human Resource Development Plan

KBank has systematically implemented an employee development plan on a continual basis. Training roadmaps have been prepared for all positions to enhance knowledge and skills necessary for particular tasks of each employee. Therefore, our development has been quite efficient. Our Management Development Program (MDP) was created for management of four levels to provide them with leadership courses that match their needs. Annual Training Plan has also been devised for supervisors and staff in line with their demand within the set budget and timeframe that must not affect their work. Aside from knowledge development, we have evaluated performance and progress in career path for all employees.

### e-Learning

KBank arranges e-Learning that enables self-study for employees any place anytime via electronic devices. The system provides them with greater convenience in accessing numerous learning programs provided by KBank. In 2014, there were a total of 1,446 classes held for various study courses including in-house training, outside training and e-learning, classified into 17 sections of 786 courses.



### 2014 Study Courses



### Leadership Development Program & Scholarship

KBank organizes Leadership Development Program to groom high performers/top talents for becoming managers. Succession planning is conducted to assure that capable employees are prepared to fit to executive positions when needed without interruption, thus preventing us from business risk.

#### Scholarship

The Bank has a policy to grant scholarship to youths and students with good academic performance and decent behavior, as well as our employees. Since 1966, we have

provided more than 200 scholarships and the recipients have contributed greatly to the advancement of KBank and Thailand, alike. Each year, we set aside more than Baht 40 million in budget for scholarship recipients to ensure that they have sufficient funding for their study and livelihood, enabling them to focus on their learning and acquire experience as much as possible. In 2014, KBank awarded 13 scholarships for graduate studies at educational institutions both domestically and abroad, while 33 recipients are now studying and nine have been working with KBank after graduating. KBank has arranged job positions to fit for academic background and ability of scholarship recipients, who will be further groomed to become our capable leaders.

## Career Development

The Bank has set a clear guideline for career development planning of our employees. Various tools have been employed for assessment of their performance and potential development. For instance, Competency Dictionary is used to determine the basic knowledge, skills, abilities and behaviors of employees; training roadmap is set for each job position while job qualification is also established. These data are compiled in K-Career Development Online System so that employees are able to study career development guidelines on their own. These data are regularly revised so that they are up-to-date and consistent with KBank business direction and strategic plan as well as preparedness of each unit.

### Taksila-ASEAN Banker Academy Program

In response to our policy of branching out into AEC+3 countries which has led to our hiring of local staff to station at our overseas branches and offices, KBank initiated the Taksila- ASEAN Banker Academy program, as part of our effort to develop capabilities of these staff members towards performance efficiency. The program which features management of knowledge in different areas consists of three key colleges, i.e.,

1. College of General Banking offering basic knowledge for performing financial and banking tasks
2. College of Banking Expertise offering in-depth knowledge for performing each task namely Credit & Risk Management, Treasury & ALM, Process & Operations, Audit & Compliance, Investment Banking, Sales & Service, Business & People Management, Transactional Banking and Consumer Banking
3. College of Talent & Leadership offering knowledge for leadership skills and talent management

## Knowledge Management (KM)

KBank initiates the Knowledge Management (KM) program to integrate all relevant knowledge into one place which serves as a knowledge sharing channel, while also promoting an atmosphere of self-development among our employees. The KM program is organized for employees in each department to equip them with particular knowledge required for their jobs, and they are urged to exchange what they learnt with their colleagues. Study trips have been arranged for participating departments so that their employees can have a broader vision of KM programs organized by other companies. Meanwhile, KM experts have been invited to provide in-house training to interested departments while KM Facilitators Reunion event has been arranged as a venue for experience sharing among departments. Other notable efforts included the KM Chit Chat program broadcast via KASIKORNTV to communicate the KM methods of successful departments with other colleagues. The KM program not only prevents lost knowledge as a result of employees having retired or left the office, but also transfers and expands the knowledge without end as employees are encouraged to embrace knowledge sharing. These endeavors will eventually drive KBank towards a learning organization.

### Corporate Social Responsibility (CSR) Development Course

KBank has arranged an orientation program for new staff to provide knowledge for employee development in compliance with KBank CSR policies, procedures and standards. The Code of Conduct was prepared to ensure that all employees perform their work in accordance with the regulations established by KBank



KASIKORNTHAI  
Learning Center

Human Resources	Unit	2012		2013		2014						
		Male	Female	Male	Female	Male	Female					
<b>Number of Employees</b>												
• Total	Employee	17,385		19,303		21,614						
• Male	Employee	7,218		7,386		7,694						
• Female	Employee	10,167		11,917		13,920						
<b>Number of Employees Classified by Workplace</b>												
• Head offices and main buildings	Employee	5,841		10,093		10,688						
• Elsewhere	Employee	11,544		9,210		10,926						
<b>Number of Employees Classified by Educational Attainment</b>												
• High school graduate (lower than bachelor's degree)	Employee	782		702		633						
• Bachelor's degree	Employee	11,017		12,675		14,653						
• Master's degree	Employee	5,551		5,890		6,289						
• Doctoral degree	Employee	35		33		39						
<b>Number of New Employees</b>												
• Total	Employee	935		3,250		893		3,101		950		3,296
• Less than 30 years	Employee	2,397				3,480				3,567		
• 30 - 50 years	Employee	412				511				678		
• Over 50 years	Employee	3				3				1		
• Head offices and main buildings	Employee	768				1,716				1,825		
• Elsewhere	Employee	2,044				2,278				2,230		
• New Employee Hires	Percent of total employees	4.13		12.04		4.63		16.06		4.41		15.32
<b>Total Number of Terminated Employees</b>												
• Total	Employee	892		1,619		903		1,900		880		2,024
• Less than 30 years	Employee	1,647				1,743				1,803		
• 30-50 years	Employee	645				814				841		
• Over 50 years	Employee	219				246				260		
• Turnover rates	Percent of total employees	5.13		9.31		4.68		9.84		4.07		9.36
• Voluntary turnover	Employee	892		1,619		903		1,900		880		2,024
<b>Maternity/Parental Leave</b>												
• Number of employees having the right of maternity/parental leave	Employee	10,167				11,917				13,920		
• Number of employees using the right of maternity/parental leave	Employee	357				394				33		503

Human Resources	Unit	2012		2013		2014		
		Male	Female	Male	Female	Male	Female	
<b>Maternity/Parental Leave</b>								
• Number of employees returning to work after maternity/parental leave	Employee	321		369		32		487
	Employee	220		369		32		487
	Percent of total employees	89.92		93.65		97		96.82
<b>Proportion of Absence by Type (%)</b>								
• Sickness	Percent	13.58		12.93		12.21		
	Percent	0		0		0.03		
	Percent	86.42		87.07		87.76		
<b>Average Training Hours</b>								
• Average training hours of total employees	Hour/employee/year	43		51	47.46		60.40	
	Hour/employee/year	67		47.44		66.57		
	Hour/employee/year	48		55.55		48.13		
<b>Gender Equality</b>								
• Number of executive level employees (Department Head and higher)	Employee	150		100	155		111	
	Employee	7,068		10,067	7,231		11,806	
• Number of operating and staff level employees (below Department Head)	Employee	N/A		3		2		
	Employee							
<b>Safety</b>								
• Number of work-related injuries	Employee	N/A		3		2		
	Employee							

## GRI Content Index



GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	<b>Page Number (or Link)</b> Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	<b>External Assurance</b> Indicate if the Standard Disclosure has been externally assured.  If yes, include the page reference for the External Assurance Statement in the report.
STRATEGY AND ANALYSIS		
G4-1	SD 04 - 05 / AR 005 - 014	
ORGANIZATIONAL PROFILE		
G4-3	SD 10 / AR 267	There is no external assurance for all kinds of data, except accuracy of financial data in the Annual Report. (For more details please see AR page 60)
G4-4	SD 12 / AR 031 - 037	
G4-5	SD 10 / AR 267, 273	
G4-6	SD 11 / AR 293 - 295	
G4-7	SD 10 / AR 267	
G4-8	SD 35 - 45 / AR 026 - 030	

Remark : AR : Annual Report 2014 page  
 SD : Sustainability Development Report 2014 page

G4-9	SD 11, 44 / AR 016 - 017, 038 - 039, 062 - 065, 256 - 257, 268, 273 - 295	
G4-10	SD 64, 74	
G4-11	SD 65	There is no external assurance for all kinds of data, except accuracy of financial data in the Annual Report. (For more details please see AR page 60)
G4-12	SD 47 - 48	
G4-13	AR 038 - 039, 198 - 199, 256 - 257, 267 - 295	
G4-14	SD 60	
G4-15	SD 07 - 09 / AR 012 - 014	
G4-16	SD 10 / AR 194 - 196	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	SD 22	NO
G4-18	SD 21 - 22	NO
G4-19	SD 23	NO
G4-20	SD 23	NO
G4-21	SD 23	NO
G4-22	There are not any restatements of information provided in previous report.	NO
G4-23	There is no significant change from previous reporting period in scope and boundary.	NO
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	SD 17 - 19	NO
G4-25	SD 17	NO
G4-26	SD 17 - 19	NO
G4-27	SD 17 - 19	NO

Remark : AR : Annual Report 2014 page

SD : Sustainability Development Report 2014 page

REPORT PROFILE		
G4-28		SD 20
G4-29		SD 20
G4-30		SD 20
G4-31		SD 21
G4-32		SD 76 - 82
G4-33		AR 60
GOVERNANCE		There is no external assurance for all kinds of data, except accuracy of financial data in the Annual Report. (For more details please see AR page 60)
G4-34		SD 25 - 26 / AR 14, 189 - 223
ETHICS AND INTEGRITY		
G4-56		SD 13

Remark : AR : Annual Report 2014 page

SD : Sustainability Development Report 2014 page

 SPECIFIC STANDARD DISCLOSURES						
	DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
	<p>Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization.</p> <p>In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.</p>	<p>In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.</p>	<p>In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.</p>	<p>In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.</p>	<p>Indicate if the Standard Disclosure has been externally assured.</p> <p>If yes, include the page reference for the External Assurance Statement in the report.</p>	
 CATEGORY: ECONOMIC						
MATERIAL ASPECT: ECONOMIC PERFORMANCE						There is no external assurance for all kinds of data, except accuracy of financial data in the Annual Report. (For more details please see AR page 60)
G4-DMA	SD 12 - 13 / AR 009 - 010					
G4-EC1	SD 23, 44 / AR 064 - 065					
G4-EC3	SD 69 AR 086, 145 - 146					
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS						
G4-DMA	SD 51					
G4-EC8	SD 55 - 57 / AR 026 - 041					

Remark : AR : Annual Report 2014 page

SD : Sustainability Development Report 2014 page

MATERIAL ASPECT: PROCUREMENT PRACTICES				
G4-DMA	SD 48			
G4-EC9	SD 48 / AR 194			
 CATEGORY: ENVIRONMENT				
MATERIAL ASPECT: ENERGY				
G4-DMA	SD 60 - 61 / AR 193			
G4-EN3	SD 63			
G4-EN5	SD 63			
G4-EN6	SD 61, 63			
MATERIAL ASPECT: WATER				
G4-DMA	SD 62			
G4-EN8	SD 62 - 63			
G4-EN10	SD 62			
MATERIAL ASPECT: EMISSIONS				
G4-DMA			Information is currently unavailable	Information is under discussion
G4-EN15	SD 63			
G4-EN16	SD 63			
G4-EN17			Information is currently unavailable	Information is under discussion
G4-EN18	SD 63			
G4-EN19	SD 63			
MATERIAL ASPECT: EFFLUENTS AND WASTE				
G4-DMA	SD 62 / AR 193			
G4-EN23	SD 63			

Remark : AR : Annual Report 2014 page  
 SD : Sustainability Development Report 2014 page

MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT				
G4-DMA	SD 34, 49 / AR 194			
G4-EN32	SD 34			
 CATEGORY: SOCIAL				
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK				
MATERIAL ASPECT: EMPLOYMENT				
G4-DMA	SD 65 - 66 / AR 042, 193			
G4-LA1	SD 74			
G4-LA2	SD 69			
G4-LA3	SD 74			
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS				
G4-DMA	SD 66 - 68 / AR 042			
G4-LA4	SD 66			
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
G4-DMA	SD 70 / AR 193			
G4-LA6		Indicator is not applicable	KBank currently not apply the OHSAS 18001	
MATERIAL ASPECT: TRAINING AND EDUCATION				
G4-DMA	SD 71 - 72 / AR 042, 214			
G4-LA9	SD 75			
G4-LA10	SD 73			
G4-LA11	SD 71			
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES				
G4-DMA	SD 47 - 49			
G4-LA14	SD 47 - 49			

Remark : AR : Annual Report 2014 page

SD : Sustainability Development Report 2014 page

There is no external assurance for all kinds of data, except accuracy of financial data in the Annual Report. (For more details please see AR page 60)

MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS				
G4-DMA	SD 65			
G4-LA16		No. of grievance about labor practices	Confidential Information	
SUB-CATEGORY: HUMAN RIGHTS				
MATERIAL ASPECT: NON-DISCRIMINATION				
G4-DMA	SD 65 / AR 193			
G4-HR3		Total of incidents of discrimination	Confidential Information	
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT				
G4-DMA	SD 49 / AR 194			
G4-HR10	SD 34			
SUB-CATEGORY: SOCIETY				
MATERIAL ASPECT: LOCAL COMMUNITIES				
G4-DMA	SD 52 - 54 / AR 194			
G4-FS13	SD 52 - 55			
MATERIAL ASPECT: ANTI-CORRUPTION				
G4-DMA	SD 27 / AR 194 - 196			
G4-SO3	SD 28			
G4-SO4	SD 27 - 28			
G4-SO5	SD 28			
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY				
G4-DMA	SD 34, 49			
G4-SO9	SD 34			

Remark : AR : Annual Report 2014 page

SD : Sustainability Development Report 2014 page

SUB-CATEGORY: PRODUCT RESPONSIBILITY					There is no external assurance for all kinds of data, except accuracy of financial data in the Annual Report. (For more details please see AR page 60)	
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING						
G4-DMA	SD 35 - 37					
G4-PR5	SD 37					
MATERIAL ASPECT: PRODUCT PORTFOLIO						
G4-DMA	SD 30 - 33					
G4-FS8	SD 50, 58 - 59					
MATERIAL ASPECT: MARKETING COMMUNICATIONS						
G4-DMA	SD 37 - 38					
G4-PR7		Total No. of incidents of non-compliance	Confidential Information			
MATERIAL ASPECT: CUSTOMER PRIVACY						
G4-DMA	SD 38					
G4-PR8		Total No. of substantiated complaints	Confidential Information			
MATERIAL ASPECT: COMPLIANCE						
G4-DMA	SD 38 - 40					
G4-PR9		Total monetary value of significant fines	Confidential Information			

Remark : AR : Annual Report 2014 page

SD : Sustainability Development Report 2014 page





## KASIKORNBANK Sustainability Development Report 2014

### To Our Stakeholders

We would like to express our sincere appreciation for your long-standing patronage of KASIKORNBANK. We are pleased to announce the availability of our Sustainability Development Report 2014, compiled from the perspective of what kind of contributions KASIKORNBANK has made in FY2014 to build the sustainable economy, society and environment. The report underpins our undertaking and activity on realizing a future where people are connected and created value in society. We thank all our stakeholders again for taking the time to read KASIKORNBANK Sustainability Development Report 2014 and complete the questionnaire or from our website. Your opinion and comments are great value and will help us publishing future reports.

All inquiries regarding the reports should be address to:

Sustainable Development Unit, Corporate Communications and Relations Department  
KASIKORNBANK PUBLIC COMPANY LIMITED

1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub District, Rat Burana District, Bangkok 10140, Thailand  
Tel: +662-4702984 Fax: +662-4702746

### KASIKORNBANK "Sustainability Development Report 2014" Questionnaire



What were your thoughts after reading the Sustainability Development Report 2014?

#### Level of understanding:

- Very easy to understand
- Easy to Understand
- Average
- Difficult to understand
- Very Difficult to understand

#### Overall satisfaction:

- Very satisfied
- Satisfied
- Average
- Slightly satisfied
- Dissatisfied

#### Which areas were you interested in or which sections were you most impressed by

- About KBank
- Our Sustainability Approach
- Corporate Governance
- Serving Customer
- Serving Society and Environment
- Working with KBank

#### Do you have a different impression of KASIKORNBANK after reading the Sustainability Development Report 2014?

- More Favorable
- Same
- Less Favorable

#### Which of the following best describes you or your affiliation?

- Product/Service user
- Product purchaser
- In charge of SD/CSR at a different company
- In charge of environmental activities at a different company
- Environmental specialist
- Media
- Government official
- KBank employee
- KBank partner
- Investment
- NGO/NPO
- Student
- Others (.....)

Please feel free to write down your evaluation and thoughts on KASIKORNBANK Sustainability Development Report 2014.

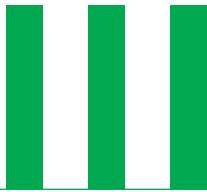
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ນີ້ຈະນຳມານັ້ນທີ່

ຈົບເວລີ່ມຕົວໃຫຍ່

ສູງ ຈຸນ. 1366

ຂ້າວ. ພົມພາກຕະຫຼາດນິ້ນກົງ



ມີຄະດີແລ້ວສະເໜີແລ້ວມີຄະດີແລ້ວ  
ແມ່ນສະເໜີແລ້ວມີຄະດີແລ້ວສະເໜີແລ້ວ



开泰银行 KASIKORN BANK  
ກົດຈົກກົດນິ້ນກົງ



## KASIKORN BANK 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: +662-4701144-5  
K-Contact Center: +662-8888888  
Swift: KASITHBK  
E-mail: info@kasikornbank.com  
Website: www.kasikornbank.com

Initiating the “Green at Heart” concept in a move to reduce consumption of resources and the global warming effects, KASIKORN BANK has used environmentally-friendly material, i.e. Green Paper and Soy-based Ink in producing the Sustainability Development Report 2014.



ธนาคารกสิกรไทย  
开泰银行 KASIKORN BANK

