



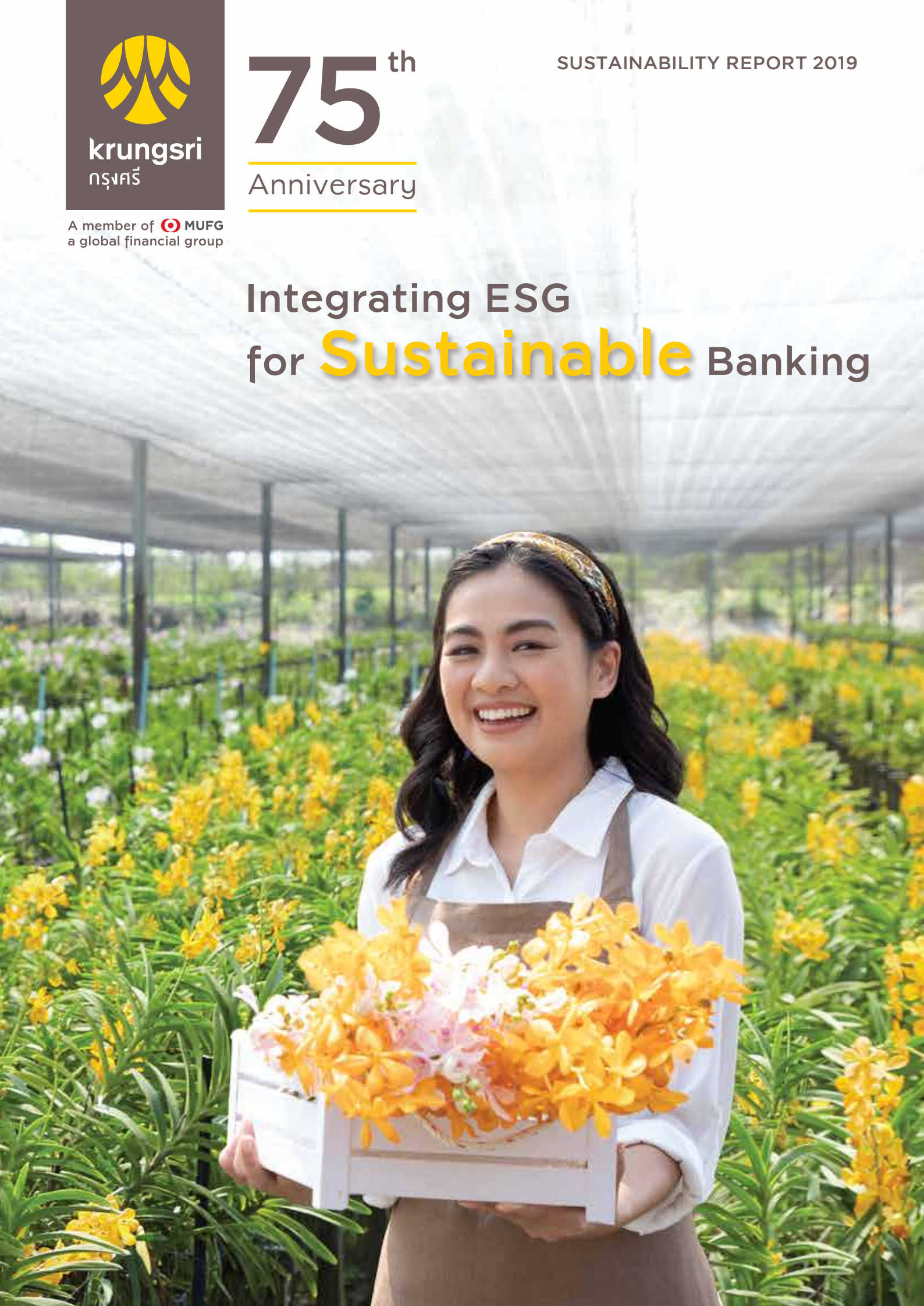
krungsri
กรุงศรี

A member of  MUFG
a global financial group

75th
Anniversary

SUSTAINABILITY REPORT 2019

Integrating ESG for **Sustainable** Banking





Together toward Sustainability

It is our strong conviction that financial institutions play an important role in socio-economic development for the country. Not only do we provide capital to the business sector and customers across segments, but we also perform our mission of fostering proper economic, social, and environmental balances based on 'sustainable banking' principles, and our mission to conduct business responsibly in adherence to good governance principles, aspiring to become a bank that grows alongside society sustainably.



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Mission

To be a leading regional financial institution with global reach, committed responsibly to meeting the needs of our customers and serving society through sustainable growth

Vision

Highly-qualified team of professionals providing innovative products and services, dedicated to becoming our customers' number one preferred financial group

Core Values

Customer Centricity:

We put our customers first, understanding and anticipating their needs and expectations and responding with best solutions.

Integrity:

We are fair and professional, inspiring trust and work with transparency, legalism and ethics.

Team Spirit:

We work together as a team for the benefit of our customers and Krungsri with open hearts and open minds to reach our goals.



**Passion for Excellence:**

We are committed to instill in ourselves the expectation of excellence in delivering our work and services.

Making Innovative Changes:

We start by changing ourselves and intend to improve every day by creating for the better that will positively benefit our customers along with Krungsri.

Global Awareness:

We challenge ourselves as a valued member of a global financial group, supporting the growth of our customers both within and outside Thailand.

Message from the Chairman, the Vice Chairman, and the President and Chief Executive Officer



Over the past seven decades of our journey, Krungsri, as a Domestic Systemically Important Bank (D-SIB), has remained steadfast in our vital role as a financial intermediary in mobilizing and allocating financial resources to support the country's industrial sector, in alignment with our mission to be 'a leading regional financial institution with global reach, committed to responsibly meeting the needs of our customers and serving society through sustainable growth'. Our corporate sustainability mission also resonates with MUFG's vision to be 'the world's most trusted financial group', and reflects the Bank's motives that often go beyond financial and economic returns to include human capital development and social returns.

Amid 2019's economic headwinds at home and abroad, together with the rapid, unprecedented pace of digital innovation and changes in technology as well as customer behaviors and expectations, Krungsri continued to adhere to the strategic focus under our Medium-Term Business Plan (2018-2020), in delivering a superb customer experience through digital innovation. Our raison d'être includes not only economic and financial sustainability, but also environmental, social, and governance (ESG) impacts that align with sustainable banking principles while meeting our stakeholders' expectations.

In August 2019, together with 14 other Thai commercial banks, Krungsri signed a memorandum of understanding (MOU) governing the conduct of sustainable banking. Reflecting Krungsri's virtue-based approaches to responsible conduct, the sustainable banking concept embraces a responsible lending framework through formalizing commitment and viable plans to incorporate sustainability or environmental, social, and governance (ESG) considerations into our business strategies and culture as well as our credit underwriting decisions.

On the social front, supported by product and service innovations, greater financial inclusion has always been among our key mandates. In 2019, we became the first private-sector entity in the Asia Pacific region to issue 6.64 billion baht in gender bonds. Gender bond issuance as a financing instrument will not only expand Krungsri's opportunities to provide for the underserved women SME segment, but also positively contribute to job creation and the country's overall economic development.

Krungsri's financial inclusion mandates, through our financial intermediary role, aim to promote the United Nations' Sustainable Development Goals (SDGs), namely Gender Equality; Decent Work and Economic Growth; Reduced Inequalities; and Partnerships for the Goals.

2019 marked the fifth anniversary of Krungsri's flagship financial literacy programs for youths. Krungsri volunteers hold strong to our conviction that basic financial knowledge and discipline among youths will help build a vital immune system against potential problems emerging from personal and household indebtedness – a critical foundation of sound and sustainable economic growth. Over the past five years, 'Krungsri Financial Literacy for Youths' has benefited 411 elementary schools in Thailand including nine schools in Lao PDR, covering more than 21,000 students.

On the environmental front, in early 2019, Krungsri announced the 'Environmental Disclosure Statement', a high-level directive that governs environmental initiatives aligning with global climate action goals. Specifically, Krungsri will finance or help clients mobilize funds in support of green, eco-friendly, or climate-related projects.

To commemorate our 75th anniversary of operations in Thai society as a responsible service provider in 2020, Krungsri has set a goal to reduce greenhouse gas emissions from all of our business operations, including product and service offerings, by 7.5 million kilograms of carbon dioxide equivalent (kgCO₂e) in response to the country's National Strategy on economic development toward a low-carbon society, as well as the UN SDG on Climate Action.

Being committed to the sustainable banking guidelines and complementary to our responsibilities as a D-SIB, Krungsri will not only serve as a leading example for industry peers in the provision of responsible, innovative, and inclusive products and services that are socially and environmentally responsive, but we will also continue to help unlock resources to sustainably advance Thailand's socio-economic development. And of equal importance, we will be a catalyst for enhancing ESG excellence throughout the organization's ecosystem, comprising our customers, business partners, suppliers, peer banks, and all of Thai society in support of the UN SDGs.



Karun Kittisataporn
Chairman



Noriaki Goto
Vice Chairman



Seiichiro Akita
President and Chief Executive Officer

About Krungsri



General Information

Established on April 1, 1945 and listed on the Stock Exchange of Thailand on September 26, 1977, Bank of Ayudhya Public Company Limited (Krungsri) has ingrained good corporate governance in our business, while setting the tone that supports moral righteousness, transparency, and fairness. We adhere to the highest principles of ethical conduct transcending all statutory prerequisites in taking our business to the next level as we are committed to responding to expectations of stakeholders, communities, and society.

Krungsri is ranked Thailand's fifth largest commercial bank in terms of assets, loans, and deposits. We are a strategic member of MUFG Bank, Ltd. (MUFG Bank), a wholly-owned subsidiary of Mitsubishi UFJ Financial Group (MUFG) – Japan's largest financial group and one of the world's financial groups. In addition, the Bank has been recognized by the Bank of Thailand as one of the Domestic Systemically Important Banks (D-SIBs) that play a crucial role in driving Thailand's economy and financial system.

Krungsri has undertaken its business in strict compliance with the Financial Institutions Businesses Act, B.E. 2551 (A.D. 2008), the Securities and Exchange Act, B.E. 2535 (1992), and notifications and regulations of the Office of the Securities and Exchange Commission (SEC) and the Bank of Thailand (BOT), as well as other related regulatory requirements. Krungsri conducts the fundamental commercial banking business, including accepting deposits, offering loans, foreign exchange trading services, financial instruments trading services, loan guarantees, payment and funds transfer services, risk hedging products, e.g., interest rate and FX derivatives, etc. The Bank's other businesses approved by the BOT include businesses of insurance-related services, securities-related services, financial derivatives, e-banking, and other financial and non-financial services.

As of the end of 2019, Krungsri has 21 subsidiaries and joint ventures, while our 692 branches^{1/} are in well diversified locations throughout the country and in Lao PDR, with a total of 35,994 employees^{2/}. The Bank's registered capital is 75,741 million baht, while our paid-up capital stands at 73,558 million baht.

Remarks:

^{1/} Including the Head Office and two overseas branches

^{2/} Number of permanent and temporary employees of the Bank, its subsidiaries and joint ventures

Name of Company:

Bank of Ayudhya Public Company Limited

Type of Company:

Listed on the Stock Exchange of Thailand

SET Symbol:

BAY

Registration Number:

0107536001079

Business Type:

Commercial bank

Brand Name:

Krungsri

Business Group Name:

Financial Business Group (Krungsri Group)

Area of Operation:

Four countries consist of:

- Thailand
- Lao People's Democratic Republic
(two branches and a joint venture)
- Republic of the Union of Myanmar
(Representative Office)
- Kingdom of Cambodia (Subsidiary)

Head Office Address:

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

Contact Channels:

- Head Office: Telephone 0-2296-2000, Facsimile 0-2683-1304
- Krungsri Call Center: Telephone 1572
- Online Channels: www.krungsri.com

      Krungsri Simple

Total Workforce:

35,994 people (Permanent and temporary employees of the Bank, its subsidiaries and joint ventures)

Fee and Service Income:

29,652 million baht

Shareholder Structure

The list of shareholders with over 0.5 percent of the total issued shares

as of September 12, 2019. (Latest Record Date)

(7,355,761,773 issued and paid-up ordinary shares at a par value of 10 baht per share)

Item	Shareholder Name	Number of Shares	% of Total Shares
1.	MUFG BANK, LTD. BAY ACCOUNT ^{1/}	5,655,332,146	76.88 ^{2/}
2.	Stronghold Assets Company Limited	166,536,980	2.26
3.	The Great Luck Equity Company Limited	166,478,940	2.26
4.	GL Asset Company Limited	166,414,640	2.26
5.	BBTV Satelvision Company Limited	166,151,114	2.26
6.	BBTV Asset Management Company Limited	163,112,900	2.22
7.	Bangkok Broadcasting & T.V. Company Limited	160,789,220	2.19
8.	Mahakij Holdings Company Limited	158,726,810	2.16
9.	Tun Rung Rueng Company Limited	157,889,440	2.15
10.	Super Assets Company Limited	51,421,714	0.70
11.	C.K.R Company Limited	48,528,834	0.66
	Other Shareholders	294,379,035	4.00
TOTAL		7,355,761,773	100.00

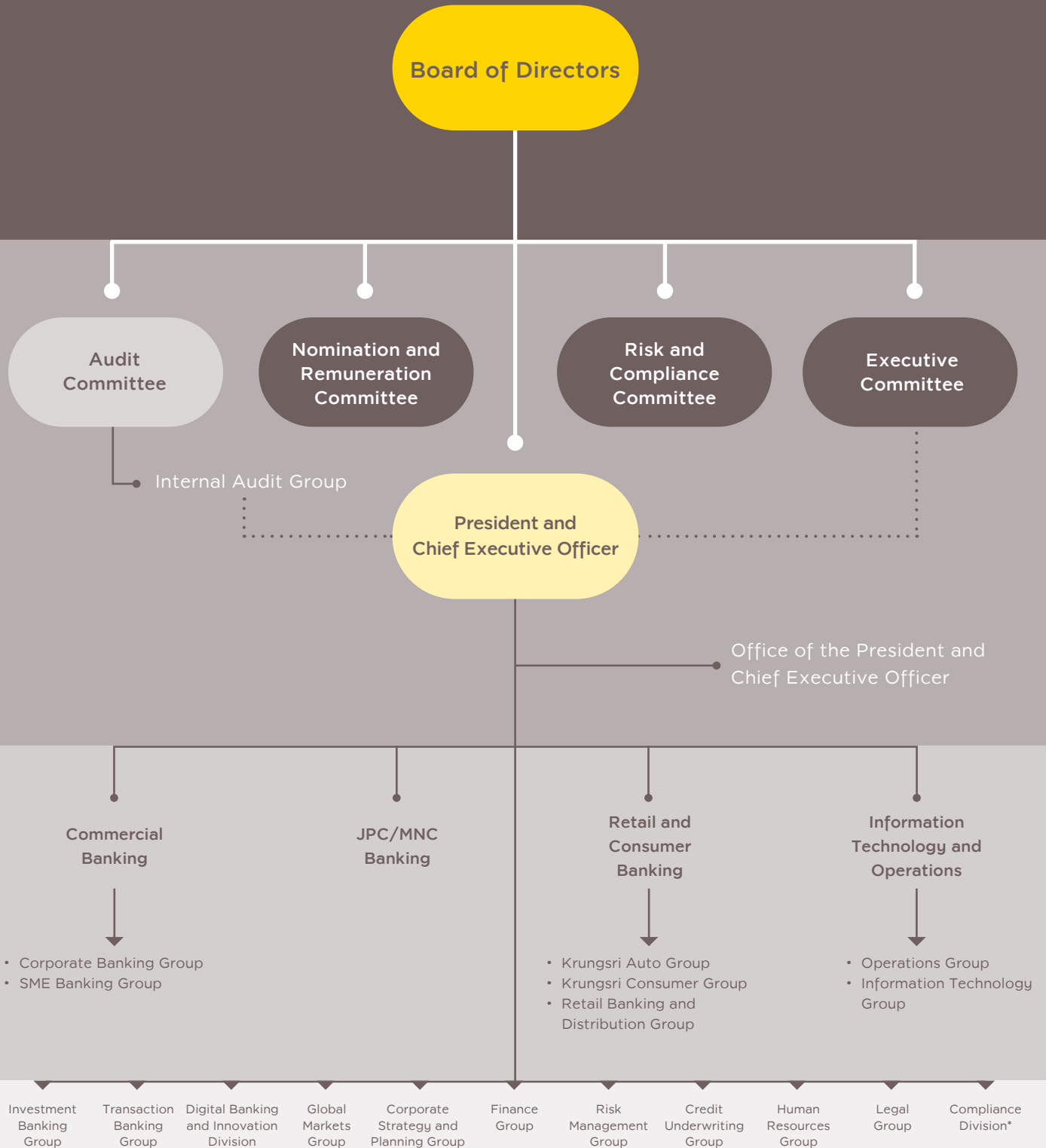
Remarks:

^{1/} On April 1, 2018, the Bank of Tokyo-Mitsubishi UFJ, Limited was renamed MUFG Bank, Ltd.

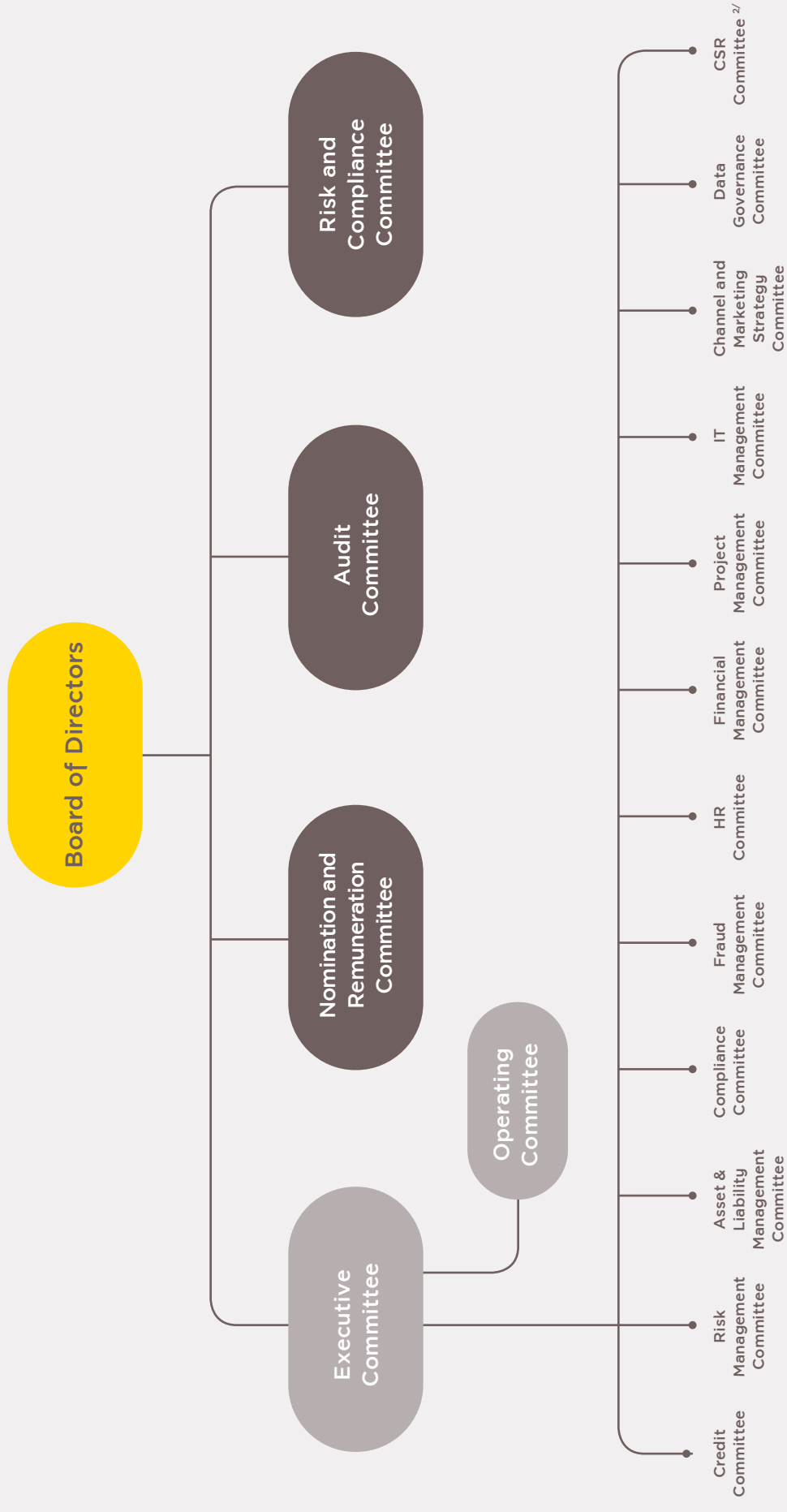
^{2/} In compliance with the permission from the Ministry of Finance, the shares held by foreign shareholders are totally 76.90 percent.

Organization Structure

(As of January 1, 2020)



* The Compliance Division reports directly to the Risk and Compliance Committee.

Committee Chart ^{1/}

Remarks:

^{1/} The Bank issues appointment directives and regulations for all committees and makes announcements accordingly for enterprise-wide acknowledgement.^{2/} The Corporate Social Responsibility Committee is appointed by the Executive Committee, comprising at least six members who are executive directors and senior executives from multiple groups. Holding the Committee meeting at least once a quarter, the Committee has duties to establish corporate social responsibility policy, direction, and operating scope of the Bank and companies in the Financial Business Group in accordance with sustainable development principles, and to review and verify preparation and dissemination of our sustainability report in accordance with regulators' guidelines.

Products and Services

Deposit Products

- Current accounts
- Savings accounts
- Time deposit accounts
- Foreign currency deposit accounts

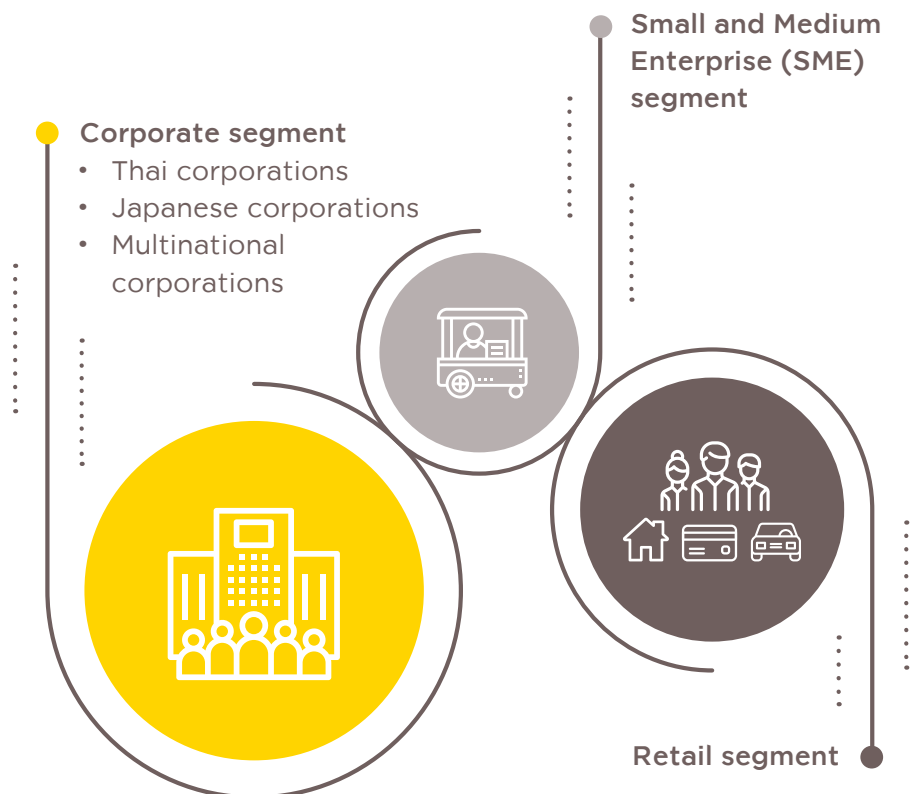
Loan Products

- Overdraft (O/D)
- Promissory notes and term loans for corporate customers
- Housing loans and personal loans for retail customers
- Foreign currency loans
- Trade finance credit
- Other loan services, such as aval and acceptance, letter of guarantee and bank guarantee, letter of credit, and financial status certification, etc.

Other Services

- e-banking services
- Domestic money transfer
- Foreign exchange and international money transfer
- Krungsri Tradelink
- Direct debit and direct credit
- Bancassurance
- Investment banking
- Securities services
- Cash management
- Transaction banking
- Foreign exchange forwards, and foreign exchange and interest rate derivatives products
- Trade finance services
- Government bonds, treasury bills and state enterprise bonds

Krungsri Customers



Subsidiaries and Joint Ventures

Krungsri directly and indirectly holds shares of 17 subsidiaries and four joint ventures, as defined in a relevant notification of the Office of the Securities and Exchange Commission, of which the information as of December 31, 2019 is as follows:

Company Name	Type of Business	Krungsri's Shareholding (Percentage)
Subsidiaries		
Financial Business Group		
1. Hattha Kaksekar Limited	Microfinance Deposit Taking Institution (MDI)	100.00
2. Krungsri Ayudhya AMC Ltd.	Purchase or accept the transfer of impaired assets (NPAs and NPLs) for management through debt restructuring and/or purchasing their collateral for disposal including undertake NPA maintenance to ensure they are in good condition and ready for sale.	100.00
3. Krungsri Nimble Co., Ltd. ^{1/}	Provides information technology services to only the Bank and all companies in Krungsri financial business group	100.00
4. Ayudhya Development Leasing Co., Ltd.	Provides financial lease and hire purchase services to enable SMEs and large corporations to acquire machinery, equipment, and all types of commercial vehicles for business use.	99.99
5. Ayudhya Capital Auto Lease PCL	Hire purchase for motorcycles and top up loans for existing customers and inventory financing for car dealers	100.00
6. General Card Services Ltd.	Credit card and personal loan	100.00
7. Ayudhya Capital Services Co., Ltd.	Sales financing (merchandise installment financing), personal loans, credit card and nanofinance products	100.00
8. Krungsriayudhya Card Co., Ltd.	Credit card and personal loan	100.00
9. Krungsri Finnovate Co., Ltd.	Venture capital	100.00
10. Krungsri Securities PCL	Securities business	99.84
11. Krungsri Asset Management Co., Ltd.	Asset management	76.59
12. Krungsri Leasing Services Co., Ltd. ^{2/}	Leasing/ Hire purchase/ Sales finance	100.00

Company Name	Type of Business	Krungsri's Shareholding (Percentage)
Supporting Business		
13. Siam Realty and Services Security Co., Ltd.	Provides car rentals and human resources service to Krungsri Group	100.00
14. Total Services Solutions PCL	Collection services	100.00
15. Krungsri Life Assurance Broker Ltd. ^{3/}	Life insurance broker	100.00
16. Krungsri General Insurance Broker Ltd. ^{3/}	Non-life insurance broker	100.00
17. Hattha Services Co., Ltd. ^{4/}	Supporting business in relation to property development for an operation of HKL and subsidiaries under Krungsri Financial Business Group	49.00
Joint Ventures		
18. Tesco Lotus Money Services Ltd.	Credit card and personal loan	50.00
19. Tesco Life Assurance Broker Ltd. ^{5/}	Provides life insurance products to customers of Tesco Card Services Ltd. and Tesco Lotus	50.00
20. Tesco General Insurance Broker Ltd. ^{5/}	Provides non-life insurance products to Tesco Lotus customers	50.00
21. Ngern Tid Lor Co., Ltd.	Provides hire purchase and secured loan contracts to customers who already hold titles of cars and other vehicles, as well as non-life insurance brokerage services	50.00

Remarks:

^{1/} Renamed from Krungsri Factoring Company Limited on July 22, 2019 and Krungsri Nimble's operations commenced on November 1, 2019. Currently, the company has ceased providing factoring services due to the Bank's policy.

^{2/} Krungsri's subsidiary of which the Bank indirectly holds 100.00 percent shares via Ayudhya Capital Auto Lease PCL by 75.00 percent and Ayudhya Capital Services Co., Ltd. by 25.00 percent.

^{3/} Krungsri's subsidiary of which the Bank indirectly holds 100.00 percent shares via Ayudhya Capital Services Co., Ltd.

^{4/} Krungsri's subsidiary of which the Bank indirectly holds 49.00 percent shares via Hattha Kaksekar Limited.

^{5/} Subsidiary of Tesco Lotus Money Services Ltd.

Strategies and Business Plans

To fulfill Krungsri's aspiration 'to be a top-tier financial group in Thailand', the mission of being recognized as 'a Domestic Systemically Important Bank (D-SIB)', and MUFG's vision 'to be the world's most trusted financial group', the Bank established the **Medium-Term Business Plan (MTBP)** which is Krungsri's strategic roadmap for a three-year period. The plan will enable the Bank to ride the wave of changing business environments resulted by both domestic and international factors.

Following the success of the first MTBP (2015-2017), Krungsri launched the second MTBP (2018-2020) by evaluating the business environments and trends, consisting of three strategic themes, six core business strategies, and five management platform strategies as follows:



Key Challenges and Opportunities

2019 was an exceptionally challenging year for the banking industry given unfavorable economic conditions as a result of headwinds at home and abroad. Among them were the deceleration of global economic expansion due to the Sino-American trade war, continual baht appreciation, and an increase of household debt which caused a slowdown of private consumption.

As regards the easing monetary policy of the Bank of Thailand (BOT) with an aim to facilitate business expansion, the BOT cut its benchmark interest rate for the first time in four years in accordance with the policy stance of the central banks of major economies and that of other regional countries. Therefore, during the second half of 2019, the Bank decreased its lending rates to help stimulate consumption and investment in line with the BOT's policies.

In terms of the fiscal policy, the authorities launched several measures and policies to cope with the economic slowdown such as the 2019 Government Welfare Registration Program, Chim Shop Chai Campaign, Baan Dee Mee Down Campaign, etc., in its attempt to boost domestic demand and economic growth and to ensure stronger economic momentum. Later on, it is expected that the government will play a more important role in coming up with measures and policies to cope with risks and uncertainties expected for a certain period of time.

Krungsri is committed to operating its businesses according to **the current MTBP (2018-2020)** under the strategic theme '**Digital First—Winning Through**

Innovation'. The Bank aims to maintain a balanced portfolio which drives the Bank to achieve great success and significant progress in growing our business in line with the abovementioned strategies. In the meantime, the Bank continued to achieve robust financial results, developed innovations and services by taking into account customer centricity, and announced a plan to acquire a majority of shares of a company in the Philippines.

Krungsri is well aware of the challenging business landscape amidst the headwinds from rapid changes of the banking industry due to technology advancements and digital innovations, including expectations from all groups of stakeholders such as supervisory authorities and investors who provide support for sustainable banking businesses. All these efforts are based on '**responsible lending**', reflecting the missions and roles to which Krungsri has firmly adhered to and we are committed to strengthening this particular aspect going forward.

The Bank not only strives to manage its business under the MTBP but also maintains the business agility by adjusting its business strategies corresponding to the changing business environment. Additionally, the Bank adopts the PDCA principle (plan-do-check-act/adjust) as a guideline to verify, improve, and assess the operating results of the MTBP. All these are to ensure that the action plans in the MTBP are carried out and well-adjusted in parallel with the changing business and marketing conditions.



Operating Results and Key Developments

In 2019, Krungsri's key developments in the aspects of economic, and environmental, social and governance (ESG) are as follows:

Economic and governance aspect

Gained
29,652
million baht
in fees and
service income



Total of Krungsri Mobile Application (KMA) transactions registered more than **1.5 billion**

Signed a memorandum of understanding (MOU) governing the conduct of sustainable banking, with the Thai Bankers' Association and other 14 commercial banks

Established 'Krungsri Nimble' providing information technology solutions to only the Bank and all companies in Krungsri Group and developing financial technologies and digital innovations to boost competitiveness

Launched Krungsri Blockchain Interledger,

Thailand's first real-time international funds transfer service based on the blockchain technology, for business operators who wish to make funds transfer from Lao PDR to Thailand available in both US dollar and Thai baht

Introduced facial recognition technology for electronic Know Your Customer (e-KYC)

verification process when opening deposit accounts at the Bank's branches for customer identity verification with greater security

Announced a plan to expanded our business to the Philippines

by acquiring 50 percent of issued and paid-up shares of SB Finance Company, Inc. (SBF) to develop and deliver quality consumer finance products to consumers in the country



Social aspect



Issued **Asia Pacific's first private-sector women entrepreneurs bonds**, a social bond program totaling **USD 220 million** issued in compliance with the International Capital Markets Association Social Bond Principles and the ASEAN Social Bond Standards, while taking into account the exclusion list of the International Finance Corporation (IFC)

Developed the **Environmental and Social Management System (ESMS)** to uphold responsible lending in which environmental and social dimensions are integrated

Developed **Thai QR Payment** for Thai tourists in Japan so that they can make bill payments via Krungsri Mobile Application (KMA)

Appointed **Bank for Agriculture and Agricultural Cooperatives (BAAC)** as Krungsri's banking agent offering deposit and withdrawal services via BAAC's branches nationwide

Partnered with **Counter Service** in accepting money to deposit into Krungsri's accounts at all 7-Eleven branches, available around the clock

Signed a **memorandum of understanding (MOU) to form an alliance with Social Enterprise Thailand Association (SE Thailand)** in promoting social enterprises

Recorded **73,566 Krungsri volunteer hours**

Recorded **3,853 primary school students** and **348 university students** who participated in '**Krungsri Financial Literacy**'

Provided **financial literacy under the 'Kamlangjai' (Inspire) Project** to **343 persons** who once chose the wrong path (by the Bank, Krungsri Auto and Ngern Tid Lor)

Earned **66 points of Net Promoter Score (NPS)** for the Krungsri brand

Achieved a **19.63 percent** increase over 2018 in **customer compliments through Krungsri Call Center**

Enlisted in the **Top 100 Asia's Best Employer Brands 2019** as an attractive organization to work with

Recorded an average of **61.59 training hours per employee**

Environmental aspect

Reported **greenhouse gas emissions** (Scope 1 and 2) at **14,805 tons of carbon dioxide equivalent**, decreasing by 15.56 percent from the base year of 2017

Provided **clean energy finance** totaling **12,064 million baht**

Participated in the **Care the Bear Project** initiated by the Stock Exchange of Thailand by reducing carbon footprint totaling **732,119 kgCO₂e** which is equivalent to planting 81,347 trees

Participated in the **Shred2Share Project** recycling **557.73 tons of paper^{1/}**, which helps reduce carbon dioxide emissions by 145,009.38 kilogram

Sorted waste to recycling process **25,169.70 kilogram^{2/}**

Remarks:

^{1/} The project implemented by Bank of Ayudhya, Krungsri Auto and Krungsri Consumer

^{2/} Amount of materials recycled from Krungsri Head Office and Krungsri Ploenchit Office



Environmental, Social, and Governance Policies toward Sustainability



Krungsri toward Sustainable Banking

Krungsri firmly embraces the mission 'to be a leading regional financial institution with global reach, committed to responsibly meeting customer needs and serving society through sustainable growth' and launches innovative products and financial services in parallel with economic, social, environmental requirements as well as expectations of all groups of stakeholders.

On top of that, Krungsri focuses on supporting the businesses that create positive impacts on the community and society on the basis of sustainable development, reaffirming the Bank's commitment to '**sustainable banking**' with a strict adherence to '**responsible lending**' — the principle to which the Bank has conformed on a continual basis.

2019 is a crossroad for Thailand's banking industry regarding collaboration with one another to promote sustainability. As a financial service provider, the Bank serves as an 'intermediary' which plays a significant role for the economic system. Thus, Krungsri, as a Domestic Systemically Important Bank (D-SIB), joined forces with the Thai Bankers' Association and 14 commercial banks to sign the memorandum of understanding on '**Sustainable Banking Guidelines – Responsible Lending**' — reflecting a common goal of the country's banking sector in achieving the sustainable development aspiration.

Krungsri will strengthen and reinforce its business undertakings in line with the 'sustainable banking' guideline to drive and develop the economic and social system as well as pass on shared values to all groups of stakeholders.

Krungsri and the SDG2030

Krungsri places importance on achieving the 'Sustainable Development Goals (SDGs)' initiated by the United Nations within a period of 15 years from 2015-2030. Therefore, the Bank establishes strategies, targets, action plans, and projects that correspond to and are in line with the SDGs as follows:



Promote financial inclusion — especially for grass-roots people such as nano-finance and microfinance



Promote access to essential public health services such as

- **Employees:** arrangement for the influenza vaccination program, provision of health insurance and annual check-up, arrangement for a medical room with the medical doctors to provide preliminary diagnosis and health consultation to the employees.
- **Communities and society:** arrangement for mobile mammography units to offer health consultation and breast cancer examinations to female residents living in the area around Krungsri Head Office.



- Share financial knowledge and improve necessary skills of students in elementary schools and universities through the Krungsri Financial Literacy project to promote sustainable development as well as disseminate knowledge about finance, investment, and business planning to street vendors and those who chose the wrong path etc.
- Support, build, and upgrade educational equipment and materials through the Krungsri Auto Library project etc.



- Support the role of women and offer them equal treatments to assume a leadership role at every level of the organization such as the Chief Financial Officer and the Chief Information and Operations Officer etc.
- Offer equal opportunities to women to access financial services such as the gender bond issuance etc.



- Jointly protect and restore the ecosystem of water resources, mountain, forest, wetland, river, etc., through CSR activities, such as check-damn building at the Doi Tung Development Project in Chiang Rai and the Huai Sai Royal Development Study Centre in Phetchaburi etc.
- Enhance water use efficiency in the organization to promote the efficient usage of natural resources and reduce the risk of water scarcity



- Provide green energy loans to increase renewable energy sources which will be integrated with normal energy sources of the country and the world
- Promote and support investments in the energy infrastructure and green energy technology



- Promote economic efficiency through the adoption of technology and financial innovations
- Promote and expand accessibility of banking, insurance, and financial services to the general public
- Encourage the establishment and growth of small and medium-sized entrepreneurs by offering financial support such as loans for SMEs and micro-SMEs etc.
- Treat employees with fairness and respect human rights
- Take relevant and appropriate actions concerning well-being, safety, and working environments in line with legal requirements



- Promote access to data technology and communication by donating computers to schools in remote areas
- Promote innovative and smart working approaches
- Use innovation and technology to facilitate customer convenience in accessing products and services such as Krungsri Mobile Application (KMA) etc.



- Promote equal opportunity and reduce inequality — especially launching financial products and services to address the issues about inequality regardless of age, gender, physical disabilities, financial status, ethnicity, etc., such as the issuance of gender bond and offering account opening service to visually impaired people etc.



Promote protection and restoration of national heritage sites such as the Ayutthaya historical site restoration activity (Ayutthaya Historical Park)



Conduct waste sorting, reduction, and reuse activities such as 'Krungsri Zero Waste' and 'Care the Bear' project in collaboration with the Stock Exchange of Thailand etc.



- Raise awareness of the Bank's employees to reduce the risks arising from climate change through training and activities
- Reduce the impact of climate change by formulating a plan to reduce carbon footprint within the organization and establishing targets to reduce greenhouse gas emission at Krungsri Head Office



Promote the preservation of marine ecosystems by organizing mangrove planting activities in Chon Buri and Chachoengsao



Promote and organize tree planting activities to restore land ecosystems such as the tree planting project at Khao Mai Kaew in Chon Buri and the joint effort to develop the green area under the 'OUR Khung BangKachao' project in Samut Prakan etc.



- Adhere to the good corporate governance and anti-corruption practices
- Operate the business according to the sustainable banking principle by taking into consideration the environmental, social, and governance (ESG) aspects
- Promote the policy on impartial treatments such as promotion of diversity in the organization regardless of race, religion, gender, and so on.



- Promote and support the establishment of sustainable development networks
- Participate with stakeholders, communities, and society through various activities and projects to achieve sustainable development goals

International Standards for Sustainable Development Practices

Krungsri strives to operate its business in compliance with domestic and international standards, regulations, and initiatives which are considered as intrinsic aspects for a responsible financial service provider concerning environmental, society, and governance (ESG) dimensions. Details are as follows:

Guidelines, Standards, and Initiatives	Organizations	Implementation Status
Sustainable Development Goals 2030 (SDG 2030)	The United Nations	Adopted as an operational guideline for establishment of strategies, targets, and sustainable operations
GRI Standards	The Global Reporting Initiative	Adopted as an operational guideline for sustainability reporting
ASEAN CG Scorecard	ASEAN Capital Markets Forum (ACMF)	Adopted as an operational guideline for good corporate governance practices
Carbon Footprint Offsetting	Thailand Greenhouse Gas Management Organization (Public Organization) (TGO)	Adopted as an operational guideline for the management of carbon footprints of the organization and reduction of the greenhouse gas
Environmental, Social and Governance (ESG) Integration	World Wide Fund for Nature (WWF) - Thailand	MOU for knowledge sharing for future ESG integration and implementation
Commercial banks' code of ethics and sustainable banking	The Thai Bankers' Association	- MOU among commercial banks - Adopted as an operational guideline
International Financial Reporting Standard 9 (IFRS9)	International Accounting Standard Board	Adopted as an operational guideline
Basel III Framework	The Basel Committee on Banking Supervision	Adopted as an operational guideline
ISO20022 Universal Financial Industry Message Scheme	International Standard Organization	Adopted as an operational guideline
ISO/IEC27001: 2013 – Information Security Management (BAHTNET and ICAS)	International Standard Organization and International Electrotechnical Commission	Adopted as an operational guideline
International Capital Market Association Social Band Principles (ICMA SBP) and ASEAN Social Band Standards (ASEAN GBS)	International Capital Market Association and ASEAN Capital Market Forum (ACMF)	Adopted as an operational guideline

Membership of Association

To be recognized as a member of and build up networks with external organizations is particularly vital – enabling the Bank to drive and strengthen its business towards sustainability. Due to the fact that each organization has unique potential and expertise, collaboration with these parties is regarded as a pathway to bring the best out of each organization in an effort to improve society and environment for sustainable growth. Additionally, this coalition will drive the economy and broaden positive impacts on society and environment where the mentioned partnership and networks also align with the SDGs No.17 Partnership for the Goals.

Organization	Collaboration Status
Asian Investment Bank (AIB)	Member
The American Chamber of Commerce (AMCHAM)	Member
The Thai-Japanese Association (TJA)	Member
The Thai Institute of Directors Association (IOD)	Member
The Thai Bankers' Association (TBA) and its clubs	Member/Club President/Taskforce
Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)	Certified member

Sustainability Awards and Achievements

Governance Aspect



- Listed in Thailand Sustainability Investment (THSI) (4th consecutive year) by the Stock Exchange of Thailand (SET)



- Certificate of ESG100 Company (4th consecutive year) by Thaipat Institute



- GC Powerlist Southeast Asia Award 2019 by GC Powerlist



- Asia's Best CEO Award (Investor Relations) (5th consecutive year)
Asia's Best CFO Award (Investor Relations) (5th consecutive year) and
Best Investor Relations Company Award (Thailand) (6th consecutive year) by Corporate Governance Asia



- Sustainability Disclosure Award by Thaipat Institute

- The Asset ESG Corporate Award – Gold 2019 by The Asset

Social Aspect



- CSR Excellence Award by the Ministry of Social Development and Human Security



- CSR Excellence Recognition Award (Gold Level) (6th consecutive year) and Excellence in Project Supporting Award by Thai Development



- Best Bank in Asia-Pacific Award by IDC Financial Insights



- Commercial Bank of the Year Thailand Award and Best Investment Bank of the Year Thailand Award by International Banker



- Best Corporate Bank Award – Thailand 2019 and Best SME Bank Award – Thailand 2019 by International Finance



- Top 100 Asia's Best Employer Brands Award 2019 by Employer Branding Institute



- Best Bank for SMEs in Thailand Award (2nd consecutive year) by Asiamoney



- Mortgage and Home Loan Product of the Year Award - Thailand by Asian Banking and Finance (ABF)
- Excellence in Enterprise Innovation Award, Thailand by Ministry of Digital Economy and Society



- Best Initiative in Diversity and Inclusion Award by The Asset
- Excellence in Learning & Development Award by Human Resources Excellence Awards 2019
- Diversity Impact Award and Award for Excellence in Training by Thailand Best Employer Brand Awards 2019

Environmental Aspect

- Best Environmental Responsibility Award by Corporate Governance Asia

- Received the Carbon Footprint Organization (CFO) Certificate and permission to display the CFO logo in 2019



Reporting Methodology



Covering the period from January 1, to December 31, 2019, Krungsri's 2019 Sustainability Report is the sixth of the Bank's annual sustainability report, intended to continually monitor and disclose information on Krungsri Group's sustainability performance to stakeholders in the economic-governance, environmental, and social dimensions. (The most recent previous report was published on March 19, 2019)

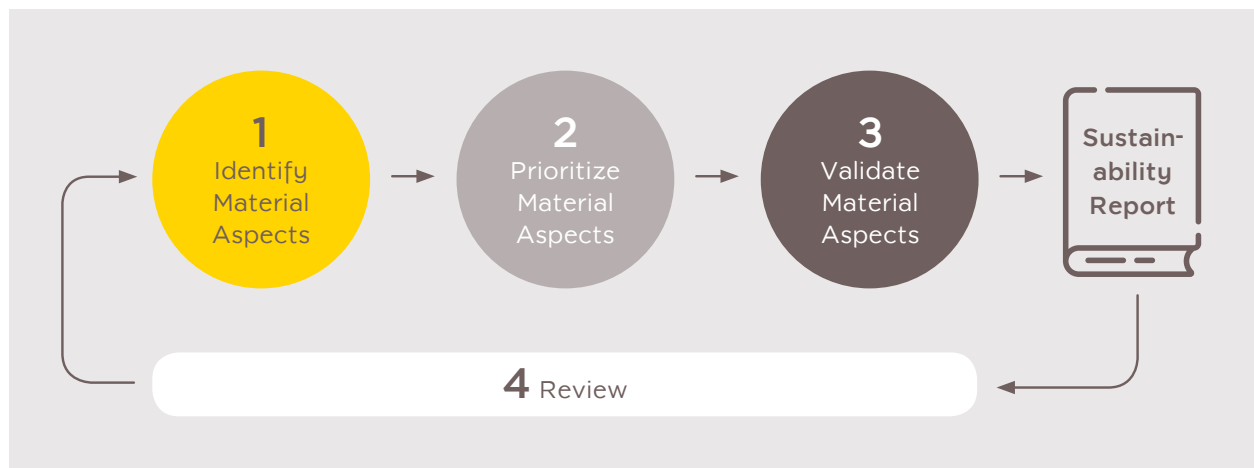
This report has been prepared in accordance with the GRI Standards: Core option and the GRI G4 Financial Service Sector Disclosures Guideline, in tandem with Krungsri's nature of business as well as sustainability topics significant for financial service providers. Moreover, connection between the organization's operational directions and the Sustainable Development Goals 2030 (SDG2030) was also portrayed in the report.

Defining Report Content and Boundaries

Krungsri defines content and boundaries of the report based on internal and external factors related to business operations as well as its essence and benefits, as per the 10 standards of the GRI Sustainability Reporting Guidelines:

- **Content** comprises stakeholder inclusiveness, sustainability context, materiality, and completeness;
- **Quality** comprises accuracy, balance, clarity, comparability, reliability, and timeliness.

Identified Material Aspects and Boundaries Process



Step 1: Identify Material Aspects

The Sustainability Report Working Team, under the supervision of the Corporate Social Responsibility Committee, identified material aspects relevant to Krungsri's sustainable development and status as a financial service provider, including stakeholder expectations toward the Bank as well as the material aspects reported in the previous year. In addition, operational and assessment guidelines on sustainability established by national and international organizations

were taken into account, including the Stock Exchange of Thailand's sustainability assessment questionnaires for listed companies, the corporate governance evaluation framework designed by the Thai Institute of Directors Association (Thai IOD), the Sustainable Banking Assessment (SUSBA) Report of the World Wide Fund for Nature (WWF), Fair Finance Guide International by Fair Finance Thailand etc. Recommendations from stakeholders beneficial to the organization and shareholders themselves were also considered.

Step 2: Prioritize Material Aspects

After identifying material aspects based on stakeholder expectations and the Bank's practices in sustainability, the working team conducted a survey among stakeholders so that the Bank's materiality can be identified, as well as prioritizing these material aspects by taking into account the influence on stakeholder assessments and decisions, and significance of economic, environmental, and social impacts of the organization's operations.

Step 3: Validate Material Aspects

The Corporate Social Responsibility Committee, comprising the President and Chief Executive Officer and senior executives from various business units of the Bank and companies in the Financial Business Group, verified material aspects based on Step 2 in order to ensure that relevant impacts and issues were thoroughly considered. The material aspects verified were proposed to the Executive Committee and the Board of Directors for consideration and acknowledgement. The final outcome was used as the base information for sustainability action planning as well as preparation of the 2019 Sustainability Report.

Step 4: Review

In a move toward achieving sustainability goals that are most relevant and significant to the organization, Krungsri puts in place the process for reviewing the content and aspects of sustainability as well as gathering feedback from the stakeholders after the launch and dissemination of the sustainability report. This allows us to further identify key areas for improvement and set business directions in the future. Krungsri encourages its stakeholders to join in fostering a sustainable society by voicing their concerns and opinions on sustainable business undertakings through various communication channels, including a questionnaire form (attached herewith).



Materiality Matrix



Economic and Governance Aspect

1. Good governance and anti-corruption
2. Personal data protection
3. Customer Experience and Market conduct
4. Cybersecurity
5. Risk management and crisis management
6. Innovation and digital transformation
7. Economic performance and impacts

Social Aspect

8. Responsible lending and ESG considerations
9. Financial inclusion and promotion of financial literacy
10. Human resource development
11. Fair labor practices and respect for human rights
12. Occupational health, safety, and working environment
13. Stakeholder engagement
14. Community participation and social engagement

Environmental Aspect

15. Resource efficiency
16. Environmental management
17. Climate change management



Key Amendments in the Sustainability Report

Reviewing the materiality identified in 2018, Krungsri adjusted the materiality by increasing from 14 to 17 aspects as follows:

1. **Economic and governance:** Changed and increased to seven aspects – good governance and anti-corruption, personal data protection, customer experience and market conduct, cybersecurity, risk management and crisis management, innovation and digital transformation, and economic performance and impacts;
2. **Social:** Changed and increased to seven aspects – responsible lending and ESG considerations, financial inclusion and promotion of financial literacy, human resource development, fair labor practices and respect for human rights, occupational health, safety, and working environment, stakeholder engagement, and community participation and social engagement;
3. **Environmental:** Changed and increased to three aspects – resource efficiency, environmental management, and climate change management.

External Assurance Report

To ensure the credibility of Krungsri's Sustainability Report, the Bank requested an assurance review by an external entity in accordance with the GRI Reporting Guidelines. See page 120-123 for details.

Report Dissemination Channels and Contact Information

- **Website www.krungsri.com**
 - Topic 'Investor Relations' > Sub-topic 'General Information and Annual Report'
 - Topic 'Corporate Social Responsibility' > Sub-topic 'Sustainability Report'
- 500 hard copies each of the Thai and English versions are available.



Scan the QR Code for Krungsri Sustainability Report

- **Environmental, Social and Governance Division**
Bank of Ayudhya Public Company Limited
Head Office, 17th Floor
1222, Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok, 10120
Tel.: 0-2296-2000 Ext. 83935, 84026
Email: KrungsriESG@krungsri.com

Impacts of Materiality

Materiality	GRI Standards	Scope of Internal Impacts	Scope of External Impacts	SDGs
Good governance and anti-corruption	GRI 102-18, 102-19 GRI 205-1, 205-2, 205-3	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Regulators, Creditors, Other commercial banks or financial institutions, Communities and society	
Personal data protection	GRI 418-1	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors	
Customer experience and market conduct	GRI 418-1	Executives and staff of all business units	Customers, Regulators	  
Cybersecurity	-	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Regulators, Creditors, Other commercial banks or financial institutions	
Risk management and crisis management	GRI 102-30	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Creditors	
Innovation and digital transformation	-	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Regulators, Creditors	
Economic performance and impacts	GRI 201-1, 203-1	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers	
Supplier management	GRI 102-9	Executives and staff of all business units	Suppliers/vendors	 
Responsible lending and ESG considerations	GRI 102-11	Executives and staff of all business units	Customers, Shareholders, Investors, Regulators, Communities and society	   
Financial inclusion and promotion of financial literacy	GRI 201-1 GRI G4: FS 13, FS 14, former FS 16	Executives and staff of all business units	Customers, Regulators, Communities and society	   

Materiality	GRI Standards	Scope of Internal Impacts	Scope of External Impacts	SDGs
Human resource development	GRI 404-1, 404-2	Executives and staff of all business units	Customers, Vendors/suppliers	
Fair labor practices and respect for human rights	GRI 401-1, 401-2, 401-3	Executives and staff of all business units	Vendors/suppliers, Regulators	   
Occupational health, safety, and working environment	GRI 403-2	Executives and staff of all business units	Vendors/suppliers, Regulators	 
Stakeholder engagement	GRI 102-40, 102-42, 102-43, 102-44	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Regulators, Creditors, Other commercial banks or financial institutions, Communities and society	 
Community participation and social engagement	-	Executives and staff of all business units	Communities and society	             
Resource efficiency	GRI 301-1 GRI 302-2, 302-4 GRI 303-1, 303-2, 303-5	Executives and staff of all business units	Vendors/suppliers, Communities and society	
Environmental management	-	Executives and staff of all business units	Vendors/suppliers, Communities and society	
Climate change management	GRI 102-11 GRI 203-1 GRI 302-1, 302-2, 302-3, 302-4 GRI 305-1, 305-2, 305-3, 305-4, 305-5	Executives and staff of all business units	Communities and society	 

Economic and Governance Aspect



Good Governance and Anti-Corruption

Good governance forms the foundation for the sustainable growth of Krungsri and companies in the Financial Business Group (Krungsri Group). It is also the main factor that drives business in an efficient, transparent, and auditable manner with accountability to all stakeholders. Therefore, Krungsri Group aspires to strengthen good governance continuously to ensure that all our business processes give utmost consideration to the risks and the responsibilities to all stakeholders, all the while boosting sustainable economic, social, and environmental development. We also instill into our employees the sense of duly complying with global good governance principles and anti-corruption, given our measure of zero tolerance toward all forms of corruption, both direct and indirect. All this will help bolster the confidence and trust of shareholders, investors, and all stakeholders in us and also add value and worth to the business in the long term.

Management Approaches

Krungsri emphasizes conducting business based on good corporate governance principles and combating all forms of corruptions. Our management approaches are as follows

- The Board of Directors stipulated '**Good Corporate Governance Principles**' in writing. The contents cover shareholders' rights and equitable treatment; disclosure of information and transparency; composition and qualifications of the Board of Directors; roles and responsibilities of the Chairman and the Board of Directors including the subcommittees reporting to it; roles and responsibilities of the President and Chief Executive Officer and other executives; internal control system and internal audit system; Krungsri Group's business philosophy and roles toward stakeholders; Krungsri's mission, vision, and core values; and the Code of Conduct and employees' compliance with it. It is stipulated that these principles must be revised every year or without delay upon any significant change to ensure that Krungsri's Good Corporate Governance Principles are appropriate to the changed situations and correspond with the relevant criteria, including the organization structure and the compliance environment of Krungsri Group.

- Stipulated '**The Spirit & The Letter (S&L)**' as practices for all directors, executives, and employees in working with integrity under laws and good governance principles. The S&L specifies the matters for acknowledgement, compliance, caution, and punishment in case of violation in order to create continuous awareness of the practices. Krungsri stipulates that all employees must regularly affix signature as acknowledgement and consent to comply with The Spirit & The Letter every year.



The Spirit & The Letter (S&L)

Section 1 Regulatory excellence

- Regulatory excellence

Section 2 Working with customers and suppliers

- Improper payments
- Supplier relationships
- International trade controls
- Anti-money laundering
- Privacy

Section 3 Government business

- Working with governments

Section 4 Competing globally

- Complying with competition laws

Section 5 In the Krungsri community

- Fair employment
- Environment, health and safety
- Security and crisis management

Section 6 Protecting Krungsri assets

- Intellectual property
- Controllorship
- Conflicts of interest
- Insider trading & stock tipping

- Adhered to the '**Banking Industry Code of Conduct**' which was jointly determined by the Thai Bankers' Association and its member banks to uphold the standards and ethics of commercial bank operators and also to bolster customer confidence in the banking industry. Business is run based on three main principles, i.e. integrity, fairness, and accountability to stakeholders. The code covers practices regarding 1) Code of Conduct; 2) Roles of Directors and Executives; 3) Service Standard; 4) Employees and Working Environment; 5) Commitment to Customers; 6) Conflict of Interest; 7) Information Management; 8) Overall Compliance; and 9) Trade Competition and Dispute Resolution.
- Stipulated that all groups must appoint a '**Compliance Champion**' to communicate, promote, and oversee compliance with regulatory requirements, policies, as well as the Bank's corporate compliance requirements for that particular group for employees' acknowledgement and compliance.
- Communicated and disclosed 'Good Corporate Governance Principles' and 'The Spirit & The Letter' to all stakeholder groups through the Bank's website www.krungsri.com.
- Established the '**Fraud Management Committee**' which has the duties to formulate and propose policies to the Executive Committee as well as reviewing the adequacy of anti-corruption policies, criteria, management system, and the efficiency of such systems and compliance with the policies on a continuous basis. The aim is to improve the overall anti-corruption mechanisms of the Bank and the companies in the Financial Business Group to ensure they are prudent, strict, and efficient.
- Stipulated the '**Policy on Anti-Corruption**' as a guideline for operating business with honesty, integrity, good governance, and ethics. The Bank has zero tolerance toward any form of corruption, both direct and indirect. The Bank, companies in the Financial Business Group, and the Bank's branches in foreign countries must all refer to this policy when formulating their policies, criteria, and workflows regarding anti-corruption unless there is a stricter or more stringent and more comprehensive policy or requirements imposed. This policy is revised every two years or upon any significant change and must be approved by the Board of Directors through the Risk and Compliance Committee.
- Stipulated the '**Anti-Corruption Program**' as the anti-corruption guideline for reiterating the roles, duties, and responsibilities of all the relevant business units to ensure compliance with the Bank's corporate governance principles, to which all levels of executives and employees must strictly adhere. The program also promotes good organization culture and shows our standpoint of zero tolerance toward corruption.
- Stipulated the '**Policy on Gift and Entertainment**' so that executives and employees understand the scope, criteria, and proper practices to give or receive gifts and entertainment including relevant practices, to promote compliance with good corporate governance and ethics, and to reduce corruption risks from giving or receiving gifts and entertainment. The policy covers giving or receiving gifts and entertainment with counterparties or partners in businesses related to the Bank such as customers, advisors, agents, Thai government officials, foreign government officials, international organization officers, and any other person or operator dealing with the Bank. The Bank, companies in the Financial Business Group, and the Bank's branches in foreign countries all must refer to this policy as a guideline when formulating their criteria, principles, and workflows regarding giving or receiving gifts and entertainment unless there is a stricter or more stringent and more comprehensive policy or requirements imposed.
- Stipulate that all employees must study the six compulsory programs promoting good governance and ethics (e-learning programs) regarding good governance, risk mitigation, and fraud and money laundering via the Krungsri Learning Companion (KLC) system as follows:



Compulsory programs promoting good governance and ethics



Good Corporate Governance Principles (CG)



The Spirit & The Letter (S&L)



Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)



Gift and Entertainment (G&E)



COSO Internal Control Framework



Related Party Transactions (RPT)

- Recertified as a member of 'Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)', reflecting Krungsri Group's determination to prioritize countering all forms of corruption and bribery in accordance with our written policy and procedure which serve as guidelines for measurable sustainability. All our directors, executives, and employees must sign and observe a binding agreement to adhere to the Anti-Corruption Policy and Guidelines, with disciplinary punishments for those who violate these provisions.
- Communicated and promoted the Bank's good corporate governance and ethics to ensure that operations are carried out prudently and to mitigate fraud-related operational risks. Advertising materials regarding such matters are regularly publicized through the appropriate channels to ensure that information about good governance and ethics is communicated to all levels of employees.
- Laid down the fundamental principles for whistleblowing and protecting whistleblowers. By Krungsri's provision of easily accessible **whistleblowing channels**, employees or any person can rest assured that after asking for advice, suggestions, or whistleblowing through those channels, they will not suffer any repercussion. In this regard, complaints shall be processed without delay and investigated justly. We also have rectification, preventive, and reporting measures, as well as processes for updating the whistleblower (in case the whistleblower's identity is known) and reporting to the relevant committees for acknowledgement.

Whistleblowing Program



Whistleblowing Channels

1. Supervisor or second-line supervisor trusted by the whistleblower

2. Compliance Division

(Head of Corporate Compliance Department)

3. Ombudsperson

- Tel. 0-2296-2000 ext. 85588
- P.O. Box 169, Yan Nawa, Bangkok 10210
- We Connect channel > Krungsri Compliance > Whistleblowing

4. Branch Operational Risk Management Department

- Tel. 0-2296-2000 ext. 83456 followed by 1 then 2

5. Human Resources Group

- HR Hotline Tel. 0-2296-2000 ext. 85577

6. Audit Committee

- Email address: audit.committee@krungsri.com
- Audit Committee
Bank of Ayudhya PCL Head Office, 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10210

7. MUFG Channel (in English or Japanese only)

- **Nishimura & Asahi Law Firm**
Address: Otemo Tower, 1-1-2 Otemachi, Chiyoda-ku, Tokyo 100-8124, Japan
Email address: mufgwhistleblow@jurists.co.jp
- **MUFG Audit Committee**
Address: JP-Tower. 2-7-2, Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan
Email address: mufg-group-helpline_kansaiinkai_PF@mufg.jp



Performance

Good Corporate Governance Principles

Details

The Bank stipulates that the Good Corporate Governance Principles must be revised every year or without delay upon any significant change.

Performance

In 2019, the Board of Directors conducted the annual revision of the Good Corporate Governance Principles. Their opinion is that the existing provisions are still appropriate, up to date, and in accordance with the good corporate governance principles stipulated by supervisory authorities and relevant organizations.

Compliance Champion Workshop

Details

The workshop on compliance with banking regulatory requirements was organized for the Compliance Champions of all divisions.

Performance

- Activity held once on July 19, 2019
- 150 Compliance Champions joined

'2019 Thailand's Anti-Corruption Day' event under the theme 'Ruam Phalang Asa Su Kong' (unite against corruption)

Details

The event promoted and encouraged all public and private sectors, education institutions, and the civil society sector to take part in whistleblowing and probing fraud in order to stamp out the country's corruption.

Performance

Krungsri regularly joins the annual event to declare our stance against corruption.



Personal Data Protection

We are currently in the era of rapid technology advancement, incurring risks on infringement of privacy rights in the process of data collection, data utilization, disclosure of personal data of stakeholders — customers in particular. Therefore, the Bank emphasizes the appropriate management of personal data such as general personal data, financial transaction data, and customer behavior data in terms of the use of products and services. We always realize that winning trust and earning confidence from customers and stakeholders who use our products and services are truly priceless. Also, the storage of customer and stakeholder information in a secure and appropriate manner help boost the Bank's credibility, reputation, and good image.

In this connection, the management of privacy and security of customer and stakeholder data is considered as compliance with legal requirements and relevant regulations including the Personal Data Protection Act B.E. 2562 (2019) which will go into effect in 2020. Therefore, Krungsri has regularly reviewed the policies and personal data protection measures to protect the rights of data owners as required by laws.

input, management, analysis, and report insurance to ensure correctness and completeness. The said policy shall be applicable to the Bank, directors, executives, employees, and individuals and juristic persons performing tasks on behalf of the Bank such as outsourced staff whereby all these groups of stakeholders shall strictly comply with the said policy. In this connection, the policy shall be updated every two years or upon any significant change.

- Encouraged the establishment of '**Key Data Elements (KDEs)**'—a key data for customer services, risk and financial reports, and reports submitted to the relevant regulatory authorities
- Established '**the process to review and improve data quality in a sustainable manner**' by focusing on five principles consisting of accuracy, correctness and completeness, compliance with relevant standards, alignment, and non-redundancy. Also, the roles and responsibilities of relevant persons regarding data management were stipulated under the concept of '**Three Lines of Defense**' to ensure that all functional units of the Bank have in place data management and supervision guidelines.

Management Approaches

Data quality management

- Established the '**Data Governance Committee**' responsible for supporting the strategic plan of Bank of Ayudhya regarding information management to ensure correctness and accuracy. This is to strengthen the capability to access customer needs, offer tailor-made products and services to each customer, and issue a report in a correct manner in line with the requirements of external regulatory authorities, financial management, and enterprise-wide risk management.
- Established the '**Data Governance Department**' responsible for stipulating the operating practices and data management standards through the '**Data Management Governance Policy**'. The Department is tasked with overseeing the Bank's transactions throughout the entire processes starting from data

Three Lines of Defense



First Line of Defense
refers to business and supporting functions.



Second Line of Defense
refers to the Data Governance Committee and the Data Governance Department.



Third Line of Defense
refers to the Internal Audit Group.



Management of private information

- Established '**Privacy Policy**' with the following objectives
 - To protect privacy of individuals with particular attention on 'personal information' of customers, business partners, employees and directors of the Bank.
 - To enhance employees' understanding of the Privacy Policy with respect to acquisition, use, disclosure and storage of personal information in a responsible manner; to prevent violation of laws; to protect the Bank's reputation, credibility and image.
 - To prevent conflict of interest as a result of the acquisition, use and disclosure of personal information; in this connection, the said policy shall be applicable to the Bank, companies in the financial business group, and overseas branches. Also, companies in the financial business group and overseas branches shall adopt this policy as a guideline to formulate their comparable policies, criteria, and operating process except for having other stricter and more comprehensive policies and regulations. The said policy shall be reviewed every two years or once any significant change is made.
 - Established the scope of applications and disclosure of personal data under the requirements of the Bank under the scope of legal application; usage and disclosure of information must be in line with the objectives and intention of the data owner. Moreover, the said 'Privacy Policy' must be updated once the Personal Data Protection Act B.E. 2562 has come into force in 2020.

Performance

Data quality management

Objective

To measure data quality on a monthly basis and promote rectification of the root causes of problems related to internal data quality in a sustainable manner

Performance

Action was regularly taken.

Communication with employees through email: Data Governance Update

Objective

To enhance knowledge and understanding about the security of personal data and data privacy among branch executives and employees

Performance

Regularly communicated about knowledge and definition of data and guidelines on data privacy and storage of personal data to ensure security

Customer data management

Objective

To protect customers' personal information

Performance

In 2019, the Bank did not receive any complaints from regulators supervising the banking industry concerning customers' data breach.

Customer Experience and Market Conduct

It is Krungsri's belief that attaching importance to customers, treating them fairly, understanding their expectations and needs, including anticipating how to best respond with our innovative products and services will boost customers' satisfaction, loyalty, and engagement with the Krungsri brand. As a result, Krungsri will be able to maintain and expand our customer base in the long term, thus becoming the main bank of customers who trust our services.

Krungsri aims to keep creating good customer experiences in accordance with our organization's culture and our core value of **'Customer Centricity'** which all employees prioritize and adhere to. Customer demands are analyzed and their expectations and given suggestions are regularly used to improve products and services to meet customer needs accurately and promptly for an excellent customer experience.

Management Approaches

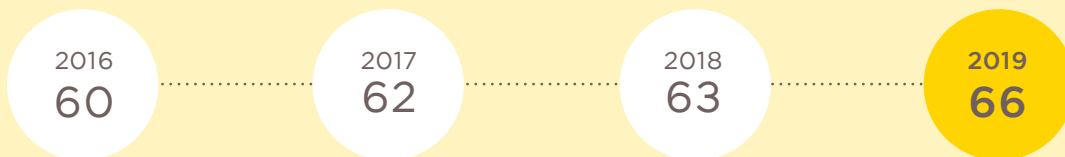
- Determined the Krungsri Core Value of **'Customer Centricity'** as part of the organization's culture as well as the heart of our business operations in order to become customers' number one preferred financial institution.
- Formulated the **'Policy on Market Conduct'** for controlling market conduct management according to regulatory requirements. The policy serves as a guideline on providing fair services to customers for both the Bank and companies in the Financial Business Group, which are all obliged to comply with the policy and must refer to it as a guideline for formulating their own comparable policies unless there are more stringent legal or regulatory requirements imposed on each company. Moreover, the policy must be revised at least every two years or upon significant changes.
- Stipulated processes relating to selling and offering in an appropriate manner so as to not invade customers' privacy. Customers shall receive complete, sufficient, and accurate key facts about products or services for their decision-making. This includes providing after sales information and services.
- Safeguarded customers' data by being mindful of privacy and confidentiality. In this regard, disclosure of customer data to other parties must not violate the customer's privacy, be it for marketing purposes or not (more details under the topic: Personal Data Protection).
- Training and communicating to all levels of customer service employees the importance of providing services fairly (more details under the topic Human Resources Development Re: Developing and Arranging Market Conduct Courses).
- Promote, communicate, and set standards so that all parts of the Bank realize and understand the Bank's **'Customer Complaint Resolution Process (CCRP)'** which covers not only the main contact channel **'Krungsri Call Center 1572'** but also other channels such as the Bank's branches, website, email, and fax. This is so that employees have a guideline to follow for handling customers' complaints, compliments, and suggestions. All relevant business units must resolve any complaint within the time limit counting from the date that the complaint was received.
- Established the **'Digi-care Contact Center'** team to collect customers' complaints, compliments, and suggestions through the Bank's social media channels, e.g., Facebook, Twitter, websites, email, or other online media such as the Pantip Webboard. At present, there is an upward trend in how customers contact us via online media. This team ensures that everyone's voice is fully acknowledged, addressed, and taken care of by the responsible business unit in Krungsri. Replies and updates are sent to customers in the most appropriate, prompt, timely, and efficient manner.
- Stipulated the process of measuring customer satisfaction with a tool called **'Net Promoter Score (NPS)'**. Krungsri regularly measures customer satisfaction annually to keep track of interests, preferences, and opinions on the Krungsri brand. The NPS is another channel for listening to the feedback of customers, who are among the organization's most important stakeholders, in order to satisfy their expectations and demands accurately.

Performance

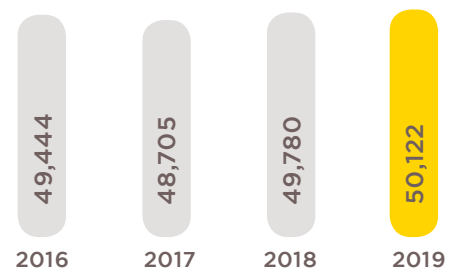
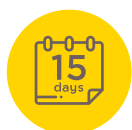
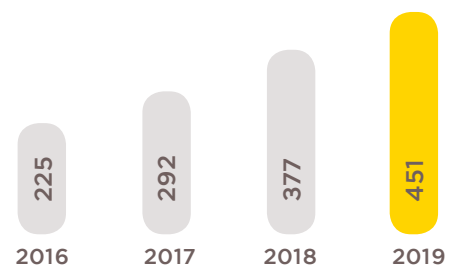
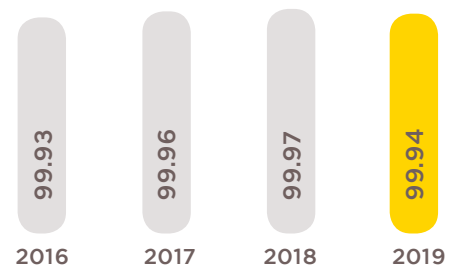


Customers' satisfaction with the Krungsri brand

Net Promoter Score: NPS



Receipt of complaints, compliments, and suggestions

No. of complaints, compliments,
and suggestions via CCRP
system (items per year)No. of customer compliments
(items per year)Percentage of complaints resolved
within 15 days

Cybersecurity

Digital technologies and innovation play a greater role in human daily life. Therefore, consumer expectations and behaviors have changed where they tend to more rely on technology to access products and services to enhance efficiency and swiftness. Moreover, a number of leading corporates in various industries and financial service providers are putting an effort to adopt innovations and technologies to enhance operational efficiency and create good customer experiences such as artificial intelligence (AI), machine learning (ML), and distributed ledger technology (DLT) or blockchain, and Robotic Process Automation (RPA). At the same time, the potential of innovation and technology has been developed to cope with advanced cyberthreats which cause substantial damages at national and international levels.

As a responsible financial service provider, the Bank places importance on preventing theft of financial data and risks arising from cyberattacks to ensure we can mitigate threats related to data leakage, misuse and unauthorized use of personal data, and other cyber risks. Krungsri takes a serious approaches on cybersecurity to protect data of employees, customers, and relevant parties as well as to ensure business continuity including service provision.

Management Approaches

- Established '**Enterprise Information Security Policy**' as a guideline to manage and protect IT data of the Bank and communicate with the Bank's employees and other stakeholders such as counterparties, temporary employees, suppliers and vendors, and other external parties who need to use the Bank's data to ensure that they acknowledge such policy and abide by the legal requirements and regulations related to this policy. Relevant actions were taken under three important frameworks such as maintenance of data confidentiality, integrity, and availability whereby the IT contingency plan was formulated. It is stipulated that the policy be applicable to the Bank and companies in the Financial Business Group ('subsidiaries') in which at least 50 percent of shares are held by the Bank where the subsidiaries are required to adopt this policy as a common guideline to formulate their own IT security policy. Moreover, the content is to be revised and updated at least once a year in line with the risk landscape and future trends that could impact the Bank's IT security.
- Applied efficient security control measures starting from employment, transfer of position, or resignation procedures and informed the IT security system administrator in case of transfer of employees or computers
- Prepared a complete IT asset register and maintained IT assets on a regular basis to ensure availability to support the Bank's business
- Performed information classification, maintained and destroyed the data according to its class, managed the cryptography and key management throughout the encrypted key usage period which are reliable and meet international standards
- Stipulated access management and verified user identity according to their access right, level of necessity, and the risk level to prevent access and system modification performed by unauthorized persons
- Provided the cybersecurity center and allocated the office area for key IT operations to prevent damage caused by cyberattack and natural disaster
- Managed irregular events and issues arising from the use of technology in an appropriate and timely manner where there was a record, analysis, and reporting of irregularity, problems, and rectification results to the Board of Directors for acknowledgement
- Formulated the IT contingency plan to enable the Bank to handle irregular incidents that caused system interruption and damage to ensure business continuity and timely system recovery
- Established '**Information Technology Security Measures**' in order to be adopted as a measure to handle various situations in line with the 'Enterprise Information Security Policy' of the Bank. The measures covered 14 sub-topics as follows:



- Established '**Guidelines for Cybersecurity Incident Response**' to increase the Bank's capability to comprehensively maintain cybersecurity to prevent cyberthreats and support IT advancement including the phishing simulation exercise and the cyber tabletop exercise. An incident where the Bank was under cyberattack was simulated where officers from relevant functions were required to participate in the exercise to ensure that they knowledge and understand as well as were being familiar with the threat response process to ensure that they can handle cyberthreats in an efficient manner.
- Adopted domestic and international industry standards and applied best practices for the management of cyber and IT security in the organization such as the advanced persistent threat tool and cyberthreats intelligence tool from reliable sources to enhance capability for detecting irregular events which was a part of cyberthreat monitoring process performed by the Security Operations Center (SOC), Society for Worldwide Interbank Financial Telecommunications (SWIFT), compliance with ISO 27001 Certification, Information Security Management System (ISMS) in two different systems including the Bank of Thailand

Automated High-value Transfer Network (BAHTNET) for major funds transfer transactions and Imaged Cheque Clearing and Archive System (ICAS) according to the BOT's requirements, and other relevant actions to strengthen cybersecurity standards.

- Provided a channel to report the receipt of phishing mail, malware, computer virus, and other regularities caused by cyberattack to the Cyber Security Department

Performance

Communication about basic cybersecurity knowledge

Objective

To communicate with Krungsri executives and employees about practices to access information on social network, internet usage, and the password set-up

Performance

Communicated about IT update via email

Phishing e-mail communication

Objective

To communicate with Krungsri executives and employees about the methods to prevent and handle phishing emails

Performance

Communicated about IT update via email

Joined forces with the Human Resources Division to organize the training course related to 'phishing email' for Krungsri executives and employees

Objective

To disseminate knowledge to employees to ensure that they understand and realize about regulations and policies related to IT security

Performance

Training was provided through Krungsri Learning Companion (KLC)



Phishing simulation exercise

Objective

To enhance and raise employees' awareness for cybersecurity by sending a phishing email to test whether or not the employees click on the link or fill out their personal information in the fake website

Performance

Communicated with employees to ensure that they acknowledge best practices to reduce the risk where the employees may fail to realize such threats

2019 IT backup system test

Objective

To undertake the IT testing according to the determined plan to ensure that the backup IT system is available for use.

Performance

Organized training for employees to ensure that they have correct understanding before the testing where the testing will be performed at least once a year

Risk and Crisis Management

Given today's rapidly transforming business environment, the way that commercial banks' operate might be affected by multiple relevant factors like the changed customer behaviors and needs; exponential development of technology and digital innovations; stricter rules, regulations, and requirements of supervisory authorities; economic conditions and competition in shifting to the digital era, including climate changes and impacts. For this reason, Krungsri places importance on risk and crisis management, knowing that being prepared to tackle upcoming changes with prudent, strict, and effective risk and crisis management leads to reduced risks of business disruption and any entailing damages and also creates opportunities for the business to grow in a stable, robust, and sustainable manner.

Management Approaches

Risk Management

- Established the '**Risk and Compliance Committee**' to oversee overall risks, including the business management principles and practices of the Bank and the companies in the Financial Business Group. The Committee stipulates and advises on risk management strategies, policies, frameworks, and overall business governance for the Board of Directors, and establishes duties and responsibilities, as well as the scope of work, of the Compliance Division and the Risk Management Group in accordance with the complexity of the Bank's businesses and the stipulated charter. The Committee also ensures that the Senior Management Team as well as heads of risk management units comply with the policies on risk management strategies and risk appetites. In addition, it is the Risk and Compliance Committee's duty to regularly report risk status, risk management efficiency, and the status of compliance with the organization culture in terms of risk, including significant factors, issues, and areas of improvement in accordance with the Bank's risk management and corporate compliance policies and strategies to the Board of Directors for acknowledgement and consideration. The Committee shall report any non-compliance with the regulatory requirements to the Audit Committee as well.
- Established the '**Risk Management Committee**'. The Executive Committee considers and appoints no less than 11 members of the Risk Management Committee to review and assess the integrated risk management policy and procedures then propose them to the Executive Committee in a timely manner. Recommendations on strategic risk, credit risk, market risk, liquidity risk, operational risk, legal risk, information technology risk which includes cyber risk, and other risks affecting the reputation of the Financial Business Group should be in line with the Bank of Thailand's Risk-Based Approaches for commercial banks. The Committee determines the Bank's risk appetite and devises strategies in accordance with the Bank's overall risk management policy so that the volume of the Bank's risks is assessed, monitored, and kept at appropriate levels. Another duty is to manage and govern the Bank's overall risk management according to the Bank's good governance principles.
- Established the '**Risk Management Group**' which continuously sets the risk management policies and the proper methods for each type of risk in accordance with the risk appetite as approved by the Risk Management Committee. Other duties of the Risk Management Group are to monitor and report portfolio quality, key risks, including developing strategies to manage potential portfolio and account risks for the Board of Directors and other relevant committees.
- Set up risk management measures and controls with '**Three Lines of Defense**' in separating structures, roles, duties, responsibilities, and decision-making authority to meet the governance and risk management requirements and to achieve organization stability as follows:



First Line of Defense

Business unit teams responsible for managing risks from daily operations to ensure that risks are considered and mitigated effectively



Second Line of Defense

The Risk Management Group with the duties to oversee, check, and control risk management processes



Third Line of Defense

Internal audit units providing independent assurance by assessing policies and workflows to ensure effective implementation as determined

- An integrated approaches is used to manage four main types of risk: credit risk, market risk, liquidity risk, and operational risk.

Four main types of risk



Credit risk

- Appoint two business units responsible for monitoring credit risk management, i.e. the unit that monitors the credit risk of corporate customers and the unit that monitors the credit risk of retail customers
- Develop credit risk management policies and action plans, i.e. credit policy, credit risk management policy, and credit risk rating policy



Market risk

- Develop market risk and liquidity risk management policies
- Monitor market risk closely to respond promptly upon changes in the business environment by employing Value-at-Risk (VaR) as a tool for assessing risks and backtesting in order to assess model accuracy. Furthermore, flash reports are sent to alert the relevant parties of scenarios in case of significant changes and there is stress testing to estimate losses due to stress scenarios



Liquidity risk

- Stipulate market risk and liquidity risk management policies
- Develop the contingency plan for managing liquidity in crises. The plan determines the roles and duties of the relevant executives and business units, complete with early warning indicators and action plans for the Bank to swiftly deal with the crisis and fully recover to its normal state



Operational risk

- Develop the operational risk policy
- Establish the operational risk management process which is comprised of risk identification, risk assessment, risk monitoring and mitigation, and risk reporting

- Developed the 'Enterprise-wide Risk Management Framework' for overseeing and managing all types of risks arising from changes in both external and internal factors. The Enterprise-wide Risk Management Framework includes the Capital Adequacy Assessment Process as well. The material risks for 2019 were as follows:

Risk Category	Material Risks	
Pillar 1	- Credit Risk - Operational Risk	Market Risk
Pillar 2	- Credit Concentration Risk - Liquidity Risk - Reputation Risk	- Interest Rate Risk in Banking Book - Strategic Risk
Other material risks	- Fraud Risk - Capital Adequacy Risk	- IT Risk - Compliance Risk

Under the Enterprise-wide Risk Management Framework (ERM), the Bank conducts risk mapping and top risk identification as tools to specify potential incidents and emerging risks expected to impact the Bank's business operations. The top risk identification process is as follows:

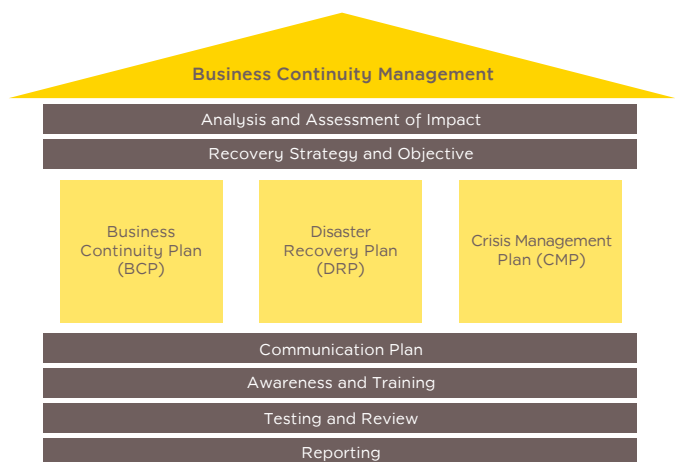
- 1.) The business unit which is the risk owner assesses their risks using risk mapping to identify potential risks that could impact the Bank's business operations over the next one year, namely the economic, political, natural disaster, operating platform, and regulatory risks. Currently the Bank is taking into account impacts from natural disasters including droughts which have affected not only the agriculture industry but also other related industries. In this regard, it has been predicted that drought-sensitive crops, i.e. off-season rice and cassava, would be impacted the most, and its adverse effects would be seen in the production supply chain particularly in the downstream industries. Consequently, Thailand's GDP growth would be impacted. In addition, the Bank also takes into account air pollution risks that could result in severe impacts on Thailand and the country's tourism and hotel industries, therefore closely monitoring these customer segments and putting in place risk management plan accordingly.
- 2.) The business unit which is the risk owner conducts risk analysis to predict whether the potential risks would result in significant impacts on the Bank's portfolio or business operations. If such factors could pose high risks, they would be identified as top risks.

- Determined the '**Risk and Control Self-Assessment (RCSA)**' and '**Key Risk Indicators (KRI)**' as tools and methods that Krungsri uses for closely monitoring and assessing various aspects of all business units' risks. In this regard, 'fraud' is another matter that must be assessed and checked. All business units must assign a champion to send an RCSA report every month to the Operational Risk Management Division. This monthly report makes up one of champion's KPIs for the sake of timely risk reports and extra carefulness in the organization's operations.

- Provided training in the '**Internal Control – Integrated Framework based on COSO principles (The Committee of Sponsoring Organizations of the Treadway Commission)**' which consists of five key components: Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring. The COSO program is a compulsory one wherein executives and employees must study, take a test, and pass the minimum requirement.

Crisis Management

- Stipulated the '**Policy on Operational Risk: Business Continuity Management**' as a guideline for communicating to relevant parties about structures, roles, duties and responsibilities, operating frameworks, and processes regarding Krungsri's business continuity management to ensure efficient readiness and achievement of the Bank's specified objectives and strategies upon crises that severely affect the Bank
- Developed the '**Bank-wide Business Continuity Plan (BBCP)**' as a guideline for setting policies, standards, and processes for the entire organization to ensure that whenever there is an incident that halts operations, the specified critical business functions' operations would still carry on continuously or resume within an appropriate time frame to minimize the effects from the disruption, ranging from impact on financial status, legal status reputation, to other significant impact such as catastrophes. The pillars of business continuity management are as follows:



- Developed the '**Business Continuity Plan**' (BCP). All business units and supporting units must make their own BCP by incorporating the results from the business impact analysis, risk assessment, and operation recovery targets into the plan.
- Developed the '**Disaster Recovery Plan**' (DRP) by stipulating the processes, policies, and manuals regarding recovering or helping IT systems operate continuously upon system disruptions caused by natural or man-made disasters
- Developed the '**Crisis Management Plan**' (CMP) for stipulating crisis management strategies and approaches for employees, the crisis management team, and other relevant parties in order to carry on operations upon crises that affect normal operations
- Designated '**alternate sites**' which are defined as operating sites ready to be used whenever it is necessary for the Bank's businesses to continue operating. This includes spatial and technological requirements for operating.
- Established the '**Crisis Management Framework**' which is comprised of the following:

Preparation of the crisis management plan

- Crisis Management Plan
- Crisis Communication Plan
- Premises Plan

Readiness of the crisis management plan

The effectiveness and readiness of the crisis management plan is assessed at least once per year.

Improvement and maintenance of the crisis management plan

The relevant divisions must review and improve the crisis management plan at least once per year or upon significant changes.



Performance

Review of policies on four main types of risk: credit risk, market risk, liquidity risk, and operational risk

Details

Review of policies on four main types of risk: credit risk, market risk, liquidity risk, and operational risk. The policies on credit, market, liquidity, and operational risks, including risk thresholds were reviewed regularly and approved by the Board of Directors in alignment with the scope, volume, and complexity of transactions, thus promoting prudent and proper business expansion.

Risk and Control Self-Assessment (RCSA)

Details

All business units (100 percent) regularly submitted their RCSA report every month.

Business Continuity Plan testing at least once per year

Details

In 2019, the business continuity plans for critical business functions were tested once.

Updating of the names and telephone numbers of employees in each business unit every quarter

Details

The names and telephone numbers of employees in each business unit (100 percent) were regularly updated every quarter.

Call Tree testing at least once per year

Details

In 2019, the call trees were tested once.

Innovation and Digital Transformation

The waves of digital technology are rapidly changing customers' behavior, perspective, and lifestyle. Innovation and technology are also reshaping how business is conducted in several industries, including the finance and banking industry in which the way we provide services is evolving exponentially. For this reason, Krungsri has transitioned to a full-fledged digital platform organization to keep pace with these advancements and to speedily and accurately meet customer demands. Furthermore, capitalizing on innovation and digitization could help create new business opportunities, cut down operating costs, and reduce business risks from the relentless development of innovation and digital technology.

Management Approaches

Krungsri supports the development of innovation and digitization based on management approaches as follows:

- Instilled the organization culture and core value of **'Making Innovative Changes'** by encouraging employees to exchange ideas in search of new viewpoints. Employees are also encouraged to think out of the box for better changes, test their ideas, and learn under proper impact-mitigating mechanisms. They should also readily adapt to changes, particularly those regarding innovation and digitization which play a role in the current ways of working and operating business.
- Emphasized and educate employees about innovation and technology in preparation for new ways of working with the help of the latest learning programs such as learning and employing big data technology and data analytics, the agile management method and the scrum method, and design thinking for long-lasting success (please see more details under the topic: Human Resources Development).
- Promoted the organization culture of innovation and digitization through projects and activities such as the **'Simple to Work'** project which encouraged employees to propose ideas, working methods, and new technologies that can simplify, expedite, and facilitate processes for the best interests of employees, working teams, customers, and the organization in general.

- Communicated and encouraged employees to keep studying about new innovations and digital technologies such as successful leading digitization cases and tips on using digital technology to enhance work with Digital Innovation Flash, Ignite Café, and Ignite Day media sent from the email address Krungsri.Innovation@krungsri.com and the Krungsri Ignite application.
- Invested in and adopted innovations and digital technologies to our processes and customer services to create good experience for employees, customers, and relevant stakeholders.

Performance

In 2019, aside from innovation and digitization developments, Krungsri also improved existing innovations. Our outstanding ones are as follows:

- **Krungsri Mobile Application (KMA)** – The Bank is working full steam on further improving KMA so that all customer groups can access funds anywhere, anytime they want. We also set the standards for Thai digital banking, reflecting our absolute understanding of customers' needs. Our customer private data security measures meet the highest level of global standards, and we deliver excellent customer experience as expected by customers. In addition, Krungsri carries on developing KMA into a platform for promoting marketing via the KMA Marketplace, becoming a platform where customers can buy goods and services from our leading affiliates and make payments through a trustworthy and secure payment system. Customers also receive privileges or discounts upon paying via KMA.



Krungsri Mobile Application (KMA)

- Number of transactions was **1.5 billion**, totaling **1 trillion baht**
- Funds transfers increased by **240 percent** to over **130 million times**
- **12 million times** of bill payment
- **11 million times** of top-up
- **7 million times** of cardless withdrawal via KMA
- Digital credit approved for over **30,000 applicants**
- Number of mutual fund unit subscription and selling transactions totaled over **12,000 million baht**



- **Pay with KMA** – Seeing how the social commerce business and online shopping lifestyle have continuously expanded in line with the number of users who make online transactions through mobile applications, Krungsri developed a full suite of digital payments via various channels to cater to customer needs and deliver superior experience for customers in making transactions via KMA. The 'Pay with KMA' service was jointly developed by the Bank and Facebook to enhance KMA users' experience in paying via Facebook. When a customer agrees to buy goods, they can pay with KMA instantly in Facebook Messenger by tapping the 'Pay with KMA' button. This serves as another channel in creating a seamless payment experience for customers.

- **Krungsri Blockchain Interledger** – To facilitate business for entrepreneurs in Thailand and Lao PDR, Krungsri launched Krungsri Blockchain Interledger for making cross border payments within seconds, surpassing the traditional method that takes at least one business day. Both Thai baht and US dollars are accepted. Krungsri provided this real-time international funds transfer service for the first time for the oil trading between IRPC and its Lao business partner Bouasavanh Power Sole Co., Ltd. Then Krungsri gained the trust of leading Thai and foreign corporate customers to jointly use Krungsri Blockchain Interledger under the BOT regulatory Sandbox, resulting in us being the first bank to be approved by the Bank of Thailand for developing this technology between Thailand and Lao PDR.



- **Thai QR Payment** – Krungsri and Mitsubishi UFJ NICOS, a subsidiary of MUFG Group, jointly developed a platform enabling Thai QR Payment in Japan's leading mall so Thai tourists can enjoy greater convenience in paying for goods and services by simply scanning any Thai QR code with Krungsri Mobile Application or KMA. In addition, Krungsri expanded this platform



to include tourists using the mobile applications of other participating banks, i.e. Bangkok Bank, Siam Commercial Bank, and Kasikornbank. In the initial stage, for the first time in Japan, customers can use the mobile application of all four banks to scan QR codes for making payments in Takeya (colloquially called 'the Purple Buildings'), Tokyo's renown store in Ueno. Krungsri plans to expand this service to shopping centers favored by Thai people as well as malls in other countries such as Singapore, Cambodia, Lao PDR, and Vietnam.

- **Krungsri Supply Chain on Blockchain** – Krungsri and Siam City Cement have been collaborating on developing Krungsri Supply Chain on Blockchain, the first of its kind in Thailand, by using blockchain to enhance the supply chain service since March 2018 under the Regulatory Sandbox guidelines of the Bank of Thailand (BOT). This innovation is now implemented in the dealer and sub-dealer networks under the Siam City Cement Group, i.e. Charoen Cement Co., Ltd., TP Greenhouse Co., Ltd., and K Home and Hardware Co., Ltd. Recently, the Bank integrated deep learning AI technology with the Krungsri Supply Chain on Blockchain to enhance the trading systems throughout the supply chain, both for the dealer network and the sub-dealer network within Siam City Cement Group's supply chain system. This also enhances the building material industry's ecosystem by meeting the demands of dealers and sub-dealers in terms of convenience, efficiency, and reliability, including boosting competitive edge.
- **Facial Recognition e-KYC** – Krungsri continues to enhance the accuracy of our technologies and uphold cyber security on par with global standards, so we deployed facial recognition KYC technology in

opening deposit accounts at our branches. This reflects our commitment as a leader in digital banking and innovation development for ultimate customer satisfaction. Facial recognition e-KYC will help upgrade security standards to the international level, mitigate risks, reduce errors in authentication, and prevent identity theft and fraudulent transactions, though the account opening process and workflow remains convenient and speedy. Moreover, this identity proofing technology can be used with other transactions to 'Make Life Simple' for customers. In this regard, Krungsri has started using facial recognition e-KYC in opening deposit accounts first. The face of the cardholder is compared with the photo on their citizen ID card presented at the branch then the branch employee will consider the comparison result in opening an account for the customer.

- **Krungsri Home Loan CONNECT** – This is another innovation devised by Krungsri to create good experience for Krungsri home loan customers. They fill in the documents with the real estate project that is Krungsri's affiliate only once, then the Krungsri Home Loan CONNECT system will automatically forward the information to the Bank online and send an automatic notification to the Bank's staff to underwrite the application. At the same time, the system will send the information to an RM for coordination and facilitation, including updating the customer on their application status. Upon completion of credit underwriting by the Bank, the credit application status will be sent to the real estate project in real time. This is also beneficial to the project manager in preparing the property handover to the customer with greater speed and effectiveness.
- **Simple to Work project** – Started in 2019, this internal communication project aims to foster an open-minded and creative culture which encourages employees to participate in initiating, improving, and streamlining working processes. By adopting technology and innovation, we can enhance jobs or simplify processes with modern tools to cut down the steps in workflows, thus achieving the main goals of speediness, efficiency, and good customer experience. PR media was arranged throughout the year and the 'My Simple to Work Idea Contest' was organized in the second half of the year to continuously inspire employees to try new ideas for





improving work. Employees were invited to send in their work enhancing ideas, which can be categorized into 1) ideas that eliminate unnecessary processes to simplify and speed up the way we work; 2) ideas about adopting technology to facilitate work; and 3) ideas that facilitate customers' transactions. Employees could join the contest as an individual or a team. A total of 325 ideas were submitted.



Economic Performance and Impacts

Economic Performance	Unit	2016	2017	2018	2019
Total operating income ^{1/}	Million baht	91,487	100,480	109,579	121,608
Operating cost ^{2/}	Million baht	19,202	21,167	22,665	21,649
Employee expenses ^{3/}	Million baht	21,334	24,438	26,287	27,648
Payments to providers of capital ^{4/}	Million baht	29,832	32,715	38,056*	40,285
Tax payment to government ^{5/}	Million baht	5,051	6,088	6,458	6,957
Cash donation ^{6/}	Million baht	8.31	31.99*	11.92*	33.88
Economic value retained	Million baht	45,616	49,518	55,648*	65,795
Total assets	Million baht	1,883,188	2,088,772	2,173,622	2,359,592
Total liabilities	Million baht	1,674,420	1,862,785	1,929,904	2,087,476
Shareholders' equity	Million baht	208,768	225,987	243,718	272,116
Workforce ^{7/}	persons	26,886	28,971	30,933	33,086
Number of branches ^{8/}	branches	698	702	705	692

Remarks:

^{1/} Total operating income: Net interest income + Net fees and service income + Other operating income

^{2/} Operating cost (exclude expenses associated with employees) such as director's remuneration, expenses relating to buildings, premises and other equipment, and others

^{3/} Employee expenses means salaries, wages, overtime pay, bonuses, cost of living subsidies, employee benefits, the Bank's contribution to provident funds, welfares and other benefits e.g., health insurance, annual health checkup.

^{4/} Payments to providers of capital means dividends paid to shareholders and interest expenses.

^{5/} Tax payment to government means duty tax and income tax excluding deferred tax income/expenses.

^{6/} Cash donation means donation to charitable organizations, donation for education support, service activities and disaster reliefs.

^{7/} Permanent employees of the Bank and its subsidiaries and joint ventures

^{8/} Included Head Office and two overseas branches

* The figure was updated as per the actual data.

Supplier Management

Krungsri Group significantly associates with product or service suppliers or 'vendors' or 'suppliers' who play a vital role in supporting activities, services, and resources to ensure our business continuity and contribute a crucial part of our success. Through supplier management, operational costs can be reduced, while efficiency would be substantially boosted. Consequently, this helps reduce the risk of business disruption caused by economic, social, and environmental impacts, with innovations created in response to ever-changing market demands.

In light of this, common standards of fair treatment of suppliers, including service providers, intermediaries, and agents for equality, fairness, and non-discrimination, have been established. All vendors and suppliers are managed and encouraged to adopt their corporate governance guidelines and code of conduct standards in the same fashion as Krungsri did. They should also comply with regulatory requirements related to their respective businesses, e.g., laws regarding countering all forms of direct and indirect bribery and corruption, and laws regarding human rights and labor, workplace well-being and safety. We also promote responsible business conduct that takes into account social and environmental issues among vendors and suppliers.

Krungsri is well aware that efficient supplier management is an essential factor that helps strengthen business efficiency of the Bank and companies in the Financial Business Group, as well as that of vendors and suppliers, toward sustainable growth.

Management Approaches

For ultimate supplier management efficiency, Krungsri stipulated management guidelines comprising initially screening suppliers and service providers, selection, and performance assessment, so that supplier management would be accomplished meeting mutual objectives as follows:

- Established '**Supplier Relationship Policy**' as a guideline to promote governance and ensure that they are treated and managed in a prudent manner and not against laws, other internal policies and procedures. The Policy helps foster relationship between Krungsri and vendors or suppliers so that the business activities can be carried out in an effective and fair manner. The Bank expects that the vendors or suppliers acknowledge and comply with the Policy as well. In this regard, this Policy is applicable to the Bank and companies in the Financial Business Group, of which 50 percent share is held by the Bank (subsidiaries), which are required to apply this Policy to their equivalent policies.
- Established regulations regarding '**Know Your Customer (KYC)**' requiring every vendor or supplier to go through the KYC process. The Bank takes cautious approaches in making transactions that possibly lead to any conflict of interest by establishing clear criteria and regulations on selection of vendors or suppliers who may have connections with the Bank's directors and senior management (Related Party Transactions: RPT); and supplier risk assessment to verify possible impacts on business continuity. The Bank also complies with the Policy on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) and the Policy on Sanctioned Countries and Blocked Persons.
- Provided the agreement in maintaining and protecting the Bank's own and confidential information, while also protecting information confidentiality of vendors or suppliers per the confidentiality agreement
- Provided an equal opportunity for vendors or suppliers including small enterprises of the underprivileged, minority groups, females, and disabled veterans in offering goods and services to the Bank
- Stipulated fair vendor or supplier selection process to give each of them a fair chance in doing business with the Bank

Fair supplier selection process



Performance

e-auction

Objective

For fair and transparent vendor or supplier selection process, while helping save their valuable time

Performance

- Online procurement system implemented since December 2015
- In 2019, 222 items of vendor or supplier selection were conducted via this system.

Notification of the Gifts and Entertainment Policy during the New Year festival

Objective

To ensure that vendors or suppliers comply with the Bank's No Gift Policy

Performance

- At the end of 2019 (New Year festival), Krungsri communicated with all vendors and suppliers (100 percent) to notify them about this policy and guideline.
- No gifts or entertainment were given by vendors or suppliers.
- No vendor or supplier complaints via the Bank's whistleblowing channels were found.

Communication about our statement regarding integrity in operations, as well as social and environmental responsibility for sustainability

Objectives

To encourage all vendors and suppliers, including service providers, intermediaries, and agents to adopt their respective code of conduct in the same fashion as Krungsri Group did and to show our commitment in compliance with related regulatory requirements on corporate governance. Examples include laws regarding countering all forms of direct and indirect bribery and corruption, and laws regarding social and environmental issues, e.g., respect for human rights.

Performance

Krungsri communicated with all vendors and suppliers (100 percent) to notify them about the statement and The Spirit and The Letter, as well as the environmental and human rights disclosure statements.

Communication with vendors and suppliers that 'Krungsri Group was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption' and determines to counter all forms of direct and indirect corruption and bribery

Objective

To ensure that our vendors and suppliers acknowledge our commitment in joining force for anti-corruption

Performance

Krungsri communicated the matter to vendors and suppliers in November 2019.

Environmental Aspect



Resource Efficiency

Optimal management and utilization of resources is regarded as a pivotal concern for the organization and our stakeholders as well as the Sustainable Development Goals, given that there remain limited natural resources.

Realizing that the banking industry is one that consumes high volumes of electricity, fuel, and paper, the Bank stresses the importance of resource optimization, including taking measures to use less natural resources, thus creating less unnecessary waste in our concerted effort to work toward the Sustainable Development Goals both at the national and international levels.

Management Approaches

Krungsri's measures to manage and utilize resources optimally are as follows:

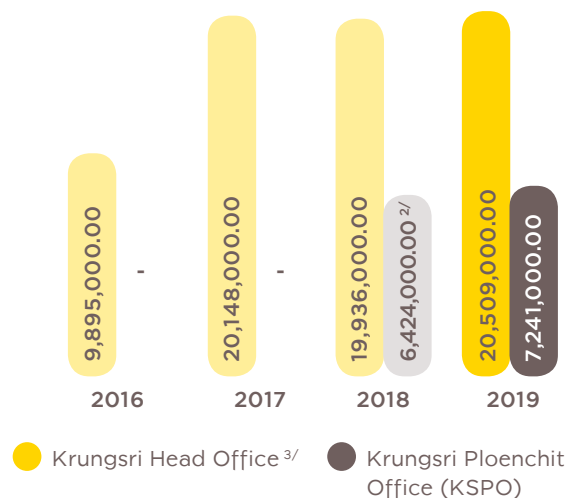
- Stipulated the '**Policy for Efficient Resource Utilization for Environmental Protection**' to promote and support the management of electricity and water utilization, waste management, reduction of air pollution due to the Bank's operations, management of eco-efficient resource utilization to boost employees' involvement and awareness of resource optimization. In this regard, the policy covers the management and utilization of the resources of the Bank as well as companies in the Financial Business Group with more than 50 percent of their shares held by the Bank (subsidiaries). Subsidiaries must approve the implementation of this policy or adapt it as a measure to stipulate their own comparable policy, which must be revised every two years or upon significant changes.
- Appointed the '**Energy Management Committee**' which comprises 10 business unit representatives in charge of alignment with the Bank's energy saving and management policy, including providing training and campaigning for appropriate energy conservation and management
- Determined the guidelines and targets for energy, resource, and environment management in accordance with global standards, conforming to laws and international agreements as well as advocating the Sustainable Development Goals
- Strived for environment conservation, resource and energy efficiency, and waste reduction, including reduction of toxic emissions that would affect the environment, thus cutting down the emission of greenhouse gasses and mitigating the risks of climate change

- Committed ourselves to use less chemicals and establish a waste management system according to the Zero Waste concept to minimize environmental impact
- Supported the purchase of green products and services, including preferred tools, furniture, office supplies, and electrical appliances comprising elements or raw materials that are eco-friendly and goods produced in an eco-friendly and energy-saving manner
- Devised and supported alternative operating methods that employ digital systems and Robotic Process Automation (RPA) systems to minimize the consumption of energy and resources, resulting in less environmental impact of our operating or service processes
- Communicated and provided information about energy and resource efficiency and optimization as well as environment conservation so that employees at all levels, customers, and related parties realize and understand the gravity of the situation
- Assigned all levels of executives and employees to jointly take responsibility and take part in promoting and complying with the policies and measures regarding resource management, resource efficiency, and environment conservation

Performance

Fuel and Electricity Consumption

Electricity Consumption^{1/} (Kilowatt-Hour)



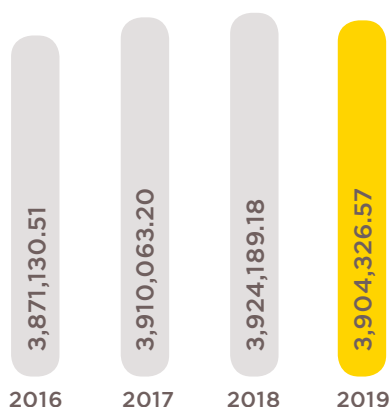
Remarks:

^{1/} Electricity consumption in 2019 rose due to 1) increased number of employees working at the Krungsri Head Office and the KSPO, which in turn led to more electricity consumption; 2) increased overtime.

^{2/} Excluding electricity consumption from January to February 2018 as the construction of KSPO was completed and the building was open for business in March 2018.

^{3/} Electricity consumption in Krungsri Head Office consists of building A, B and C, excluding Krungsri Learning Center Building.

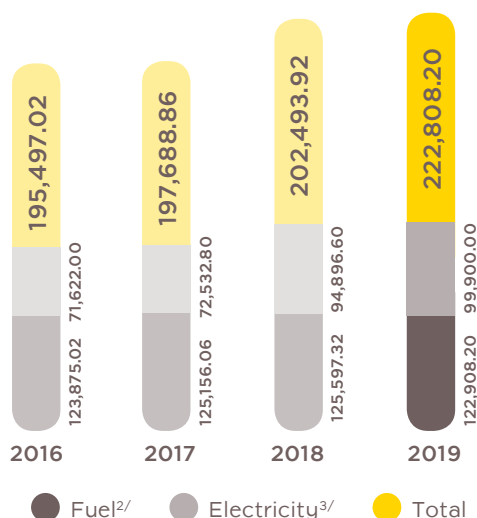
Fuel Consumption* (Liter)



Remark:

*Fuel consumption from company cars (both Head Office and branches) and executives' cars.

Energy Consumption (Gigajoule)^{1/}



Remarks:

^{1/} Data about the total fuel consumption from 2016 to 2018 was changed because the unit conversion rate was changed by the Department of Alternative Energy Development and Efficiency, Ministry of Energy.

^{2/} Diesel is equivalent to 36.42 MJ/liter. Gasoline is equivalent to 31.48 MJ/liter.

^{3/} 1 kilowatt-hour equals 0.0036 GJ.

Testing the reduction of lighting power by 50 percent at Krungsri Head Office

Details

The Bank tested halving the electricity used for lighting by turning off 800 18-watt T8 LED bulbs (14,400 watts) on the 25th floor of the Krungsri Head Office from 20.00-23.00 hrs.

Performance

2,851.2 units of electricity were saved per year, thus cutting 12,260.16 baht of electricity costs per year.

Switching to LED bulbs at Krungsri Head Office

Details

Metal halide bulbs were replaced with 40 sets of 20-watt LED bulbs in the high-ceiling hall on the ground floor and 22 sets of 100-watt bulbs around the Krungsri Head Office.

Performance

1,080 units of electricity were saved per year, thus cutting 4,644 baht of electricity costs per year.

Adjusting the time for pumping clean water into the storage tank at Krungsri Head Office

Details

The time for running two sets of 30-kilowatt water pumps was cut down from throughout the on-peak period for three hours (18.30-21.30 hrs.) to only 45 minutes to save electricity during the on-peak period and cut down electricity costs.

Performance

15,120 units of electricity were saved per year, thus cutting 270,252 baht of electricity costs per year.

Adjusting the time for running air blower pumps at Krungsri Head Office

Details

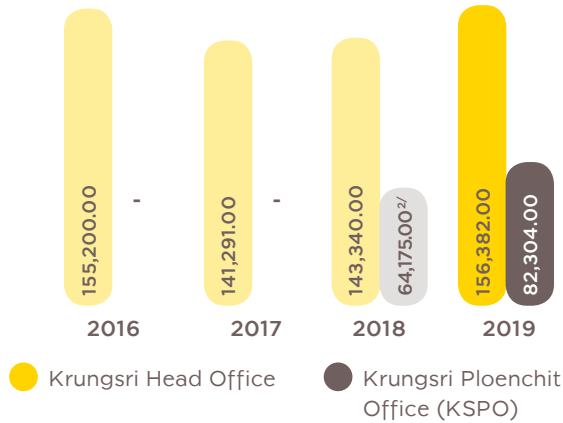
The time for running a 30-kilowatt and a 75-kilowatt air blower pump was cut down to 45 minutes by turning them off during the on-peak period (from 18.30-21.30 hrs.) to reduce electricity consumption (KWh).

Performance

40,500 units of electricity were saved per year, thus cutting 174,150.00 baht of electricity costs per year.

Water Consumption

Water Consumption^{1/} (Cubic Meter)



Remarks:

^{1/} Water consumption in 2019 rose due to the increased number of employees working at the Krungsri Head Office and the KSPO, which in turn led to more water consumption. Moreover, the cooling tower of the Head Office's air conditioning system was turned on for operations after-hours and on weekends or holidays. There was also temporary allocation of water to the new building construction site behind the Head Office.

^{2/} Excluding water consumption from January to February 2018 as the construction of KSPO was completed and the building was opened for business in March 2018

Outcome of water-saving measures

Krungsri Head Office

- Wastewater was reused to water plants instead of tap water for an average of 360 m³/year.
- Auto flush urinals and sensor taps were installed in all restrooms throughout buildings A, B, and C of the Krungsri Head Office, saving water by 30 percent.

Outcome of water-saving measures KSPO

- Water management met the Leadership in Energy & Environmental Design (LEED) standards of the U.S. Green Building Council (USGBC), achieving Gold Level

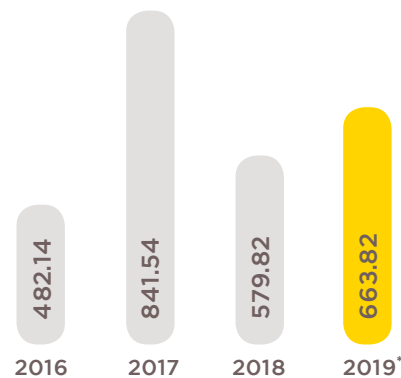
in terms of water efficiency. All the installed toilets and taps use less or equal water to the reference amount, helping KSPO save water by 40 percent.

Paper Usage

Krungsri promotes an increasingly digital working environment in the organization through projects and activities to minimize paper usage as follows:

- Instilled the 'Think Before Print' concept so that documents are not printed unnecessarily and both sides are used

Paper Usage (70-gram A4) (Ton)



Remark:

* Paper consumption increased due to the number of transactions.

- Supported the recycling of used office paper through the **Shred2Share** project by Iron Mountain (Thailand) Ltd.

Shred2Share Project by Iron Mountain*	Amount of paper sent for recycling (ton)	Amount of CO ₂ reduced (kg)	Amount of coal saved (kg)	Amount of H ₂ O saved (m ³)
2016	374.73	97,428.65	41,219.81	18,736.28
2017	395.14	97,535.99	41,265.23	18,756.92
2018	508.45	132,199.00	55,930.34	25,422.88
2019	557.73	145,009.38	61,350.12	27,886.42

Remark:

* Infozafe has changed the name to Iron Mountain. /Information from the Shred2Share project of the Bank of Ayudhya, Krungsri Auto and Krungsri Consumer only

- To reduce the amount of receipt slips from paying for food and beverages in the Head Office's canteen, the Di-Wallet application was piloted in 2017 as a means of paying for food and drinks with QR codes. In 2018, the scope of use expanded to the KSPO's canteen. Di-Wallet is an innovation that decreases the use of paper and also helps pave the way for a cashless society. In 2019, food and beverages were paid via the Di-Wallet application 221,664 times at the Head Office's canteen and 132,562 times at the KSPO's canteen, thus saving 354,226 slips which are equivalent to 113.35 kilograms of paper*.

Remark:

*A receipt slip weighs 0.32 grams.



Waste Management

Efficient waste management is a critical factor in mitigating environmental problems and climate change. In 2018, the 'Krungsri Zero Waste' initiative was introduced to address the Sustainable Development Goals, particularly Goal 12: Responsible consumption and production, and Goal 13: Climate action. Krungsri also launched several internal projects to reduce the amount of waste and promote resource efficiency as follows:

- Encouraging employees to properly sort trash to facilitate the recycling process through the 'Krungsri Right Place, Right Bin' activity.
- Calling for employees to carry four items, i.e. reusable straw, cup, bag, and food container to minimize single-use plastic.
- Promoting the donation of reusable cloth bags or plastic bags still in good condition to reduce the need for new plastic bags.

Amount of materials recycled (kilogram)	Cardboard Boxes	Paper, Books and Journals	Clear Plastic Bottles/Glass Bottles	Polypropylene Plastic Boards
Krungsri Head Office	7,719.50	6,077.00	3,565.70	315.00
Krungsri Ploenchit Office (KSPO)	4,830.50	1,429.00	1,155.00	78.00

Environmental Management

Environmental problems are considered a priority by private, and public sectors, and the general public. As a result, to respond and address such issues, all relevant sectors launched several measures to mitigate environmental impacts. Krungsri, as a responsible financial service provider, places emphasis on managing the internal environment and extends support to relevant stakeholders — especially the Bank's employees — to ensure they realize the importance of environmental management where they are encouraged to participate in the Bank environmental management activities. We envision that sound environmental management will help reduce expenses and risks arising from the violation of legal and/or environmental requirements. Furthermore, Krungsri develops environmental initiatives in the organization and the country to enhance efficiency as well as fulfill the Sustainable Development Goals (SDGs).

Management Approaches

Krungsri established environmental management approaches as per the details below:

- Formulated '**Environmental Disclosure Statement**' in response to the following international environmental issues:
 - Striving to protect the environment and responding to climate change is the responsibility of all human beings
 - Aiming to contribute to the realization of sustainable society by protecting the global environment in alignment with the SDGs
 - Complying with applicable international legislation and agreements and responding appropriately when our operations result in environmental risks or negative impacts
 - Striving to reduce environmental impacts of our operations, as well as actively working toward finding solutions to global environmental issues through our business activities
- Formulated '**Policy on the environment, health and safety**' to promote and support the efficient environmental management. The policy was adopted as a guideline to determine the environmental protection measures and comply with the relevant laws and regulations related to the environment. In this regard, the said policy covers the environmental management of

the Bank and companies in the Financial Business Group (subsidiaries) in which the Bank holds at least 50 percent of shares. The subsidiaries shall refer to and adopt the policy as a management guideline to formulate their own equivalent policy and the said policy must be reviewed every two years or upon any significant change.

- Supported efficient waste management to reduce environmental impacts and encouraged the reuse and/or recycle of environmentally friendly materials for efficiency and worthiness
- Supported the reduction or prevention of the pollution caused by wastewater released from the Bank's buildings
- Communicated about environmental information to employees, communities, customers, and government agencies in a sustainable manner
- Provided appropriate channels for reporting environmental issues

Performance

Reduction and prevention of pollutions caused by wastewater released from the Bank's buildings

Details

Appropriately released wastewater in line with related legal requirements and/or regulations

Performance

The quality of the treated water released from the Head Office and Krungsri Ploenchit Office met the criteria and legal requirements of the Ministry of Natural Resources and Environment. Also, the quality of the treated water was checked on a monthly basis by the entities certified by related government agencies.

Water reuse

Details

Reused water to save natural resource and reduce environmental impacts

Performance

Reused water and water drops released from the evaporating units in each floor of the Head Office to water plants around the building and clean up the road in the premises at an average of 30 cubic meters/month or 360 cubic meter/year

Climate Change Management

Climate change has received considerable attention worldwide as its impacts have been felt by business communities of all sizes across all industries. We are well aware that although our operations may not bring about significant environmental impacts, but basic knowledge suggests that all economic activities consuming electricity, fuels, paper, etc., could lead to emissions of carbon dioxide, one of the greenhouse gases (GHGs) that contribute to climate change and impact the life of all human and other living beings.

In light of this, Krungsri highlights the importance of seriously addressing the climate change crisis by taking part to ensure the least emissions through business operations and activities. We set a clear emission reduction target toward the low-carbon economy, while striving to fight climate change in accordance with the Sustainable Development Goals.



Management Approaches

- Set a target of GHG emission reduction by 5 percent within 2020^{1/} compared to the base year 2017
- Conducted a **Carbon Footprint for Organization (CFO)** evaluation so that greenhouse gas emissions from our Head Office can be calculated



- **Promoted workflows and operations that help reduce emissions.** For example, Krungsri Ploenchit Office was designed to meet the Leadership in Energy and Environmental Design (LEED) standards of the US Green Building Council (USBC) with the Gold Level of certification granted. Other examples include a solar rooftop system installed at Krungsri Learning Center, VDO conferences, and Krungsri Carpool Project.
- **Focused on green financing** through providing loans or other financial products based on the 'sustainable lending' guideline in accordance with the procedure regarding credit risk management applicable to all Krungsri business units

Remark:

^{1/} The target was set for the Bank's Head Office only (comprising Buildings A, B, C, and Krungsri Learning Center)



Performance



In 2019, greenhouse gas emissions registered **14,805** metric tons of carbon dioxide equivalents*, a decrease of **15.56** percent (compared to the base year 2017).

* Scope 1 and 2 only

Krungsri conducted the carbon footprint for organization evaluation, calculating greenhouse gas emissions and removals at our Head Office in the following three scopes^{2/}:

- Scope 1: Direct GHG emissions from organizational activities such as fuel combustion, vehicles (company owned sources), chemical usage for wastewater treatment, and releases or leaks from processes or activities. For Krungsri, the quantification was based on the fuel (gasoline or diesel) consumption for executives and company cars, employee mileage reimbursement, as well as the quantity of chiller refrigerants, fire extinguisher chemicals, methane emitted from latrine use, etc.
- Scope 2: Indirect GHG emissions from the generation of purchased energy consumed in the organization. For Krungsri, the calculation was based on the consumption of purchased electricity.

- Scope 3: Other Indirect GHG emissions, such as employees commuting in vehicles not owned or controlled by the organization, business travels, and use of materials and equipment. In this regard, Krungsri calculated the consumption of paper, water supply, etc.

Krungsri quantified GHG emissions covering carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). The methodology applied was the carbon footprint for organization assessment by the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), Greenhouse Gas Protocol, October 2016 revised edition, referencing the Global Warming Potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4).

Remark:

^{2/} Thailand Greenhouse Gas Management Organization (Public Organization), 2019 and carbon footprint assessment parameter, Mahidol University

GHG Emission Assessment	Unit	Total GHG Emissions		
		2017	2018 ^{1/}	2019 ^{2/}
Scope 1	TonCO ₂ e	5,375	2,776	2,463
Scope 2	TonCO ₂ e	12,159	11,982	12,342
Scope 1 and 2	TonCO ₂ e	17,534	14,758	14,805
Scope 1 and 2 emission intensity	TonCO ₂ e/person	3.45	3.00	3.06
Scope 3	TonCO ₂ e	1,832	1,286	1,467
Full-time Employees ^{3/}	persons	5,089	4,915	4,833

Remarks:

^{1/} 2018 data has been changed in accordance with results certified by the Thailand Greenhouse Gas Management Organization (Public Organization).^{2/} 2019 data (only scope 1 and scope 2) is under the process of filing for certification from KPMG.^{3/} Employees operating at the Head Office only.

Green Financing

Being a responsible upstream of the economy as a financial service provider includes support of environmentally-friendly businesses with suitable financial products and responsible lending. In this regard, environmental conservation is one of the core principles of responsible lending in Krungsri's credit risk management procedure.

At the end of 2019, Krungsri granted loans totaling **12,064 million baht** to renewable energy projects, including solar, wind, water, biogas, and biomass, and industrial waste.

Loans for each type of alternative energy



Water

51.58%

Biogas

23.28%

Wind

15.19%

Waste

6.21%

Biomass

2.51%

Solar

1.23%

Promoting workflows and operations that help reduce GHG emissions

Installation of a solar rooftop system at Krungsri Learning Center Building

Details

- Installed since 2017, the system delivers a power output of 26.5 KWp.
- In 2019, the system helped save electricity costs by 36,190 units or 155,169 baht.



Video conference

Details

- Video conference is an initiative of the Bank's Executive Committee aiming to reduce GHG emissions from transportation between Krungsri Head Office and Krungsri Ploenchit Office, and to encourage our senior executives to take part in mitigating GHG emissions
- The Executive Committee's meeting no. 40/2562, on December 23, 2019, resolved to stipulate that a meeting via video conferencing is equivalent to an in-person meeting, and to revise related appointment directives and regulations of all committees accordingly, taking effect since 2020.

Krungsri Carpool Project

Details

It is an initiative of our staff members from many divisions who would like to take part in reducing GHG emissions by inviting colleagues traveling on the same route to share rides. The project did not only help reduce emissions and air pollution but also encourage engagement among staff in different business units, while reducing travel expenses. Staff who are interested in this project can check routes and make seat reservations via the Bank's Yammer Application on Microsoft Office 365. At least 170 staff members have joined this project.



Social Aspect



Responsible Lending and ESG Consideration

Running banking operations is considered as a vital upstream of the economic system in terms of financing customers and businesses at all levels. The Bank does not only serve as a financial intermediary but also provides financial support to businesses that may create both direct and indirect impacts against the society and the environment. Bearing this in mind, Krungsri Group adheres to responsible banking guidelines by placing importance on responsible lending principles and taking into account environmental, social, and governance (ESG) dimensions to mitigate the risks arising from business undertakings which may lead to ESG impacts. In the meantime, the Bank focuses on supporting and promoting businesses that create value for and benefits the society, leading to employment and development of innovations and technologies. We are also committed to promoting a low carbon economy by providing financial support to environmentally-friendly and renewable energy businesses.

Management Approaches

- Established '**Credit Risk Management Policy**' which serves as criteria and guidelines for managing credit risks while the Credit Risk Management Policy has been communicated to the Bank's operating officers for strict compliance. The policy shall be applicable to the Bank, branches nationwide, and domestic and overseas representative offices. Such policy shall be reviewed annually or upon any significant change to ensure that the Bank's credit underwriting is in line with the ever-changing business environment.
- Krungsri Group firmly adheres to its aspiration to be a responsible lender by establishing the '**Credit to Be Avoided Category**'. The category refers to customers whose nature of business may impact the Bank's reputation such as a business that emits a large volume of pollution — causing negative effect against the society and environment or a manufacturer of materials used to produce cluster bombs.
- Established the '**Prohibited Category**' to whom Krungsri Group shall refrain from providing financial support:-
 - Illegal business or business with unlawful purposes, a group of influential bodies, gangsters, a group of criminals who extorted money from business entrepreneurs, and disguised companies for gang groups
 - Political parties, or businesses or individuals with obvious intention to inject funds to support political activities
 - Business activities that tarnished moral standards and social norms or a business with an intention to violate environmental laws
 - Business involved with nuclear weapons, biological weapons, chemical weapons, other weapons with a possibility to cause substantial damage to humankind, animals, plants, or environment including weapon distribution systems, their components, or manufacturers of cluster bombs (finished products) being businesses that produce the bombs themselves or the businesses that are related to cluster bomb manufacturing
- Complied with '**Know Your Customer**' (KYC) and '**Customer Due Diligence**' (CDD) to ensure that the Bank's credit was not used to support, promote, or involve with any misconducts or create negative impacts against the society and environment
- Established the '**Procedure regarding Credit Risk Management**' whereby relevant officers at all levels are mandated to strictly adhere to and comply with such procedures while realizing about social responsibility. All functional units shall provide financial support to the business entrepreneurs who operate businesses for the benefits of the society and the environment and the business that did not create social and environmental impacts. Additionally, the relevant officers should participate in a process to uphold the credit underwriting standards and credit risk management.
- Established the '**Credit Examination Division**' responsible for reviewing the credit underwriting process of the Bank and subsidiaries and ensure that the internal control, risk management, and governance process are sufficient and effective while being in accordance with the policies, regulatory requirements, and relevant laws. The Credit Examination Division will be clearly segregated from the frontline functions and the Credit Underwriting Group to prevent the conflict of interest and promote efficient credit review whereby the Bank should arrange for the review of credit quality and risks on an annual basis.

Responsible lending



Equal treatments

All customers shall be treated equally regardless of gender, age, ethnicity, nationality, belief, religion, social status, background, and state of disability.

Safeguarding customer confidentiality

The customer's important information such as credit facility or credit conditions shall be treated confidentially. The said information shall be kept in a secure place to prevent access from the irrelevant persons.

Debtor's responsibility

The Bank's officers should be fully confident in the debtors. Also, the Bank, as a creditor, shall not question the debtors about their debt servicing ability and responsibility.

Verification of customer information

The customer credit information shall be appropriately verified to ensure KYC Compliance.

Prevention of authority abuse or unfair negotiation

All customers shall not be forced or pressurized to make a transaction due to the abuse of the Bank's authority.

Environmental preservation

In terms of credit underwriting, credit approval shall be granted by taking consideration of environmental aspect to create sustainability, reflecting the Bank's commitment to social responsibility.

Performance

Krungsri strives to develop financial products and services by firmly adhering to the 'Sustainable Banking Guidelines – Responsible Lending' principles to create financial innovations beneficial to the economy, society, and environment as a whole. In 2019, Krungsri was the first bank in Asia Pacific that issued 'Gender Bonds' for foreign investors in an effort to support women-led small and medium-sized enterprises (WSMEs) in Thailand. The bond was offered to the International Finance Corporation (IFC) — a member of World Bank Group — and Deutsche Investitions- und Entwicklungsgesellschaft (DEG) with a total private subscription of USD220 million. The investment was made by the Women Entrepreneurs Opportunity Facility (WEOF) — a joint initiation of the IFC and Goldman Sachs 10,000 Women.



Krungsri is committed to encouraging business growth by providing financial support to all customer segments and Thai WSMEs, more than half of which encounter difficulties to access financial resources. The objective of the bond issuance is to provide financial support to female entrepreneurs who play a significant role in driving the economy, increase the country's employment, and promote sustainable development in Thailand and Asia.

The issuance of the gender bond, offered to foreign investors, to support female business entrepreneurs underlined the Bank's standpoint as a corporate citizen and reaffirmed our commitment to achieving the United Nation's SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure, SDG 10: Reduced Inequalities, and SDG 17: Partnerships for the Goals.

Financial Inclusion and Promotion of Financial Literacy

To achieve our aspiration to be a leading regional financial institution, as well as social responsibility and customer responsiveness, Krungsri strives to promote the 'customer centricity' value through appropriate financial product and service innovations, while empowering customers to access financial services with thorough equality. We not only provide funding sources for their business operations, but also aim to help them develop innovation and technology, well-being, job creation, and other positive impacts through investments.

In addition, promoting financial literacy among youths, customers, and related stakeholders, Krungsri holds strong to our conviction that prudent financial planning and management would lay a foundation for strong communities and society. Our endeavors in supporting financial access and literacy reflect Krungsri's vital role as a financial intermediary that participates in sustainable development, while driving the economic growth of the country and ASEAN.

Management Approaches

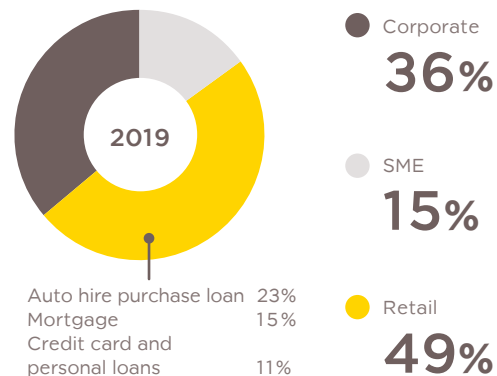
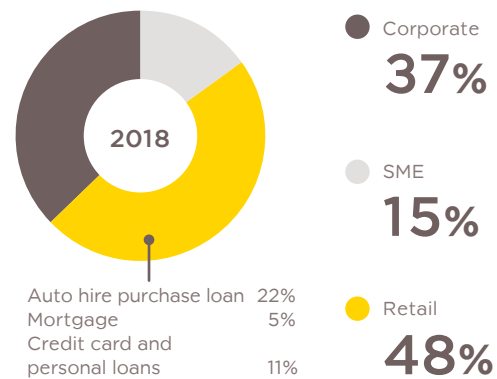
- Developed financial products and services in accordance with the needs of customers in each segment
- Managed our balanced lending portfolio prudently
- Leveraged synergies with MUFG, a financial group with a global network, to respond to all financial needs of businesses at home and abroad, e.g., customers in Cambodia, Lao PDR, Myanmar, and Vietnam (CLMV), and those in the ASEAN Economic Community (AEC), while helping boost their potential toward the global arena
- Enhanced service channels thoroughly and appropriately for each customer segment with innovation and technology that enhance customer access to financial services, anywhere, anytime
- Promoted financial literacy among youths, customers, employees, and the general public, while cultivating saving discipline, as well as efficient financial planning and personal financial management

Performance

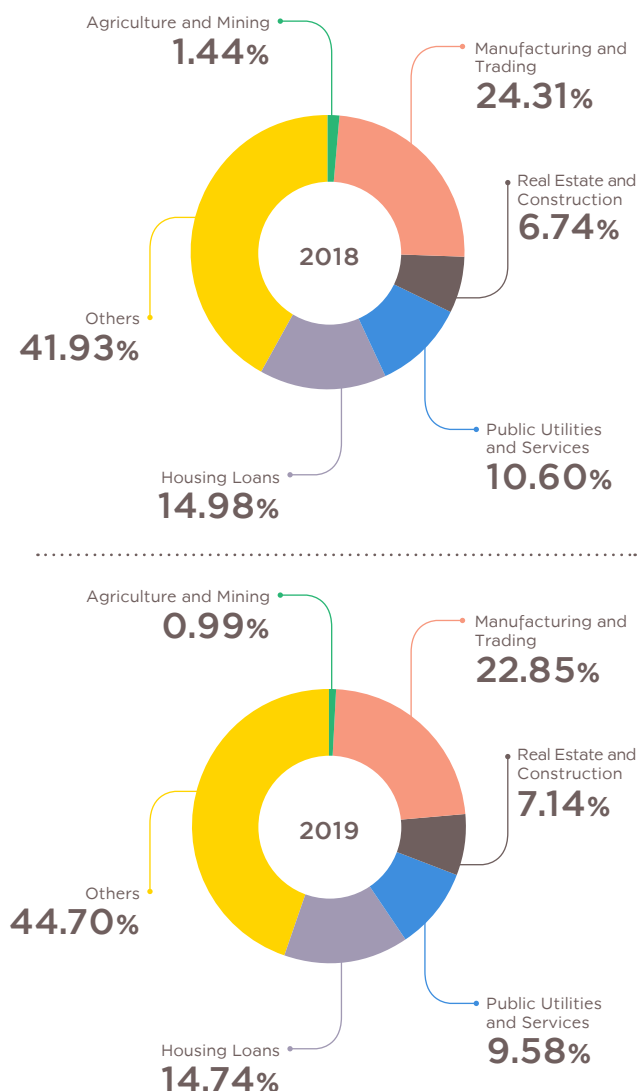
Balanced Portfolio Management

Krungsri maintain well-balanced portfolios for corporate loans, SME loans, as well as retail loans. As of December 31, 2019, total outstanding loans stood at **1,817,877 million baht**, an increase of 145,859 million baht, or 8.7 percent from December 2018, which grew across all segments. Of the total, **corporate loans were 661,147 million baht (36 percent)** comprising 427,197 million baht of loans provided to Thai corporates, and 233,950 million baht of loans given to Japanese and multi-national corporations; **SME loans were 273,224 million baht (15 percent)**; and **retail loans were 883,506 million baht (49 percent)**. Loans provided to retail customers were consisted of 414,192 million baht in auto hire purchase loans, 270,112 million baht in mortgage loans, and 199,202 million baht in credit card and personal loans.

Krungsri's Portfolio



Loans by Industry



Corporate Loans

Aiming to be a 'thought partner' for corporate customers, Krungsri offers complete financial solutions focusing on following initiatives:

- Banking services and products were structured to match customers' requirements, while credit limit utilization for each customer was reviewed and monitored to ensure optimal use of the Bank's capital and resources.
- Solutions were especially designed for complete local and international transactions, beyond traditional products, e.g., derivative products, structured finance, debenture underwriting, and investment banking products.

- Enhanced internal processes to save time so that we could spend more of that time devising solutions suiting our customers.
- Continued to leverage the MUFG network and global expertise by working with MUFG to support our customers who need sophisticated financial services or plan overseas expansion. In 2019, the Bank and MUFG acted as a total financial solution provider for our leading Thai power customer in its greenfield power project in Indonesia, whereby the Bank and MUFG worked jointly as advisor, financier, and hedging provider for the project.

Small and Medium Enterprise (SME) Loans

Krungsri focuses on our goal of becoming a main bank for SME customers through collaboration with MUFG and enhancement of business opportunities. In 2019, Krungsri launched SME product innovations and improve processes to better serve them as follows:

- The launch of Krungsri Supply Chain on Blockchain, equipped with deep-learning artificial intelligence (AI), helped deliver great customer experiences as we leveraged the cutting-edge technology in the construction industry's trade transactions between major dealers and retailers, which will utterly transform the supply chain.
- Krungsri Cashless Chain – Thailand's first business-to-business (B2B) cashless solution – reinforced our leadership in digital solutions for the whole business chain and created a truly cashless environment in the supply chain industry. Businesses can reduce risks and processes of cash handling, while cutting related expenses as well as improving cost and time management. This helps improve the B2B customer experience and business growth opportunities minus the worry of physical cash management.
- We have also provided knowledge sharing, business matching and networking activities through Krungsri Business Empowerment, a value-added service designed to help our SME customers grow their business potential and create long-term strength. These activities included:

- Krungsri Business Journey: 'Advanced Food Technologies in Japan' – a trip organized to provide Thai entrepreneurs the opportunity to observe food-related businesses in Japan; and 'Digital Commerce in China' – a trip to visit and learn from digital technology businesses in China. Both events created growth opportunities for Thai SMEs, emphasizing Krungsri's capability and MUFG's global strength.
- Krungsri Business Talk 2019: Digital Moves, Driving Business with Digitalization – events held in Bangkok, Phuket, and Udon Thani, organized to provide insights of business management and strategies to enhance business potential and opportunities based on the platform economy concept.
- Krungsri Business Forum 2019 – Platform Economy: The New Business Revolution – one of the year's biggest business seminars, aimed at providing entrepreneurs knowledge and strategies to augment their competitiveness in the digital economy.
- Krungsri SME Online Business Matching – an online platform that provides channels for both SMEs and corporates to help market their products and extend their networks onshore and offshore.

Retail Loans

Committed to responsible lending, Krungsri takes into account the appropriateness of financial products and services which are diverse in accordance with demands of retail or individual customers, namely mortgage loans, Krungsri Auto's automotive finance products, credit card and personal loans. We are well aware that customers' access to appropriate lending products would uphold their financial security, while being beneficial for the overall economy and society.

With clear procedures for the approval of all loan types, Krungsri considers customers' ability to service debts. The Bank ensures sound risk management and observes any irregular repayment behaviors to prevent customers from falling into payment predicament. Recommendation for debt restructuring and management is given when necessary. These operations help the organization mitigate NPL risks, relieve customers' burden, and might lower the volume of bad debt in the economic system as well.

Microfinance and Nanofinance

Krungsri realizes the importance of providing the grassroots level with opportunities to access financial services in the form of microfinance and nanofinance. Financial access is a factor that helps life go on more smoothly, readying the person for expenses that are unexpected or exceeds their current debt servicing coverage. Moreover, people can create their financial record at trustworthy financial institutions, positively affecting their quality of life and establishing a solid foundation.

Therefore, Krungsri provides microfinance and nanofinance services that are transparent and fair to both Thai and foreign customers through two specialized entities: Ngern Tid Lor Company Limited and Hattha Kaksekar Limited or HKL.

Ngern Tid Lor

- Offered financial access to more than **500,000** customers (up 23 percent from 2018)
- Total loans of **47,400** million baht (up 19 percent from 2018)
- **1,000** branches

HKL

- **168,892** customer accounts (up 17 percent from 2018)
- Total loans of USD **1,051** million (up 39 percent from 2018)
- **177** branches





Financial Distribution Channels

Krungsri consistently propels financial technology innovation by enhancing a variety of service channels to allow rapid and convenient customer access, while continuing to place importance on our branch network. Branches have been persistently changed in terms of type by using technology in response to customer needs and ever-changing behaviors.

Krungsri, therefore, established four branch types: **'Smart Branch'** – a branch equipped with automatic machines for self-service transactions and full-time staff presence for advice; **'Smart Kiosk'** – a kiosk with automatic machines for self-service transactions with more limited staff presence for advice; **'Partnership Branch'** – a special branch jointly run with other organizations, e.g., universities; and **'Typical Branch'** – a normal type of branch.

'Smart Branch' was exclusively designed focusing on branch 'space', 'staff', and 'speed', and equipped with automated machines for efficient customer self-service transactions, namely making deposits, withdrawals, funds transfer, and bill payments, updating passbooks, and opening an account. A broad range of services are provided at the smart branch:

- 3-in-1 Machines at which customers can make deposits, withdrawals, funds transfer, bill payments, and passbook updates.
- Cash Bill Payment Machine at which customers, with or without Krungsri accounts, can pay at least 90 bills using all types of banknotes and coins.

- Smart Teller Machine, at which customers can make a one-stop self-service account opening transaction, ranging from entering information to issuing a debit card. A VDO teller will be available for customer advice. In the future, the financial recognition technology will be in place for customer authentication. The deposits, withdrawals, funds transfer, and bill payments can be made at this machine, while products suit to customers will be introduced via cross-selling.

Krungsri's branches have been enhanced toward 'Smart Branch', a new automated branch type allowing self-service transactions conducted by customers, with staff presence for complete financial advice. Promoting financial access among targeted customers in diverse areas via appropriate channels continues to be part of our crucial role in developing the country's economic fundamental for security, inclusiveness, and sustainability. (Please see details of Krungsri's Financial Distribution Channels on Page 112.)



Financial Literacy Promotion

Krungsri Financial Literacy: Simple to Learn Project

Details

The 'Krungsri Financial Literacy: Simple to Learn' Project, the Bank's CSR flagship one, is now in its fifth year. The objective is to promote basic financial knowledge and saving habits among primary school students in grades four to six throughout the country by creating understanding of the concepts of smart spending and effective saving through interactive activities and games facilitated by Krungsri volunteers.

Performance

In 2019, 4,248 volunteers participated in the financial literacy activity, reaching out to 72 schools – 70 in Thailand and two in Lao PDR, benefiting 3,853 students.

“



"What I've learned is frugal living and savings."

Mix, a sixth-grader
at Wat Pa Khet School

”

“



"I've learned about necessary and unnecessary spending. The unnecessary things are those things we only wish to get."

Pleng, a sixth-grader
at Wat Kong Kaew School

”





Krungsri Financial Literacy: Simple to Manage Project

Details

Based on the achievement of the 'Krungsri Financial Literacy: Simple to Learn' Project in 2018, Krungsri expanded financial education targeting undergraduate students, in particular from Rajabhat and Rajamangala universities, so that they understand how to effectively plan and manage their finances in preparation for entry into the job market.

In addition to increasing the number of universities reached, Krungsri has worked on curriculum improvement to be more relevant to the target audience, emphasizing four key topics: 'smart spending', 'smart earning', 'smart saving', and 'smart investing'. The curriculum has been revised through the collaboration of Krungsri volunteers across various departments who have helped to brainstorm and produce up-to-date content. An activity-based teaching methodology has been adopted so that students are able to analyze their personal spending habits and set long-term life and savings plans, as well as learn about the importance of investment. At the same time, emphasis is given to the capacity-building process to ensure quality volunteers and joint after-action reviews of every training session to result in continuous improvement.

Performance

In 2019, seven universities participated in the program, comprising four universities in Bangkok and its vicinity, namely Rajamangala University of Technology Thanyaburi, Dhonburi Rajabhat University, Rajamangala University of Technology Phra Nakhon, and Phranakhon Rajabhat University; and three regional universities,

namely Rambhai Barni Rajabhat University, Rajabhat Maha sarakham University, and Songkhla Rajabhat University. A total of 348 students from these universities and 16 Krungsri volunteers actively participated in the program.

The post-training surveys revealed that the students who have participated in the 'Krungsri Financial Literacy: Simple to Manage' Project have improved basic financial knowledge, realized the importance of savings, were able to set their own personal financial and savings goals, and are starting to take more of an interest in investment for a better future.



Online content hub: Plearn Plearn by Krungsri GURU

Details

Since 2014, the Plearn Plearn by Krungsri GURU platform has been developed as an online content hub of financial, investment, business and daily lifestyle matters. Not only do Krungsri customers find Plearn Plearn by Krungsri GURU beneficial for them, but general visitors will also be attracted to its easy-to-digest content.

Any complicated content will be simplified and gussied up on Plearn Plearn by Krungsri GURU to ensure that visitors would get an exceptional experience no matter which platform they get the content from. Featuring a fully responsive design, content shown in all devices, namely tablets, smartphones, and notebooks, is easy-to-navigate with attractive displays. Taking part of content from the website www.krungsri.com, Plearn Plearn by Krungsri Guru is designed to portray every aspect of consumer daily life, comprising following four content pillars: 1) Lifestyle: Cool ideas and lifestyle trends; 2) Finance: Matters that make life simple; 3) Business: Secrets to success in business; 4) Innovation: To stay ahead of the digital era curve.



Performance

In 2019, the growth of viewers reached 40 percent compared to 2018, while the number of pageviews averages 500,000 per month, of which 60 percent are viewed by new visitors.

Financial Literacy for the Hearing-Impaired Project by Krungsri Auto

Details

Since 2016, Krungsri Auto has initiated the project to enhance financial literacy among hearing-impaired students through edutainment activities, modified from the Krungsri Financial Literacy project, to develop financial discipline for their smart savings and spending.

Performance

In 2019, Krungsri Auto implemented the program at three additional schools for the deaf, consisting of Debaratana School for the Deaf, Prachuap Khiri Khan, Chaiphaphum School for the Deaf, Chaiphaphum, and Phang-nga School for the Deaf, Phang-nga, participated by 162 students and 79 Krungsri Volunteers (raising the number of schools participating in the project to 14).





Life Rolls Forward Project

Details

'Ngern Tid Lor' aims to create shared value (CSV) by launching the 'Life Rolls Forward' Project, through which basic financial knowledge was provided to low-income communities, targeting vendors, industrial workers, as well as Ngern Tid Lor's employees.

Performance

In 2019, the project covered 878 trainees in 15 communities, participated by 97 Ngern Tid Lor volunteers. Financial literacy activities were also held for two companies covering 146 trainees, participated by 24 Ngern Tid Lor volunteers.

Money Matters Project

Details

'Krungsri Consumer' has provided a complete financial education project for interested employees, customers, students and members of the public through many activities in accordance with their respective interests as follows:

- **Employees:** Krungsri Consumer established the 'Savings Club' which has been operated for two consecutive years to raise awareness among staff members on the importance of financial security and to inspire them to have financial discipline and generate additional income which does not interrupt their full-time job through diverse activities, including daily personal bookkeeping, extra income generating, e.g., opening a flea market for employees, workshops, and study visits to gain ideas on additional income generation. In addition, Krungsri Consumer provided assistance to employees facing debt problems through the 'My Buddy' debt clinic, whereby they can call for advice and solutions. The My Buddy team members have been well selected and trained to give assistance and advice to those in financial difficulties, so that troubled employees would be able to efficiently solve their problems in a worry-free manner and to feel more at ease while working.



- **Customers and the general public:** Krungsri Consumer also held financial education activities for customers and the general public regarding financial planning and personal finance management, e.g., the More Money Coffee Talk seminar and More Money Talk activity on the Money Matters Facebook Fan Page; and video content via online and social media channels.
- **Youths:** Briefings were held to provide financial knowledge to youths in primary schools as well as universities.

Performance

'Savings Club' by Krungsri Consumer



Personal bookkeeping activity

Participated by **3,505** employees.

Study visits and workshops for extra income generation

- **3** activities were held, participated by **71** employees.
- **100** percent of employees were satisfied with the activities.





Flea market for employees

- **2** flea market events were held at Bangna Tower and Krungsri Head Office.
- **36** booths were presented by employees to generate extra income.
- **100** percent of participating employees were satisfied with the event.

Financial literacy activities

- **2** 'More Money Talk' activities were held to share financial insights with **117** employees. **95.55** percent of attending employees were satisfied with the activities.
- **45** articles about financial management tips were disseminated via online and intranet channels, with **8,255** pageviews.

Money Matters Facebook Fan Page



The number of likes for the page reached **111,932**, an increase of **285** percent from 29,036 likes in 2018.

Activity for Creating Financial Discipline



The activity was held to provide knowledge on financial planning and management for **273** students of the Faculty of Commerce and Accountancy, Chulalongkorn University.

Financial Literacy Activity by HKL

Details

Hattha Kaksekar Limited (HKL), a Krungsri subsidiary operating a microfinance business in Cambodia, organized financial literacy activities for diverse stakeholder groups, namely employees, customers, youths, and the general public.

Performance

HKL supported the National Bank of Cambodia's financial knowledge programs, 'Financial Literacy Day' and 'Let's Talk about Money', to promote financial education for those working in the financial, microfinance, and leasing sectors, along with youths. In addition, its 'Accounting and Auditing Obligation' project supported the work of the Ministry of Economy and Finance of Cambodia in providing accounting and auditing training to owners of at least 300 SMEs.

Money Smart Next-Gen Project (Season 2)

Details

The 'Money Smart Next-Gen' Project (Season 2), a collaborative project on financial literacy training of the Thai Bankers' Association (TBA) and its member banks, now in its second year, aimed to foster financial discipline and wise financial management amongst university students throughout the country.

Performance

Krungsri, as a TBA member, led the organizing of financial literacy training for Rajamangala University of Technology Krungthep, through the participation of 12 volunteers reaching out to 222 students.

Financial Literacy Training for American Chamber of Commerce (AMCHAM) Scholars

Details

This activity is a collaborative project between Krungsri and AMCHAM in which Krungsri volunteers conducted basic financial literacy training for university students who had received scholarships from AMCHAM, to assist with their future financial planning.

Performance

There were 42 fourth-year university students who had received scholarships from AMCHAM participating in the training activity.

Human Resources Development

Employees are the Bank's key stakeholders and valuable assets as they play a crucial role in empowering the organization toward set missions and goals. To enhance employee and business performance, as well as responding to business and customer demands, Krungsri Group places considerable emphasis on a continuous and ongoing process of human resource development toward 'People Excellence'. We have prepared our workforce for upcoming change and competition in the banking industry, as well as digital transformation, while encouraging them to recognize the ever-increasing role of innovation in our products and services that could catch up technology changes in a new business context.

We at Krungsri give significance to human resource development with the awareness that our staff – as they grow in their well-planned career paths – would become the powerful driving force setting the business direction toward the organization's success with efficient and sustainable growth.

Management Approaches

Krungsri strives to build People Excellence while growing the organization as our manpower progress along their professional paths. Our strategic approaches for human resource management are as follows:

- Appointed the '**Human Resource Committee**' to review and assess major strategies, policies, projects and plans concerning human resource management of Krungsri Group to ensure they are competitive and designed to attract and retain talents, while complying with applicable regulatory requirements.
- Stipulated the '**Human Resource Policy**' as a framework used to establish our human resource management and development process, as well as related roles and responsibilities, applicable to the Bank and companies in the Financial Business Group in which the Bank holds more than 50 percent of shares ('subsidiaries'). The subsidiaries must apply the Human Resource Policy to establish the equivalent policy of their own.
- Stipulated the '**Procedure Regarding Human Resource Development**' to ensure that executives and staff members understand the human resource learning and development, and that it is used as their framework for operations and communication about their roles

and responsibilities toward human resource learning and development for clarity and common operational standards, while complying with related laws, regulations, and policies.

- Stipulated **four pillars toward HR excellence**:
 - 1) Adherence to and demonstration of Krungsri core value
 - 2) Leadership development
 - 3) Professionalism improvement
 - 4) Good corporate citizenship
- Stipulated **six strategies to achieve success**:
 - 1) Enhancing the performance of the organization and personnel
 - 2) Continually developing talents and leaders
 - 3) Increasing employee engagement
 - 4) Fostering a self-improvement culture
 - 5) Enhancing efficiency with cutting-edge technology
 - 6) Creating a knowledge-sharing network under MUFG and Krungsri Group
- Designed and developed learning programs using a '**learner-centered approaches**' as follows:
 - 1) Designed learning programs taking into account benefits of learners and responding to challenges currently encountered by staff and the organization and those expected to come in the future, comprising the following six key programs:
 - Achieving Everyday Success Program
 - Striving Beyond Your Best Program
 - Getting Ready for Future Program
 - Winning Business Challenges Program
 - Growing Expertise Program
 - Leading to the NEXT Level Program
 - 2) Encouraged employee personal development through multiple learning types in accordance with their personal preferences and differences, while using digital platforms to attract the new generation so that they can pursue their learning anywhere, anytime.
 - 3) Maximized learning potential and cooperation through the '70-20-10' concept to yield achievements worth investment and learning effectiveness comprising:
 - External Learning 70%
 - Formal Education 20%
 - Exposure with Others 10%

- Reviewed and communicated about compulsory learning programs for executives and staff members. In 2019, the Bank focused on the professional code of conduct and governance, while adding two new compulsory programs for executives and staff members to promote learning of new skills and preparing for future jobs. They are Design Thinking and Innovation & Digital Transformation which offer knowledge concerning innovative technology that could define the future of work and creativity at work, so that the organization of innovation can be driven under the 'Digital First' strategic theme, while creating business advantages.
- Developed and conducted three projects of special human resource development in accordance with learning and development strategies which are adopted to take employee and organization performance to the next level and promote our journey toward sustainable banking as follows:
 - 1) Krungsri Leadership Academy Project
 - 2) Wealth Academy Project
 - 3) Retail Banking Academy Project which was developed by the Bank, in cooperation with vocational education institutes in Bangkok. Students of the finance major were selected to participate in the co-operative education training, during which they are trained in finance and banking, as well as branch operations, by the Bank's staff through on-site training.
- Developed and held 'Market Conduct' programs and review other related programs to provide branch staff knowledge and understanding of best market-conduct practices for accurate, appropriate, and fair customer service provision beneficial to consumer protection which is a key factor for the Bank's sustainable business operation. Online tests were regularly held to maintain standards of knowledge concerning customer services.
- Developed and held sustainable growth programs through both online and in-class training, as well as special lectures, including:
 - 1) Cybersecurity and personal data protection for business
 - 2) Personal Data Protection Act
 - 3) e-KYC technology
 - 4) Programs that promote 'sustainable development' concerning environmental, social, and governance (ESG) aspects
- Provided knowledge concerning well-being and safety, as well as workplace ergonomics.
- Provided 'Krungsri Learning Center' that promote learning and manage learning courses via the 'Krungsri Learning Companion (KLC)' to boost staff efficiency and promote organization-wide knowledge sharing.
- Developed e-learning programs to allow employees to carry out continuous self-learning from more than 500 e-learning courses in a convenient and boundless manner, including courses developed by Krungsri Group and those provided through learning platforms of external institutions which can be accessed via PC, smartphones, tablets, etc.
- Developed and adopted technology to boost learning management efficiency and reduce waste by using the 'iJoin' training registration system in replace of paper-based training registration to help minimize paper usage, registration time, and cost, while increasing accuracy in employee training registration and filing. The system also reduces the time spent in preparing the training registration report used for requesting training course certification from the Department of Skill Development, thereby increasing overall efficiency in personnel development and creating greater training experience for employees.



Performance



Average training
hours per employee:

61.59 hours

Krungsri e-Orientation

Details

Training program about the Bank's general information, such as history, regulations and requirements in the workplace, employee benefits, etc., which need to be attended by new employees within 119 days starting from their first day of work.

Performance

665 out of 727 new employees (91.47 percent) passed the program. (Target: 100 percent of new employees pass the program.)

Compulsory Program

Consists of

- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)
- The Spirit & the Letter (S&L)
- Gift & Entertainment (G&E)
- Good Corporate Governance
- Policy on Enterprise Information Security
- Krungsri Core Values The Movie 2
- COSO Internal Control Framework
- Related Party Transactions (RPT)

Details

Compulsory training timelines for executives and staff members:



In 2019, Krungsri won several human resource excellence awards from

leading institutions at home and abroad, reflecting the Bank's achievement in human resource development toward professionalism through continuous learning and improvement for sustainable growth of the organization and employees.

- Excellence in Training from Thailand Best Employer Brand Awards 2019
- Excellence in Learning & Development from Human Resources Excellence Awards 2019

- New employees are required to complete and pass all compulsory programs with stipulated minimum scores within 119 days starting from the first day of work.
- Existing employees are required to attend compulsory learning programs at least once a year or every two years depending on the minimum requirement of each program.

Performance

- 1,482 out of 1,517 new employees* (97.69 percent) passed the programs.
 - 14,842 out of 14,910 existing employees (99.54 percent) passed the programs.
- (Target: 100 percent of new and existing employees pass the programs.)

In this regard, the Bank has continually conducted communication and follow-up processes to achieve the target of 100 percent of employees passing the programs.

Remarks:

* Only new employees in 2019

** Excluding new employees who started working after September 3, 2019 as their working period does not reach 120 days.

Empowering Personnel toward Krungsri's Success

Details

To enable employees to understand new methods and requirements to assess employee behaviors of Krungsri Core Values, applicable from 2019 onwards.

Performance

261 employees attended the program.



Design Thinking

Details

It is a new online compulsory program provided in 2019 so that attending executives and staff members would be equipped with the design thinking concept, while understanding customers' true needs and adopting innovations toward success.

Performance

15,177 employees attended the program, representing 99.35 percent of the Bank's total employees. (Target: 100 percent of employees pass the program.)

Innovation & Digital Transformation

Details

It is a new online compulsory program provided in 2019 so that attending executives and staff members would be equipped with innovation and technology in bracing for technology changes, and able to apply technology in enhancing services and products for customers.

Performance

15,174 employees attended the program, representing 99.33 percent of the Bank's total employees. (Target: 100 percent of employees pass the program.)

Achieving Everyday Success

Details

The program was designed to enhance key skills and create core values as well as leadership, so that employees would be able to deliver their daily performance smoothly and successfully.

Performance

31 courses were included in the Annual Training Calendar with 85 classes held.

Striving beyond Your Best

Details

The program was designed to enhance staff skills and performance by boosting their efficiency, as well as self- and team effectiveness, and consequently business effectiveness.

Performance

28 courses were included in the Annual Training Calendar with 50 classes held, while there were 22 courses available online.

Getting Ready for Future

Details

The program was designed to prepare staff for their future work and to support them in growing in career paths amid business challenges and technology transformation. Staff will be trained to level up their mindset, and boost their required knowledge and skill sets through upskilling and reskilling processes, so that they would have more choices for future jobs. The program comprises the following three sections:

- **'Customer Centricity':** Delivering Customer Experience, Business Ecosystem, and Design Thinking
- **'Digital Capability':** Digital Acumen, UX/UI, and Big Data & Data Science
- **'Agility':** Agile Mindset/Thinking, and Openness to Change, Agility Leadership, Conceptual Thinking, and LEAN Start-up

Performance

Nine courses were included in the Annual Training Calendar with 14 classes held, while there were six courses available online.

Winning Business Challenges

Details

The program was designed to provide relevant insights in bracing and coping with business challenges.

Performance

Five courses were included in the Annual Training Calendar with 15 classes held, while there were 18 courses available online.

Growing Expertise

Details

The program was designed to enhance specific areas of expertise, including professionalism and service excellence for specific groups of staff. The program objective is to promote the Bank's strategy of customer centricity and impressive customer experience. This program was separated into 11 programs as follows:

- Commercial Banking Program
- JPC/MNC Banking Program
- Transaction Banking Program
- Branch Program

- Global Markets Program
- Credit Underwriting Program
- Audit Program
- IT Program
- Operations Program
- Finance Program
- Credit Skill Development Program

Performance

Based on the total 11 programs, 236 courses were available* with 1,779 classes held, which were attended by 43,378 staff members.

(* These are courses held as planned, excluding courses added during the year.)

Leading to the NEXT Level

Details

This leadership program which was designed to take employees to the next level are separated into multiple programs as follows:

- TRANSCEND: A nine-month program jointly developed by the Bank and Harvard Business Publishing for Division Heads or equivalents
- TRANSFORM: A nine-month program jointly developed by the Bank and Harvard Business Publishing for Department Heads or equivalents
- TRANSITION: A four-month program jointly developed by the Bank and Sasin School of Management for Section Heads or equivalents

There are also other short programs jointly developed by the Bank and MUFG, available for senior executives.

Performance

- TRANSCEND: 49 executives attending Class 1 (covering 2018-2019) were assigned to initiate and propose eight projects designed to improve the Bank's operations. (Projects initiated in Class 2, attended by 48 executives, are under the planning process.)
- TRANSFORM: Under the development process
- TRANSITION: Class 1 attended by 38 executives
- Short programs for senior executives developed by MUFG
- Global Leaders Forum (GLF): three executives
- Global Leadership Enterprise-wide Accelerated Development Program (Global LEAD): one executive



Blended Learning Solutions and Pathway

Details

To maximize learning potential and cooperation through the '70-20-10' concept to yield achievements worth investment and learning effectiveness. Multiple programs are available as follows:

- Achieving Everyday Success
- Growing Expertise
- Leading to the NEXT Level

Performance

- Achieving Everyday Success was included in the Annual Training Calendar, totaling 73 courses with 164 classes held, attended by 4,012 employees.
- Growing Expertise comprises 11 training calendars with blended learning programs, such as:
 - Training programs for IT Group and IT-related divisions comprising nine courses and five blended learning programs:
 1. Program/Project Manager in Speedy SDLC Pathway
 2. System & Software Architect Pathway
 3. Front-end Application Developer Pathway
 4. Back-end Application Developer Pathway
 5. Big-Data Engineer Pathway

- The Operations Program for the Operations Group, comprising 26 courses with 34 classes held, and the blended learning program 'Operations Academy Pathway' provided to develop and prepare leaders of the Operations Group.

Short-term On-the-Job Training

Details

Initiated, designed and managed by MUFG, this program aims to enhance learning opportunities among Krungsri Group executives and staff members for their self-improvement in accordance with the core value 'Global Awareness', while preparing them for future career paths as follows:

- Three-month Intensive Training Program in Tokyo, initiated by MUFG
- Global Business Accelerator Initiative administered by Host (GAIA)
- Three-month Intensive Training Program, initiated by business units of MUFG's head office/regional offices

Performance

11 persons attended the programs*.

Remark: * Only those attending these programs in 2019

Krungsri Leadership Academy

Details

The Krungsri Group Leadership Academy was established as a business unit that cooperates with the human resource business units of Krungsri Group in managing executive development programs as follows:

- 1) Prepare the Individual Development Plan for senior executives
- 2) Organize the Leadership Development Program
- 3) Organize the Krungsri Digital Leadership Journey for senior executives comprising diverse activities, such as strategy planning, business network creation, seeking innovations and new technologies for sustainable growth
- 4) Organize the Executive Development and Networking Program that gives executives opportunities to attend executive programs of leading organizations for knowledge and experience sharing with their executive peers from other organizations, such as the Capital Market Academy, the Thai Institute Of Directors, the Thai Institute of Banking and Finance Association, the Asian Banker, etc.

Performance

- Prepared the Individual Development Plan for 112 senior executives representing 100 percent of total senior executives
- Organized the Leadership Development Program totaling 21 courses attended by 653 executives



- Organized the Krungsri Digital Leadership Journey for 17 senior executives who had an opportunity to pay a visit to senior executives of diverse companies, including technology companies, financial institutions, FinTech startups and unicorns in China and the United Kingdom in 2019. Technologies, innovations and business networks learned from this program would be used to developed Krungsri's technology and innovations that lead to the Bank's business goals and good customer experience.
- Organized the Executive Development and Networking Program attended by 38 executives

Wealth Academy

Details

This is a special project run from 2018 to 2019 to enhance investment skills and knowledge for staff members who are financial advisors at branches so that they can provide advisory services to customers with expertise and efficiency. In 2020, responsible business units are recommended to continue running this project.

Performance

- Six new courses were developed, namely Client Needs Analysis, Client Needs Analysis for BM, Account Planning Role Play and Workshop, Investment and Asset Allocation for BWO, Investment and Asset Allocation for BM, and Family Wealth Planning.
- 1,224 employees attended 47 courses under this project.



Retail Banking Academy Project

Details

The project was developed by the Bank, in cooperation with vocational education institutes with an aim to create channels and opportunities for seeking quality talents in the finance, banking, or marketing fields. This would help build a strong employer brand, while giving a chance for students to learn through on-the-job training so that they would be able to adjust to the actual working environment in the future. Students participating in this project would be able to experience diverse activities concerning the Bank's overall business and branch operations, bank services, as well as code of ethics, code of conduct, and needed skills. The project comprises three modules as follows:

- Krungsri 101: Guidance to prepare for future work
- Krungsri 102: Make life simple
- Krungsri 103: Co-operative education training at the Bank's branches

Performance

The Bank, together with the Rajamangala University of Technology Phra Nakhon, Rajamangala University of Technology Krungthep, and Rajamangala University of Technology Thanyaburi, organized two courses, with four classes held, as follows:

- Krungsri 102, with three classes held, attended by 174 students
- Krungsri 103, with one class and workshop held, attended by 61 students from the three universities

Branch Career Program

Details

The program was initiated to support branch staff's career growth and to prepare the Bank's personnel for the future

- Stipulate and clearly communicate career growth and criteria for job rotation and promotions

- Qualification screening process
- Tests
- Interviews
- Training before starting a new position

Performance

Two rounds of Branch Career Program implementation were carried out (May and September 2019), with 77 staff members passing the test of 1/2019 round and 90 staff members passing the test of 2/2019 round.

Market Conduct and other related Programs

Details

These programs are developed and reviewed to provide branch staff knowledge and understanding of market conduct practices for consumer protection that promotes sustainable banking.

Performance

Programs held in 2019:

- Audit & Market conduct Issue Improvement Workshop
- Market Conduct for RD, RM, BM
- Market Conduct for Branch (Video Broadcast)
- New Hire Orientation Program for BWO regarding market conduct and a test
- New Hire Orientation Program for CSR regarding market conduct and a test
- CSR Preparation regarding market conduct
- New Hire Orientation Program for UTL regarding market conduct and a test
- Orientation Program for New BM regarding market conduct
- Other training courses regarding diverse products with roleplay workshops in market conduct for sales practices

Other related tests for branch staff members:

- Market Conduct test (online test @KLC)
- Post Test: Market Conduct for Branch (Video Broadcast)

ESG practices toward Sustainable Development

Details

Programs that promote sustainable development concerning environmental, social and governance (ESG) aspects are developed and reviewed.

Performance

Outside training courses held in 2019 include:

- Bangkok Sustainable Banking Forum 2019: An Industry Wake-up Call
- Green Bonds and the Sustainable Finance Context Executive Training Program
- Integrated Sustainability Reporting Course Master Class
- Risk & Recovery - Financing the Transition to Sustainable Seafood Production
- Sustainability Report Workshop: 'Raising the Bar for Sustainability Reporting by Deloitte'

Succession Plan

Details

Succession planning is carried out to identify and develop successors who can replace those in positions essential to the Bank's operations when they leave for business continuity and appropriateness. The established succession plans are reviewed annually.

Performance

Succession plans for 100 percent of key positions were created. (Target: 100 percent)

Online and In-class Training Programs, and Special Lectures Regarding Cybersecurity and Personal Data Protection for Business

Details

Emphasizing cybersecurity, the Bank put a high priority on developing training programs for executives and staff particularly those who carry out IT-related operations.

- To promote IT security and threat awareness among staff

- To enhance knowledge about the country's current IT standards and regulatory requirements
- To enable related parties to accurately operate per their cybersecurity roles in accordance with the organization's related policies

Performance

- Two online programs:
 - 1) 2019 - Policy for Enterprise Information Security (PC/Mobile/English Version)
 - 2) 2019 - Policy for Information Security
- 24 in-class training courses and special lectures were held for the Bank's Board of Directors, executives, and staff members particularly those who carry out IT-related operations. Examples included cyber resilience workshops for board members, and workshops on cybersecurity and personal data protection for business.

Online and In-class Training Programs, and Special Lectures Regarding the Personal Data Protection Act

Details

The programs were developed to provide executives and staff members knowledge and understanding of the Personal Data Protection Act, so that they can accurately analyze related impacts and operate in complying with the law.

Performance

Four in-class training programs and special lectures were held as follows:

- The Personal Data Protection Act, B.E. 2562 (2019): Process and Operating Guideline
- KM: The Personal Data Protection Act, B.E. 2562 (2019)
- Strategy in personal data management in accordance with the law
- In-depth analysis of the Personal Data Protection Act, B.E. 2562 (2019) and best practices

Online and In-class Training Programs and Special Lectures Regarding 'e-KYC' Technology

Details

To provide knowledge on e-KYC technology

Performance

Five training programs and special lectures were available:

- Knowing e-KYC: An Innovation toward Complete Digitization of the World
- Refresh of Understanding about KYC, Fraud and Commercial Banking Blending Product 2019 - SME
- Refresh of Understanding about KYC, Fraud and Commercial Banking Products 2019 - CBG & CA CBG
- Sharing: e-KYC, e-Consent and e-Signature
- KYC/CCD/UBO

Well-being and Safety, and Workplace Ergonomics

Details

The Bank places importance on staff well-being and safety, as well as workplace ergonomics, thereby holding related training programs for them.

Performance

Well-being and safety programs:

- Workplace safety for workplace happiness
- Managing mental health in the workplace
- Self-care strategies to reduce stress
- CPR/AED training under the CPR/AED Champion Project

Ergonomics programs:

- Office syndrome and bone health
- Interval yoga for fitness, health, and relaxation



e-Learning Programs

Details

An alternative platform for Krungsri staff's continuous self-learning and development for their improved learning agility, while attracting the younger generation to participate through the digitalized learning.

Staff members are enabled to select a variety of programs, developed internally and externally, in a convenient and boundless manner.

Performance

The e-learning programs available in 2019:

- 125 e-learning programs available via KLC
- 38 e-learning programs regarding Business Acumen and Professional Acumen available via the IRIS Consulting Learning Platform
- More than 400 e-learning programs available via Krungsri X SkillLane
- 41 e-learning programs available via Harvard Manage Mentor and Spark
- More than 500 financial programs of Growing Expertise by MUFG Global e-learning x Intuition

Fair Labor Practices and Respect for Human Rights

Krungsri places emphasis on fair employee treatments such as fair employment, respect for human rights, freedom of association and collective bargaining, impartial treatments and individual equality, compliance with international legal requirements and regulations on labor and human rights. The Bank understands that taking good care of the employees is key to make them happy and feel engaged with the organization. Eventually, it will enhance their working efficiency and elevate the competitive capability of the organization to achieve sustainable growth.

Management Approaches

The Bank and the Financial Business Group place emphasis on fair employee treatments and respect for human rights where the management approaches can be determined as follows:

Human Rights, Employment, and Workplace Diversity

- Established the '**Human Rights Disclosure Statement**' in 2018 that reads 'Krungsri recognizes respect for human rights as an important issue to be addressed in our business management to realize our Corporate Mission as a member of the world's most trusted financial group in serving society through sustainable growth. We aim to fulfill our responsibility to respect human rights across all of our operations. This disclosure statement reaffirms the Bank's commitment to meeting with the international sustainable issues and targets.'
- Established the '**Guidelines on Fair Hiring Practices**' by taking into consideration the appropriateness of the work regardless of ethnicity, genders, religions, ages, and compliance with labor laws and relevant employment practices. Moreover, we promote friendly working environments and respect for employees' rights.
- Focused on compliance with international legal requirements and frameworks of each country in which the Bank is operating its business such as Lao PDR.
- Formulated a termination guideline where 'terminated' employees are notified by the Human Resources Group before their payday for that month so that the effective date of termination falls on the payday

of the following month. In addition, severance is paid to such employees as per legal requirements to ensure fair treatment. Any change according to the period of negotiation between the Bank and the labor union will be based on the length of the period of the relevant agreement.

Compensation and Benefits

- Established the '**Nomination and Remuneration Committee**' by the Bank's Board of Directors. The Committee consists of no less than three independent directors or non-executive directors. The Chairman of the Committee shall be the Bank's independent director. The Committee is responsible for determining policy for remuneration and benefits that reflect objectives, duties and responsibilities, as well as the risks associated with the Bank and/or the companies in the Bank's Financial Business Group by adhering to clear and transparent regulations. The said remuneration and benefits should be considered competitive when compared to industry peers. Furthermore, the Committee is required to organize at least one meeting per quarter as deemed appropriate to ensure that the operation is efficient and obliged to report its performance to the Bank's Board of Directors.
- Established the '**Human Resources Committee**' to review and evaluate the key strategies, policies, and projects or action plans related to human resources operations of the Bank and its Financial Business Group to ensure the aforementioned strategies, policies, and projects or action plans are competitive and comparable with that of industry peers and designed to attract, motivate, and retain the Bank's talents in accordance with relevant laws and regulatory requirements.
- Established the '**Incentive Subcommittee**' by the Human Resource Committee to revise, supervise, and approve principles, guidelines, plans, and other issues related to incentive and/or rewards as well as the payment of incentives and/or rewards of the Bank and companies in financial business groups.
- Performed a survey and review the remuneration payment and provision of employees' benefits on a regular basis to improve criteria and remuneration structures in line with the current labor market trends as well as to ensure the Bank's remuneration and benefits are competitive and corresponding to industry peers. In this connection, gender difference will not be taken into consideration when determining remunerations, benefits, and promotions of the employees.

- Provided appropriate benefits to support employees and their family and/or reduce their cost of living and ease their financial concerns that will lead to good operating performance. The benefits can be categorized into seven programs as follows:

1. Health and insurance packages such as

- Annual check-up and additional health packages for employees who may be exposed to health impact arising from work
- Group health insurance, life insurance, total permanent disability insurance, and personal accident insurance
- Influenza vaccination program offered to the Bank's employees at a special price
- Krungsri clinic with medical doctors and nurses stationed at the Head Office (19th floor) and Krungsri Ploenchit Office (12th floor) who are ready to provide first aid care and health advice and to help employees save traveling expense to go the hospital as well as enhance convenience. The service hours are from 8.30 to 16.30 hrs. on business days.
- Happy Heart Center at Krungsri Head Office to offer an opportunity to the Bank's employees to share their family, personal, and work problems with and receive advice from psychologists from Chulalongkorn University. The information of the employees will be treated confidentially and their issues would not be reported to the Human Resources Operations Department. In this regard, the employees can access the Happy Heart Center service through the hotline channel or on a face-to-face meeting for which the appointment can be made via mobile phone or LINE application. The service is available on every business day from 10.00 to 17.00 hrs. when the mental health specialists will be available to provide the service at least one day per week.
- Launched mental and physical health programs as well as financial literacy training courses for the Bank's employees

2. Financial benefits such as home rental allowances; extra allowances for employees at the branches in high living cost areas; extra allowances for the officers at the branches that are open six or seven days a week for service; child education allowances; financial support in case of workplace

relocation; financial relief in case of disaster; financial support in case of death or the death of a spouse or parents; mobile phone allowances

3. Employee loans such as welfare loans; housing loans; family loans; computer loans; education loans; car or motorcycle loans; and other loans

4. Provident funds with the objective to give benefits to the employees after their retirement or resignation, motivate them to perform efficiently, as well as foster savings habits to ensure that the employees can live happily after retirement

5. Social security benefits with the objective to give benefits and life security to the employees in case of illness, giving of birth, disability, death, children's allowances, aging, and unemployment to ensure that the Bank's employees access medical treatments and have a secondary financial support. This benefit is an additional allowance which was not included in the Bank's health benefit packages.

6. Compensation funds with the objective to give benefits and life security to the employees in case of accidents, illness, or death as a result of a work-related cause. This benefit is an additional allowance which was not included in Bank's health benefit packages.

7. Funeral Assistance Association of the Bank of Ayudhya Public Company (Limited) established to help and cover the expenses for the funeral of the members and former Krungsri employees

- Communicated about employee benefits through the Bank's employee manuals and online channels such as One Krungsri Portal (Intranet), Krungsri People Application, WE Connect Application.
- Provided other facilities in the office to promote employees' well-being namely:
 - Facility for religious activities such as prayer rooms for Buddhists and Muslims
 - Facility for employees and children such as a maternity room and Krungsri Child Care center
 - Facility for occupational health and wellness such as Krungsri Canteen, Krungsri Fitness Center, Oasis Corner, and Krungsri D-Space
- Launched the employee's performance management system and formulate the operating manual to determine the annual performance target to be communicated to all employees. In this regard, the performance of employees at all levels shall be evaluated using KPIs and Krungsri Core Values criteria covering six aspects

namely Customer Centricity, Integrity, Team Spirit, Passion for Excellence, Making Innovative Changes, and Global Awareness. The said results will be used to summarize the overall performance of each employee. Furthermore, the aforementioned performance shall

be calculated and analyzed before making a bonus payment, salary increase, and promotion to promote the culture of a High Performance Organization and retain the employees with outstanding performance and good conduct in line with the Bank's core values.

Structure for determining operational target

Points	Indicators	Definition of Indicators
100%	Financial KPI	
	The Financial KPI consists of a result of internal management or the employee's roles and responsibilities reflecting in profit and loss, balance sheet, and OPEX.	
	Non-Financial KPI	
	Customer & Society KPI	The indicator refers to services offered to both internal and external customers such as marketing process, customer base expansion, customer satisfaction, and collective efforts to develop and participate in CSR activities.
	Internal Process KPI	The indicator refers to the operating process that indicates the strategy and operational excellence such as initiative, strategy, process improvement, business process innovation.
	Human Capital KPI	The indicator refers to a strategy to manage, develop, and retain human workforce in the organization such as employee improvement (e.g., knowledge development, individual development plan), retention of employees, and the level of employee engagement.

Promotion of Employee Engagement

- Organized activities to foster engagement of employees such as employee engagement activities of the divisions or departments, Pay Day Play Day, and other activities such as a merit-making ceremony on the occasion of Krungsri's establishment anniversary, Songkran festival, and retirement and service recognition ceremony.
- Established the Krungsri Club to encourage employees from different business units to get to know each other and participate in activities and hobbies together during free time. The employees can choose to be members of clubs of their interests such as the music club, running club, bike club, football club, shooting club, and photography club.
- Conducted an employee opinion survey (Voice of Krungsri) by an external party. Employees' feedback would be taken into consideration to develop the human resource operation as well as enhance efficiency and engagement of the employees.



Freedom of Association and Collective Bargaining

- Promoted and offered an opportunity to employees to establish and become members of Krungsri Labor Union according to the Labor Relations Act B.E. 2518 (1975); encouraged employees to exchange opinions with the Bank; and created good labor practice in the organization. A meeting between the Krungsri Labor Union Committee and the Human Resources Group was organized to discuss about problems related to environment and employee benefits as well as provide beneficial recommendations for the Bank's employees.

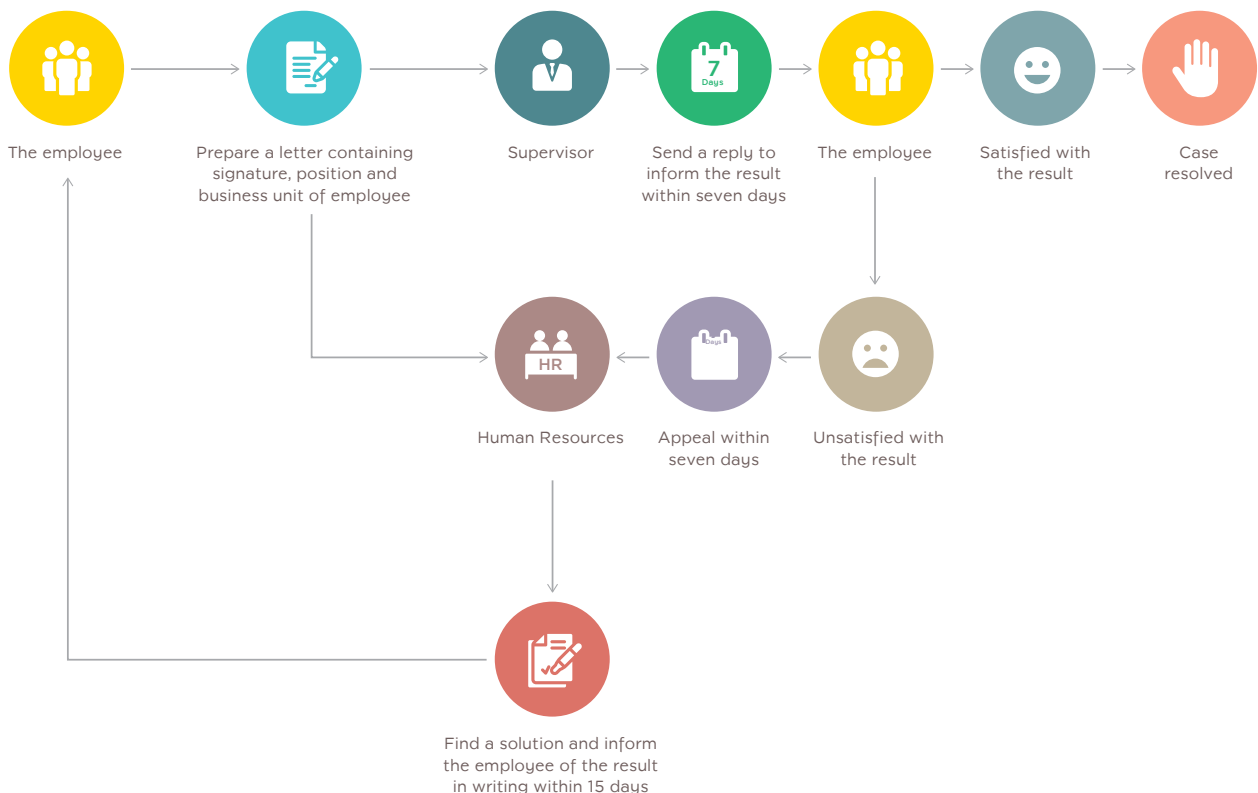


Listening to Employee Voice

- Enabled employees to voice their concerns through various channels in a bid to help solve their problems according to the Bank's regulations as follows:

Issues	Channels
Issues about working, employment, termination of employment, discipline, ethics, and integrity	- Employee Relations and Disciplinary Procedure Department , 12 th Floor, Head Office, Tel. 0-2296-2000, Ext. 72834/72837
A center to provide services and advice related to personal, welfare, and workplace environmental issues	- HR Service 12 th Floor, Head Office, Tel. 0-2296-2000, Ext. 85577

Channel for filing complaints with regard to employment and workplace issues



Operating Results

Total workforce of Krungsri Group

35,994* employees

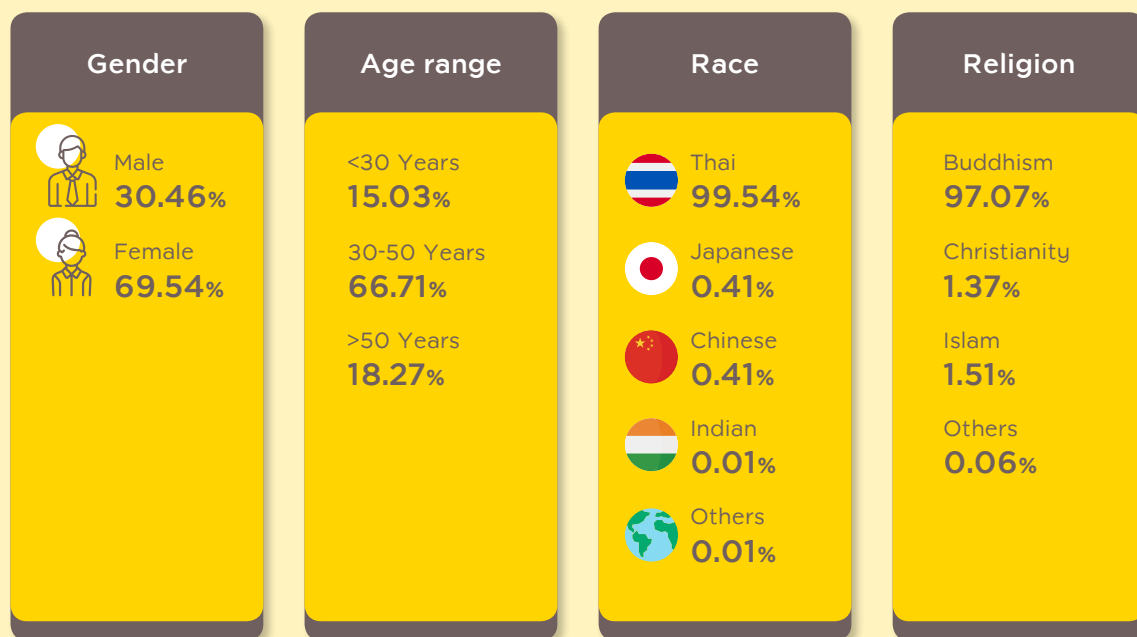
* This number includes permanent and temporary employees of the Bank, subsidiaries, and joint ventures.



Gender diversity in the workplace



Krungsri's permanent employees: **15,280** persons



Humans of Krungsri



The World of
Wisdom



The Glocal
CEO



The Equality



The
Opportunity



The Happiness

Meeting of the Nomination and Remuneration Committee

Details

At least one meeting per month

Performance

A total of 16 meetings were held.

Meeting of the Human Resources Committee

Details

At least one meeting per month

Performance

A total of 17 meetings were held.

Meeting of the Incentive Committee

Details

At least one meeting per year

Performance

A total of two meetings were held.

Meeting of the Krungsri Labor Union

Details

The meeting shall be organized on a regular basis.

Performance

A total of four meetings were held.

Meeting of the Krungsri Cremation Association

Details

At least one meeting

Performance

A total of one meeting was held.

Annual check-up

Details

Arranged for an annual health check-up and offered additional health examination packages to employees who may be exposed to the risks arising from work

Performance

- The Bank's employees received an annual health check-up available from July 1 to December 31, 2019 according to the Bank's condition.
- The annual health check-up result of all vulnerable employees (100 percent) revealed no health issues about irregular respiratory system, hearing problem, and the lead level in the blood circulation system.

Group Health Insurance

Details

To reduce employees' medical expenses.

Performance

In 2019, the Bank provided the 'Flexible Group Health Insurance Plan' for employees of Plan 1 (Officer 1-6) and those of Plan 2 (Officer 7-8) to enable them to choose the insurance plan that best suits their needs.

Influenza Vaccination Programs

Details

Arranged for influenza vaccination programs for 2019 Southern Hemisphere Influenza Season according to the announcement of the World Health Organization (WHO). Vaccination for four types of influenza namely H1N1 (2015), H3N2 (2017), B/Victoria, and B/Yamagata was given to the Bank's employees and their family at a special price. This was aimed to reduce medical expenses and maintain employees' good health condition

Performance

In May 2019, the Bank offered influenza vaccination programs to employees at the Rama III Head Office, Krungsri Ploenchit Office, and SSP Tower.

For branch employees, the Bank sent local nurses to administer the vaccinations.

Knowledge Sharing Sessions about Physical and Mental Health as well as Financial Literacy

Details

To take care of the health and wellness of the Bank's employees and their family, reduced their medical expense, and offered peace of mind to the Bank's employees



Performance

In 2019, the Bank organized 'Good Health, Good Wealth, Good Life' event during May 14-15, 2019 at Krungsri Head Office. Various activities were organized to promote good physical, mental, and financial health as follow:

- Health kiosks from leading hospitals such as acupuncture services, body massage, facial skin examination, blood glucose examination, blood residue examination, and stress level examination
- Activities to promote good financial health such as a lecture on 'Secret Savings Formula for Happy Retirement', investment advice from Krungsri Securities Public Company Limited, Krungsri Asset Management Company Limited, employee benefits 'Krungsri Easy Fin Fin 16/8', and first-class health insurance plan from Allianz Ayudhya Assurance Public Company Limited
- Medical products offered at a special price such as PM2.5 masks from Unicharm, blood pressure meter, blood glucose meter, and dustmite proof bed sheet



Preventive Measure Against PM2.5

Details

The Bank was well-prepared to handle deteriorated air quality due to PM2.5 by distributing N95 masks to employees to maintain their good health condition.

Performance

In 2019, the Bank distributed a total of 24,000 masks to the Bank's officers and temporary officers throughout the country.

Teeth Scaling Service

Details

To take care of employee's oral health and reduce their medical expense

Performance

The Bank provided a mobile teeth scaling unit for the employees under social security welfare (no advance payment needed). The service was offered by dentists from Pat Rangsit Hospital at the first aid room, 19th floor, Rama III Head Office from May 14-31, 2019

Flexible Working Hours for Each Employee

Details

The Bank adjusted working hours of the employees in line with their respective roles, responsibilities, and necessities. In this regard, the adjusted working hours shall not affect customers or operations of the Bank. The employees can choose their preferred working hours (one-hour break included) from the following period: 7.30-16.30 hrs., 8.00-17.00 hrs., 9.00-18.00 hrs., and 9.30-18.30 hrs.

Performance

The project started in 2019. The employees participating in the project should be endorsed by their respective supervising units before adjusting their working hours.

Krungsri Fitness Center

Details

Professional fitness trainers are available at the facility to give advice on how to use exercise machines safely. The fitness center opens for service from Monday to Friday at 6.30-21.00 hrs.

Performance

In 2019, there were 1,507 employees using Krungsri Fitness Center — 39,628 times a year or 150 times a day.





Krungsri Club

Details

Various clubs were formed to encourage employees from different divisions to collectively perform activities and spend their free time together.

Performance

- At the end of 2019, there were a total of 11 Krungsri clubs namely the bike club, tennis club, soccer club, photography club, Krungsri running club, badminton club, music club, volunteers club, basketball club, shooting club, and table tennis club, totaling 1,738 members.
- There were nine fair markets to sell quality and inexpensive products to the Bank's employees.



Listening to Employee Voices

Details

Krungsri provided communication channels with an aim to enable employees to report their problems or voice their various types of concerns through:

- Employee Relations and Disciplinary Procedures Department

- HR Service
- Krungsri Labor Union

Performance

In 2019, there was no complaint related to human rights, discrimination, unfair treatment, or violation of employee rights.

Voice of Krungsri

Details

The Bank designed this program to analyze the results to develop and enhance efficiency of the human resource management system in response to the needs of the employees.

Performance

In 2019, the Bank did not conduct employee engagement survey but focused on improving the working infrastructure, systems, device, and equipment to enhance the operational efficiency to ensure that the employees are happy while working in the organization. Also, the Bank offered them opportunities for career growth in a sustainable manner while also focusing on creating good working environment to enhance employee engagement. These following actions were taken:

- Provided various knowledge enhancement programs to equip employees with necessary skills for the future and encourage them to grow amidst challenging business landscapes and technology revolutions
- Encouraged employees to make the most of their knowledge and creativity during work to drive the organization forward under the strategic theme 'Digital First' as well as created business advantages such as agile working style, big data organization, and artificial intelligence
- Organized employee engagement activities through 'Mailbox of Love' — enabling the employees to express gratitude and send a word of appreciation to each other

Krungsri Child Care

Details

The Child Care Center was established to take care of children of the Bank's employees during school breaks. The Bank prepared a room for children, equipped with recreational items, children books, and facilities.

Performance

In 2019, the Krungsri Child Care was used by employees' children for 200 times.

Occupational Health, Safety, and Working Environment

Krungsri has always placed high value on managing occupational health, safety, and working environment which affect not only employees' quality of life and properties, but also those of other stakeholders including contractors and vendors, as well as the Bank's reputation and image, and employees' families.

The Bank, therefore, has committed to taking care of employees and related parties operating at our Head Office, Krungsri Ploenchit Office, and branches to ensure workplace hygiene and safety.

Management Approaches

- Established the '**Safety, Occupational Health and Environment Committee**' comprising 11 employer and employee representatives with a term of two years each. Meeting once a month, the committee has

a duty to consider policies, action plans, and compliance with regulatory requirements related to safety, occupational health, and environment

- Stipulated the '**policy regarding environment, well-being, and safety**' as a guideline in establishing workplace well-being and safety measures. The policy is applicable to the Bank and the companies in the Financial Business Group of which 50 percent of shares are held by the Bank (subsidiaries). The subsidiaries may approve or apply this policy as a guideline for preparing their respective comparable policies
- Held training sessions regarding workplace well-being and safety
- Organized projects or activities to consistently communicate with employees about workplace well-being, safety, and environment
- Controlled and assessed workplace environment, and also file information about employees' work-related injuries, accidents, and illness
- Provided channels for workplace well-being, safety, and environment complaints

Performance

Occupational Health and Safety Data		Unit	2018	2019
Injury Rate (IR)	Number of employees per 200,000 operating hours		0.00	0.00
Lost Time Injury Rate (LTIR)	Number of employees per 200,000 operating hours		0.01	0.02
Lost Day Injury Rate (LDIR)	Number of lost days per 200,000 hours		0.31	0.44
Occupational Disease Rate (ODR)	Number of employees per 200,000 operating hours		0.00	0.00

Remarks:

Injury Rate (IR) = Number of injury * 200,000/total number of hours worked

Lost Time Injury Rate (LTIR) = Number of lost time cases * 200,000/total number of hours worked by employees

Lost Day Injury Rate (LDIR) = Number of lost day cases * 200,000/total number of hours worked by employees

Occupational Disease Rate (ORD) = Number of occupational disease cases * 200,000/total number of hours worked by employees

Training for the Safety, Occupational Health and Environment Committee

Objectives

To ensure that the committee acknowledges its roles and duties, and to comply with the Ministerial Regulations: The Standard for Administration and Management of Occupational Safety, Health and Environment B.E. 2549 (2006)

Performance

In 2019, two new committee members were appointed and elected in replacing former committee members. The new committee members also attended the training.

Meetings of the Safety, Occupational Health and Environment Committee

Objectives

To follow up on operations of safety, occupational health, and environment of the past month, including potential risks and preventive solutions for potential incidents, and to supervise the Bank's compliance with regulatory requirements related to workplace environment, well-being, and safety

Performance

11 meetings were held in 2019. (The January meeting could not be held due to failure to achieve a quorum as many committee members were absent. Therefore, January's meeting agendas were included in those of February.)

Air Quality Assessment

Objectives

- To assess and control air quality in the building to be on par with the standards
- To assess and control air quality in the building to be on par with the standards
- To notify air quality information to employees and related parties so that they could be prepared and protect themselves when commuting outside the building

- To acknowledge the current and future conditions of environment in the area of the Bank's operations

Performance

- Four rounds of assessment were carried out at 6.00 hrs., 10.00 hrs., 14.00 hrs., and 16.00 hrs. on each working day at the Head Office and Krungsri Ploenchit Office (KSPO).
- The air quality assessment results were displayed on the LED TV screen in front of the Head Office and Krungsri Ploenchit Office (KSPO).

Health Risk Assessment among High-risk Employees

Objectives

Employees of the Document Collection Section, under the Domestic Cheque Operations Department, are among the employees who are at high risk of developing respiratory diseases due to their exposure to toxic substances of paper pulp. The Bank, therefore, has them undertake annual health check-ups and closely monitor impacts on their health.

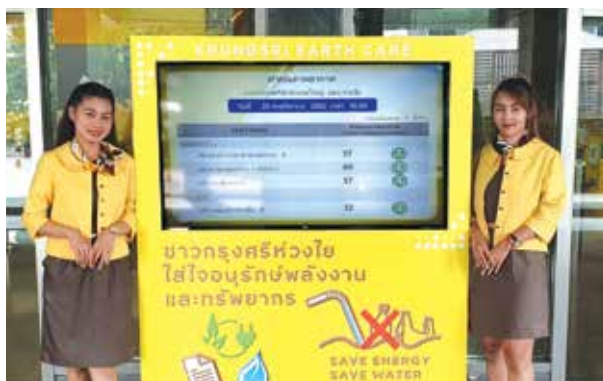
Performance

The 2019 health check-up results of 20 employees of the Document Collection Section, under the Domestic Cheque Operations Department, showed that all of them are normally healthy.

Fire Evacuation Drills

Objectives

To ensure that employees learn about fire safety best practices and to comply with the Ministerial Regulations: The Standard for Service, Management, and Proceeding on Occupational Safety, Health and Environment at a Workplace for Prevention and Extinguishment of fire, B.E. 2555 (2012) which requires the Bank to undertake a fire evacuation drill at least once a year



Performance

In 2019, fire evacuation drills were carried out for staff of Krungsri and subsidiaries at the Head Office, Krungsri Ploenchit Office (KSPO), Bangna Tower, Ploenchit Tower, and Tonson Tower.

Basic Fire Safety Training**Objectives**

To ensure that employees are equipped with basic fire safety knowledge which can be applied in their daily activities for life and property safety, and to comply with the Ministerial Regulations: The Standard for Service, Management, and Proceeding on Occupational Safety, Health and Environment at a Workplace for Prevention and Extinguishment of Fire, B.E. 2555 (2012)

Performance

Two training sessions were held for employees of the Bank and subsidiaries at the Head Office in March and December 2019.

**Safety & Security Day****Objectives**

To ensure that employees learn about diverse safety systems, including security innovations

Performance

The Safety & Security Day activities were held on 9th floor, Head Office, in March and December 2019.

Robbery Simulation Drills at Branches**Objectives**

To ensure that employees learn about best practices for emergency response by organizing robbery simulation drills

Performance

Robbery simulation drills were organized in three branches, namely Nong Khae Branch, Saraburi, Bang Pakong Branch, Chachoengsao, and Thanon Rangsit-nakhon Nayok (Khlong 2) Branch, Pathum Thani

**Handgun Shooting Drill for Branch Security Guards****Objectives**

To ensure that branch security guards learn about accurate and safe emergency response procedures, and be able to use handguns with safety and accuracy

Performance

12 handgun shooting drills were carried out for security guards overseeing branches in all regions.

Complaint Channel for Workplace Well-being, Safety, and Environment**Objectives**

Through the email committee.Safety@krungsri.com, employees can make complaints regarding workplace well-being, safety, and environment, so that the Safety, Occupational Health and Environment Committee could provide relevant solutions.

Performance

Four complaints were made in 2019. The committee discussed and took actions to rectify the issues accordingly.



CPR/AED Champion Project

Objectives

To ensure that branch security guards learn about accurate and safe emergency response procedures, and are able to use handguns with safety and accuracy

Performance

- Four life-saving first aid training sessions were organized and attended by 310 persons in 2019, integrating theory and practice of giving Cardiopulmonary Resuscitation (CPR) and using the Automated External Defibrillator (AED) which are life-saving first aid for persons with sudden cardiac arrest.
- A 'CPR/AED Champion' team was established, comprising volunteers who are trained to save lives and whose life-saving skills are assessed by experts. They must pass assessments stipulated and be able to perform life-saving first aid for colleagues of the Bank and companies in the Financial Business Group, as well as our customers and the general public, who have sudden cardiac arrest. In addition, a CPR/AED Champion ID card and a CPR/AED Champion flag for displaying at volunteers' seat are provided to each of them.
- The procedure for the CPR/AED Champion team and related parties was provided to stipulate their overall operations.
- At least 18 AED devices were purchased and installed in buildings of the Bank and companies in the Financial Business Group, while a regular device maintenance schedule was established to ensure that they would be ready for use in three following areas:
 - Rama III area: Head Office (Building A, Building B, and Building C), Mortgage Loan Center, Krungsri Learning Center (KLC), Talent Acquisition Center, Cash Management (Cheque Distribution Center), and parking building
 - Ploenchit area: Krungsri Ploenchit Office (KSPO), Tonson Tower, and Ploenchit Tower
 - Bangna area: Three buildings of Bangna Tower (Building A, Building B, and Building C)
- Action plan for 2020: The Bank plans to provide CPR/AED Champion labels to be displayed at the front of the volunteers' office area of each floor. Communication would be carried out to acknowledge all employees, while a CPR/AED e-learning course will be provided for employees at all levels every two years.



Stakeholder Engagement

Stakeholder engagement is one of the cornerstones of an organization's success and sustainability. Placing high value on shareholder engagement, Krungsri has established processes that build meaningful stakeholder engagement focusing on their very own expectations on the Bank's operations, including issues that could spill over into the Bank's business capabilities. The Bank takes these expectations into account while making strategic business decisions, so that we would be able to respond to expectations across all stakeholder groups and to create shared value for communities and society.

Management Approaches

- The Bank ensures that a stakeholder analysis process is in place taking into account diverse relevant factors, including the context of relationships and connection with stakeholders, impacts of the Bank's operations on stakeholders in terms of economic, social, environmental, and governance aspects, mutual dependency, codes of conduct, and responsibility toward stakeholders. Krungsri categorizes stakeholders into nine groups in accordance with their respective impacts on the Bank: executives and employees, customers, shareholders, suppliers or vendors, creditors, regulators, investors, other commercial banks or financial institutions, and communities and society. The priority of each stakeholder group has been identified.



- The Bank's all business units are required to conduct stakeholder analysis concerning their respective operations, while considering related laws, regulations, requirements, and guidelines of diverse regulators including the Stock Exchange of Thailand, the Bank of Thailand, the Office of the Securities and Exchange Commission, the Office of the Consumer Protection Board, National Credit Bureau Co., Ltd., and the Ministry of Labour, to stipulate appropriate operating guidelines and participation. Therefore, we can properly respond to expectations of each stakeholder group.

Managing Stakeholder Engagement and Expectations

Executives and employees

Expectations

- Clear business direction and goals
- Codes of conduct and employee fair treatment
- Appropriate compensation, welfare, and benefits
- Overseeing occupational health, safety, and environment of the workplace
- Job security and advancement
- Respect for labor and human rights

Engagement and Communication Channels

- Town Hall Meeting held at least once a year
- Krungsri Leadership Meeting held at least once a year
- Meetings for discussion among executives and employees in the same and different divisions
- Year-round communications among the Human Resources Management Division, executives and employees through diverse activities and/or channels
- Engagement activities of the Bank, executives and employees in diverse opportunities, e.g., New Year parties, Songkran Festival, retirement parties, and team building or engagement activities.
- Monthly meeting with representatives of Bank of Ayudhya's labor union
- Message from the President and Chief Executive Officer at least once a month
- Internal communications via diverse channels, e.g., the intranet 'One Krungsri Portal', application 'WE Connect', e-magazine 'Krungsri Life', e-newsletter 'Around Krungsri' and 'ESG Flash', and announcements via a public address (PA) system
- View sharing between external experts and the Bank's executives and employees

Approaches and Responses

- Human resource development
- Annual staff training and career path planning
- Overseeing workplace well-being, safety, and environment
- Fair labor practices and respect for human rights
- Listening to employee complaints via the Bank's complaint channels, e.g., HR Service, and Whistleblowing Channel
- Engagement activities between executives and employees

Customers

(Corporate, SME, and Retail)

Expectations

- Provision of accurate and complete information of products and services
- Provision of appropriate products and services which match customer needs
- Professional and speedy services
- Customers' rights and personal data protection

Engagement and Communication Channels

- Annual customer satisfaction survey conducted at least once a year
- Communication about product and service information via diverse channels including online and social media accounts of 'Krungsri Simple', leaflets, brochures, marketing activities, etc.
- Year-round activities to build strong relationships with customers, e.g., seminars, business matching activities
- Krungsri Call Center 1572

Approaches and Responses

- Fair treatment of customers
- Customers' personal data protection
- Provision of accurate and complete product and service information per best market-conduct practices
- Accountability to customers in terms of products and services
- Provision of impressive customer experiences through product and service innovations taking into account economic, social and environmental dimensions
- Adopting innovation and technology that help increase customer access to products and services, such as Krungsri Mobile Application (KMA), Krungsri Online, and Krungsri Biz Online, QR Code payment via Krungsri Mung-Mee, and the website www.krungsri.com
- Provision of a whistleblowing channel and customer complaint resolution process

Shareholders

Expectations

- Qualifications and professionalism of the Board of Directors and executives, and the proportion of independent directors
- Impressive returns
- Disclosure of operating results in an accurate, complete, transparent, and verifiable manner

Engagement and Communication Channels

- Annual and/or extraordinary general meeting of shareholders (at least once a year)
- Dissemination of the Annual Registration Statement (Form 56-1), annual report (Form 56-2), and sustainability report (once a year)
- Information dissemination through the website www.krungsri.com

Approaches and Responses

- Good corporate governance and codes of conduct
- Anti-fraud and corruption policy
- Prudent risk management
- Business continuity management
- Respect for shareholder rights and ensure their equality
- Delivering good performance and reasonable returns
- Developing digital innovation and operating systems
- Disclosure of operating results in an accurate, complete, transparent, and verifiable manner via diverse channels
- Provision of a whistleblowing channel

Investors

Expectations

- Qualifications and professionalism of the Board of Directors and executives, and the proportion of independent directors
- Compliance with principles of good corporate governance and transparency
- Business operations that take into account economic, social, and environmental dimensions
- Efficiently managing opportunities and risks
- Disclosure of operating results useful for investors' decision-making
- Operating results and business growth

Engagement and Communication Channels

- Regular meetings with investors and analysts
- Teleconferences
- Holding year-round meetings and roadshows at home and abroad

- Holding securities analyst meetings
- Holding meetings with credit rating agencies which rate Krungsri and our subsidiaries
- Organizing company visits to Krungsri's subsidiaries
- Holding press conferences on performance, business acquisition, and key developments
- Preparing press releases presenting Krungsri's financial status
- Reporting quarterly operating and financial results through the Stock Exchange of Thailand
- Notifying news about the Bank's key developments via email on a year-round basis

Approaches and Responses

- Establishment of an investor relation business unit to disclose information and contact investors and securities analysts
- Good corporate governance and codes of conduct
- Anti-fraud and corruption policy
- Prudent risk management
- Business continuity management
- Delivering good performance and reasonable returns
- Developing digital innovation and operating systems
- Disclosure of Krungsri's financial and non-financial information accurately, adequately, transparently, regularly, and timely through diverse channels and media, e.g., preparing quarterly management discussion and analysis (MD&A)
- Provision of whistleblowing channels

Vendors/Suppliers

Expectations

- Fair and equitable treatment of vendors/suppliers
- Accurate and adequate information, and equal access to information
- Fair vendors/suppliers selection
- Transparent procurement and fair payment
- Protection of customer confidentiality
- Provision of chances to join hands with the Bank and companies in the Financial Business Group in the future

Engagement and Communication Channels

- Regular news updates via email, e.g., Krungsri Group's The Spirit and The Letter, Environmental Disclosure Statement, and Human rights Disclosure Statement
- Meetings between the Bank and vendors/suppliers
- Notification of the gift and entertainment policies at least once a year particularly during the New Year festival
- Company visits to vendors/suppliers

Approaches and Responses

- Codes of conduct
- Fair treatment of vendors/suppliers
- Use of e-auction for transparency
- Provision of accurate and adequate key information and conditions under common standards
- Strictly honoring contracts or conditions agreed with vendors/suppliers
- Keeping information received from vendors/suppliers confidential
- Provision of whistleblowing channels

Creditors

Expectations

- Honoring agreed terms and conditions
- Timely debt repayment
- Liquidity and expectation of potential emergency incidents which could impact liquidity

Engagement and Communication Channels

- Company visits
- Meetings for discussion in diverse occasions

Approaches and Responses

- Honoring agreed terms and conditions based on integrity, equality, and fairness
- Timely interest payment and debt repayment
- Refraining from disclosing creditors' confidential information
- Provision of accurate and adequate information and organizing activities that promote mutual understanding, e.g., giving advance notice to officers to jointly seek related solutions, in case that agreed terms and conditions cannot be honored

Regulators

Expectations

- Good corporate governance and business operations under the 'sustainable banking' principles
- Creating economic and social value
- Codes of conduct and fraud and corruption prevention
- Compliance with relevant laws and regulations
- Transparency and disclosure
- Potential impacts caused by the Bank's operations on the society and environment

Engagement and Communication Channels

- Regular meetings and cooperation with, and reporting to regulators
- Meetings in important occasions
- Transparent disclosure via the Bank's channels

Approaches and Responses

- Good corporate governance and a code of conduct
- Anti-fraud and corruption
- Prudent risk management
- Business continuity management
- Compliance with relevant laws and regulations
- Cooperation and support in creating economic and social value, and compliance with the sustainable banking policy

Other commercial banks or financial institutions

Expectations

- Fair competition
- Banking and economic development
- Cooperation for sustainable development

Engagement and Communication Channels

- Regular meetings with member banks through the Thai Bankers' Association (TBA), the Payment Systems Committee (PSC) or the Thailand Banking Sector Computer Emergency Response Team (TB-CERT), held at least once a month.
- Meetings with member banks through the TBA's clubs including the CSR Club, and Compliance Club.
- Year-round communications among member banks through the TBA's clubs

Approaches and Responses

- Fair competition with a level playing field under stipulated regulatory requirements
- Provision of marketing information that would not impact competitors
- Participation in activities beneficial for the financial and banking industry to prevent negative impacts on the banking system
- Participation in and cooperation with member banks in matters on which the government agencies seek cooperation, such as assistance measures during disasters, or the government's activities, or preparation for cyber threats

Communities and society

Expectations

- A variety of products and services in response to the needs of local communities particularly low-income earners, the underprivileged, etc.
- Provision of complete and accurate financial products and services

- Quality of life enhancement and promotion of income generating activities for communities
- Potential social and environment impacts caused by the Bank's operations
- Resource efficiency

Engagement and Communication Channels

- Provision of products and services that respond to community and society needs
- Organizing corporate social responsibility (CSR) activities with CSR staff joining local communities in participating in the activities
- Create value for communities and society using the organization's expertise to organize financial literacy projects that help develop and promote the economic strength of communities and social enterprises, such as signing memorandum of understanding with the Social Enterprise Thailand (SETH)
- Discussion and cooperation with local units to promote activities that help enhance communities' quality of life
- Quarterly meeting of the Corporate Social Responsibility Committee

Approaches and Responses

- Development of products and services in accordance with community and society needs and enhancing appropriate channels to access products and services
- Establishment of the 'Corporate Social Responsibility Committee' (CSR Committee) to drive and oversee sustainability operations of Krungsri Group. The Bank's President and Chief Executive Officer is the Chairman of the committee. In addition, one of the Bank's executive directors (Chief Financial Officer) and other senior executives from diverse groups of Krungsri Group are the committee's directors.
- CSR operations are carried out under 'Krungsri's 4 CSR Pillars' namely Building Sustainability Value, Giving Back to the Community, Preserving the Environment, and Providing Financial Support.
- Satisfactory survey conducted among those participate in CSR activities
- Listening to perspectives of the communities and society and providing whistleblowing channels
- Dissemination of the information of CSR activities via our website: www.krungsri.com, as well as provision of the sustainability report

Community Participation and Social Engagement

Krungsri is well aware that as a financial institution with the duty to conduct business responsibly, another of its key roles as a member of society is to be jointly responsible for the communities and societies in the vicinity of the Bank's operating areas, extending to society at the national level. Corporate social responsibility and fulfilment of stakeholders' expectations are considered the main missions that Krungsri continues to deliver.

Krungsri places importance on engaging with communities and society because we are well aware that development of society and the country leads to stability and sustainability, but all this cannot be accomplished by any single agency or organization. We need diverse know-how from experienced entities together with cooperation from communities as the key driver, combined with raising awareness among Krungsri Group employees of

the concept and importance of making contributions to society as a good corporate citizen. This is where '**Krungsri volunteer spirit**' steps into the picture to support these social operations for concrete achievements.

Therefore, Krungsri underlines instilling volunteerism and a sharing mindset in all employees in accordance with the '**Simple to Share**' concept and promoting the participation of executives and employees at all levels in Krungsri Group in improving communities and society through the range of projects and activities that cover all economic, social, environmental, to cultural dimensions with cooperation from external agencies and alliances, e.g., the Stock Exchange of Thailand, Thai Bankers' Association, Thai Red Cross Society, Social Enterprise Thailand Association, Mae Fah Luang Foundation under Royal Patronage, Department of Fine Arts, and foster homes in order to develop and improve the living quality of community inhabitants for strengthened and sustainable growth.

Management Approaches

The Bank stipulated a corporate social responsibility framework called 'Krungsri's 4 CSR Pillars' for responding to sustainable development at the national and international levels. Details are as follows:



Performance



4.62 million baht*
of investments for community
and social development



33.88 million baht*
of donations



13,654 Krungsri Group volunteers participating in social
contribution activities, totaling **73,566** volunteer hours

* Bank of Ayudhya only

Creating Sustainability Value



ESG Open House

Objectives

To raise executives' and employees' awareness of helping to create a sustainable society, including disseminating the CSR approaches in four dimensions (CSR 4 Pillars) and giving employees the opportunity to become Krungsri volunteers in their preferred CSR activity

Performance

- Activity was held for the fourth consecutive year at the Head Office under the 'Krungsri Zero Waste' theme
- 1,015 executives and employees as Krungsri volunteers assisted in 11 CSR activities planned and carried out by the Bank.

Collaboration with the Social Enterprise Thailand Association (SETH)

Objectives

To promote widespread positive social and environmental impacts through the mechanism of conducting business in a responsible and sustainable manner

Performance

- Krungsri signed an MOU with the SETH on providing support in the form of training in financial and business management as well as financial products and services and the Bank will also consider special credit underwriting conditions to social enterprises as deemed appropriate.

Training and Educating Employees on the Topic of 'Care the Bear: Change the Climate Change by Eco Event' by Experts from the Stock Exchange of Thailand

Objectives

To educate employees in global warming, greenhouse gases, and global warming solutions, focusing on internal collaboration

Performance

- 32 representatives from relevant business units were trained. After the training, Krungsri joined the 'Care the Bear' alliance to reduce greenhouse gas emissions.

Training and Educating Employees under the Topic of 'Krungsri Zero Waste: Reducing Waste to help the Environment' by Experts from Chulalongkorn University

Objectives

To instill environmental preservation mindset and create the correct understanding of waste problems and global warming, ultimately leading to waste management for solving global warming by starting from internal collaboration

Performance

- 90 executives and staff members of the Collections Department and other departments used the received knowledge to pilot waste management projects and reduce single-use plastic items in the organization.

Giving Back to Community



Krungsri Financial Literacy: Simple to Learn Project

Objectives

To promote financial literacy and the basic knowledge about savings among fourth and sixth graders countrywide and in the countries in which the Bank operates

Performance

- Activity was held for the fifth consecutive year
- 72 schools (70 in Thailand and two in Lao PDR) participated, exceeding the target of 70 schools
- 3,853 students received financial knowledge
- 4,248 Krungsri volunteers, totaling 33,984 volunteer hours

Krungsri Financial Literacy: Simple to Manage Project

Objectives

To teach university level students how to plan and manage personal funds effectively before starting their career

Performance

- Seven universities (four in Bangkok and its vicinity and three in other provinces) participated
- 348 students were taught how to manage their money
- 16 Krungsri volunteers, totaling 64 volunteer hours

Money Smart Next-Gen Project in Collaboration with the Thai Bankers' Association

Objectives

Krungsri operated the project in collaboration with the Thai Bankers' Association and other commercial banks in Thailand for the second year. The project aims to promote the concept of smart savings and financial management for university-level students countrywide.

Performance

- Krungsri joined the project for the second year. This year, it hosted the financial literacy activity for students of Rajamangala University of Technology Krungthep.
- 222 students participated
- 12 Krungsri volunteers, totaling 96 volunteer hours

Giving More...Receiving More Project Promoting Blood Donation with the National Blood Center, Thai Red Cross Society, and Facilitating the Activities

Objectives

Krungsri started this project in 2007 to promote the donation of blood, organs, and eyes to the Thai Red Cross Society to aid fellow humans.

Performance

- Blood, organ, and eye donation activities were held four times per year at Krungsri's Head Office.
- Blood donation locations extended to 15 provincial branches
- 1,219,600 cc of blood donated to the Thai Red Cross Society (exceeding the target of one million cc and the blood donation volume increased from last year by 24 percent)
- 41 organ donors and 31 eye donors
- 66 Krungsri volunteers facilitated the activities, totaling 528 volunteer hours.

Give Blood Save Life Project by Hattha Kaksekar Limited (HKL)

Objectives

Hattha Kaksekar Limited (HKL), a company in Cambodia under Krungsri Group, organized a blood drive to instill empathy in its employees and executives as givers who help extend the life of fellow humans.

Performance

- 100 HKL executives and staff members joined
- 35,000 cc of blood donated

Krungsri Breast Cancer Awareness Project

Krungsri started this project in 2010 to aid low-income women living in the vicinity of its Head Office who do not have access to medical services so that they learn about and receive breast cancer screening and treatment.

Performance

- 500,000 baht provided to the Thanyarak Foundation to support the assistance of breast cancer patients

Ayutthaya Historical Site Conservation Project

Objectives

Organized heritage conservation activities in Phra Nakhon Si Ayutthaya Province in collaboration with the Department of Fine Arts to sustain cultural heritages for communities and the country, also making Krungsri people proud of the Bank's home province

Performance

- Seven activities (exceeding the target of six activities) organized at Wat Khudeedao, Wat Worachettharam, Chakkrawat Phaichayon Throne Hall in the ancient palace, Wat Sangkhathae Sangkhatha, Wat Hatsadawat, Bangong Rattana Throne Hall in the ancient palace, and Wat Choeng Tha
- 500 Krungsri volunteers, totaling 4,000 volunteer hours

Krungsri Craft Activities

Objectives

An activity for the development of disabled and hearing impaired youths by using art as a tool for improving skills and EQ

Performance

- Two tote bag painting sessions (meeting the target of two sessions) at Setsatian School for the Deaf and Sri Sangwan School for Children with Disabilities
- 120 disabled youths participated
- 98 Krungsri volunteers, totaling 784 volunteer hours

Krungsri Volunteers for the Special Olympics Thailand

Objectives

Krungsri facilitated the motor contests for athletes with intellectual disabilities and multiple disabilities in the Special Olympics Thailand

Performance

- 28 Krungsri volunteers provide assistance to the athletes during the matches, totaling 224 volunteer hours.

Pan Kan: Turn Your Used Items into Scholarships Project

Objectives

Receive used items in good condition and provide the area for selling used goods in the 'Pan Kan Pop-up Store Activity', proceeds of which served as scholarships for academically disadvantaged youths under the care of the Yuvabadhana Foundation

Performance

- The project started in 2016 and has continued for four consecutive years.
- In 2019, 947,080 baht was collected and served as 135 scholarships

Supporting the 'Inspire' Project under the Royal Initiative of Her Royal Highness Princess Bajrakitiyabha

Objectives

Her Royal Highness Princess Bajrakitiyabha Narendira Debyavati puts continuous effort into improving the quality of life, mental state, perspective, and occupational capabilities to prepare and create opportunities for those who chose the wrong path to turn over a new leaf, thus leaving prison with dignity and not repeating their wrongs.

Performance

Krungsri and other companies in the Financial Business Group supported projects in the part that the Bank can support.

- **Basic Financial Literacy Workshop** for 15 inmates nearing release by Ngern Tid Lor Company Limited and Krungsri at Narathiwas Provincial Prison.
- **Chan for Chan Project** supported by Krungsri Auto for inmates in the Chanthaburi Provincial Prison. The project links products from the prison to its alliances, designing packages that meet customer demand, providing financial support for inmates to further improve their occupational skill sets, and promoting life skills and financial literacy for 200 inmates.
- **Training on Basic Business Knowledge** by Ngern Tid Lor Company Limited for 98 inmates, wardens, and probation officers at Khao Rakam Temporary Prison in Trat Province and Phetchabun Provincial Prison. 12 NTL's executives and employees participated in the activity.
- **Support for Kalaetapae Halfway Home, Narathiwas** Krungsri supported the survey of the basic information of the Kalaetapae community in order to understand the context of the community, recommend career paths, and provide the necessary equipment and devices for preparing the halfway home.
- **Life and Financial Planning Training** by Krungsri for 30 female inmates at Sukhothai Provincial Prison to equip them with basic life skills to be able to work toward their envisaged future upon release.

Krungsri Auto Library Project

Objectives

Create learning opportunities and improve education quality for youths in remote areas

Performance

- Krungsri Auto started this project in 2010 to build learning centers for children and communities countrywide. In 2019, the project built and handed over 14 Krungsri Auto libraries to schools such as Banwaingheang School in Chiang Mai Province.

Preserving Environment



Khao Mai Kaew Reforestation Activity

Objectives

Started in 2019, the project is a collaboration with the Forest Resources Management Bureau No. 9 (Chon Buri) and the Chon Buri Plant Nursery to enrich the area and reduce pollution.

Performance

- Helped plant heat-tolerant indigenous trees in two plantations totaling 12 rai
- 500 trees planted
- 49 Krungsri volunteers, totaling 392 volunteer hours

Supporting the OUR Khung BangKachao project

Objectives

Krungsri together with the Chaipattana Foundation, the Royal Forest Department, PTT Public Company Limited, and public-private entities as a network of alliances helped develop the Bang Kachao area, which has been lauded as the best urban oasis of Asia, to conserve and develop Bang Kachao as a natural green space and to help communities reap more agricultural benefits.

Performance

- Planted trees in Bang Yor Subdistrict and Bang Krasob Subdistrict totaling 11.11 rai
- 300 trees planted
- 69 Krungsri volunteers, totaling 276 volunteer hours

Mangrove Reforestation Activity

Objectives

A project in collaboration with the Mangrove Forest Resources Development Station 5 (Chon Buri) to plant the proper saplings for mangrove forests as a means to maintain the ecosystem which serves as a habitat for marine creatures

Performance

- Three activities organized in the areas of Samed Subdistrict and Angsila Subdistrict in Chon Buri and Bang Pakong District in Chachoengsao
- 3,000 trees planted (meeting the target of 3,000 trees)
- 80 percent average survival rate of the planted trees
- 140 Krungsri volunteers, totaling 1,120 volunteer hours

Check Dam Construction Project at the Huai Sai Royal Development Study Centre in Phetchaburi

Objectives

A project in collaboration with Siam City Cement Public Company Limited since 2013 to enhance moisture retention and help communities reap more agricultural benefits

Performance

- 2 check dams built (A total of 82 check dams were built)
- 80 Krungsri volunteers, totaling 640 volunteer hours

Doi Tung Check Dam Construction Project

Objectives

Krungsri has organized the Doi Tung check dam activities from 2009 to date to help retain the moisture and richness of forests and to serve as wildfire barriers

Performance

- Organized the check dam building activity in the Doi Tung Development Project (Royal Working Area) at Ban Pa Sang Na Ngern Village, Mae Fa Luang District, Chiang Rai
- 235 Krungsri executives and Krungsri volunteers, Krungsri Auto, and executives from Phatra Securities Public Company Limited joined the activity, totaling 1,880 volunteer hours.
- 32 check dams built

Krungsri Zero Waste Project

Objectives

The initiative started under the concept of 'Krungsri Zero Waste', aiming to promote proper waste management within the organization so that as much trash can be recycled as possible, thus reducing the volume of waste that needs to be buried and reducing the need for single-use plastic.

Performance

- Campaigned for the carrying of four items, i.e. straws, tumblers, tote bags, and food containers every day
- Organized the 'Share bags to save the world' activity to campaign the donation of tote or plastic bags in good condition for reuse, thus reducing the need for new plastic bags

- Persuaded merchants (eighth and ninth floors) at Krungsri's Head Office to stop using or handing out single-use plastic bags since 2 December 2019. There is a plan to extend this to other offices in the next stage

Care the Bear Project

Objectives

Krungsri Group has been working to promote environmentally responsible measures in its operations as well as organizing related events, including promoting e-billing by Krungsri Consumer.

Performance

- Reduced carbon footprint by cutting down 732,119 kilograms of carbon dioxide equivalent (kgCO₂e), comparable to planting 81,347 trees



Providing Financial Support



Annual Kathin Robe Presentation Ceremonies and Off-season Robe Presentation Ceremonies by Krungsri and the Financial Business Group

Objectives

Annual merit-making ceremonies with the cooperation from executives and staff members from all companies in Krungsri Group, vendors/suppliers as well as customers in making merit to sustain Buddhism by renovating buildings including damaged structures in the temples

Performance

- Co-hosted Kathin robe presentation ceremonies at eight temples in all regions, i.e. Wat Wachira Thammawat (Bangkok), Wat Kho Non Mahasawat (Nonthaburi), Wat Khok Klang Sri Charoen (Phra Nakhon Si Ayutthaya), Wat Phuang Thong (Ang Thong), Wat Phu Phlu (Petchaburi), Wat Pa Sri Udom Sak (Chaiyaphum), Wat Na Fai (Uttaradit), and Wat Na Sao (Nan)
- Co-hosted an off-season robe presentation ceremony to gather funds for buying medical equipment and devices for the Chonburi Cancer Hospital
- 7,666,293 baht of donations

Performance

- 9,720,000 baht was donated through the Thai Bankers' Association to the Office of the Prime Minister Disaster Relief Fund to help flood victims

Supporting Public Charity Projects

Objectives

Provide financial support through cooperation with government agencies and public charity organizations to projects and communities in urgent need of support

Performance

- 1,750,000 baht donated to the Chaipattana Foundation for disseminating knowledge about sustainable development to the public on the occasion of the Chaipattana Foundation's 30th anniversary
- 1,250,000 baht donated to the Mae Fah Luang Foundation under Royal Patronage to support operations that improve communities' quality of life and preserve natural resources
- 100,000 baht provided as TNI scholarships for the Thai-Nichi Institute of Technology
- 100,000 baht provided to the Police General Pao Sarasin Foundation for operations on preventing, combatting, and solving drug problems
- 20,000 baht provided to the Srithanya Hospital Foundation for conducting its operations

Helping Natural Disaster Victims

Objectives

Providing funds, items, and manpower to the communities affected by natural disasters such as floods and earthquakes

Pictures of Community Participation and Social Engagement

Krungsri Zero
Waste Project

Giving More...Receiving More Project



ESG Open House



Krungsri Financial Literacy:
Simple to Manage Project

Pan Kan: Turn Your
Used Items into
Scholarships Project



Check Dam Construction Project at The Huai Sai Royal
Development Study Centre in Phetchaburi



Krungsri Craft Activities

Krungsri Financial Literacy:
Simple to Learn Project

Krungsri Auto Library Project

Annual Kathin Robe Presentation Ceremonies and Off-season Robe Presentation Ceremonies of Krungsri Group



Ayutthya Historical Site Conservation Project



Doi Tung Check Dam Construction Project



Mangrove Reforestation Activity

Khao Mai Kaew Reforestation Activity

Numerical Data on Sustainability Performance

Channels of Financial Access

Area	2016		2017		2018		2019	
	Bangkok and vicinity	Provincial	Bangkok and vicinity	Provincial	Bangkok and vicinity	Provincial	Bangkok and vicinity	Provincial
Krungsri Branches	298	397	299	401	298	405	293	397
	695		700		703		690	
ATMs	2,815	3,435	2,914	3,638	2,966	3,736	2,981	3,769
	6,250		6,552		6,702 ^{1/}		6,750	
Krungsri Exclusive	22	10	27	12	30	12	31	12
	32		39		42		43	
The Krungsri Advisory ^{2/}	-	-	-	-	2	-	4	1
	-		-		2		5	
Foreign Exchange Booths	23	72	21	71	23	67	23	60
	95		92		90		83	
Krungsri Business Centers	55		64		62		62	
Krungsri Auto Dealers	3,800	5,600	4,000	6,400	3,345	6,211	3,472	6,447
	9,400		10,400		9,556		9,919	
First Choice and Dealers	18,786		21,415		22,738		22,770	
First Choice Branches	144		153		150		150	
Microfinance Branches (NTL)	139	342	190	403	139	674	153	847
	481		593		813		1,000	
Microfinance Branches (HKL)	153		168		178		177	

Remarks:

^{1/} Includes Self Service Banking (SSB) and Bill Payment Machine (BPM)

^{2/} Krungsri The Advisory is exclusively for 'Krungsri Exclusive and Krungsri Prime' customers.

Employee Data

Type of Data	2016		2017		2018		2019	
	persons	% of total employees	persons	% of total employees	persons	% of total employees	persons	% of total employees
No. of the Bank's employees ^{1/}	14,775		15,019		15,134		15,280	
Gender								
Male	4,588	31.05	4,596	30.60	4,592	30.34	4,654	30.46
Female	10,187	68.95	10,423	69.40	10,542	69.66	10,626	69.54
Age Range								
< 30 years old	2,941	19.91	2,719	18.10	2,492	16.47	2,296	15.03
30-50 years old	9,883	66.89	10,056	66.96	10,109	66.80	10,193	66.71
> 50 years old	1,951	13.20	2,244	14.94	2,533	16.74	2,791	18.27
Race								
Thai	14,695	99.46	14,943	99.49	15,058	99.50	15,209	99.54
Japanese	66	0.45	62	0.41	63	0.42	62	0.41
Chinese	9	0.06	9	0.06	8	0.05	6	0.04
Indian	2	0.01	2	0.01	2	0.01	1	0.01
Others (Singaporean, Vietnamese, Taiwanese, Indonesian etc.)	3	0.02	3	0.02	3	0.02	2	0.01
Occupational Area								
Head Office	7,576	51.28	8,766	58.37	8,888	58.73	8,261	54.06
Office/ branch in Bangkok and vicinity	3,313	22.42	2,208	14.70	2,163	14.29	3,249	21.26
Provincial office/ branch	3,876	26.23	4,031	26.84	4,069	26.89	3,757	24.59
Overseas office/ branch	10	0.07	14	0.09	14	0.09	13	0.09
Religion ^{2/}								
Buddhism	-	-	-	-	-	-	14,832	97.07
Christianity	-	-	-	-	-	-	209	1.37
Islam	-	-	-	-	-	-	230	1.51
Others (Hinduism, Sikhism, etc.)	-	-	-	-	-	-	9	0.06
Education ^{2/}								
Below bachelor's degree	-	-	-	-	-	-	198	1.30
Bachelor's degree	-	-	-	-	-	-	11,248	73.61
Master's degree	-	-	-	-	-	-	3,815	24.97
Doctoral degree	-	-	-	-	-	-	19	0.12

Remarks:

^{1/} Only full-time employees of the Bank of Ayudhya PCL, excluding the Board of Directors^{2/} The data was disclosed in 2019 for the first time.

Type of Data	2016		2017		2018		2019	
	persons	% of total employees	persons	% of total employees	persons	% of total employees	persons	% of total employees
Employee Level	14,775		15,019		15,134		15,280	
Executive level 10 and above	87		87		95		94	
Male	53	0.36	55	0.37	59	0.39	55	0.36
Female	34	0.23	32	0.21	36	0.24	39	0.26
< 30 years old	-	-	-	-	-	-	-	-
30-50 years old	50	0.34	46	0.31	44	0.29	34	0.22
> 50 years old	37	0.25	41	0.27	51	0.34	60	0.39
Management level 9-10	730		809		854		895	
Male	373	2.52	412	2.74	432	2.85	443	2.90
Female	357	2.42	397	2.64	422	2.79	452	2.96
< 30 years old	1	0.01	1	0.01	2	0.01	2	0.01
30-50 years old	486	3.29	515	3.43	531	3.51	548	3.59
> 50 years old	243	1.64	293	1.95	321	2.12	345	2.26
Middle management level 7-8	1,952		2,097		2,118		2,295	
Male	819	5.54	846	5.63	856	5.66	919	6.01
Female	1,133	7.67	1,251	8.33	1,262	8.34	1,376	9.01
< 30 years old	1	0.01	4	0.03	7	0.05	4	0.03
30-50 years old	1,324	8.96	1,354	9.02	1,296	8.56	1,407	9.21
> 50 years old	627	4.24	739	4.92	815	5.39	884	5.79
Officer level 4-6	5,909		6,126		6,408		6,626	
Male	2,017	13.65	2,018	13.44	2,074	13.70	2,110	13.81
Female	3,892	26.34	4,108	27.35	4,334	28.64	4,516	29.55
< 30 years old	176	1.19	180	1.20	167	1.10	188	1.23
30-50 years old	4,740	32.08	4,829	32.15	4,951	32.71	4,992	32.67
> 50 years old	993	6.72	1,117	7.44	1,290	8.52	1,446	9.46
Officer level 1-3	6,097		5,900		5,659		5,370	
Male	1,326	8.97	1,265	8.42	1,171	7.74	1,127	7.38
Female	4,771	32.29	4,635	30.86	4,488	29.66	4,243	27.77
< 30 years old	2,763	18.70	2,534	16.87	2,316	15.30	2,102	13.76
30-50 years old	3,283	22.22	3,312	22.05	3,287	21.72	3,212	21.02
> 50 years old	51	0.35	54	0.36	56	0.37	56	0.37

Data	2016		2017		2018		2019	
	persons	% of total BOD members	persons	% of total BOD members	persons	% of total BOD members	persons	% of total BOD members
The Board of Directors *	12		12		12		11	
Gender								
Male	9	75.00	9	75.00	8	66.67	7	63.64
Female	3	25.00	3	25.00	4	33.33	4	36.36
Age Range								
<30 years old	-	-	-	-	-	-	-	-
30-50 years old	2	16.67	2	16.67	2	16.67	-	-
> 50 years old	10	83.33	10	83.33	10	83.33	11	100.00

* The Board of Directors consist of non-exective directors, executive directors, and independent directors.

Employment Data

2019 Krungsri Group Headcount (persons)

Company	Type of Contract		Full-time Employee (persons)			Temporary Employee (persons)		
	Male	Female	Total	Male	Female	Total		
Bank of Ayudhya PCL	4,654	10,626	15,280	89	382	471		
Subsidiaries								
Hattha Kaksekar Limited	3,260	1,122	4,382	-	-	115		
Krungsri Ayudhya AMC Ltd.	40	40	80	-	-	21		
Krungsri Nimble Co., Ltd. ^{1/}	50	15	65	-	-	-		
Ayudhya Development Leasing Co., Ltd.	31	42	73	-	-	7		
Ayudhya Capital Auto Lease PCL	737	1,088	1,825	-	-	28		
General Card Services Limited	79	243	322	-	-	28		
Ayudhya Capital Services Co., Ltd.	648	1,998	2,646	-	-	258		
Krungsriayudhya Card Co., Ltd.	78	222	300	-	-	11		
Krungsri Finnivate Company Limited	-	-	-	-	-	-		
Krungsri Asset Management Co., Ltd.	125	153	278	-	-	30		
Krungsri Securities PCL	65	122	187	-	-	42		
Krungsri Leasing Services Company Limited ^{2/}	99	123	222	-	-	68		
Joint Ventures								
Siam Realty and Services Co., Ltd.	9	4	13	-	-	931		
Total Services Solutions PCL	287	858	1,145	-	-	75		
Krungsri Life Assurance Broker Limited ^{3/}	-	6	6	-	-	-		
Krungsri General Insurance Broker Limited	2	5	7	-	-	-		
Tesco Lotus Money Services Limited	145	875	1,020	-	-	16		
Tesco Life Assurance Broker Limited ^{4/}	2	3	5	-	-	1		
Tesco General Insurance Broker Limited ^{4/}	53	151	204	-	-	10		
Ngern Tid Lor Co., Ltd.	1,592	3,434	5,026	-	-	796		

Remarks:

^{1/} Renamed from Krungsri Factoring Company Limited on July 22, 2019 and Krungsri Nimble's operations commenced on November 1, 2019. Currently, the company has ceased providing factoring services due to the Bank's policy.

^{2/} Krungsri's subsidiary of which the Bank indirectly holds 100 percent shares via Ayudhya Capital Auto Lease PCL by 75 percent and Ayudhya Capital Services Co., Ltd. by 25 percent

^{3/} Krungsri's subsidiary of which the Bank indirectly holds 99.99 percent shares via Ayudhya Capital Services Co., Ltd.

^{4/} Subsidiary of Tesco Lotus Money Services Ltd.

Operational Change Statistics

Data	2016		2017		2018		2019	
	persons	% of total full-time employees	persons	% of total full-time employees	persons	% of total full-time employees	persons	% of total full-time employees
New Hires^{1/}	2,576	17.43	2,037	13.56	1,987	13.13	1,871	12.24
Gender								
Male	682	4.62	568	3.78	547	3.61	566	3.70
Female	1,894	12.82	1,469	9.78	1,440	9.51	1,305	8.54
Age Range								
< 30 years old	1,377	9.32	1,076	7.16	995	6.57	917	6.00
30-50 years old	1,188	8.04	949	6.32	980	6.48	945	6.18
> 50 years old	11	0.07	12	0.08	12	0.08	9	0.06
Operational Area								
Head Office	1,248	8.45	900	5.99	901	5.95	1,031	6.75
Office/ branch in Bangkok and vicinity	772	5.23	594	3.95	531	3.51	434	2.84
Provincial office/ branch	556	3.76	543	3.62	549	3.63	405	2.65
Overseas office/ branch	-	-	-	-	6	0.04	1	0.01
Terminated Employees^{2/}	1,724	11.67	1,797	11.96	1,888	12.48	1,729	11.32
Gender								
Male	511	3.46	565	3.76	553	3.65	508	3.32
Female	1,213	8.21	1,232	8.20	1,335	8.82	1,221	7.99
Age Range								
< 30 years old	669	4.53	668	4.45	619	4.09	539	3.53
30-50 years old	946	6.40	1,008	6.71	1,129	7.46	1,014	6.64
> 50 years old	109	0.74	121	0.81	140	0.93	176	1.15
Operational Area								
Head Office	764	5.17	701	4.67	779	5.15	710	4.65
Office/ branch in Bangkok and vicinity	533	3.61	567	3.78	533	3.52	492	3.22
Provincial office/ branch	427	2.89	529	3.52	570	3.77	527	3.45
Overseas office/ branch	-	-	-	-	6	0.04	-	-

Remarks:

^{1/} Only full-time employees of the Bank of Ayudhya PCL

^{2/} Data includes no. of employees in voluntary attrition program, a transfer program within Krungsri Group, early retirement program, involuntary attrition program as well as retirement program.

Return-to-work and Retention Rates after Parental Leave of Female Employees

Parental Leave Statistics	Number of Female Employees (Persons)			
	2016	2017	2018	2019
Number of employees entitled to maternity leave	10,187	10,423	10,538	10,621
Number of employees having marital status	2,516	2,647	2,768	2,897
Number of employees taking maternity leave	319	318 ^{1/}	355	331
Number of employees returning to work after maternity leave	313	318 ^{1/}	352	329

Parental Leave Statistics	Number of Female Employees (Persons)			
	2016	2017	2018	2019
Number of employees returning to work after maternity leave who were still employed twelve months after their return to work	261	303	305	348
Return-to-work Rate ^{2/} of employees taking maternity leave	98.12	100	99.15	99.4
Retention Rate ^{3/} of employees taking maternity leave	83.39	95.284 ^{4/}	86.65	98.86

Remarks:

^{1/} The number of employees taking maternity leave was adjusted per the actual data as some of employees took the leave before the end of the year through to the beginning of the following year.

^{2/} Return-to-work Rate = (The number of employees returning to work after maternity leave/the number of employees taking maternity leave) x 100

^{3/} Retention Rate = (The number of employees returning to work after maternity leave who were still employed 12 months after their return to work/the number of employees returning to work after maternity leave) x 100

^{4/} The figure was updated as per information's amendment.

Employee Training and Development Report

	2016	2017	2018	2019
Average training hours (hours/person/year)	64.06	60.66	62.44	61.59
Gender				
Male	59.86	57.96	63.17	57.70
Female	65.95	61.85	60.77	63.30
Age Range^{1/}				
Less than 30 years old	-	-	70.01	74.73
30-50 years old	-	-	61.33	60.75
50 years and above	-	-	59.02	52.60
Employee level				
Officer level 1-3	70.21	64.87	66.19	68.27
Officer level 4-6	56.75	55.58	58.14	56.67
Executive level 7-8	68.67	64.16	67.56	61.50
Executive level 9 and above	59.95	59.41	57.82	58.39
- Vice President-Senior Vice President ^{2/}			56.43	56.93
- Executive Vice President and above (including Senior Management) ^{2/}			71.63	73.22

Remarks:

^{1/} The training hours broken down by age range started being recorded in 2018.

^{2/} The data was first disclosed in 2018.

Employment Data of Disabled Employees

Krungsri	2016	2017	2018	2019
No. of disabled employees	- ^{1/}	147 ^{2/}	150 ^{2/}	151 ^{2/}

Remarks:

^{1/} The Bank subsidized the fund in compliance with the Section 34 of the Empowerment of Persons with Disabilities Act, B.E. 2550, due to a lack of appropriate positions for disabled employees.

^{2/} The hiring was carried out in compliance with the Section 35 of the Empowerment of Persons with Disabilities Act, B.E. 2550, in collaboration with the Thai Bankers' Association (TBA) and the Thai Red Cross Society.

Assurance Statement



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower,
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website kpmg.com/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนน สาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ kpmg.com/th

Independent limited assurance report

To President and Chief Executive Officer of Bank of Ayudhya Public Company Limited (“Krungsri”)

Conclusion

Based on the procedures performed, as described below, nothing has come to our attention that causes us to believe that the selected subject matters (“Subject Matters”) identified below and included in the Sustainability Report 2019 (the “Report”) for the year ended 31 December 2019 and disclosures regarding their adherence to the three AccountAbility Principles of Inclusiveness, Materiality and Responsiveness under AA1000APS (2008), and reliability of Subject Matters, are not, in all material respects, prepared in compliance with the reporting criteria (the “Criteria”).

Our Responsibilities

We have been engaged by Krungsri and are responsible for providing a limited assurance conclusion in respect of the Subject Matters for the year ended 31 December 2019 to be included in the Report as identified below.

Our assurance engagement is conducted in accordance with the International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ISAE 3410 *Assurance on Greenhouse Gas Statements*. We have also conducted our engagement in accordance with the *Accountability Assurance Standard of Sustainability AA1000AS (2008) at moderate level* that corresponds to a limited assurance as per ISAE 3000 with a Type 2 engagement, which covers not only the nature and extent of the organisation’s adherence to the AA1000APS (2008), but also evaluates the reliability of Subject Matters as indicated below. These standards require the assurance team to possess the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that we plan and perform the engagement to obtain limited assurance on whether the Subject Matters are prepared, in all material respects, in compliance with the Criteria. We have complied with the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants to ensure their independence. The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have not been engaged to provide an assurance conclusion on any other information disclosed within the Report.

Subject Matters

Subject Matters comprised of the following data expressed numerically or in descriptive text for the year ended 31 December 2019:

- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions

Criteria

The Subject Matters were assessed according to the following criteria:

- The Sustainability Reporting Standards of the Global Reporting Initiative (“GRI Standards”);
- The Financial Services Sector Disclosures (“FSSD”); and
- AA1000 AccountAbility Principles Standard (2008) (“AA1000APS”).

Directors’ and management’s responsibilities

The directors and management of Krungsri are responsible for the preparation and presentation of the Subject Matters, specifically ensuring that in all material respects the Subject Matters are prepared and presented in accordance with the Criteria. This responsibility also includes the internal controls relevant to the preparation of the Report that is free from material misstatement whether due to fraud or error.



Procedure performed

In forming our limited assurance conclusion over the Subject Matters, our procedures consisted of making enquiries and applying analytical and other evidence gathering procedures including:

- Interviews with senior management and relevant staff at corporate and operating sites;
- Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of source data into the Subject Matters;
- Inquiries about managements practices and procedures related to identifying stakeholders and their expectations, determining material sustainability matters and implementing sustainability policies and guidelines;
- Visits one site; Krungsri's Head Office in Bangkok, selected on the basis of risk analysis including the consideration of both quantitative and qualitative criteria;
- Agreeing the Subject Matters to relevant underlying sources on a sample basis to determine whether all the relevant information has been included in the Subject Matters and prepared in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

Inherent limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Krungsri, for any purpose or in any other context. Any party other than Krungsri who obtains access to our report or a copy thereof and chooses to rely

on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Krungsri for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Phoomchai Audit Ltd.

Bangkok

18 March 2020

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Questionnaire on Krungsri's Sustainability Report 2019

Please take a moment to fill in our questionnaire by scanning the QR code
or returning this form to the Bank's address on the back cover or
via email to KrungsriESG@krungsri.com



Scan QR code

1. Which of the following best describes your relationship with Krungsri?

- | | | | |
|--------------------------------------|---|---|---|
| ☐ Employee | ☐ Customer | ☐ Shareholder | ☐ Vendor/Supplier |
| ☐ Investor | ☐ Other financial institution | ☐ Regulator | ☐ Government agency |
| ☐ General public | ☐ NGO | ☐ Other (please specify)_____ | |

2. Where did you receive/read Krungsri's Sustainability Report?

- | | | |
|--|--|---------------------------------------|
| ☐ Annual General Meeting (AGM) | ☐ Bank's website | ☐ Bank's employee |
| ☐ Seminar | ☐ Others (please specify)_____ | |

3. Objective of reading Krungsri's Sustainability Report

- | | |
|--|--|
| ☐ To acknowledge and understand the Bank's business operations | |
| ☐ To get information useful for investment decision-making | |
| ☐ For research and study | ☐ Others (please specify)_____ |

4. Do you think all material sustainability issues have been covered in Krungsri's Sustainability Report?

- ☐ Yes ☐ No

If no, please specify the issue(s) that you think should be added to our Sustainability Report.

5. Satisfaction of Krungsri's Sustainability Report 2019

- | | | | | |
|------------------------------------|----------------------------|--------------------------------|---------------------------|--|
| Complete contents and reporting | ☐ High | ☐ Moderate | ☐ Low | ☐ Need improvement |
| Interesting contents | ☐ High | ☐ Moderate | ☐ Low | ☐ Need improvement |
| Easy to understand | ☐ High | ☐ Moderate | ☐ Low | ☐ Need improvement |
| Attractive report design | ☐ High | ☐ Moderate | ☐ Low | ☐ Need improvement |
| Overall satisfaction of the report | ☐ High | ☐ Moderate | ☐ Low | ☐ Need improvement |

6. Additional comments or other suggestions for further improving our Sustainability Report

Thank you for your kind cooperation.
Your feedback will contribute to the further improvement of Krungsri's Sustainability Report.



This eco-friendly report is printed with soy ink on 100 percent recycled paper to help save trees and reduce carbon emission.

For more information, please contact:
Environmental, Social and Governance Division
Bank of Ayudhya Public Company Limited
Tel. 0-2296-2000 Ext. 83935, 84026
E-mail: krungsriESG@krungsri.com

Design: Graphic Station Company Limited



BANK OF AYUDHYA PUBLIC COMPANY LIMITED

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

Call 1572 | www.krungsri.com |       Krungsri Simple