

C R E A T I N G  
V A L U E



Sustainability Report 2019  
Bangkok Bank  
Public Company Limited

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# VISION

To be a bank which provides quality financial services in line with customers' requirements, and is well equipped with qualified human resources and world-class technology and working systems, while maintaining its status as a well-established international bank and a leading Asian bank.

# MISSION

The Bank has a financial mission, market and customer mission, quality operational mission, and capability mission, as described below:



## Financial Perspective

To attain stable growth in financial performance



## Market and Customer Perspective

To maintain business leadership with service excellence



## Quality Operations Perspective

To have efficient working systems and quality control procedures



## Capability Perspective

To equip the Bank's staff with the ability and potential to support the Bank's business expansion

To set standards for work processes and be able to use data from these processes to support decision-making

# CORE VALUE

The Bank's core value, which enables it to continue to be the leading bank in the country, is "to provide quality financial services which satisfy customers in keeping with the Bank's role as a trusted partner and reliable close friend". All personnel in the Bank are required to recognize and uphold this in their individual conduct in all circumstances. The core value embraces the following working philosophies:

**1**

To provide excellent quality service from the customer's point of view

**2**

To provide quality work

**3**

To perform duties as ethical and professional bankers

**4**

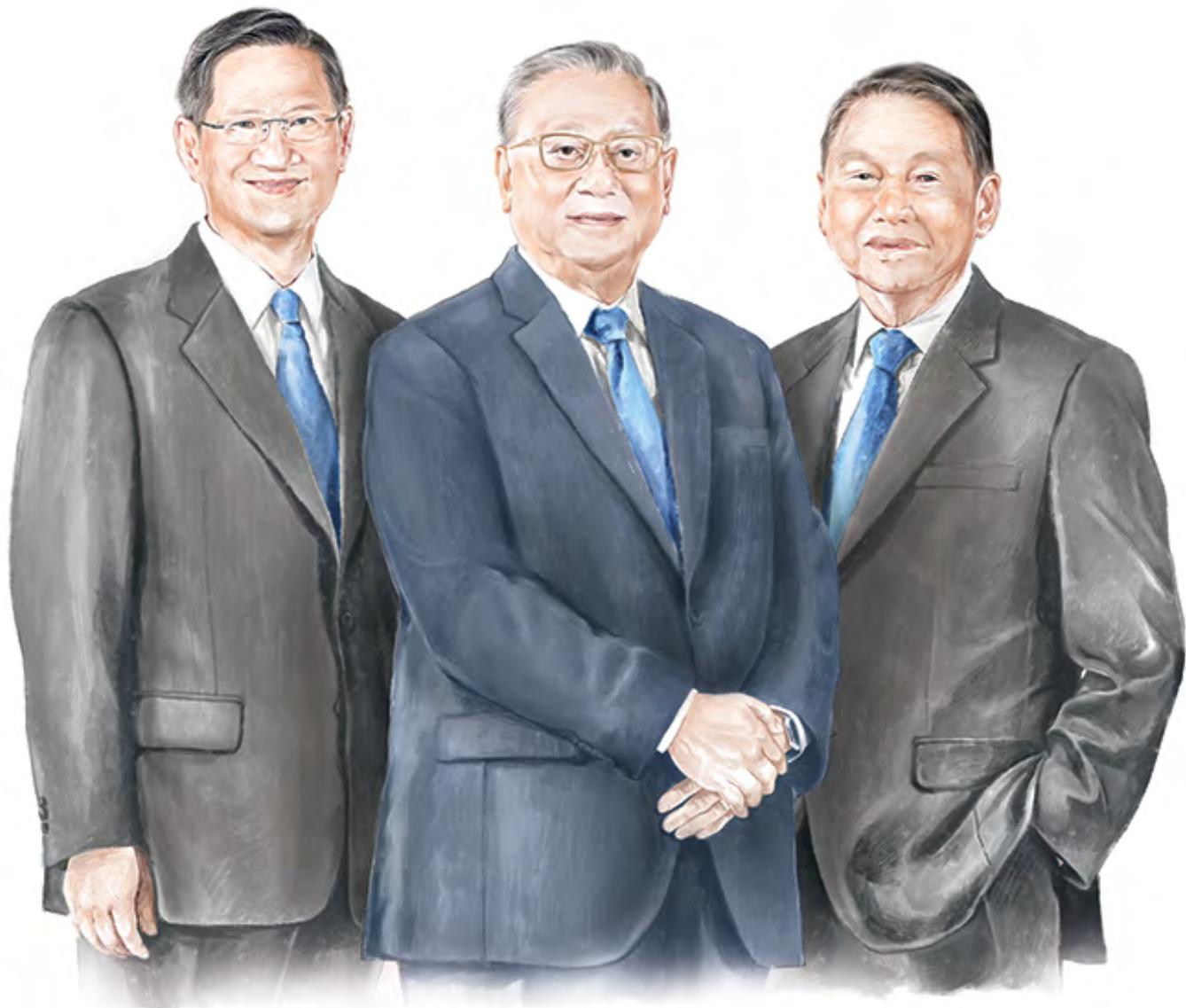
To work as a team with shared goals

**5**

To give importance to personnel development

# MESSAGE FROM THE CHAIRMAN, THE EXECUTIVE CHAIRMAN AND THE PRESIDENT

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From left to right  
Mr. Chartsiri Sophonpanich, Mr. Piti Sithi-Amnuai, Mr. Deja Tulananda

## The Bank has categorized its sustainability activities into four aspects, namely: Be Responsible, Be Caring, Be Ethical and Be Resilient.

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The Bank is firmly committed to conducting its business in accordance with generally accepted sustainable development standards and the United Nations Sustainable Development Goals (UNSDG). It seeks to formulate its business direction, strategies and policies at the overall corporate, business unit and functional levels with due consideration to minimize adverse impacts on the environment and society, while promoting good corporate governance. Importantly, under our established corporate culture, the Board of Directors and all senior executive advocate conduct of the Bank's business and performance of one's duties in compliance with the Bank of Thailand's new notification on corporate governance for financial institutions. The notification underscores the importance of fostering a risk culture and behaviors, fair treatment and transparency in business, duly taking into account the interest of every stakeholder group and further aiming to support the country's sustainable economic growth.

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The Bank has established its sustainable development strategy after taking into consideration the recommendations and frameworks of domestic and international experts and applying these in conjunction with its long-term business strategy encompassing three areas: Regionalization, Urbanization and Digitalization, in the context of its 12 materiality issues which are subject to review every 3-5 years. The Bank has formulated sustainability plans covering a corresponding period of 3-5 years to address the materiality issues. In this report, the Bank has categorized its sustainability activities into four aspects, namely: Be Responsible, Be Caring, Be Ethical and Be Resilient.

The Bank's management has set forth sustainability guidelines consisting of four areas: human resource development and retention; management of environmental, social and governance risks; universal access to financial services; and good governance principles. These guidelines constitute a solid and systematic foundation for the Bank's pursuit of sustainability. In August, Bangkok Bank joined the Bank of Thailand, the Thai Bankers' Association, and other commercial banks in signing a memorandum of understanding on sustainable banking guidelines for responsible lending. This evidenced not only the Bank's commitment to sustainability but also its firm intent to observe responsible lending practices that appropriately address environmental, social and governance risks. The Bank takes pride in its strategic resolve which will play a role in propelling the Thai financial sector and the country at large toward a sustainability trajectory.

## Bangkok Bank joined the Bank of Thailand, the Thai Bankers' Association, and other commercial banks in signing a memorandum of understanding on sustainable banking guidelines for responsible lending.

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Implementation of Thailand's planned infrastructure development projects will create investment opportunities, especially the mega projects such as the Eastern Economic Corridor (EEC), high-speed railways linking the three international airports, and route extensions of Bangkok's mass transit system. These large-scale projects will stimulate investment and further economic development. They will also help drive and elevate the Thai financial sector towards the desired sustainable development benchmarks. As a responsible financial institution, the Bank intends to support such development by seeking to offer a variety of financial products that meet sustainability principles and thereby help facilitate the country's sustainable growth path.

Volatility in the global economy and disruptions from new digital technologies continue to be major challenges faced by the financial sector which must adapt to the changing needs and behaviors of customers as well as the sector's own changing fundamentals. The Bank's long-term goal is to be a digitalized data-driven organization that generates and analyzes rich data and gains deep insights from it. This will enable it to personalize services to meet the unique needs of each customer while maintaining the human touch and sharing of knowledge. The Bank seeks to cultivate a helpful service mind in its employees, instilling in them the

passion to create positive experiences for customers and enhance customers' financial strengths as well as the ability to respond to technological advances and global trends. The Bank continues to aspire to be "puan koo kit, mit koo baan", a trusted partner and reliable close friend, growing sustainably alongside Thai communities and society.

We are delighted to report that the Bank has received the "Bank of the Year 2019" award from the Money and Banking magazine based on the assessment of 2018 financial performances and strengths of all 14 commercial banks in Thailand.

Taking a step to solidify its financial strength further, in December 2019 the Bank signed an agreement to acquire PT Bank Permata Tbk, the 12<sup>th</sup> largest commercial bank in Indonesia. This will take the Bank's strategy of regionalization to a higher level, reinforcing its position as a leading and well-diversified ASEAN bank.

To uphold sustainability, the Bank recognizes the importance of innovation and development of financial products and services, human resource development, and responsible business undertakings. During the past year, tangible progress has been made in all of these areas, as elaborated further in this report.

One of the challenges in pursuing sustainable development is how to instill sustainability principles in the Bank's stakeholders throughout the Bank's supply chain which is comprised of many related external parties. To tackle the challenge, the Bank seeks to appropriately prioritize the initiatives on the basis of importance and the specific business environment and to also align the stakeholders' policies and practices with its business direction.

Our strategic goals for sustainable development over the next 3-5 years are to win the SET Sustainability Award from the Stock Exchange of Thailand, and obtain an "excellence" rating for corporate governance of a listed company by the Thai Institute of Directors (IOD). These types of awards help increase trust and gain the confidence of general investors, domestic and international alike. In addition, the Bank also aspires to get its stock selected for inclusion in the internationally acknowledged Dow Jones Sustainable Index (DJSI), as well as to improve the Bank's sustainability report in order to obtain certification from a central certification agency registered with the Global Reporting Initiative (GRI).

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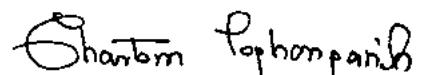
We would like to extend our sincere gratitude to all stakeholders for the trust, support and confidence given to us in the past year on our sustainability path. We will continue to improve our responsible business practices and exercise prudence regarding environmental, social and governance issues so that we can consistently deliver value to society.


**Piti Sithi-Amnuai**

Chairman


**Deja Tulananda**

Executive Chairman


**Chartsiri Sophonpanich**

President

# ABOUT BANGKOK BANK

Bangkok Bank Public Company Limited is a commercial bank founded on December 1, 1944. The Bank was the first commercial bank and one of the first 16 companies that were listed on the Stock Exchange of Thailand in 1975, the inaugural year of the exchange.

During a period of over 75 years since its inception, the Bank has developed and innovated a vast selection of new financial products and services with diverse features and aspects, and provided all types of customers with access to financial services, while taking part in Thailand's national development through financing and providing financial education to businesses and households. In addition, the Bank has adhered to good corporate governance principles, focusing on delivering satisfactory long-term performance and promoting customers' strengths and self-reliance. Thanks to these efforts, the Bank has become known as a trusted and reliable partner for customers, shareholders, investors and other stakeholders.

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## Strategies

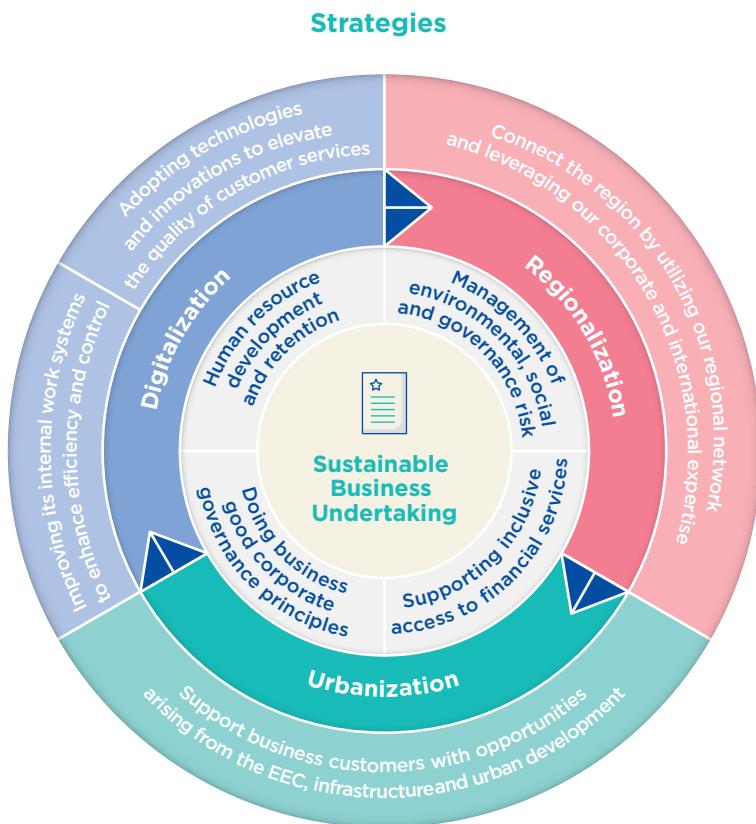
The banking sector is being challenged by rapidly changing technology and consumer behavior as well as economic uncertainties arising from both internal and external factors including intensifying environmental problems. The Bank has developed strategies in response to these challenges and seeks to turn the threats into opportunities, integrating its corporate values, vision and mission with an aim to deliver satisfactory returns and steady growth in the long run. The Bank's strategies cover four areas:

**1. Digitalization** – Adopting technologies and innovations to elevate the quality of customer services. This includes the use of data analytics and digital channels to meet customer needs, an omni-channel and omni-directional approach for sales and services, and digital tools for risk management. The Bank is also improving its internal work systems to enhance efficiency and control.

**2. Regionalization** – Providing integrated regional services through the international branch network and leveraging the Bank's expertise in corporate and international banking to take advantage of growing regional markets.

**3. Urbanization** – Developing products and services that support individual customers with their investment and asset management planning, cater to urban lifestyles and promote digital ecosystems in Thailand.

**4. Sustainability** – Focusing on human resource development, management of environmental, social and governance risks, and supporting universal access to financial services. This will help support business sustainability and the country's effort to achieve sustainable development goals.



## Guidelines for Sustainable Business Undertaking

The Bank has incorporated the concept of sustainability as an integral part of its business strategy with the view to manage long-term risk factors, such as demographic changes, inequality in various dimensions, problems related to the environment and natural resources, and climate change. This is also intended to respond to its stakeholders' expectation that the Bank should

play an important role in nurturing and uplifting the quality of the environment and society in addition to its traditional role as a financial intermediary that is crucial to economic growth and stability. The Bank is confident that adopting sustainable business practices will lead to sustainable value creation and good performance results.

### Guidelines for Sustainable Business Undertaking

<p><b>1</b></p> 	<p><b>Human resource development and retention.</b> The Bank treats employees with equality and fairness, provides for their occupational health and safety and continually develops their skills.</p>
<p><b>2</b></p> 	<p><b>Management of environmental, social and governance risks.</b> The Bank conducts its business responsibly, respects human rights and strictly complies with laws, rules and regulations stipulated by the government. The Bank also manages environmental, social and governance risks and impacts related to its business as well as trade partners in its supply chain.</p>
<p><b>3</b></p> 	<p><b>Supporting inclusive access to financial services.</b> The Bank provides financial knowledge and promotes universal access to financial services to support an aging society, reduce inequality, and support the strong foundations of Thailand's robust economic system.</p>
<p><b>4</b></p> 	<p><b>Doing business under good corporate governance principles.</b> The Bank complies with good corporate governance principles and has a business code of conduct which is communicated to all stakeholders, both internal and external.</p>

## Products and Services

The Bank has a broad range of products and services that can address the needs of different groups of customers as follows:

Key products and services for business customers include deposit accounts in baht and other currencies, commercial credit cards, credit card merchant services, payment services, collection services, fund transfers, project finance and revolving credit, financial services for international trade, digital banking for business, QR code payment services through mobile banking, application-enabled credit and debit cards, liquidity management services, financial risk protection services, and investment advisory services for customers interested in investing in member countries of the ASEAN Economic Community (AEC).

For individual customers, key products and services include savings products such as basic banking accounts, savings deposit accounts, fixed deposit accounts, and foreign-currency deposit accounts; consumer credit cards and debit cards, fund transfer and payment services, digital banking services, QR code payment services, electronic banking services and self-service machines, investment products (such as retirement mutual funds and long-term funds), family protection services (such as life insurance, accident insurance, and health insurance), and personal loans and home loans.

# SCOPE OF BUSINESS

As at December 31, 2019, the Bank's assets included:



## Domestic branch network:

**1,148**

branches



**311**

branches in Bangkok



**837**

branches outside Bangkok



**1,279**

cash deposit machines



## International branch network:

**31**

branches



### Branches covering

**14**

economies

#### Namely:

- |              |                    |
|--------------|--------------------|
| 1. Cambodia  | 8. Myanmar         |
| 2. China     | 9. Philippines     |
| 3. Hong Kong | 10. Singapore      |
| 4. Indonesia | 11. Taiwan         |
| 5. Japan     | 12. United Kingdom |
| 6. Laos      | 13. United States  |
| 7. Malaysia  | 14. Vietnam        |



**9,362**

ATMs



## Digital banking:

**8,000,000**

mobile and internet banking users



**17,000,000**

deposit accounts



UNITED STATES



UNITED KINGDOM

**1**



MYANMAR

**1**



THAILAND

**1,148\***





Credit cards:



2,000,000



Debit cards:



12,300,000



NUMBER OF BRANCHES

\* Not including soft-service outlets

## Commitment to Sustainability

In line with its commitment to be a socially and environmentally responsible financial services provider, the Bank places the highest importance on conducting its business in compliance with the principles, standards, and guidelines on sustainability at both national and international levels.

Principles, Standards and Guidelines	Organization	Adoption
Sustainable Development Goals	The United Nations	As a practical guideline
Global Reporting Initiative Standards (GRI Standards)	GRI is an independent organization founded by the United Nations Environment Program (UNEP) and CERES network	As a practical guideline
Dow Jones Sustainability Indices (DJSI)	RobecoSAM	As a practical guideline
Sustainable Banking Guidelines	Thai Bankers' Association	As a practical guideline
Carbon Footprint	Thailand Greenhouse Gas Management Organization (Public Organization) (TGO)	Already reviewed and certified
Thai Financial Reporting Standard: TFRS	Federation of Accounting Professions Under the Royal Patronage of His Majesty the King	Already complied with the standard, audited and certified by external party
Basel III: International Regulatory Framework for Banks	Bank of Thailand	Already complied with the Bank of Thailand's measures
ISO/IEC27001: 2013 International Security Management System (ISMS)	International Organization for Standardization, and International Electrotechnical Commission	Already certified according to the international standards

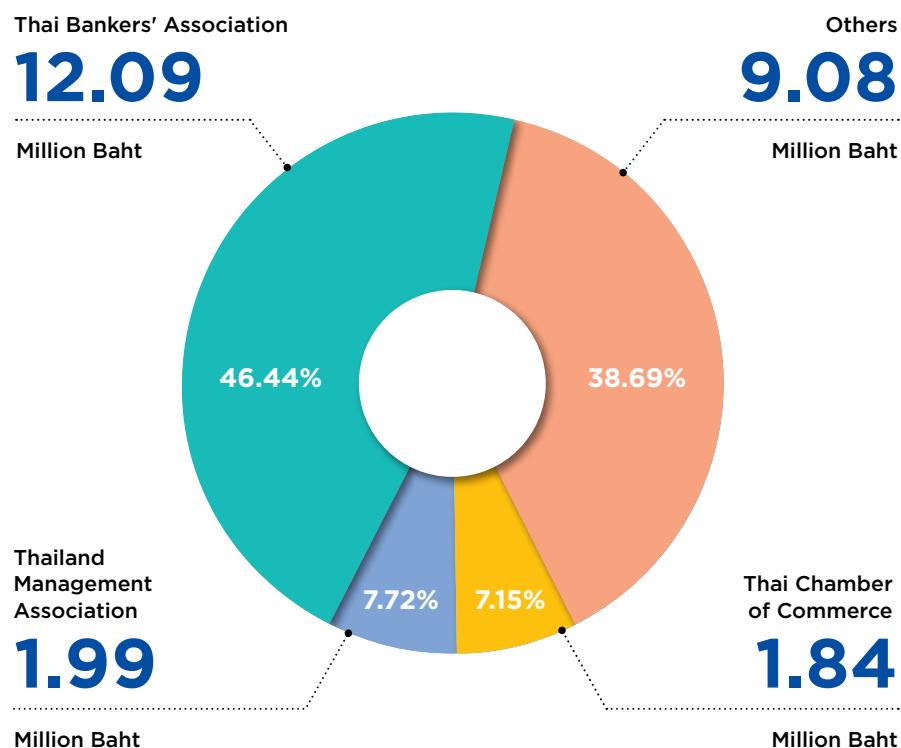
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## Participation as a Member of Agencies and Organizations

The Bank operates its business in accordance with its ethical code of conduct, good corporate governance and sustainable development principles with the aim of creating value for the economy, society and environment. During the past year, the Bank was a member of organizations and networks which play an important role in fostering economic, social and environmental development in Thailand as listed below:

Name of Organization/Agency	Status
Joint Standing Committee on Commerce, Industry and Banking (JSCCIB)	Member
Thai Bankers' Association	Member
Credit Managers Club, Thai Bankers' Association	President
Banking Lawyer Club, Thai Bankers' Association	President
Cash Center Club, Thai Bankers' Association	President
Compliance Club, Thai Bankers' Association	Member
Banking Information Technology Club, Thai Bankers' Association	Member
CSR Club, Thai Bankers' Association	Member
Thailand's Private Sector Collective Action Coalition Against Corruption	Certified Member

The Bank has collaborated with organizations and networks in various sectors including government agencies, associations, the Board of Trade and educational institutions, both domestic and international, in order to ensure that the Bank undertakes its business for the best interests of its stakeholders. In 2019, the Bank financially supported a variety of organizations and networks for a total amount of Baht 25 million. The top three organizations that received the highest grants are:



## Corporate Governance

The Board of Directors is the highest authority with the role and responsibility of overseeing all aspects of the Bank's management, strategy and operations to ensure that the Bank conducts its business with honesty, transparency, accountability and in compliance with laws, regulations and policies. It also checks that the business is conducted in accordance with the Bank's Articles of Association, shareholders' resolutions, regulations imposed by the Stock Exchange of Thailand, the Office of Securities and Exchange Commission, the Capital Market Supervisory Board, as well as the ethical business code of conduct. This is considered an essential dimension of the Bank's sustainable growth that builds trust and promotes its good image as a leading bank in the country and the region.

The Bank has published on its website its corporate governance policies and principles including market conduct and anti-corruption policies. These are also communicated through internal channels to executives and employees at all levels for them to acknowledge and strictly observe.

**Bangkok Bank is committed to adhering to and complying with 7 Good Governance Principles:**



Accountability



Responsibility



Equitable Treatment



Transparency



Value Creation

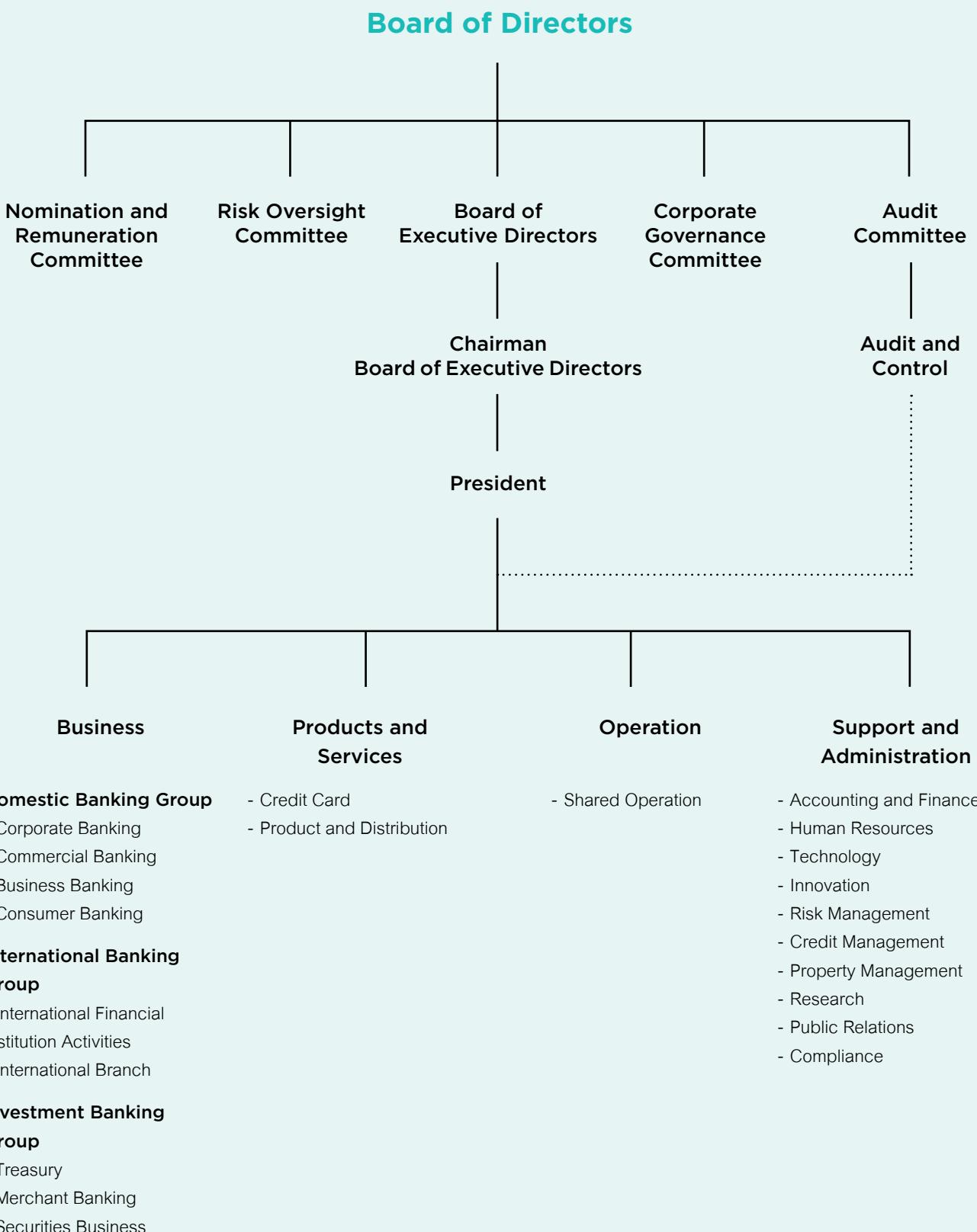


Ethics



Participation

# CORPORATE GOVERNANCE STRUCTURE



The structure of the Bank's corporate governance begins at the top with **the Board of Directors** which plays a vital role in governing the Bank's business undertakings to ensure that the Bank creates value for customers and shareholders, delivers satisfactory performance results, remains competitive and achieves sustainable growth, while taking into consideration business ethics and the best interests of stakeholders in the long run, as well as exercising responsibility to society and the environment.

The Board of Directors has regular meetings and all directors are provided with an annual schedule of meetings in advance. To constitute a meeting quorum, more than two-thirds of the members of the Board of Directors must be present to agree upon decisions on the agenda. Most of the directors attend more than 75 percent of the meetings over the course of the year and each director receives supporting documents for the meeting not less than seven days prior to the meeting. Members of the Board of Directors deliberate, discuss and make decisions on significant economic, social and environmental issues including good governance at their monthly meetings. Should there be any matter related to the establishment, amendment or review of the Bank's policy on corporate social responsibility, the Corporate Secretary will include such a matter in the agenda and propose it to the meeting of the Board of Directors. In addition to regular meetings, non-executive directors and independent directors can call a meeting to exchange opinions on important issues as necessary and appropriate.

**Committees** are appointed by the Board of Directors to be responsible for considering, proposing, monitoring and supervising the Bank's business conduct as assigned, as well as reporting their performance to the Board of Directors on a regular basis, in order to support the Board of Directors to perform their duties effectively and efficiently on specific matters. Such committees include the Board of Executive Directors, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Audit Committee. In 2019 the Board of Directors also established the Corporate Governance Committee to specifically support the Board of Directors on corporate governance and sustainability.

**The Board of Executive Directors** performs its duties as assigned by the Board of Directors, including approval of loans, investments and regular businesses activities related to the Bank's operations. It also scrutinizes matters requiring the approval of the Board of Directors or the shareholders' meeting, in accordance with legal requirements or the Bank's Articles of Association.

**The Nomination and Remuneration Committee** selects and nominates suitable persons to the shareholders' meeting or the Board of Directors for appointment as directors, selects and nominates directors to the Board of Directors for appointment to various committees, and selects and nominates suitable persons to the Board of Directors as senior executive officers, as well as recommending the appropriate remuneration for directors and senior executives.

**The Risk Oversight Committee** oversees and ensures that the Bank's risk management is systematic, efficient and effective, beneficial to the Bank, and in line with the Bank's strategic plan and overall risk management policy.

**The Audit Committee** assists the Board of Directors in financial audits, internal controls and internal audits, as well as selection of, and co-ordination with, the Bank's external auditors.

**The Corporate Governance Committee** is responsible for defining corporate governance and sustainability principles, reviewing related guidelines, and developing the strategic plan on sustainability in line with the Bank's business and social and environmental direction. The committee advises the Board of Directors on matters related to environmental, social and governance (ESG) risks and opportunities as well as ensuring that corporate governance and sustainability principles are practical and effective.

Additionally, the Board of Executive Directors has appointed the Management Committee to ensure that the Bank conducts its business in accordance with defined policies and goals.

**The Management Committee** is tasked with the duty of operating the business in accordance with the established policies and objectives by considering and/or performing its duties according to policies given by the Board of Executive Directors or the President, scrutinizing and following up on the implementation of various plans, and formulating policies and business strategies to present to the Board of Directors for consideration.

Additional details of the Bank's corporate governance were published in the Annual Report 2019 under the topic of "Corporate Governance"

# 2019 SUSTAINABILITY PERFORMANCE SUMMARY

## BE RESPONSIBLE

1



Siriraj-Bangkok Bank Co-branded Privilege Cards donated to Faculty of Medicines, Siriraj Hospital to support underprivileged patients and provide other benefits for more than

Baht **225** million

2



Saving is Easy Project with Gabriel Upatham School was joined by

3



Signed a memorandum of understanding on the Thai Banker's Association Sustainable Banking Guidelines for Responsible Lending

16

4



Business loans were given to Micro-Entrepreneur Phase 3 which totaled

Baht **482** million

(as of December 31, 2019)

5



Environmental conservation loans increased by

**10.34%** from 2018

6



Knowledge Day Forum, with the Bank receiving an award for participating in the Carbon-Neutral Event, hosted by Thailand Green House Gas Management Organization

7



All new vendors and contractors

**100%**

had ESG evaluations

8



All significant vendors were evaluated for ESG risks and impacts

# BE CARING

1



Customer satisfaction for the Bank's branch service was at

**93.37%**

2



Bualuang mBanking users increased by

**25%** from 2018

3



BBLearn, an online learning platform was joined by more than

**14,445** bank staff

and the Bank and the Thai Bankers' Association jointly developed

**29** courses on this platform

# BE ETHICAL

1



Launched knowledge-sharing project on making financial transactions for visually impaired people

2



0 cases of significant corruption issues/findings

3



Received ISO 27001:2013 certification for the Bank's data security management for two consecutive years

4



Made Blink Blink Family animation video to create awareness on cyber security among employees, customers and the public

5



Became a certified member of Thailand's Private Sector Collective Action Against Corruption

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# BE RESILIENT

1



Economic value retained grew by

2



Capital adequacy ratio was higher than the level required by the Bank of Thailand and was equivalent to

3



Net profit amounted to  
Baht

4



BeDigiPass, a co-developed Digital University project between the Bank and King Mongkut's University of Technology Thonburi

**14.67%** from 2018

**20.04%**

**35,816**  
million

# ABOUT THIS REPORT



**Those wishing to express opinions,  
give advice, or request for more  
information, please contact:**

**Corporate Secretary  
Bangkok Bank Public Company  
Limited, 333 Silom Road, Bang Rak,  
Bangkok 10500, Thailand.**

**Telephone: 1333 or (66) 0-2230-2888**

The Bank produces its Sustainability Report annually to reflect its commitment and transparency to sustainable development in the economic, social, and environmental dimensions and report its performance to all stakeholders. This report was published in March 2020 and covers the period from January 1 to December 31, 2019. This report has been prepared in accordance with the GRI Standards: Core Option, Financial Services Sector Disclosures, and Standard Disclosure associated with the Sustainability Development Goals (SDGs) of the United Nations and covers the Bank's materiality issues.

The Sustainability Report quality control process begins with collecting and filtering information by the Sustainability Report Working Team in collaboration with the relevant parties. The Sustainability Report Working Team then drafts the report and submits it to managers of the relevant units who check and review its accuracy. The executive responsible for sustainability matters reviews the accuracy and completeness of the content, before presenting it to the Board of Executive Directors and finally the Board of Directors for consideration. Once approved, the report is published for the Bank's stakeholders and the general public.

In selecting the contents and scope of the Sustainability Report, the Bank takes into consideration their significance and usefulness, following the principles of GRI Standards such as stakeholder inclusiveness, sustainability context, materiality and completeness to ensure the Sustainability Report is complete and beneficial to readers to the greatest possible extent.

This Sustainability Report covers the materiality issues that all external and internal stakeholder groups commonly assess to have the greatest impact on the Bank and its stakeholders. The scope of the Report covers the Bank's Thailand operations only, unless specifically stated to concern the Bank's overseas branch operations, subsidiary companies, or related companies overseas.

# STAKEHOLDER ENGAGEMENT AND EXPECTATIONS



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Bangkok Bank engages with stakeholders regularly to better understand and respond to their needs and expectations. Through such engagement, the Bank can develop products and services as well as organize activities that meet the needs of each group of stakeholders. Realizing the importance of stakeholder engagement to relationship building with all stakeholders, the Bank has established guidelines for treatment of stakeholders. This is published on its official website (<https://www.bangkokbank.com/th-TH/About-Us/Corporate-Governance/Corporate-Governance-Policy>). It also includes the Bank's service standards which have been established with the view to gain the trust of stakeholders and prevent potential risks and negative impacts on the Bank's image, reputation and business undertakings, in accordance with its code of conduct and business ethics.

The Bank categorizes its stakeholders into seven groups based on the type of relationship and possible impact on the business as adapted from the Stakeholders Engagement Standard AA 1000SES. The Bank's stakeholders are shareholders and investors, employees, customers (business and individual), counterparties (suppliers, service providers, and contractors), creditors, industry peers, and the community, society and environment (regulatory authorities, non-profit organizations, the public and mass media).

## Approaches to Stakeholder Engagement

- |   |   |
|---|---|
| <b>1</b><br> | <b>Materiality Issues</b>                   |
| <b>2</b><br> | <b>Stakeholder Inclusivity</b>              |
| <b>3</b><br> | <b>Response to Stakeholder Expectations</b> |

In 2019, the Bank reviewed its stakeholder engagement activities and processes including channels and frequency of stakeholder communications and considered how they might be improved. The Bank took into account opinions, expectations and suggestions covering economic, social and environmental dimensions from all stakeholders. The interests and expectations of each group of stakeholders and ways to meet their needs are summarized as follows:

Shareholders	Engagement Channels and Frequency of Communications
<p style="text-align: center;"><b>1</b></p>  <p><b>Shareholders and Investors</b></p>	<ul style="list-style-type: none"> <li>• Annual General Meeting of Shareholders once a year and Extraordinary General Meeting of Shareholders as required</li> <li>• Disclosure of information in the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) and Sustainability Report in print on an annual basis</li> <li>• Disclosure of information through the website of the Stock Exchange of Thailand (SET), electronic publications and the Bank's official website on a regular basis</li> <li>• 41 meetings with investors and stock analysts</li> <li>• 169 conference calls with investors and stock analysts</li> <li>• 20 meetings with investors</li> <li>• International roadshows in foreign countries.</li> </ul>
<p style="text-align: center;"><b>20</b></p> <p style="text-align: center;"><b>2</b></p>  <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Conduct a customer satisfaction survey at least once a year</li> <li>• Organize activities throughout the year to foster positive relationships between the Bank and customers</li> <li>• Organize training and seminars throughout the year to provide knowledge and financial advice regarding saving, trade and investment, as well as cyber security</li> <li>• Arrange year-round appointment schedules for customer visits to strengthen relationships and accommodate their needs</li> <li>• Provide a range of digital channels for easy and quick communications with customers, such as LINE Groups, Facebook and Twitter</li> <li>• Receive and handle complaints and provide services through the Bank's Phone Banking Center on telephone number 1333, or website <a href="http://www.bangkokbank.com">www.bangkokbank.com</a>, 24 hours a day, seven days a week.</li> </ul>
<p style="text-align: center;"><b>3</b></p>  <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Organize orientation programs for new hires twice a month</li> <li>• Organize an annual meeting of executives from across the country at the beginning of January each year</li> <li>• Conduct an annual survey of executives' satisfaction levels with the performance of the Human Resource Division</li> <li>• Assign representatives to take part in weekly scheduled meetings of the Bangkok Bank Managerial Officers Union and the Bangkok Bank Workers Union</li> <li>• Disseminate news and information to all employees in the "Our News" internal newspaper which is published every two weeks</li> <li>• Make announcements and disseminate news and information about interesting activities on the Bank's intranet "BBL CONNECT", internal e-mail, and public address system to keep employees up-to-date with important information and news</li> <li>• Evaluate the performance of employees twice a year.</li> </ul>

<b>Interests and Expectations</b>	<b>Responsiveness</b>
<ul style="list-style-type: none"> <li>• Satisfactory investment returns in line with economic conditions, as well as steady and sustainable performance growth</li> <li>• Good corporate governance in business undertakings, with efficient, transparent and accountable business management in accordance with the Bank's code of conduct</li> <li>• Equitable treatment of shareholders</li> <li>• Prudent risk management practices.</li> </ul>	<ul style="list-style-type: none"> <li>• Recognize and observe the rights of every shareholder in an equitable manner by honoring their right to propose agenda items for the shareholders' meetings and submit questions in advance, nominate persons for directorship, and express their opinions at meetings</li> <li>• Do business in accordance with principles of good corporate governance, strictly adhere to ethical principles, and disclose regularly and fully the practical guidelines for treatment of stakeholders</li> <li>• Generate performance results based on prudent and efficient management principles and manage risks in a timely fashion</li> <li>• Maintain an Investor Relations Department to liaise with stakeholders on information disclosure, handle inquiries, disclose key performance results, and build good relationships equally with all stakeholder groups</li> <li>• Disseminate information through various channels and media to all investor groups.</li> </ul>
<ul style="list-style-type: none"> <li>• Receive fair and professional treatment</li> <li>• Receive products and services that suit their needs</li> <li>• Get convenient access to financial products and services including financial advice and knowledge</li> <li>• Receive financial transaction services which are convenient, fast and secure and that maintain customer confidentiality</li> <li>• Be able to use a convenient, fast, seamless and secure mobile banking service.</li> </ul>	<ul style="list-style-type: none"> <li>• Build and maintain good relationships with customers as their "puan koo kit mit koo baan" (trusted partner and reliable close friend)</li> <li>• Innovate and deliver products and services to continuously meet the needs of all customer groups</li> <li>• Provide transparent and fair service to customers</li> <li>• Continue to create and offer a variety of convenient and optimal channels for customers to access financial products and services</li> <li>• Teach employees how to raise the quality of their service standards</li> <li>• Manage risks related to cyber security</li> <li>• Raise awareness among customers and employees about personal data protection.</li> </ul>
<ul style="list-style-type: none"> <li>• Receive suitable remuneration and benefits in line with economic and social conditions</li> <li>• Receive training that supports continuous improvement of skills and expertise that will advance their career path</li> <li>• Receive an appropriate level of staff welfare and be provided with a safe working environment</li> <li>• Have access to equipment and facilities necessary for their work.</li> </ul>	<ul style="list-style-type: none"> <li>• Prescribe rules, regulations, and working procedures, and provide employee benefits that are clear, fair and auditable</li> <li>• Set remuneration, benefits and assistance at levels that enable employees to sustain a good quality of life</li> <li>• Provide training and development programs for employees as appropriate to the nature and level of their work</li> <li>• Maintain a workplace environment that meets occupational health and workplace safety standards</li> <li>• Listen to the opinions of employees and understand their needs as conveyed by representatives of the two labor unions of the Bank.</li> </ul>

Shareholders	Engagement Channels and Frequency of Communications
<p><b>4</b></p>  <p><b>Counterparties</b></p>	<ul style="list-style-type: none"> <li>• Meet with new vendors (or with existing vendors when new contracts are signed) to listen to their suggestions and clarify protocols for working together</li> <li>• Hold a seminar with counterparties to promote sustainable supply chain management once a year</li> <li>• Communicate in writing to inform counterparties of any significant changes to the Bank's relevant rules</li> <li>• Maintain regular contacts with counterparties to listen to their opinions and recommendations on product development as well as to build good rapport.</li> </ul>
<p><b>5</b></p>  <p><b>Creditors</b></p>	<ul style="list-style-type: none"> <li>• Disseminate accurate and honest information</li> <li>• Communicate about the Bank's products and services through mass media and advertising channels</li> <li>• Receive suggestions and complaints through the Bank's Phone Banking Center on telephone number 1333, or website <a href="http://www.bangkokbank.com">www.bangkokbank.com</a>, 24 hours a day, seven days a week.</li> </ul>
<p><b>22</b></p> <p><b>6</b></p>  <p><b>Industry Peers</b></p>	<ul style="list-style-type: none"> <li>• Participate in activities and meetings of the Thai Bankers' Association and those of its working groups and associations. These include for instance the CSR Club, Credit Cards Club, Thai Commercial Bank Branch Executives Club, and Sustainable Banking Working Group</li> <li>• Participate in the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB - Thailand) comprising the Board of Trade of Thailand, the Federation of Thai Industries, and the Thai Bankers' Association</li> </ul>
<p><b>7</b></p>  <p><b>Community, Society and Environment</b></p>	<ul style="list-style-type: none"> <li>• Produce weekly television programs to share knowledge about finance and business administration with the general public and business sector</li> <li>• Organize regular community, social and environmental activities with a focus on preserving the uniqueness of Thai identity and culture</li> <li>• Build awareness and share knowledge with people and businesses about finance, investment, savings and business administration through training, seminars and various media channels on a regular basis</li> <li>• Receive complaints and suggestions through the Bank's Phone Banking Center on telephone number 1333, or website <a href="http://www.bangkokbank.com">www.bangkokbank.com</a>, 24 hours a day, seven days a week.</li> </ul>

Note that every year the Bank regularly analyzes, reviews and plans its activities that promote stakeholder engagement.

<b>Interests and Expectations</b>	<b>Responsiveness</b>
<ul style="list-style-type: none"> <li>• Receive transparent, fair, and equal treatment from the Bank</li> <li>• Receive payments or compensation in full and on time.</li> </ul>	<ul style="list-style-type: none"> <li>• Honor contract terms as agreed upon with vendors in an equitable and fair manner</li> <li>• Establish transparent and accountable criteria for selecting vendors, and follow transparent and auditable management guidelines and working procedures</li> <li>• Evaluate products and services, business undertakings, social and environmental conduct and governance practices of counterparties to help them achieve business sustainability.</li> </ul>
<ul style="list-style-type: none"> <li>• Receive interest and principal repayments on time</li> <li>• Receive assurance that the Bank manages its business in a stable and sustainable fashion.</li> </ul>	<ul style="list-style-type: none"> <li>• Honor all terms agreed upon on the basis of honesty and mutual trust</li> <li>• Maintain creditor confidentiality</li> <li>• Manage liquidity to ensure that debt repayment commitments will be honored</li> <li>• Communicate continually to provide complete and accurate news and information.</li> </ul>
<ul style="list-style-type: none"> <li>• Expect that business will be done in a fair and transparent fashion, while maintaining mutually meaningful relationships with industry peers</li> <li>• Expect fair competition and collaboration with peers on industry development</li> <li>• Expect the Bank to participate in an exchange of views about economic and social conditions with the TBA and JSCCIB.</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake business within regulatory boundaries and under fair competition rules of the Bank of Thailand, and the Securities and Exchange Commission</li> <li>• Collaborate with and support initiatives of the Thai Bankers' Association and the Joint Standing Committee on Commerce, Industry and Banking.</li> </ul>
<ul style="list-style-type: none"> <li>• Receive financial knowledge, as well as knowledge about investment, savings, and business management from the Bank</li> <li>• Access financial products and services through suitable channels</li> <li>• Receive support for economic development that enhances and sustains communities</li> <li>• Receive help to preserve the environment surrounding the communities and support in promoting social and community services.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide financial knowledge through digital channels and mainstream media, and support and encourage employees' volunteer activities</li> <li>• Develop financial products and services to meet the needs of society</li> <li>• Support activities that help preserve Thai traditions and culture, promote environmental preservation, and foster community development to strengthen self-reliance.</li> </ul>

# MATERIALITY ISSUES ASSESSMENT

The Bank identified materiality issues by engaging with stakeholders to consider issues important to the Bank and issues important to stakeholders, covering both current and potential sustainability issues. The Bank collected information and viewpoints from

stakeholders through various means such as questionnaires, in-depth interviews, and workshops in order to assess and identify materiality issues.

## Materiality Issues Assessment

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1



**Identify Materiality Issues**

2



**Prioritize Materiality Issues**

3



**Examine Materiality Issues**

4



**Review Materiality Issues**



## Step 1: Identify materiality issues

The Bank reviews and considers issues of sustainable development at both the national and international levels. This includes UN Sustainable Development Goals (UN SDGs), Dow Jones Sustainability Indices (DJSI), Thailand's 20-Year National Strategy, Thailand's 12<sup>th</sup> National Economic and Social Development Plan, and the Bank of Thailand's three-year strategic plan. After identifying the initial materiality issues, the Bank surveyed internal and external stakeholders about potential impacts on the Bank's business operations. This was used to assess and identify more materiality issues. In 2018, 12 priority materiality issues were selected and these remain relevant and appropriate to date.

### Internal stakeholder engagement

The Bank conducted an initial survey about materiality issues by interviewing the Bank's management and staff, using questionnaires and conducting workshops to collect viewpoints nationwide from branch staff, business center staff, head office staff, and staff who are committee members of the Bank's labor union.

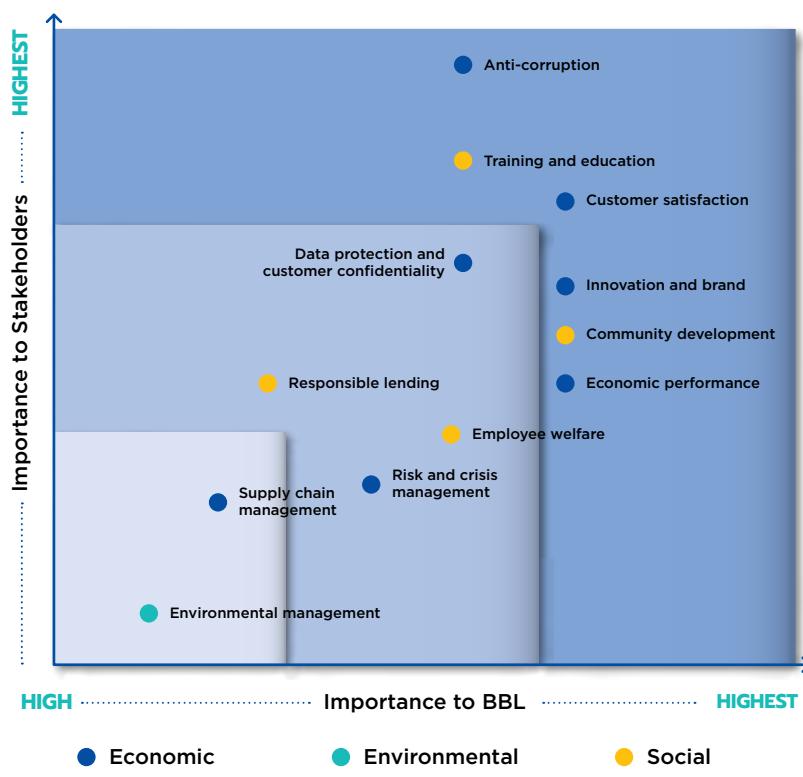
### External stakeholder engagement

The Bank conducted an initial survey about materiality issues using questionnaires with sample groups of external stakeholders such as shareholders, investors, customers, business partners, creditors, community members and industry peers.



## Step 2: Prioritize materiality issues

The Bank's Sustainability Report Working Team reviewed and prioritized the materiality issues deemed to be of interest and meeting the expectations of the stakeholders. These were arranged into a materiality matrix. The horizontal axis represents the level of importance to the Bank's business operations and the vertical axis the level of importance to the stakeholders.



**In 2019, the Bank Identified the 12 Materiality Issues as Follows:**

- 1 Customer Satisfaction
- 2 Innovation and Brand
- 3 Community Development
- 4 Economic Performance
- 5 Anti-Corruption
- 6 Training and Education
- 7 Data Protection and Customer Confidentiality
- 8 Employee Welfare
- 9 Risk and Crisis Management
- 10 Responsible Lending
- 11 Supply Chain Management
- 12 Environmental Management



## Step 3: Examine materiality issues

The Bank's Sustainability Report Working Team is tasked with reviewing and screening the data to ensure the accuracy before presenting the materiality issues to the Bank's Management Committee for approval to use these materiality issues as the foundation for working towards sustainable development.



## Step 4: Review materiality issues

The Bank's Sustainability Report Working Team reviews the materiality issues every year. The materiality issues are further reviewed through a process of engagement with all stakeholder groups every three years, or when a reason for review arises. This is to ensure that the Bank's materiality issues remain relevant to the situation and in accordance with the expectations of all stakeholder groups.

## Sustainability Performance

Fully realizing the importance of sustainability and the expectations of its stakeholders and society on its sustainable development endeavors, the Bank has established four sets of sustainability guidelines that are aligned with its 12 materiality issues. These are aligned with the Bank's business strategies aimed to deliver stable and sustainable growth as well as create value to all stakeholders. The guidelines also help advance the Sustainable Development Goals (SDGs), a collection of global goals on sustainability set by the United Nations.

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	<b>Sustainability Guidelines   Materiality Issues of the Bank</b>	<b>GRI Standards</b>
<b>Be Responsible</b>	1. Community development	GRI 103–1, GRI 103–2, GRI 103–3, GRI G4-FS14
	2. Environmental management	GRI 102–12, GRI 102–48, GRI 103–1, GRI 103–2, GRI 103–3, GRI 302–1, GRI 302–4, GRI 303–1, GRI 303–3, GRI 305–1, GRI 305–2, GRI 305–3, GRI 306–2
	3. Supply chain management	GRI 102–9, GRI 103–1, GRI 103–2, GRI 103–3, GRI 308–1, GRI 414–1
	4. Responsible lending	GRI 102–12, GRI 103–1, GRI 103–2, GRI 103–3, GRI G4-FS7, GRI G4-FS8
<b>Be Caring</b>	5. Employee welfare	GRI 102–8, GRI 102–41, GRI 103–1, GRI 103–2, GRI 103–3, GRI 401–1, GRI 401–2, GRI 401–3, GRI 403–2, GRI 404–2
	6. Training and education	GRI 103–1, GRI 103–2, GRI 103–3, GRI 404–1, GRI 404–2
	7. Customer satisfaction	GRI 102–43, GRI 103–1, GRI 103–2, GRI 103–3
<b>Be Ethical</b>	8. Anti-corruption	GRI 102–11, GRI 102–16, GRI 102–17, GRI 103–1, GRI 103–2, GRI 103–3, GRI 205–3
	9. Data protection and customer confidentiality	GRI 103–1, GRI 103–2, GRI 103–3, GRI 418–1
<b>Be Resilient</b>	10. Economic performance	GRI 103–1, GRI 103–2, GRI 103–3, GRI 201–1
	11. Innovation and brand	GRI 103–1, GRI 103–2, GRI 103–3, GRI 203–1, GRI 203–2
	12. Risk and crisis management	GRI 102–11, GRI 102–30, GRI 102–31, GRI 103–1, GRI 103–2, GRI 103–3

### Scope of Impact

		Internal	External	United Nations Sustainable Development Goals				
All units	Customers, communities, society and environment							
All units	Customers, communities, society and environment							
All units	Counterparties, communities, society and environment							
All units	Customers, communities, society and environment							
All units	Counterparties, communities, society and environment							
All units	Customers							
All units	Customers							
All units	All external stakeholders							
All units	Customers, shareholders and investors							
All units	All external stakeholders							
All units	Customers, industry peers, communities, society and environment							
All units	Customers, shareholders and investors							

# SUSTAINABILITY INITIATIVES



# 4 Be...



## ◀ BE RESPONSIBLE

- Community Development
- Environmental Management
- Supply Chain Management
- Responsible Lending

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## ◀ BE CARING

- Employee Welfare
- Training and Education
- Customer Satisfaction

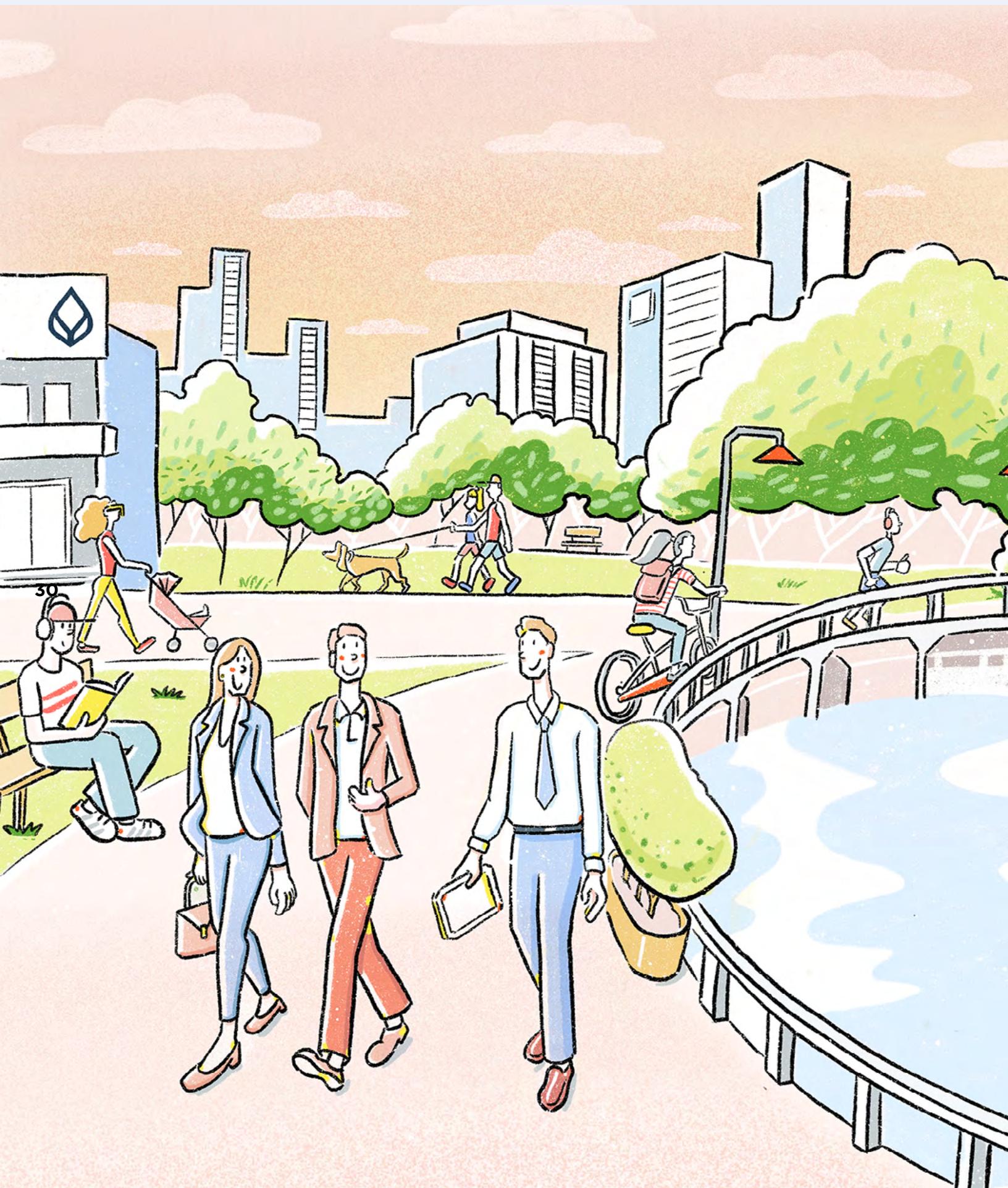
## ▲ BE RESILIENT

- Economic Performance
- Innovation and Brand
- Risk and Crisis Management

## BE ETHICAL ▶

- Anti-Corruption
- Data Protection and Customer Confidentiality







# Be Responsible

The Bank seeks to conduct its business responsibly by promoting financial inclusion and financial literacy among stakeholders and underprivileged people, providing loans with due consideration to uphold social and environmental responsibility, manage supply chains sustainably, and build good relationships with communities.

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Community Development



Environmental Management



Supply Chain Management



Responsible Lending



## Community Development

### 1 Commitment

Creating shared values between communities and the Bank, enhancing quality of life, reducing social and economic inequality, educating and promoting financial access through constructive and sustainable development of communities.

### 3 2019 Performance Highlights



Organized a workshop promoting financial access for 40 visually-impaired people



Expanded the number of basic banking accounts to reach 253,355 in total (an increase from 16,951 accounts in 2018)



Organized the 'Easy Money-Saving Project' with Gabreil Upatham School where 156 students participated with combined savings with the Bank of Baht 134,000



Provided financial literacy and other knowledge training to more than 2,000 farmers and SME



Achieved the annual goal of offering Junior Achievement (JA) Company Program to 40 schools with more than 1,000 participating students

### 2 Targets

#### Long-term Targets 2020 - 2023



Promoting financial access through appropriate products and services



Promoting and encouraging savings discipline for young people



Developing financial competency for farmers and Small and Medium-sized Enterprises (SME)



Expanding Junior Achievement Company Program (JA) to cover more than 100 schools

#### The target of 2019



Supporting visually-impaired people with convenient and secure financial access



Expanding basic bank account services



Promoting and encouraging financial / saving discipline among young people



Providing financial literacy training and other useful knowledge to farmers and SME



Expanding Junior Achievement Company Program (JA) to cover 40 schools and more than 1,000 participating students

Businesses and communities are in a mutually supportive relationship. Businesses play a key role in supporting a strong community through employment, producing useful products and services, and conducting social activities. Meanwhile, strong community support can enable business stability. The Bank engages in community building through its own operations and by collaborating with related parties. The Bank's framework for community development activities has a broad scope covering both the general public and underprivileged people, such as decent living, education, medical access, financial literacy and financial inclusion. The aim of this framework is to help build strong communities, reduce social and economic inequality, and support United Nations Sustainable Development Goals (UNSDG).

This report covers activities that support the development of communities near the Bank's branches and offices. This includes both regular activities and new initiatives suited to changing economic, social and technological environments.



## Management Approach

The Bank established the Social Responsibility Policy with the objectives to set the direction, principles, and framework for community development, ensuring activities deliver positive results for communities, and encouraging subsidiary companies within its financial group to apply this policy in their own activities. The policy encourages every employee to be aware of, understand and accept the values and significance of community development. The Bank invites employees to participate in community development and provides sufficient and suitable resources for these activities.

The Public Relations Department is responsible for setting up the annual community development plan and allocating the required resources and budgets. In addition, the Bank allows any business

unit to initiate and conduct community development activities relevant to their work and provides supervision and support until these activities are completed.

The Bank set up the Community Development and Business Promotion Committee which is responsible for selecting community projects that the Bank will support as special cases in addition to regular annual activities. The Bank has enabled employees to volunteer for public interest activities since 1989 through the Bualuang Charity Group (Bualuang Bamphen Prayot) to encourage community development and stimulate an interest in younger generations under the "Care for the public. Let's make it better." slogan.

## Community Development Activities

In 2019, the Bank conducted community development activities in the following eight areas:

Community Development Activity Framework	Target groups
1. Supporting community well-being	Supporting quality of life and fulfilling basic community needs
2. Supporting healthcare access for vulnerable people and medical development	Supporting health research and access to medical services, as well as preparing for an aging society
3. Sharing knowledge to build capability of farmers	Supporting farmer networks and helping farmers become more competitive and able to grow sustainably
4. Developing competency for SME	Developing competencies of SME, the foundation of the Thai economy, to have sustainable growth
5. Strengthening financial literacy and supporting financial inclusion	Educating and promoting financial inclusion, promoting financial self-discipline and saving to support financial stability and well-being
6. Promoting learning opportunities	Developing the potential of young people and promoting learning opportunities to help them develop necessary career skills
7. Promoting and preserving Thai art and culture	Promoting and preserving Thai art and culture by supporting and developing traditional art and cultural activities and practices
8. Respecting the Monarchy and promoting Buddhism	Respecting the Monarchy and promoting Buddhism

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### 1. Supporting Community Well-being

#### “Joyful Caravan, Local Tourism” TV program, year 3

To promote local tourism and help communities develop sustainable, quality services that benefit the local economy, the Bank supported the *Joyful Caravan, Local Tourism (Caravan Samran Jai, Community Tourism)* television program. The show highlights natural and cultural tourist destinations, as well as products and services from communities across the country, and invites experts to provide advice on how communities can improve their products and services and make them more attractive. Broadcasts every Saturday, 07:15–07:45 am, on Thai TV Channel 3 HD.

#### Bangkok Bank rural school building project

The Bank has championed a rural school building project since 1975 to provide young people in rural areas with access to educational opportunities, help them become active members of their communities, and increase their future potential. In 2019, the Bank completed and handed over a new building to Sahawitthayakom School, Kamphaeng Phet province, and held a foundation-stone-laying ceremony for a new school in Ban Dong Klang, Trat province. The Bank has donated more than Baht 40 million throughout the life of this project and constructed more than 30 school buildings in rural areas benefitting more than 15,000 young people.



### Bangkok Bank scholarships

The Bank provides educational and career growth opportunities for employees and members of the public. Each year it provides up to 25 scholarships for master's degree programs (in English) from local or international institutions. In 2019, 13 scholarships were provided to nine Bank employees and four members of the public. The Bank has awarded 164 scholarships worth more than Baht 240 million since the program began. All scholarship recipients have come back to work at the Bank, with 26 percent of them eventually rising to positions as executives of the Bank.



### Language training room

The Bank built a language training room at Nakhon Phanom Provincial Employment Office, Muang District, Nakhon Phanom Province, to help Thai people work abroad. This initiative supports the policy of the Department of Employment, Ministry of Labor, to build foreign-language skills for Thai people to reduce employment problems and other language obstacles while working abroad. It will help upskill Thai laborers and help make them more employable within the international labor market. This year, the Bank provided 150 hours of Korean language training for two groups of laborers, 80 in total, saving them total fees equivalent to Baht 760,000.

### JS100 Radio and Bangkok Bank wheelchair donations

The Bank together with JS100 Radio supported a fund-raising project to buy wheelchairs for physically impaired and elderly people. The Bank donated Baht 1 million in seed funds and asked executives and staff to donate belongings for an auction to raise funds, as well as encouraging members of the public to donate using PromptPay. In 2019, the Bank raised funds for 1,267 wheelchairs.



### Third Bangkok Bank CycleFest

Bangkok Bank CycleFest 2019 ran from November 23–24, 2019 at Siam Country Club, Pattaya, under the "Ride for All" concept. More than 3,000 people joined the event. Money raised by participants and all fees from the Family Ride activity were donated to underprivileged people and lower-income medical patients. In addition, the Bank continued to hold activities for employees of the Bank and its subsidiary companies, such as *Road to Bangkok Bank CycleFest* and *Bangkok Bank Connect @ Bangkachao*. By *Bangkok Bank CycleFest* to strengthen relationships among staff, promote good health, and support local tourism. More than 70 Bank executives and staff from across the country participated in these events.

## Number of Participants for Bangkok Bank CycleFest



## 2. Supporting Medical Development and Healthcare Access for Vulnerable Groups

Credit cards to support healthcare access



"Bangkok Bank Titanium Ramathibodi Hospital Credit Card: the more you spend, the more you make merit"

The Bank donated all annual membership fees for this credit card without deducting expenses and 0.2 percent of the total spending of each card per billing cycle to the Faculty of Medicine at Ramathibodi Hospital in Bangkok to help impoverished patients. In 2019, 600 new cards were issued bringing total cardholders to 12,568. Total donations since its launch in 2009 were Baht 13.33 million (as of December 31, 2019).

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Bangkok Bank-Siriraj co-branded cards

Bangkok Bank offers two types of cards to support Siriraj Hospital in Bangkok: Be1<sup>st</sup> Smart Rabbit Siriraj Card and Bangkok Bank Visa Platinum Rabbit Siriraj Credit Card. The Bank donates 0.2 percent of total spending of the cards per billing cycle to the Faculty of Medicine, Siriraj Hospital. In addition, credit cardholders can donate by redeeming points (1,000 points = Baht 100) and the Bank will match the donation to provide support for poor patients.

Products	2019 Target	Actual new cardholders	Total cards	Total donations (Million Baht)
Be1 <sup>st</sup> Smart Rabbit Siriraj Card	120,000	117,718	1,658,376	223.5
Bangkok Bank Visa Platinum Rabbit Siriraj Credit Card	8,000	2,856	14,058	1.6

As of 31 December 2019

### Supporting mobile medical units

The Bank has supported the Medical and Dental Mobile Unit Foundation which provides general check-ups and dental assistance to poor people, free of charge. In 2019, 40 executives and staff from local Bank branches volunteered to help the mobile service in Kamphaeng Phet, Pitsanulok, Chanthaburi, and Chaiyaphum provinces, providing assistance to 5,394 people.

### Supporting medical development

Realizing the significance of good health of the people and the need for the country to prepare for the transition to an aging society, the Bank has donated funds to support various projects for advancement of medical services and enabling people to access medical care, such as projects for procurement of medical equipment and construction of medical service centers and facilities. The Bank's contribution is intended to help needy patients, with a particular emphasis on those with cancer, psychiatric disorder, or brain and nervous illnesses, as well as diseases of old age.

### 3. Building Strength for Farmers

#### Modern Agriculture Project

Thailand's agriculture sector plays an important role in the national economy and many people's daily lives. The Bank has been running the Modern Agriculture Project since 1999 to support the sector by promoting agricultural development across a range of initiatives, such as educating farmers on how to increase productivity and improve products, supporting the development of a farmers' network for sharing knowledge and co-creating marketing opportunities, and supporting the use of new technologies. Activities include seminars, study trips and an annual fair for farmers to sell their produce at the Bank's Head Office.

#### Modern Agriculture seminar

In 2019, the Bank organized the Modern Agriculture's Thinking Partner seminar on "How farmers can adapt themselves in the digital age" at its Head Office on Silom Road. About 500 people joined the event where experts and successful farmers shared their experiences on how to adapt themselves in the digital age by leveraging technology and innovation while creating a production and marketing network for farmers. Mr. Alongkorn Polabut, Advisor to the Minister of Agriculture and Cooperatives, gave the keynote address on the ministry's policy at the seminar.



#### Modern Agriculture Fair Day 2019: Farmers prosper in digital age

The Modern Agriculture Fair, held in front of the Bank's Head Office every year, provides smallholder farmers with an opportunity to sell their products directly to consumers. It also enables farmers to exchange ideas with customers about how they can improve their businesses and products. In 2019, 66 farmers joined this event generating sales of Baht 3,628,592. The Bank awarded the Modern Agriculture Award 2019 to Mr. Nitipat Thong-On, for combining his wisdom and experience with new technology to improve production and marketing, and to Mr. Artit Channontachai, for setting up the farmers' network through the FARMTO application.



The Bank supports the Cancer Immunotherapy Research Fund at the Faculty of Medicine, Chulalongkorn University project to produce antibody-based drugs for cancer and personalized cancer vaccines. In 2019, the Bank invited employees to join the Be The Hope By Bangkok Bank run under the "Chula Cancer Run, Keep pace with cancer" Virtual Run project. The Bank contributed Baht 10 per kilometer with a combined running distance target of 100,000 kilometers. More than 6,000 employees participated in the event (about 25 percent of Bank employees), achieving a total accumulated distance of more than 112,000 kilometers.

## 4. Developing Competency for Small and Medium-sized Enterprises (SME)

### Project for Possibility for Thai SME to Make, Sell, and Grow

For this project, the Bank initially focused on SME working in the food industry, one of the 10 S-Curve industries the government is promoting. Many SME face challenges such as funding access and limitations in their research and development capabilities. To help SME overcome such limitations, the Bank organized knowledge-exchange workshops on food science research with professors and researchers from Silpakorn University and the National Science and Technology Development Agency's Food Innopolis innovation hub to create opportunities for SME and researchers to collaborate in developing efficient manufacturing processes and suitable products for customers. Fifteen SME joined the project and six companies participated in business development research.

### Foreign exchange rate risk management for SME

Fluctuating exchanges rates are a major risk in international trade, yet many SME lack understanding of this issue or how to manage currency risk. To help SME become more skilled in this area, the Bank collaborated with the government sector and other financial institutions to build awareness and introduce SME to banking products that can help manage currency risks. In 2019, the Bank worked with government and private partners to organize seminars in targeted provinces, conducted e-learning training for SME customers where 355 companies joined, and offered reduced fees when using foreign exchange risk management products from the government.

### How SME adapt themselves to the Single Account System seminar

The Bank trained SME on single account to help them use the same financial statements they submit to the Department of Revenue as a supporting document in their loan application to banks. The single account demonstrates financial transparency and allows SME to have better access to funds that match the true needs of the SME businesses. It also allows government agencies to see information reflecting real business conditions, enabling them to launch policies to help farmers and SME more effectively. The training helped SME customers understand how keeping transparent financial statements is beneficial to their business management. The training gave SME not only knowledge but also guidelines for them to adapt to the regulatory changes and consequent impacts. In 2019, the Bank conducted training for 898 SME in Chon Buri, Nonthaburi, Chanthaburi, and Bangkok.

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### 2019 Bualuang SME Fair

The Bualuang SME Fair celebrated its 11<sup>th</sup> year in 2019. The event aims to increase marketing channels and expand business for Bualuang SME Club members by selling high-quality consumer products in front of the Bank's Head Office premises. The Bank provided QR Code payments to facilitate and promote the move toward a cashless society. More than 73 SME companies set up booths at the event which generated total sales of Baht 13.13 million.

### Working through the SME Network

The Bualuang SME Club organizes many kinds of activities and courses, which more than 600 participants attended in 2019. These included study trips, both locally and overseas, and seminars to promote the SME Network. The Bank has also created an online social network through the SME Social Planet project under the name "Bangkokbanksme" since 2015 to expand the communication channels between the Bank and SME or aspiring SME. This has built an online learning center for entrepreneurs and the general public through Facebook, YouTube, Twitter, and Instagram and connected the Bank more closely with customers. Topics have

### Bangkok Bank SME on Social Media



Website

**12,147** Average UIP/Month



Facebook

**1,484,893** Page Likes



Youtube

**10,949** Subscribers



Twitter

**16,155** Followers



Instagram

**4,733** Followers

included business content writing, trend analysis, and sharing success stories of the Bank's customers. Events were also held on Digital Marketing, Business Disruption, Smart Farming, Accounting & Tax, as well as SME Clinics. These online communication channels led to the Bank receiving a National Innovation Award for Media (Online) from Innovation ThaiExpo 2019.

## 5. Strengthening Financial Literacy and Supporting Financial Inclusion

### Financial stability with Bualuang Family

In collaboration with Bangkok Insurance Public Company Limited, Bangkok Life Assurance Public Company Limited, BBL Asset Management Company Limited, and Bualuang Securities Company Limited, the Bank taught family financial management and saving discipline to promote financial security by sharing articles on financial literacy and financial analysis through various channels such as roadshows and online media. The Bank also worked with other organizations to send trainers and staff to educate people about financial literacy.

### Easy Saving project

To address rising household debt in Thailand, the Bank started the Easy Saving project to create awareness about saving money and cultivate saving discipline among young people by setting clear goals and recording their savings progress with the Bank. In 2019, the Bank initiated a project with Gabriel Upatham School reaching around 156 primary and secondary students. Staff from nearby branches facilitated account opening for parents and helped the students save a total of Baht 134,000. Moreover, the Bank and the school extended the project to include teachers by providing financial literacy training on income and expense management, as well as financial products and services that can help build long-term financial stability.

### Financial transactions for visually impaired people

The Bank collaborated with the Credit Union for the Blind and Thailand Association of the Blind to organize a workshop that provided visually impaired people with advice on relevant financial products and services, how to safely conduct financial transactions, and how to use Bualuang mBanking. 40 people attended the workshop.

### Basic banking account for government welfare cardholders or people aged 65 and above

Having a bank account is the foundation of financial management and saving. In 2018, to demonstrate its determination to operate as a "Sustainable Banking" business, the Bank joined 14 other commercial banks, which are member banks of the Thai Bankers' Association (TBA), to provide a Basic Banking Account service, supporting financial inclusion in all sectors with the goal of achieving sustainable economic growth. The account is offered with special conditions, with no minimum deposit requirement for opening or maintaining the account. Each account holder is issued an ATM or debit card tied to the account with no charge for the first year and no annual fee, which they can use to make deposits and withdrawals and transfer funds. The special conditions help reduce costs for accessing financial services and allow people to efficiently manage their everyday finances. By the end of 2019 the Bank had opened 253,355 basic banking accounts.





#### AEC Business Leader course

The Bank organized the AEC Business Leader workshop for Thai entrepreneurs, especially SME who want to start their own business in Southeast Asia. Participants are given practical knowledge about investment, business opportunities, and business management skills in each ASEAN member state. The Bank also helps connect local entrepreneurs with international customers from across its business network. The course also provided the Bank with the opportunity to expand its customer base. The Bank has organized four courses since 2016, with 184 participants in total.

**40**

#### AEC Business Leader Course



##### ASEAN Insight

Executives and digital marketing experts from the leading companies in ASEAN, as well as branch managers of Bangkok Bank in different countries in ASEAN.



##### Business Skill

Gain knowledge and skills to support business management in areas such as law and regulations, marketing strategy, sustainability branding and trends in ASEAN markets.



##### Business Facilitation

Advice from representatives of the Ministry of Commerce (MOC), the Board of Investment of Thailand (BOI) and the private sector about the investment promotion measures for ASEAN markets penetration.



##### High-Level Business Networking

An exclusive business trip to Ho Chi Minh City, Vietnam, that includes visiting successful companies in ASEAN and business networking.



##### Business Plan Development

Develop a business plan in a group exercise using analytical skills and classroom knowledge. The winner of the competition will be honored with an award from Bangkok Bank executives and CEOs from the top companies in ASEAN.

#### 6. Junior Achievement Company Program

##### Junior Achievement Company Program

The Bank together with Junior Achievement Thailand developed the curriculum for the Junior Achievement Company Program (JA Company Program), Thai version, to provide basic knowledge about business operations to secondary school students. Participants learn about how to set up a company, strategic planning, sales and marketing, accounting and finance, with Bank executives and staff being volunteer teachers. In 2019, 1,122 students from 40 schools participated.

##### Developing Young People and Promoting Learning Opportunities Junior Achievement Company Program

No. of participating schools

**30**

2018

**40**

2019

No. of participating employees

**16**

2018

**15**

No. of participating students

**858**

2018

**1,122**

2019

No. of volunteer hours

**336**

2018

**286**

2019

##### Total Subsidy (Baht)

2018

**1,577,000** Baht

2019

**2,069,500** Baht

## 7. Promoting and Preserving Thai Art and Culture

### Thai Traditional Music Contest

Since 1986, Bangkok Bank Musical Art Center, in collaboration with the Department of Children and Youth, has organized the Thai traditional music competition Pralong Pleng Plaleng Mahori for high school students. The purpose of the competition is to uphold the initiative of Her Royal Highness Princess Maha Chakri Sirindhorn to encourage youth interested in Thai traditional music to learn and develop their skills in performing Mahori, a type of Thai traditional music, to continue the classical traditions passed on from earlier generations of musicians. The number of participating schools has increased continuously. In 2019, 54 schools and one classical Thai music club participated in the contest. The winners have the opportunity to perform at an event in their local communities. Bangkok Bank Musical Art Center in 2019 won an award of honor Phet Pranakhon from Phranakhon Rajabhat University for its continued contribution to promotion of traditional Thai art and culture.

### Thai classical music performances

The Bank organizes Thai classical music performances 24 times a year to support Thai performing artists in fields that are becoming rare and to provide opportunities for artists and Thai traditional dance groups to perform.

### Supporting Thai literature

The Bank continued the Kawee Pakka Thong (Golden Pen Poet) project, a workshop celebrating the art of poetry, for the fifth consecutive year, to support and inspire university students to improve their skills and continue writing poetry, another Thai art and cultural treasure. Famous poets led by Mr. Naowarat Phongphaiboon, a national artist in literature, shared their knowledge and experience for students from Thailand's five regions. The students were invited to submit their poetry to a contest at the end of the workshop whereby experts selected the best works from each region. More than 3,000 students have joined the project so far. In addition, the Bank organized a special seminar called Meet S.E.A. Writers 2016–2019 with 25 authors from nine ASEAN countries who have won S.E.A. Write awards in the last three years. More than 200 people attended the seminar.

## 8. Respecting the Monarchy and Promoting Buddhism

The Bank organized Buddhist chants to mark the occasion of the Royal Coronation Ceremony and provide a space for people to pay their respect in front of the Head Office. In addition, the Bank together with the Ministry of Defense invited executives and staff

to help paint a wall along the Royal Coronation Ceremony route at Wat Buranasiri Mattayaram, Atsadang Road, on May 5, 2019.

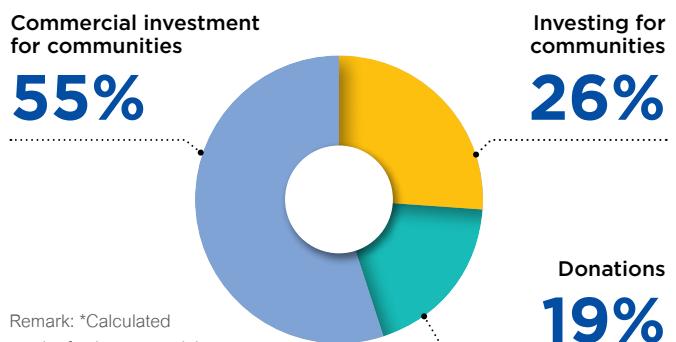
The Bank set up a booth for people to pay their respect on Father's Day under the concept of Saving Good Deeds and Sharing at Sanam Luang from December 5–14, 2019 to encourage Thai people to do good deeds, save money, and share what they have for good causes. In addition, the Bank arranged other activities such as Save it to give it, Follow the Royal Footsteps, Year 2 project with the Siriraj Hospital in Bangkok to encourage people to raise money to purchase medical equipment.

The Bank was the first financial institution to be honored with the commission of taking the Royal Kathin to all Buddhist temples under royal patronage in all regions of Thailand and abroad continuously during the past 53 years including the year in review. In 2019, the Bank presented the Royal Kathin to Wat Kiri Wiham, a Buddhist temple under royal patronage, in Trat province. Many customers, executives, and members of the public attended the ceremony. Donations totaling Baht 13,139,371 were used to restore living quarters of the monks and support the education of novices and monks.

### Types of Support

	<b>Cash</b> Baht <b>132.86</b> million
	<b>Items and Services</b> Equivalent Baht <b>281.60</b> million
	<b>Activity Expenses</b> Baht <b>224.80</b> million
	<b>Volunteer work hours</b> *8,095 hours Equivalent Baht <b>1.90</b> million

### Features of Support



Remark: \*Calculated worth of volunteer work hours  
= Volunteer work hours × Average hourly rate earned by participating employees.



## Environmental Management

### 1 Commitment

Realizing the importance of natural resources and the environment for sustainable development, the Bank is committed to conducting its business through efficient utilization of resources and energy to reduce and prevent any negative impact to the environment or contribution to climate change.

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### 3 2019 Performance Highlights



The Bank successfully designed the Environmental Management System (EMS) and is in the process of identifying details and testing the system for readiness.



The Bank completed the environmental database system design and is currently developing environmental data collection tools.



The Bank assessed the environmental risks related to its business operations and put in place supporting measures.



The Bank initiated various environmental projects such as the reduction of resource consumption and Greenhouse Gas (GHG) emissions project, the replacement of valves for the air handling unit (AHU) of the central air-conditioning system of the Head Office and the replacement of air-conditioners with over 20 years of use.

### 2 Targets

#### Long-term Targets 2020 - 2022



Adopting systematic environmental management across the organization



Implementing an organization-wide environmental database system



Conducting a comprehensive assessment of environmental risks from the Bank's business undertakings



Attaining natural resources utilization reduction and Greenhouse Gas (GHG) emissions targets from the Bank's operations by 2020\*

#### Resource Utilization



Reduce electricity use by 5 percent



Reduce water use by 10 percent



Reduce paper use by 5 percent

#### Greenhouse Gas (GHG) Emissions



Reduce Scope 1 and Scope 2 GHG emissions by 5 percent



Reduce Scope 3 GHG emissions by 10 percent

Note: \* Compared to 2016 base year

The environment and natural resources are fundamental to the well-being of people, sustainable business conduct and long-term national development. The Bank believes that businesses should play an important role in alleviating climate change, striving to reduce adverse effects of its operations on the environment and promote conservation of natural resources. The Bank is fully aware that climate change and global warming have widespread effects on all sectors including the Bank and its customers. Corrective or preventive actions cannot be done sustainably by any one organization singly; collaboration from all sectors at national and global levels is necessary.

Aspiring to be a part of the effort to achieve the United Nations Sustainable Development Goals (UN SDGs) and the reduction of GHG emissions according to the Paris Agreement, the Bank is committed to developing environmental management to utilize its resources in a rational and effective manner so that environmental risks and

impacts from the Bank's business can be mitigated. The Bank has adopted the 3R principles (Reduce, Reuse, Recycle) to promote optimal resource utilization within the Bank.

The Bank has defined goals on energy and natural resources consumption in order to express its commitment to fighting climate change. 2016 was selected as the base year as it is the first year the Bank extended its scope of information reporting to cover the five buildings comprising the Head Office, namely the Head Office Building, Trinity Building, Rama 3 Building, Building 3, and Saengthong Thani Tower, which constitute the majority of the Bank's operational areas. In 2018, the scope of information reporting was extended to include the whole organization nationwide. Currently, the Bank is developing an energy and resource consumption data collection system that categorizes the database into subgroups i.e. Head Office group, nationwide branches and support centers, thereby allowing the Bank to set proper targets for each subgroup.

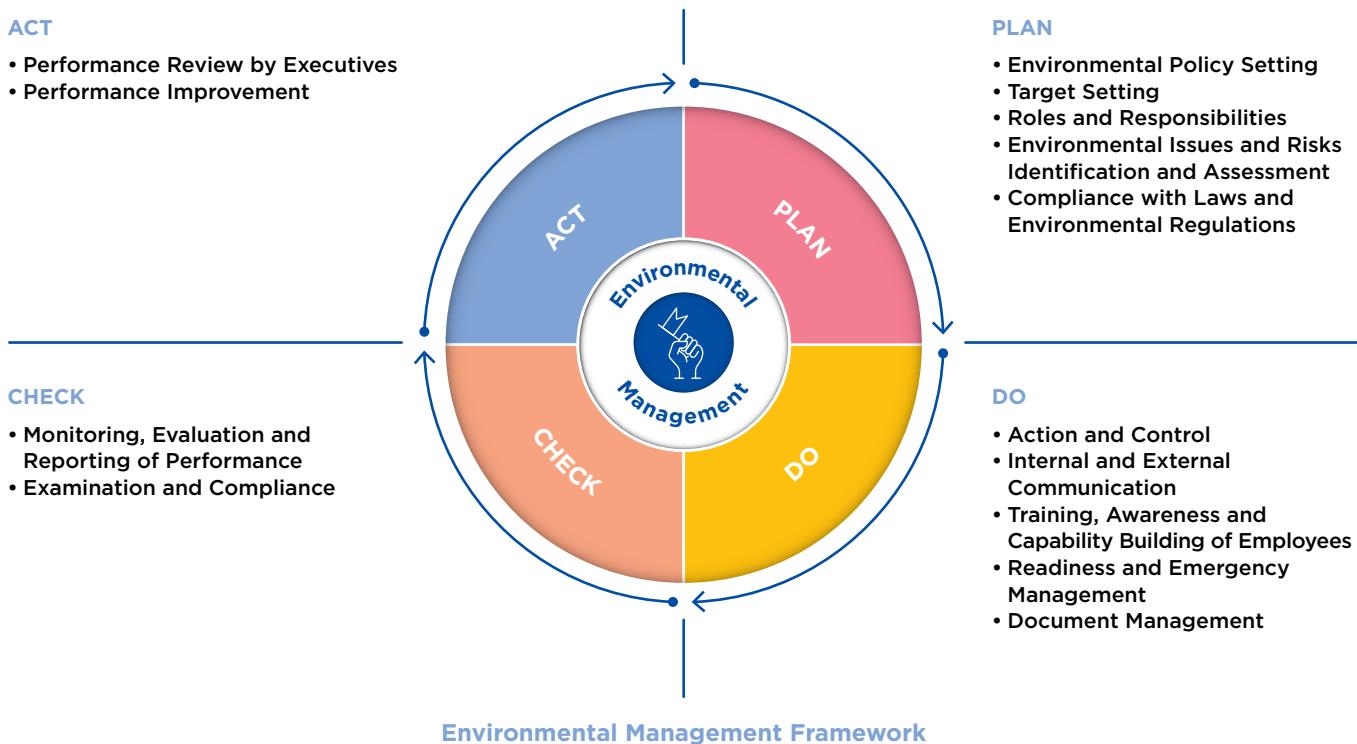
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## Environmental Management Guidelines

Despite being in the financial sector, which may not directly affect the environment or natural resources, the Bank is taking concrete actions to monitor environmental impacts caused by its business undertakings and to utilize resources effectively. In 2019, the Bank took two major actions which helped lay the foundation for its environmental management in the future. Firstly, the Bank improved its energy conservation policy and is currently formulating environmental policies to be consistent with applicable laws and environmental regulations to enhance environmental efficiency and effectiveness. The Bank is likely to announce the new policy in 2020.

Secondly, the Bank developed the Environmental Management System (EMS) that covers organization-wide operations according to ISO 14001:2015 and regulatory requirements. The EMS system includes assessment of environmental risks and impacts related to the Bank's operations, database system and eco-efficiency data management to monitor and plan environmental activities. The EMS promotes clarity and enhances efficiency of the Bank's management of environmental matters. Note that the Bank is expected to adopt the EMS fully by 2021.

The Bank's Environmental Management Systems was designed to work in a four-step P-D-C-A cycle as per the following:



Source: EMS based on ISO 14001

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## Energy Conservation Management

### Energy Conservation Policy

The Bank has incorporated energy conservation as a part of the Bank's mission and places value on environmental conservation both internally and externally, supporting energy conservation activities and building awareness among employees on the importance of energy conservation. The Bank requires its executives and employees at all levels to observe the energy conservation guidelines of the Bank as part of their duties and responsibilities.

### Energy Conservation Management Structure

In order to ensure effective energy conservation, the Bank has appointed an Energy Management Team to review the status of energy consumption, gather information on the Bank's energy and GHG emissions management, report findings to senior management, and organize training or activities on energy conservation for the Bank's executives and employees. In addition, the Bank has appointed an Energy Management Appraisal Team to be responsible for the examination and evaluation of energy management in the organization to support successful and tangible energy conservation, and a GHG Emissions and Absorption

### Energy Management Team

Manage Energy Conservation	Collaborate with Related Units	Organize Training or Activities	Track, Monitor and Gather Information	Evaluate and Report Performance	Review Policies and Consolidate Suggestions	Report to High-Level Executives

Analysis Reporting Team to prepare reports on GHG emissions and absorption to enhance effectiveness of data collection covering all activities that significantly affect the environment.

## Monitoring, Examination and Evaluation of Energy Conservation

The Bank has set up the Energy Management Team to monitor, examine, and evaluate energy conservation initiatives in a continuous and systematic manner in order to achieve energy and resource consumption goals. The Energy Management Team also performs duties related to energy management that include maintaining the energy management system, studying

and surveying information in different areas, handling complaints related to resources and energy efficiency in buildings, reporting compliance with management guidelines to executives, preparing operational plans and imposing energy consumption reduction measures. The team also conducts reviews on energy management and issues energy management system improvement guidelines on a yearly basis. The Bank appointed a third-party verification body to audit energy management information and GHG management or carbon footprint information to collect reliable data for better conduct planning and goal setting. In the case of any deviation from set goals, the team will analyze root causes and recommend corrective actions to executives.

## Performance Highlights

In 2019, the Bank's major activities were as follows:

### 1. Office Equipment Improvement to Enhance Energy Efficiency

- Replacement of valves for air handling units (AHU) of the central air-conditioning system of the Head Office. The Bank changed its existing valves to energy valves that can automatically control flows of cold water in the air-conditioning system to be consistent with room temperature. The project costed around Baht 16 million and could reduce electricity use in the Head Office by about 10 percent or 1.03 gigawatt-hours per year or equivalent to approximately Baht 4 million in savings per year.

### 2. Reduction of Energy and Resources Consumption

- **Paperless campaign.** The Bank has launched a paperless campaign to promote the reduction of paper use by encouraging employees to send documents, disseminate information, and present documents at meetings or produce meeting minutes through electronic channels. Also, the default setting on all printers in the Bank was adjusted to two-page printing and all units are encouraged to sort paper for reuse.
- **Car pooling.** The Bank arranged vans to provide a service to employees who have to travel for work between the Head Office Building, Rama 3 Building, Saengthong Thani Tower, and Rama 9 Building to reduce gasoline consumption.
- **Switching to LED bulbs.** The Bank changed light bulbs, fire exit signs, and emergency lights from fluorescent light bulbs to LED light bulbs to conserve energy for about 42 bank branches nationwide.

### 3. Procurement of Environmentally friendly Goods and Services

- **Green Label, Electricity Generating Authority of Thailand (EGAT) No.5 Label and Carbon Label.** The Bank chooses office appliances and equipment that are environmentally friendly and meet international standards such as LED light bulbs, eco-friendly fire extinguishers, photocopy machines and low-volatile organic compound color paints.
- **Design and renovation of the Bank's office buildings.** This has been done according to the Building Energy Code — energy efficiency standards for buildings set by the Ministry of Energy. The standards require, for example, specifications for color paints, and use of alternative and recycled materials.

### 4. Effluent and Waste Management

#### Waste Management

The Bank encourages all employees to sort their garbage in order to reduce effluents and waste that will go through landfill processes under the specified procedures below depending on type of waste.

- **General waste or non-hazardous waste** such as toilet paper, plastic bags or food packages used by employees is separated by type at the Bank, and local government agencies are commissioned to dispose of the waste with proper landfill methods.
- **Hazardous Waste** such as fluorescent light bulbs is sorted at the Bank, and collected by the related government agencies, to be disposed of appropriately.

- Electronic Waste (E-Waste) such as electronic products or appliances that have passed their service lives is regularly examined by the Bank to ensure their efficiency. Obsolete electronics beyond repair or reuse will be separated and sent to recycling facilities (in which valuable minerals will be extracted for reuse). This is done by external companies with expertise in electronic waste disposal certified by international standards.
- Paper such as used office paper, documents and cheques will be separated and collected before sending for disposal through recycling processes of pulp mills for data security and reducing consumption of natural resources.
- Plastic Bottles and Glasses. The Bank encourages employees to avoid one-time use of plastic starting with the employee canteen at level 8 of the Head Office. All food vendors have already begun using ceramic or glass food wares that can be reused. For beverage vendors, biodegradable paper cups and paper straws are used, while plastic bottles and glasses are sorted and gathered before contacting external agencies to collect for proper disposal.

#### Wastewater Management

Every building of the Bank is equipped with a wastewater treatment system, certified to legal standards to ensure that wastewater released from the Bank will not affect the environment. In addition, wastewater is treated through an activated sludge system before being reused to water green areas surrounding the Rama 3 Building.

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## Building Awareness on Energy and Environmental Conservation

### 2019 Bualuang Save Energy Project

The Bank has continuously run its Bualuang Save Energy Project to raise awareness about and promote involvement in the conservation of energy and the environment through activities for executives and employees across all levels. In 2019, The Bank invited distinguished speakers to give lectures on “Energy Management System for Buildings According to the Laws” and “Energy Conservation Guidelines for Industry 4.0”. Over 500 people attended the event where there were also activities to share knowledge and promote energy conservation projects and initiatives to the Bank’s employees.

### Workshop on “Effective Separation of Recyclable Materials”

The Bank organized a workshop on the “Effective Separation of Recyclable Materials” with experts from GEPP SAARD Co., Ltd. to

## Replacement of Air-Conditioners with Over 20 Years of Use

These old air-conditioners consume more electricity and incur high maintenance costs. The Bank is currently replacing these energy-inefficient air-conditioners that have been in use for too long with new models using environmentally-friendly refrigerants and energy-saving technology according to the air-conditioning standard EIT 3003-51 (Engineering Institute of Thailand) or the standard by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). In 2019, the Bank conducted an examination and replaced 22 inefficient large-sized air-conditioners under a Baht 10 million budget. This resulted in electricity savings of 20 percent per year for branches that joined the project.



educate executives and employees about ways to manage waste effectively, starting from waste sorting before disposal. The objective was to raise awareness about the environmental impacts of waste and promote understanding on waste separation and recycling. 80 executives and employees participated in the workshop.

## Supporting Environmental Activities

### “Kayaking for Chao Phraya: Garbage Collecting from Pak Nam Pho to Samut Prakan Year 2” Project

In collaboration with Thammasat University and its partners including government agencies, the private sector, civil society, and the environmental sector, the Bank hosted a kayaking activity during October 1–10, 2019 through Bangkok and nine other provinces to encourage people to do more for environmental conservation. The event encouraged people to reduce waste and stop dumping garbage in the river, which will promote the equilibrium of both land and water ecosystems. The project managed to collect over three tons of garbage from the river and canals.

### “2019 Save Water Together Following the Royal Guidelines”

The Bank and the Utokapat Foundation Under Royal Patronage of H.M. The King are committed to protecting water management and environmental conservation as well as water and environmental security for communities and families to ensure sustainability and self-reliance. The project selected young people from communities and educational institutions to compete in proposing water management projects for their communities or educational institutions. The contestants also took part in activities that focused on cultivating an environmental mindset and developing basic knowledge about water conservation and management. The project created a learning network about water management across the country with more than 200 groups of young people.

### Stop Global Warming Tote Bag Donation for Hospitals

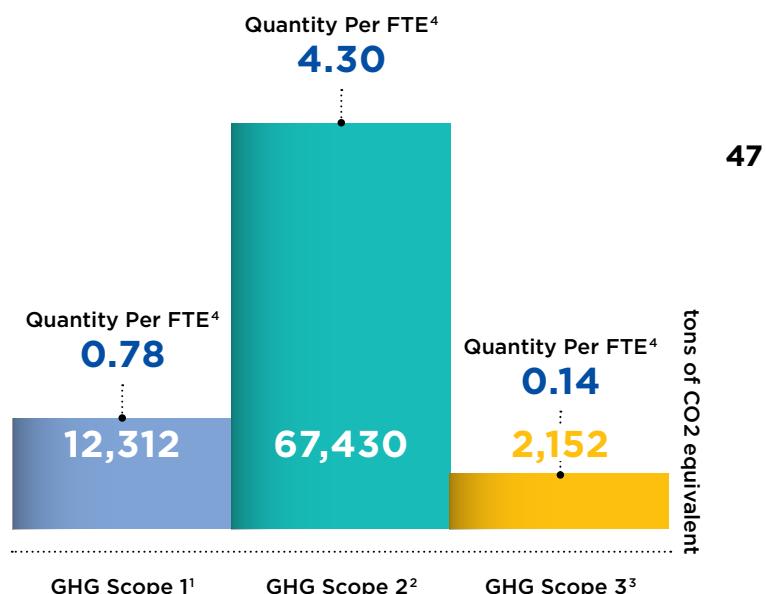
The Bank invited employees and interested people nationwide to donate over 10,000 tote bags and paper bags to hospitals across the country, including Chonburi Hospital, Udon Thani Hospital, Narathiwat Ratchanakarin Hospital and Vachira Phuket Hospital. These reusable tote bags were to replace plastic bags for patients to take medicine home. This not only cut expenses of the hospitals but also reduced plastic use and plastic waste.

## Greenhouse Gases (GHG) Emissions

The Bank evaluated GHG emissions according to the Carbon Footprint Evaluation Guidelines set by Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), compatible with ISO 14064–1. The emission factors are based on the standards set by the Intergovernmental Panel on Climate Change (IPCC, 2006), and TGO.

In 2019, the Bank also conducted a review of the level of GHG emissions at the group of buildings at the Head Office with the Eco Industry Research and Training Center of Mahidol University as a verification body registered with TGO. The amount of GHG emissions was recorded at 23,261 tons of CO<sub>2</sub> equivalent per year (all scopes of GHG included) and the Bank received the carbon footprint registration from TGO on 4<sup>th</sup> September 2019.

### Quantity of GHG Emissions



<sup>1</sup> GHG Emissions under Scope 1 consist of direct emissions that the Bank controls and monitors which include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulfur hexafluoride (SF<sub>6</sub>) and chlorofluorocarbons (CFCs). The Bank's GHG emission calculations were based on fuel consumption of the back-up power generators, fire pumps, and vehicles used for day-to-day operations. The volume of refrigerants leaking from the air-conditioning system and fire extinguisher chemicals were evaluated from the purchasing orders, and the volumes of methane gas from septic tanks were evaluated from the number of employees of each building.

<sup>2</sup> GHG Emissions under Scope 2 consist of indirect emissions that the Bank controls and monitors which include carbon dioxide (CO<sub>2</sub>), calculated from electricity power consumption of the Bank referring to the meters of the Metropolitan Electricity Authority and the Provincial Electricity Authority.

<sup>3</sup> GHG Emissions under Scope 3 consist of other indirect emissions the Bank controls and monitors which include carbon dioxide (CO<sub>2</sub>), calculated from water consumption of the Bank referring to the meters of the Metropolitan Waterworks Authority and the Provincial Waterworks Authority, paper use evaluated from the volumes requested by each unit, and air travel for business purposes.

<sup>4</sup> Quantity Per FTE (Full Time Employee) was based on the average number of Bank employees per month in 2019, excluding branches in department stores.

## Carbon Neutral Event



The Bank received an award for its participation in the Carbon Neutral Event with Thailand Green House Gas Management Organization (Public Organization), a government agency with a mission to drive Thailand towards meeting the goal of reducing effects of climate change according to the United Nations. The Center of Excellence on Environmental Strategy for Green Business of Kasetsart University was the Bank's advisor on the analysis of GHG emissions from the seminar "Knowledge Day Forum" hosted during July 2019. The Bank's calculations on GHG emissions were also audited by the verification body who assessed the consistency and accuracy of the data before joining the carbon-offsetting initiative to support the voluntary carbon market of Thailand Voluntary Emission Reduction Program (T-VER). The Bank purchased carbon credits worth 18 tons of carbon equivalent (CO<sub>2</sub>e) from Mitr Phol Bio-Power Co., Ltd. to offset the amount of GHG emitted from the seminar in order to attain carbon neutrality.

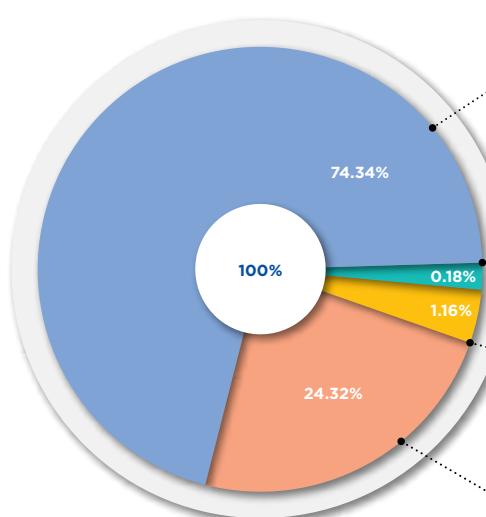
## Energy and Resource Utilization

The Bank is in the process of improving its eco-efficiency data management system in order to develop tools to systematically record information related to resources and the environment that enable national coverage and higher accuracy. Examples

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of information include the volume of water consumed, electricity, gasoline and paper, and the amount of garbage and wastewater, as well as volume of air travels, for business purposes.

### Internal Energy Consumption



### Energy Consumption Volume (Gigajoules)<sup>1</sup>

Energy	Volume per FTE*
<b>560,931</b> Gigajoules	<b>35.75</b> Gigajoules

Note:

<sup>1</sup> Based on the Energy Content of Fuel Table (Net Calorific Value) of the Department of Alternative Energy Development and Efficiency, Ministry of Energy

<sup>2</sup> Based on data from the meters of the Metropolitan Electricity Authority and the Provincial Electricity Authority

<sup>3</sup> Based on data from the Bank's oil database system

\* Volume Per FTE (Full Time Employee) based on average number of employees per month in 2019 at the Bank excluding branches in department stores

### Electricity Consumption Volume<sup>2</sup>

Energy	Volume	Volume Per FTE*
<b>417,022</b> Gigajoules	<b>115,840</b> Megawatt-hours	<b>7.38</b> Megawatt-hours

### Diesel Volume for Standby Generator and Fire Pumps

Energy	Volume	Volume Per FTE*
<b>990</b> Gigajoules	<b>27,174</b> Liters	<b>1.73</b> Liters

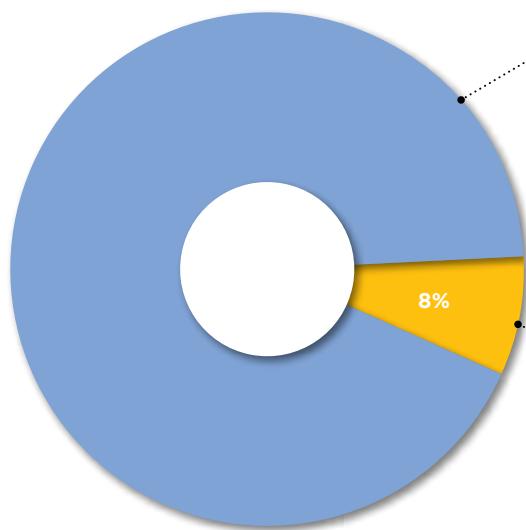
### Diesel Volume for Vehicles<sup>3</sup>

Energy	Volume	Volume Per FTE*
<b>6,492</b> Gigajoules	<b>178,252</b> Liters	<b>11.36</b> Liters

### Benzene Volume for Vehicles<sup>3</sup>

Energy	Volume	Volume Per FTE*
<b>136,427</b> Gigajoules	<b>4,333,773</b> Liters	<b>276.22</b> Liters

## Water Consumption



### Total Volume of Purchased Tap Water

**620,082**

cubic meters<sup>1</sup>

### Volume of treated and reused wastewater

The Bank reused wastewater that went through treatment from a wastewater management system to water the green areas surrounding the Rama 3 Building

total amount

**50,109**

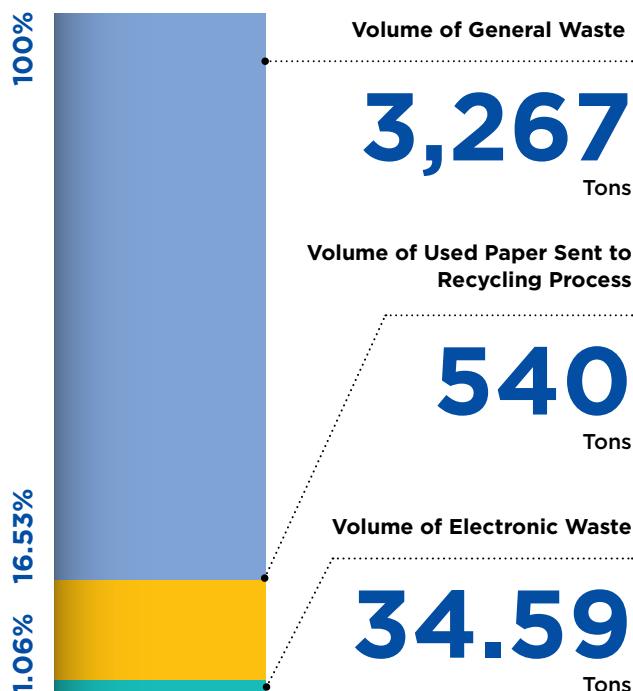
cubic meters<sup>2</sup> or equivalent to 8% of the total water used

Note:

<sup>1</sup> Based on the meters of the Metropolitan Waterworks Authority and the Provincial Waterworks Authority

<sup>2</sup> Based on the total volume of water used at the Rama 3 Building deducted by the volume of water used in the cooling system of the air-conditioning system.

## Volume of Waste



## Air Travel for Business Purposes<sup>1</sup>

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The Bank encourages all executives and employees to increase their communications through the Bank's online platforms to reduce resources used for traveling.



### Volume of Air Travel for Business Purposes

**6,461,483**

Kilometers<sup>2</sup>



### Volume of Pollution from Air Travel for Business Purposes

**680,513.72**

Tons of CO<sub>2</sub> Equivalent<sup>3</sup>

Note:

\* During 2019, the volume of waste increased as the Bank extended the scope to collect additional data of waste volume across the country by considering sources of waste from the Bank's business processes. The volume of general waste was estimated according to academic principles using the volume of waste generated outside the mentioned group of buildings i.e. branch buildings and support centers across Thailand, excluding the volume of used paper that was sent to recycling process and electronic waste.

Note:

<sup>1</sup> The Bank began collecting the volume of air travels for business purposes since 2018

<sup>2</sup> The higher volume of air travels for business purposes was due to the nationwide extension of the data collection scope

<sup>3</sup> The calculation of GHG emissions was based on the emission factor according to the standard from the Ministry of Energy and the 2019 UK Industrial Policy



## Supply Chain Management

### 1 Commitment

The Bank encourages vendors in its supply chain to preserve the environment, respect human and labor rights, while upholding fairness and transparency in business dealings with its vendors. This will enable the Bank to achieve a sustainable, reliable and effective supply chain which will create value for the society and environment.

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### 3 2019 Performance Highlights



A roadmap was developed for improving sustainable supply chain management



100 percent of all new suppliers and contractors were assessed



100 percent of all critical suppliers of the Bank were assessed on their environment, social, and governance impacts

### 2 Targets

#### Long-term Targets 2020 - 2023



Developing a supplier code of conduct



Communicating the supplier code of conduct to vendors so they acknowledge and understand it and encouraging them to comply



Improving the Bank's management of ESG risks and their impacts on the supply chain. In particular, developing a mechanism for monitoring and evaluating suppliers' performance related to ESG risks, to increase effectiveness and efficiency of the Bank's ESG risk management.

#### The targets of 2019



To establish sustainability guidelines for improving supply chain management, especially the management of ESG risks by vendors in the supply chain



All new suppliers and contractors (100 percent) must be assessed, with the assessment method covering environmental, social, and governance impacts



All critical suppliers of the Bank (100 percent) must be assessed on their environmental, social, and governance impacts

The Bank has always respected the rights of all stakeholders, including the Bank's vendors in the supply chain. All vendors will be treated equitably according to the Bank's code of conduct and business ethics. The Bank also strictly follows the agreements stated in the procurement contracts. However, the daily business operations of vendors could present elements that directly and indirectly affect the reputation and operations of the Bank as well as internal and external stakeholders. The Bank has therefore established a practical process for managing potential risks from vendors in its supply chain. This has been reviewed to ensure it can more effectively prevent risks related to the environment, society, and governance. The Bank is also formulating a supplier code of conduct to demonstrate the Bank's commitment to sustainable business operations, and to clearly indicate the Bank's expectations of vendor's conduct. The Bank expects its vendors to

operate their businesses with responsibility to the environment, society and good governance. The Bank is ready to support all vendors' operations to meet the guidelines to help create a secure, reliable, and effective supply chain which will minimize negative effects and protect the environment and society.

**Vendors** in the Bank's supply chain are grouped in three categories: **Suppliers**, the providers of materials or equipment necessary for undertaking the Bank's business through processes administered by the Bank's Procurement Unit; **Contractors** who provide repairs, improvements and maintenance services for the Bank's equipment or buildings; and Outsourced **service providers** who work on behalf of the Bank in specific areas. In this Sustainability Report, "vendors" shall refer to all three categories in general while a particular category of vendor is specifically called as needed.

## Management Approach

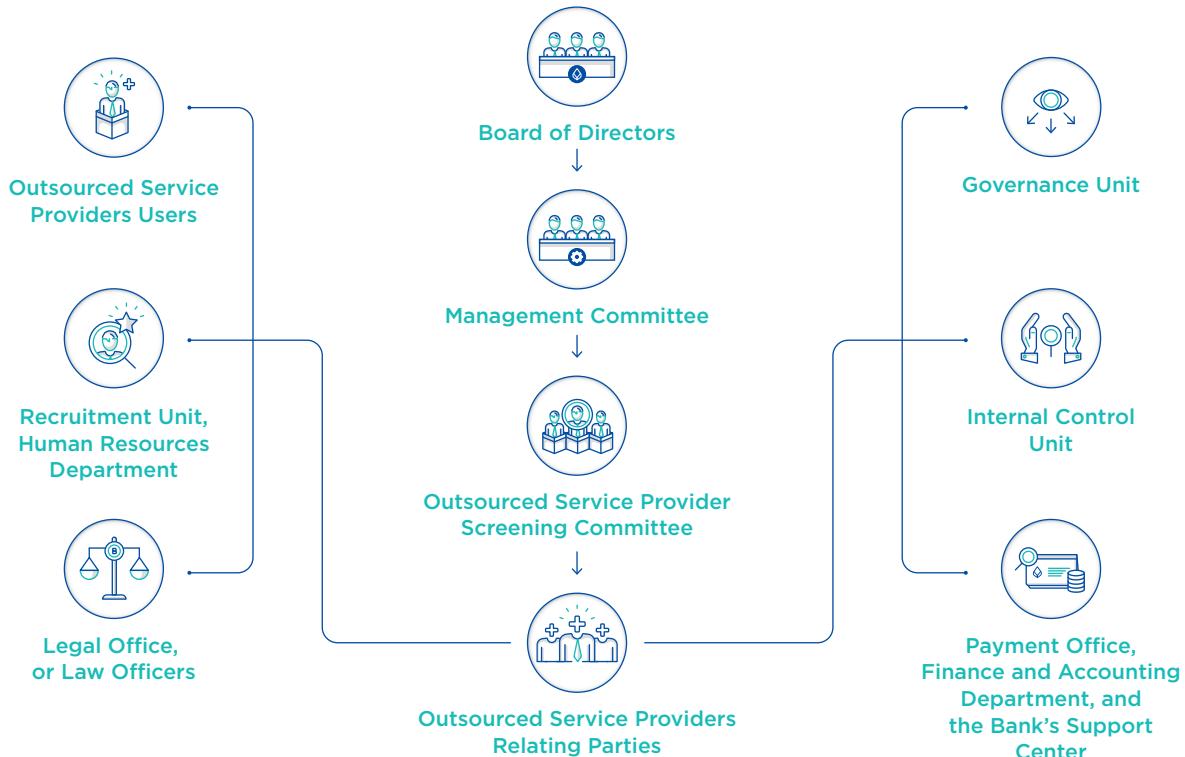
The Bank complies with the Business Code of Conduct and Business Ethics in its treatment of vendors, and follows the practical guidelines as stated in the Bank's Corporate Governance Policy. The Bank also has a sufficient and appropriate supply chain risk management system. At the start of the vendor selection process, a vendor is selected not only for its accountability and quality of products and services that meet the Bank's needs, but its business attitude that must be consistent with the sustainability principles of the Bank. In the future, all new vendors must make a self-declaration assessment covering their impacts on the environment, society and governance, as well as the stability and reliability of their companies before receiving permission to register in the Bank's approved vendor list and enter into a procurement contract with the Bank. The Bank also has a tracking and monitoring process to regularly check the vendors' performances to ensure they meet the contractual requirements. Furthermore, the Bank has a process in place to identify and assess risks and impacts of vendors to the Bank in the areas of the environment, society and good governance, as a measure to prevent and mitigate risks.

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service provider selection criteria, risk management, internal control, security, and data protection and customer confidentiality. The policy is reviewed on a yearly basis, or more frequently when there occurs a significant incident warranting revision. The Bank also has related regulations which will help clarify the policy on using outsourced service providers for day-to-day operations.

The Bank has established the Outsourced Service Provider Screening Committee to consider the appropriateness of use of outsourced service providers and whether they comply with the policy and regulations of the Bank. The committee is also responsible for reviewing the suitability of the outsourced services policy and revising it before submission to the Bank's Board of Directors for consideration and approval. Units using outsourced services are responsible for considering and proposing the scope of work and suitability of the outsourced service providers to the screening committee. They are also responsible for setting security measures for data protection and customer confidentiality, overseeing the performance of the outsourced service providers to be in line with the procurement contract, and monitoring and evaluating the performance of the outsourced service providers. The Compliance Unit must ensure the use of outsourced services complies with the law and the Bank's rules and regulations, while the Internal Audit Unit is charged with auditing their work and other related activities. The assignment of functions and roles of concerned parties is in compliance with the three lines of defense principle.

## Outsourced Service Provider Management

The Bank has established a policy outlining guidelines when using outsourced services for day-to-day operations. The policy covers the scope of work that may be handled by outsourced services,



## Vendor Selection

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### Weight of Each Criterion for New Vendor Assessment

Social Responsibility

**20%**

Product and Services

**20%**

Environment

**20%**

Social

**20%**

Business Operations

**20%**

The Bank has established a systematic vendor selection process. The process starts with a meeting with potential vendors to help them understand the Bank's code of conduct for suppliers, while giving them the opportunity to introduce their products and services or to ask for information about the Bank. The Bank requires all new suppliers and contractors to complete a self-declaration form to confirm the quality of their products and services, the stability of their business, and their management approach on ESG, including their conformity to human rights and labor rights, both domestically and internationally. If a new vendor fails to meet such preliminary requirements, it will not be allowed to register on the Bank's approved vendor list. A new vendor which passes the initial screening will be requested to submit related documents to the Bank and the Bank's staff of concerned units will visit their companies before they can be registered on the approved vendor list. For outsourced service providers, the screening committee will select the services provider according to relevant guidelines, by considering their capability, experience, past performance, financial status, business risk, and their company policies which should align with those of the Bank.

Moreover, the Bank has introduced an e-Auction to enable suppliers to compete with one another fairly and freely, and with transparency. All bidders have equal rights to check the status and progress of their bidding. The Bank has communicated, and has written a manual, to help related units in the Bank to understand the system and implement it correctly and appropriately.

## Assessment of Risks Related to the Environment, Society, and Governance of Vendors in the Supply Chain

In 2019, the Bank identified and assessed risks related to the environment, social and governance of the critical suppliers of the Bank. These are suppliers who provide products and services which are high value, provide critical-components, and are non-substitutable, totaling more than 220 critical suppliers. The assessment required various parties, including the staff and management from the Procurement Unit, the users of products and services, as well as the Compliance Unit, to find measures to mitigate risks and potential impacts.

In the process of identifying risks related to the environment, society and governance of the suppliers in the supply chain, the Bank has identified the three most important risks for each area as follows:

### Environment:

(1) GHG emissions, (2) energy management, and (3) waste and hazardous materials management.

### Society:

(1) human rights, (2) labor practices, and (3) occupational health & safety.

### Governance:

(1) corruption, (2) privacy protection, and (3) fraud.

The Bank has assessed the risks and impacts that could be caused by each critical supplier, in terms of likelihood and severity, to identify critical suppliers with high ESG risk, and to set up an appropriate mitigation plan. The results of risk identification and assessment were used as a data base for formulating the supplier code of conduct and for improving the risk management process of the supply chain to be more effective and efficient. To this end, the Bank will review the ESG risks and impacts of the Bank's suppliers annually.

	<b>2019 Supplier Statistics</b>	<b>Total</b>	<b>Suppliers</b>	<b>Contractors</b>	<b>Outsourced Service Providers</b>	<b>53</b>
	<b>Number of vendors in the approved vendor list</b>	2,771	730	1,211	830	
	• Domestic vendors	2,450	730	1,211	509	
	• Foreign vendors	321	-	-	321	
	<b>Number of all new vendors (numbers)</b>	59	14	14	31	
	• Domestic vendors	41	14	14	13	
	• Foreign vendors	18	-	-	18	
	<b>Number of vendors awarded procurement contracts in 2019</b>	1,206	169	274	763	
	• Domestic vendors	885	169	274	442	
	• Foreign vendors	321	-	-	321	

(as of December 31, 2019)



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## Strategic Revision of the Supply Chain Management

The Bank has outlined a plan to improve its supply chain management by focusing on managing ESG risks and sustainability of its supply chain. Such plan aims to upgrade the management of ESG risks to match its business operations and expectations of stakeholders, both internal and external. In this light, the Bank will also set up a supplier code of conduct, which will be a testimony of its commitment to operating a sustainable business and its expectation for suppliers to operate their businesses with due regard to the environment, society and governance. This revision is expected to be completed in 2020.

### Creating Awareness and Understanding among Employees

The Bank always encourages its employees to realize that they have duties and responsibilities towards society and the environment and to take part in creating a sustainable supply chain. To do this, the Bank held a workshop on ESG Risk in Supply

Chain for 40 involved people. The objective of the workshop was to create understanding and awareness about the importance of risks related to the environment, society, and governance in the supply chain of the Bank. To support the idea of sustainable supply chain management, the Bank has set up a training course on "Strengthening the business with social responsibility according to international standards" for management and staff involved in the procurement unit of the Bank. This also built understanding about the importance of human rights as part of international standards in doing business, and to prevent negative impacts of business undertakings on the community and society.

### To Support Environmentally-friendly Products

The Bank supports those vendors which manufacture or supply environmentally-friendly products. It also promotes sustainable development by purchasing green labeled products, such as A4 paper that has a mixture of recycled material and pure wood pulp, or eco-fiber, and printing ink certified to international environment preservation standards.

## The Bank's Procurement Process





## Responsible Lending

### 1 Commitment

The Bank is committed to observing the Sustainable Banking Guidelines – Responsible Lending of the Thai Bankers' Association. It has demonstrated such commitment, for instance, by duly considering the environmental, social and governance risks and pertinent impacts when underwriting credit, as well as providing loans directly to support the country to move toward sustainable development goals.

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### 2 Targets

#### Long-term Targets 2020–2022



Adhering to the Memorandum of Understanding for the Sustainable Banking Guidelines – Responsible Lending of the Thai Bankers' Association.

#### The targets of 2019



To increase lending support for environmental projects by 10 percent compared to 2018.

### 3 2019 Performance Highlights



**The Bank signed a Memorandum of Understanding for the Sustainable Banking Guidelines – Responsible Lending of the Thai Bankers' Association.**



**The Bank's outstanding loans for environmental projects rose by 10.34 percent compared to 2018.**

Social and environmental issues, including climate change, exploitation of resources, violation of human rights and high levels of household debt present threats to sustainable economic development. As a major financial services

provider to businesses and households, the Bank seeks to support sustainable development by promoting activities that contribute positively to the environment and society while alleviating negative impacts on the environment and society by adopting positive responsible lending practices.

The Bank's lending practices take Environment, Social and Governance (ESG) criteria into consideration. Furthermore, the Bank has introduced loan products that promote the environment and natural resource conservation and it is helping to strengthen small and medium enterprises (SME) by providing access to sources of finance at acceptable costs. The Bank also participates in the Debt Clinic Project that seeks to alleviate the household debt problem which is a national concern.



## Responsible Lending Guidelines

The “Responsible Lending Policy” being developed by the Bank will provide practical guidelines for executives and employees when considering business and personal loans. This aims to reduce risk and avoid negative social or economic issues that might arise due to the Bank’s loan support. Responsible lending also generates business opportunities and protects customers from financial risks which in turn supports the Bank’s image and stability. The Bank seeks advice from external agencies which are ESG experts, such as the World Wide Fund for Nature (WWF), which provides valuable guidance for the Bank’s responsible lending policy covering ESG concerns that are material to the Bank and the public at large. The Bank plans to announce and enforce its responsible lending policy within 2020.

Along with 14 other commercial banks, Bangkok Bank jointly signed a Memorandum of Understanding on the Sustainable Banking Guidelines – Responsible Lending issued by the Thai Bankers’ Association during the Bangkok Sustainable Banking Forum 2019 at the Bank of Thailand on August 13, 2019. The MOU requires banks to consider environmental, social and governance (ESG) concerns when making lending decisions. This will help to support the sustainable development of Thailand’s financial sector. The Bank’s commitment to the Sustainable Banking Guidelines – Responsible Lending includes credit underwriting and an approval process that takes into account environmental, social and governance (ESG) risks as well as lending that will support Thailand’s sustainable development. The Bank expects to fulfill its commitments specified in the MOU within 2020.

**The responsible lending policy of the Bank will comprise six components as follows:**

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**Business and consumer lending that is responsible towards the economy, environment and society**



**Portfolio risk management**



**Fair lending policies and support for easily-accessible credit**



**Human capital development**



**Effective internal controls**



**Information disclosure and transparency**

## Responsible Credit Underwriting Process

The Bank has adopted the General Underwriting Standard (GUS) for its lending and this is reviewed annually. This standard identifies transactions that the Bank will not finance such as businesses that are illegal or that have activities that may potentially damage communities without sufficient preventative or corrective measures. The standards aim to filter out undesirable transactions with no social benefits. The Bank is updating the list of credit transactions that the Bank will not support and expects to finalize and enforce these revised standards in 2020.

In terms of personal loans, the Bank's prudent lending practices are based on credit risk and debt service capacity, ensuring that debtors have sufficient income to support a reasonable quality of life. This especially applies to vulnerable groups.

When considering underwriting projects with potential environmental and social impacts, adequate preventive and corrective measures must be put in place and lending is subject to strict credit approval criteria.

Lending must comply with the Bank's Know Your Customer (KYC) and Customer Due Diligence (CDD) policies. The Bank will request

and verify information about the borrower and carefully consider relevant factors such as environmental, social and governance risks. This includes the purposes of the loan (not for unlawful businesses or transactions), details about the credit applicants, their income and sources of income, debt-service ability, and related rules and regulations. Loan applications must not be for activities that may cause material adverse impacts on communities without preventive and corrective measures to ensure that the Bank's lending will not result in damages to the debtors themselves nor the environment and the society.

The Bank is reviewing its GUS, KYC and CDD policies as it develops its responsible lending policy in line with the MOU on Sustainable Banking Guidelines – Responsible Lending. This is to ensure that the Bank only approves loans for projects with proper management of environmental and social risks and impacts as well as sufficient, appropriate and effective human rights and labor rights protection. The Bank aims to adopt responsible lending guidelines in 2020 and will conduct periodic reviews of the policy to ensure that it is effective and appropriate to changing risks and circumstances.

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## Awareness-Building about Environmental, Social and Governance Risks

The Bank organizes regular training programs and refresher courses for employees working in credit functions and requires all credit officers to complete a credit curriculum. The content covers credit underwriting criteria as required by law and as stipulated by the Bank. The Bank also provided a training program on potential risks from business activities that may cause environmental, social and governance impacts.

In 2019, many Bank employees participated in training courses

and workshops on human rights hosted by external agencies, such as the "3<sup>rd</sup> National Dialogue on Business and Human Rights Sustainable Financing: What companies need to know" and "AICHR Interregional Dialogue: Sharing Good Practices on Business and Human Rights". The Bank also offered a training program on Climate Change and ESG in Energy Sector for executives and employees working in credit and risk functions. The Bank was pleased to welcome experts from the World Wide Fund for Nature (WWF) to share their knowledge with over 50 participants

## Support for Renewable Energy and Environmental Conservation

The Bank carefully monitors the climate change, environment and natural resource issues driving the global agenda and impacting Thailand's economy. To counter climate change and pollution

and support businesses and projects that assist in conserving the environment and natural resources, various financial products were offered or introduced.

## Loans for Renewable Energy Businesses

The Bank has continually supported government policies to encourage electricity generation from renewable sources to enhance energy security and mitigate environmental problems by offering financial products and services to support investments in renewable energy businesses such as the building of solar, wind, hydro and bio-waste power plants.

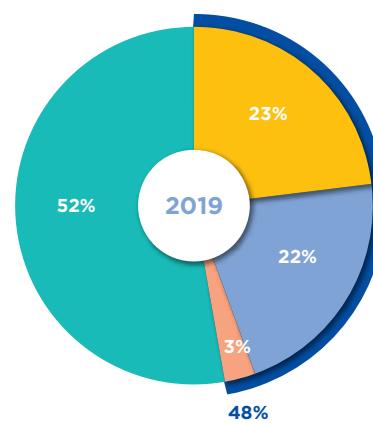
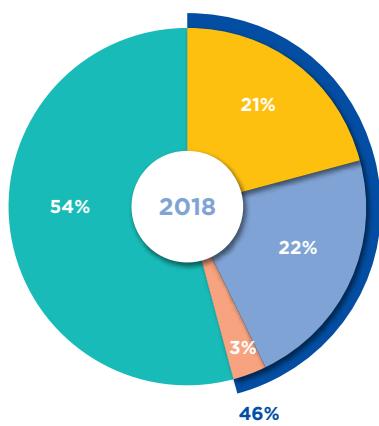
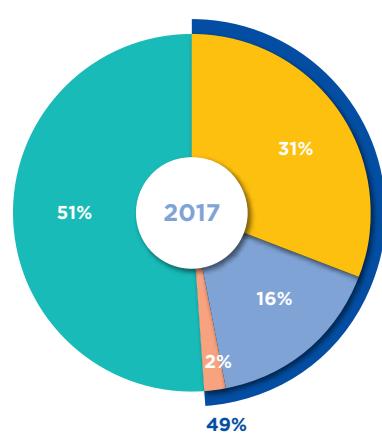
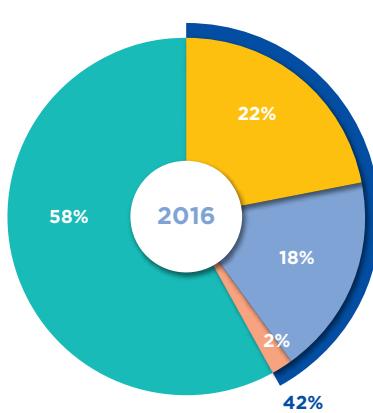
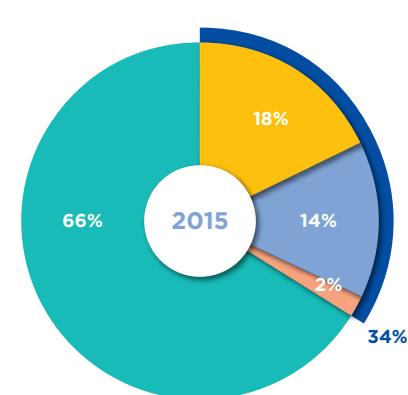
In 2019, the Bank supported customers in Thailand and elsewhere to invest in renewable energy power plant projects with a total power generation capacity of 238 MW and total credit facilities of Baht 4,820 million, an increase of 10.34 percent. The increase was the result of additional credit support for solar power plants of Baht 4,010 million and hydro power plants for Baht 810 million.

## Loans for Energy Conservation

The Bank encourages businesses to conserve energy through its special lending program for energy-saving activities, for example, improvements in facilities and production processes for energy conservation, and installment of solar rooftops. These initiatives aim to help businesses use energy efficiently to cut costs and lessen environmental impacts.

The Bank has continuously participated in the ESCO Revolving Fund project in collaboration with the Department of Alternative Energy Development and Efficiency, Ministry of Energy, which provides soft loans for businesses investing in energy conservation. The project is now in its sixth phase. In 2019, the Bank provided additional loans of Baht 239.65 million, taking the Bank to its maximum total of Baht 609 million. The projects supported by the Bank will lead to a reduction in electricity consumption by over 28 million units per year or an estimated 2.40 thousand tons of oil equivalent per year.

### Portfolio Mix



### categories

- Renewable Energy Power
- Plant
- Solar Energy
- Hydro Energy
- Wind Energy Fossil Fuel Energy Power Plant

## Loans for Mass Transit Monorail System Project

In 2017, the Bank arranged a syndicated loan of Baht 63,360 million to fund the MRT Pink Line Project, Khae Rai-Min Buri Section and the MRT Yellow Line Project, Lad Phrao-Samrong Section. The Bank was the major backer of the project, providing credit facilities of Baht 21,120 million, or 33% of the syndicated loan. In 2019, loans of Baht 3,281 million and Baht 2,913 million were taken out for the Pink Line and the Yellow Line projects respectively. These projects will not only accommodate travel in the Bangkok Metropolitan Region but reduce traffic volumes as more people switch to public transport, contributing to a reduction in greenhouse gases.

### The MRT Pink Line Project, Khae Rai-Min Buri



### The MRT Yellow Line Project, Lad Phrao-Samrong Section



## Bualuang Green Loan

The Bank has been offering loans (Bualuang Green Loan) with special interest rates to small and medium enterprises (SME) to support their investments in eco-friendly businesses related to energy management since 2008. In 2019, the Bank reviewed and updated the lending criteria and modified lending conditions to encourage investment in these priority areas:

1. Investment in renewable energy including products that support renewable energy and help reduce greenhouse gases e.g. solar power and parts and equipment of electric vehicles (EV).
2. Waste management and recycling e.g. reusing or recycling of materials.
3. Use of biomaterials to replace chemicals e.g. biodegradable alternatives to plastic and organic farming.

## Support for Micro Entrepreneurs and Aid for Financially-troubled Businesses

The Bank's view is that strong communities and micro enterprises provide a foundation for sustainable development. Therefore, the Bank encourages capacity-building for small business owners by providing better and inclusive access to funds as well as education outlining how to run a business. Furthermore, the Bank is actively involved in dealing with household debt issues, by encouraging financial discipline and serving the financial needs of those affected by natural disasters. Key bank initiatives are highlighted below:

### Bualuang Business Loans for Micro Enterprises

The Bank seeks to provide micro enterprises access to finance in an inclusive and equitable manner, thereby reducing their reliance on illegal moneylending and predatory loan sharks that result in high debt burdens and unfair debt collection. Consequently, the Bank has joined forces with the Thai Credit Guarantee Corporation (TCG) in offering credit facilities to be used as working capital, or investments in businesses without required collateral, under the Bualuang Business Loans for Micro Enterprises (ME) project.

This is the third phase of the project which will run from 2018–2020. So far during this phase 2,656 micro enterprises have received the loans with total credit facilities of Baht 482 million (as at the end of 2019). These loans enabled micro enterprises to develop and grow their businesses with less reliance on loan sharks.

### Bualuang Business Loans for Micro Enterprises

#### Approved Credit Facilities

**482**  
Million Baht

#### Approved Credit Facilities

**351**  
Million Baht



Number of Micro Enterprises

## Bualuang SME Loans for Single Account

The Bank encourages entrepreneurs to use a single account in line with the government policy to foster transparency in how they conduct their business. A single account will help businesses to get a clear picture of their actual financial status so that they can accurately manage their finances and tax-planning to achieve sustainable business growth. To help entrepreneurs understand the importance of having a single account and tax planning, the Bank organized seminars about accounting and taxes for SME in the Bangkok Metropolitan Area and major provinces across the country.

Bualuang SME Loans for Adjustment to a Single Account seminars aimed to encourage SME to use the single account system and benefit from low interest rates that would support their business operations. The Bank began offering the loans in 2018 and 135 SME have been approved for the loans with total credit lines of Baht 822.0 million in 2019.

## Debt Clinic Project

The Bank joined the Debt Clinic Project initiated by the Bank of Thailand to help individual debtors restructure their credit card and unsecured personal loan debts. Sukhumvit Asset Management (SAM) was assigned to act on behalf of creditors and be the center for debt restructuring.

During 2019, changes were made to the criteria to help more debtors manage their debts according to their servicing ability. The Bank has been contributing to this project for three consecutive years. The total number of Bank debtors who have participated in the project is 223 debtors and the numbers had reduced to 155 by 2019.

## Bualuang Loans for 2019 Flood Relief

After the tropical storm “Podul” and the tropical depression “Kajiki” hit Thailand in August 2019, there was flooding in Thailand’s north, northeast, central and southern regions. This caused damages to the general public and the Bank’s customers. The Bank helped those customers affected by the floods by providing them with business or personal loans, debt relief for existing debts and credit extensions. This was to improve the liquidity of affected businesses and repair houses and other assets damaged during the floods. There were 10 applicants for the loans with a credit limit of Baht 606.91 million in total.

## Other Financial Products and Services for Sustainability

### Green Bonds

The Bank was appointed as the joint lead arranger for the *Green Bonds of BTS Group Holding Public Company Limited No. 1/2019*, the first Green Bond in Thailand issued under the criteria of Green Bond Notification of the Securities and Exchange Commission (SEC). The funds raised by the bonds issuance were used to repay debts incurred from investments for the MRT Pink Line and the MRT Yellow Line. The bond issue is also certified for its compliance with the low carbon land transport criteria of the Climate Bond Initiative (CBI). The total amount of the bond issue stood at Baht 13,000 million, with Baht 6,500 million of this underwritten by the Bank. The bonds were offered to institutional and high-net-worth investors and received a good response.

### Investment Products for Sustainability

The Bank offers a variety of investment products to meet the investment objectives and risk appetite of investors. In alliance with the group’s asset management company – BBLAM, the Bank considers, selects and introduces diverse investment products to cater to customers’ different needs in the form of mutual funds. Funds that support environmental, social and governance execution for sustainable development are listed below.

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- **B-KIND Fund:** This fund is Thailand’s first ESGC mutual fund that invests mostly in companies with strong fundamentals that prioritize their involvement and responsibilities in four areas i.e. environment, society, governance and anti-corruption. The fund has a policy to donate 40 percent of management fees or equivalent to 0.8 percent of the fund value to support or invest in public projects. As of December 31, 2019, the fund’s net asset value (NAV) was recorded at Baht 680.30 million and donations were made to support 51 social projects worth Baht 39.88 million. Projects that were financed by the fund include Food Security Project for Children Living in High Mountains, Buddy Homecare, and Chatbot to Help Women from Violence.
- **Bualuang Siriphol Corporate Governance Fund (BSIRICG) and Bualuang Thai Equity CG Fund (B-THAICG):** These funds have a policy to invest in companies that received good CG scoring from the Thai Institute of Directors (IOD). For B-THAICG, it is required that companies must also be certified members of Thailand’s Private Sector Collective Action against Corruption (CAC). As at December 31, 2019, net asset value of BSIRICG stood at Baht 4,656.44 million while net asset value of B-THAICG was Baht 368.78 million.





# Be Caring

The Bank focuses on caring for employees and customers by providing employees with an appropriate and safe working environment that supports their well-being, promoting the development of employees at all levels, and as for customers, by maintaining high-quality and fair services and helping build good relationships with them.



Employee Welfare



Training and  
Education



Customer  
Satisfaction



## Employee Welfare

### 1 Commitment

Nurturing employees by providing them with adequate and appropriate benefits, workplace safety, good living conditions, life security and long-term service at the Bank.

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### 3 2019 Performance Highlights



**Number of complaints about discrimination or violence decreased and no complaints resulting in court proceedings**



**Number of injuries decreased from 2018 and no occupational fatalities**



**Average employee absence rate was 4.95 days**

### 2 Targets

#### Long-term Targets 2020 - 2022



To enhance standards and create an employee absence database.

#### The target of 2019



**No complaints about discrimination or violence and no complaints resulting in court proceedings**



**Decrease in number of employee injuries compared with 2018 and no occupational fatalities**



**Average employee absence rate not exceeding six days a year**

The Bank considers employees as invaluable resources and an important foundation to drive the organization to fruition. It takes good care of employees with regard to remuneration, benefits, occupational health, and workplace safety to ensure safety at work, good living standards, and life security of employees. The Bank provides appropriate salaries and benefits for employees to maintain a good quality of life and good health, and to ensure the safety of all employees as a gesture of appreciation for dedicating their physical, mental and creative capacities to working for the Bank. Taking good care of employees also gives them a sense of pride and boosts their morale, which results in their dedication and high performance. Caring for employees leads to their affection for, and attachment to, the Bank which provides the basis for long-term service.



## Employee Compensation and Welfare

The Bank has a clear and fair system for determining salary and bonuses regardless of gender, nationality, and religion of employees. Salary and bonuses are based on individual performance and the Bank's performance results. The Bank provides compensation at a higher level than the minimum required by law. The Bank reviews its remuneration and benefits structure on a yearly basis and compares it with the industry benchmark based on the results of the Banking Remuneration and Benefits Survey. The information obtained from such reviews is used to consider how to improve remuneration and benefits in order to retain capable employees, motivate and encourage them to give their best effort, and also attract capable people to join the Bank.

The Bank equitably provides additional welfare and privileges to employees such as health benefits, loans, and life security after retirement, in order to lessen the burden and anxiety of employees and their families.

### Financial Aid

The Bank provides additional benefits on top of those specified by law to lessen burdens and anxiety for employees. For example, an employee who has children is entitled to an allowance of Baht 600 per month for each of the first three children until they reach their legal age or graduate with a Bachelor's degree. In addition, the Bank provides a special allowance to employees working in high-risk areas in the southernmost provinces. The Bank provides a gratuity benefit equal to the last 15 months' salary to an employee's family in case of death or disability of employees from a cause not related to work, under specified terms and conditions. In case of death or dismissal from work due to sickness or accident from a cause related to work resulting in the inability to work, the Bank provides a gratuity benefit equal to the last 30 months' salary, with specified terms and conditions, and children continue to receive the allowance as if the employee remained employed.

### Employee Loans

The Bank provides loans with special interest rates for employees in need to help them to have a good quality of life throughout their career with the Bank. The loans include home loans, car loans, educational loans, medical loans, debt consolidation loans, living-cost loans and disaster relief loans.

## Provident Fund

The Bank encourages saving and investment through the provident fund established in 1989 to ensure employees have enough savings for their retirement. Members of the provident fund can choose an investment policy that suits their expected return on investment at their retirement with acceptable risk levels. Employees can change their investment policy twice a year during specified periods.



In 2019, the Bank received the Silver Award from the Happy PVD Company Project organized by the Securities and Exchange Commission (SEC) to raise awareness of Thais about the need to have sufficient long-term savings for their living after retirement under the concept "Optimum saving. Well planned. Sufficient funds". The Bank encouraged employees to be aware of retirement savings through the provident fund scheme. Employees can contribute between 3 percent to 15 percent of their monthly salary, with the Bank contributing 6.75 percent to 8.75 percent of their salary depending on their years of service. At present, 95.4 percent of the employees participate in the provident fund.

## Good Health and Strong Family Relationships

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The Bank believes in the importance of family and has set some benefits higher than the minimum standards specified by law to promote strong relationships and a good quality of life for the families of its employees. Employees can take maternity leave, before and after delivery, for a maximum of 98 days. Male employees can take paternity leave for five days with full pay to take care of their wives during the first 15 days after delivery. The Bank also allows sick leave for up to 90 working days with full pay (the law requires 30 days).



## Healthcare

The Bank is aware of the importance of employees maintaining good health and provides healthcare services as follows:

- Permanent doctors or nurses to give medical treatment and advice to employees on working days at Health Care units on the fourth floor of the Head Office, and the second floor at the Rama 3 Building.
- Annual physical check-ups and quadrivalent influenza vaccines for employees to prevent illness and reduce the severity of influenza. In 2019, 5,004 employees were vaccinated at the Head Office and Rama 3 Building.
- Chest X-rays via a mobile X-ray service every year to screen for lung disease. Screening takes place at the Head Office and Rama 3 Building. In 2019, 7,092 employees participated.
- Health education seminars for employees. In 2019, the Bank organized the "Know it, Get Away from it, Influenza 2019" seminar by Dr. Suda Punrin, a specialist in Allergy and Clinical Immunology, Faculty of Medicine, Chulalongkorn University; the "Easy Exercise that Anyone Can Do" workshop by Instructor Pukkapong Wisetsin, a health and exercise specialist; and "From Stress to Strength" seminar by Dr. Apisamai Srirangsan, Director of the Bangkok Mental Health Rehabilitation and Recovery Centre (BMRC).
- Lifesaving and first aid workshops covering basic and emergency skills, such as: First Aid and Basic Life Support Workshop are organized to ensure employees can do first aid efficiently and learn how to use an Automated External Defibrillator (AED) to help someone having a cardiac arrest.
- Reimbursement of medical or dental service expenses at a specified rate for employees needing treatment at a hospital or clinic.



## Promoting Good Quality of Life

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The Bank has a policy to promote a good quality of life and the well-being of employees by providing the following:

### Flexible Work Hours

Due to the rapid changes in social, economic, and technological conditions which affect the lives and working styles of employees, the Bank has created tools and a work environment that enable employees to manage their work and personal schedules more effectively and achieve better work-life balance by enabling them to work flexible hours or from home, provided they have permission from an immediate superior. The Bank also allows employees to wear casual clothing on Friday (Casual Friday) to create a more relaxed work environment.

### Mom's Room service for mothers with newborn babies

The Bank initiated the Mom's Room service for working mothers who need a private space to care for their newborn babies. On the 8<sup>th</sup> floor of the Bank's Head Office, the Mom's Room features rooms with curtains, adjustable lighting, washbowls and other facilities, such as breast milk storage, that are cleaned regularly for hygiene purposes. The room requires an access code for entry to ensure privacy and security.

### Fitness Centers

The Bank has fitness centers at its Head Office, the Rama 3 Building and at Bangkok Bank Sports Club in Bangkok which support various sports such as boxing, aerobic dance, yoga, football, basketball and petanque.

		Full time	Contract
	Healthcare	●	●
	Provident Fund	●	○
	Social Security	●	●
	Disability Coverage	●	●
	Family Allowance in Case of Sickness or Death	●	●
	Retirement Fund	●	○
	Maternity Leave	●	●
	Child Benefits	●	○
	Disaster Relief Loan	●	●
	Group Insurance	●	●
	Annual Physical Checkup	●	●
	Employee Loans	●	○
	Financial Aid	●	○
	Influenza Vaccination	●	●
	Flexible Work Hours	●	○
	Mom's Room Service	●	●
	Fitness Centers	●	●

## Retired Employees

The Bank values retiring and retired employees because they are or were key people who supported the Bank and enabled it to achieve its goals over time. The Bank organizes a farewell ceremony for all retiring employees every year where it presents a token of its appreciation for their service. In 2019, the Bank provided special financial aid for employees who have worked with the Bank for more than 30 years of Baht 200,000 per person, as support for their retirement. On top of benefits from the provident fund and retirement compensation required by law, the Bank also allows retired employees to use the Bank's Health Care Center medical and physical therapy services.

The Bank supports the "Bua-Yai Club" established by retired employees as a forum for getting together, supporting each other and their families, and supporting the Bank's activities. Bua-Yai Club members receive benefits, such as Health Care service, medical examinations, medical expense support and physical therapy. The legitimate heir of a member is entitled to funeral support of Baht 5,000. The Bank has also established the "Chatri Sophonpanich Fund" to support employees who are struggling with their finances after retirement due to issues such as critical illness, death and educational expenses for children.

## Respect for Human Rights

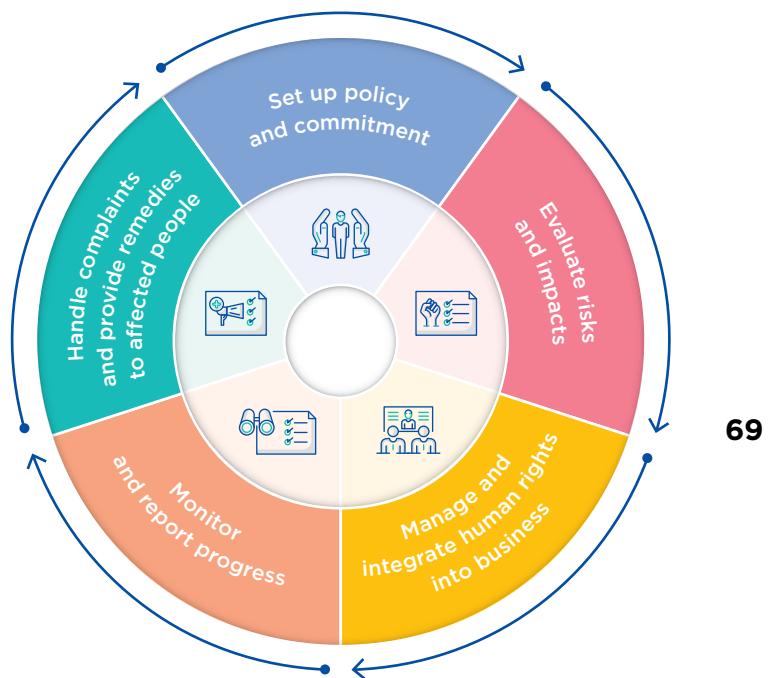
The Bank is committed to operating its business in a way which upholds human rights. The Bank adheres to and follows Thai law and international human rights standards such as the Universal Declaration of Human Rights, International Labor Organization Conventions, and UN Guiding Principles on Business and Human Rights as guidelines. The Bank set up the Human Rights Due Diligence Process to identify and evaluate risks to, and impacts on, human rights that might arise from business activities between the Bank and partners and to establish preventive measures and remedies for such impacts.

The Bank always considers fairness and equality when hiring and managing employees and ensures there is no discrimination of people based on their gender, nationality, religion, education, or skin color. The Bank respects Labor Rights, Children's Rights, Women's Rights and Human Dignity by strictly following relevant laws. In cases where the Bank needs to terminate any employee for any reason other than committing an offence or retirement, the Bank will follow termination of employment regulations, pay the family allowance on a case-by-case basis, and give severance pay as specified by law.

Bank employees are entitled to assemble in order to negotiate on, or hold activities related to, Labor Rights as permitted under the scope of law. The Bank allows employees the freedom to join a labor union. The Bank has three labor unions: Bangkok Bank Workers Union, Bangkok Bank Managerial Officers Union, and Bangkok Bank Employees Union. In 2019, the three unions combined had

10,582 participating members, accounting for 46.65 percent of all employees. The Bank is open to discussions and negotiations with the labor union representatives on work issues to prevent potential labor relations issues. The Bank was responsive to the demands and suggestions of the labor unions in the past year. Normally, the labor unions negotiate for the benefits of all employees, not only their members.

### Human Rights Due Diligence Process



## Occupational Health and Safety

The Bank organizes occupational health and safety according to rules and regulations and relevant laws, collaborating with departments in the Bank to reduce potential risks from work and to ensure occupational safety, good health and a good work environment for employees.

### Occupational Safety, Health and Environment Committee

The Bank set up Occupational Safety, Health, and Environment Committees (OSHE) to spearhead safe practices in the Bank. The Committees will evaluate risks and monitor safety issues in the Bank's premises every month and conduct safety inspections in order to identify unsafe working conditions, set corrective actions,

and follow up on the results. The Bank established the OSHE for branches and offices with 50 or more employees, in a total of 36 locations. The Committee consists of at least five members (except for Head Office which has 11 members and Rama 3 Building with 11 members). Members include a Chairman, Supervisory Representatives, and Operational Representatives each serving two-year terms.

### Work Environment Inspection

The Bank annually inspects the work environment, especially the safety systems of buildings and electrical systems, sound level and indoor air quality, to ensure they are in line with Thai and international laws such as the Singapore Standard SS 544:2009

Code of Practice for Indoor Air Quality for Air-Conditioned Buildings. For workplaces where air quality is below standard, the Bank has implemented various improvement methods such as floor cleaning, changing the office equipment causing problems, adding modern and more efficient equipment to improve the work environment and consistently inspecting the work environment to ensure it is safe and has no negative impact on employees.

## Training

The Bank arranges training on the Bank's fire safety and security system to new recruits as part of their orientation so they understand the process and basic rules of work safety. The Bank also conducts firefighting and evacuation drills for employees at its Head Office buildings and branches to prepare for emergencies and inspects the safety equipment, such as fire alarms and support systems.

## Performance Highlights

### 1) 60 Young WoW Project, Stay Together Longer with BBL

As Thailand is becoming an aging society, the Bank provides opportunities for retired employees to come back to work as contract workers at the Call Center to generate income after retirement and share their knowledge and experience with the next generation. In 2019, 68 retired employees applied to participate in this program.

70

**60 Young WoW!!**  
อยู่ด้วยกันยาว ๆ กับ BBL

เชิญชวนพี่ ๆ เกษียณ  
ที่สนใจก้าวไปด้วยกันต่อ  
กับธนาคารกรุงเทพ  
เพื่อร่วมเป็นส่วนหนึ่งกับทีม

**CALL CENTER**

- ★ น้ำเสียงไพเราะ
- ★ รักในการให้บริการ
- ★ มีความอดทน
- ★ ทำงานเป็นทีม

งานสร้างสรรค์และดูแลลูกค้า สายที่ปรึกษาธุรกิจ ธนาคารกรุงเทพ จำกัด (มหาชน)

### 2) Easy Exercise That Anyone Can Do

Thai people live increasingly busy lives and are devoted to their work which can mean little time for healthcare and regular exercise; some have developed office syndrome which can lead to more severe health problems. Aware of this issue, the Bank has created the "Easy Exercise that Anyone Can Do" program run by Instructor Pukkapong Wisetsin, a health and exercise specialist, who shows employees how to do stretching and other muscle, bone, and joint exercises at work to reduce fatigue, as well as raise awareness about simple exercises for good health. Some 220 employees joined this seminar.

### 3) Be Family project

The Be Family project aims to build discipline and encourage employees to care for the "Sam Sook" (three elements of happiness) – "Be Healthy", "Be Wealthy", and "Be Loved" so employees can have a better quality of life, security, and work happiness which leads to higher work productivity for the Bank.

The Be Family project encourages branch managers to work as a family head who cares for everyone at the branch and ensures they embody the "Sam Sook". Branch managers will behave in a friendly manner with their colleagues as if they are family members; apply the concept of "Understanding, Connecting, and Development" to the areas of healthcare, financial care and mental care of employees; cultivate the culture of loving what you do; perform their duty with discipline and honesty, and work as a team.

**Be Health****Be Wealth****Be Love**

1



Promoting exercise habits with branches setting an Exercise Day

1



Developing saving habits

1



Creating a caring environment within the workplace

2



Branch managers and all employees paying attention to nutrition

2



Encouraging employees to participate in financial literacy projects, such as

“Bualuang Saving Expert”,  
“Saving with Sinmattaya deposit account” and “Realize your dream with Baht 1,000”

“Saving Expert” rewards are provided at the regional branch cluster and division levels

3



Encouraging all employees to have an annual physical checkup

3



Teams formed at branches to educate employees about Sufficiency Economy principles, saving, financial planning, and debt management

4



Educating about healthcare

2



Building a culture where people are conscientious, disciplined, and strive to create harmony

3



Creating employees’ profiles and organize employees’ home visit project

4



Arranging creative activities such as visiting temples, merit making, and other social activities



## Training and Education

### 1 Commitment

To become a “Bank of Learning”, an organization that fosters creativity and learning among its employees with the goal of equipping all employees with practical skills, knowledge and expertise.

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### 2 Targets

#### Long-term Targets 2020 - 2022



Maintaining the Human Capital Return on Investment (HCROI) at 4.0 or higher

#### The target of 2019



Maintaining HCROI at 4.0 or higher



Achieving an average of 35 training hours per employee per year\*

Remark: \*Target and performance for 2019 are based on classroom training only

### 3 2019 Performance Highlights



HCROI was above target at 4.14



An average of 47.80 training hours per employee per year was achieved, above target\*

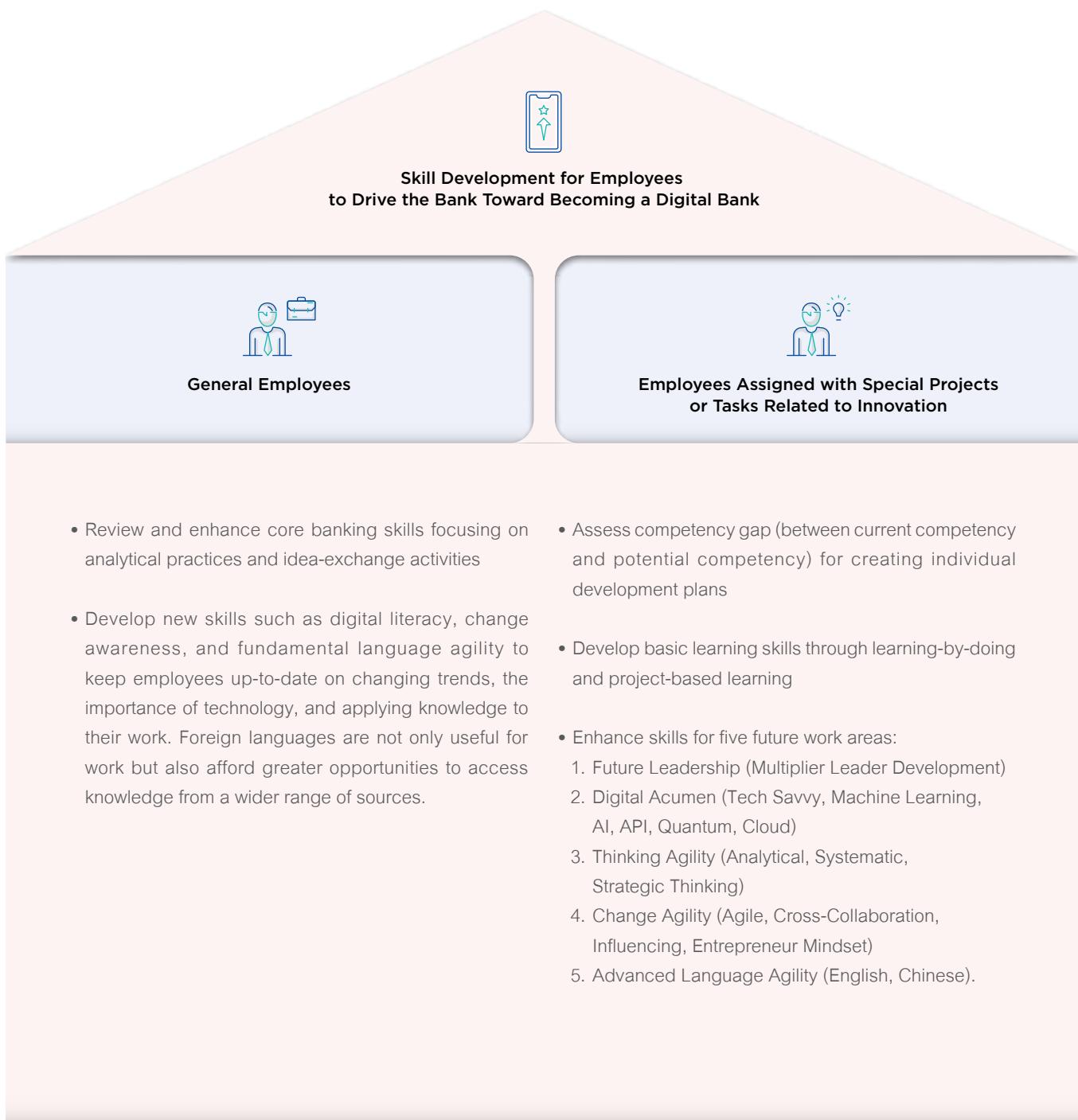
Remark: \*Target and performance for 2019 are based on classroom training only

Technological advancement is playing an increasingly important role in business, requiring the Bank to adjust its strategies, including human capital development, to embrace and smoothly adapt to the changing environment. Employees are the catalyst driving the Bank's business forward during the changes and challenges of the digital age. Thus, the Bank encourages employees to continuously develop their skills and capabilities and to help the business attain its goal of becoming a “Bank of Learning”. The Bank focuses its educational and training programs on three essential skill areas: Technical Skills, People Skills and Conceptual Skills.



## Capability and Skill Development for Employees

Knowledge and skill development are offered to employees at all levels so they can perform their duties, progress in their careers and achieve their potential. The Bank has designed curriculums aligned with its business policies and strategies, focused on developing Technical Skills, People Skills and Conceptual Skills. The Bank developed the following capability development roadmap for employees to provide them with appropriate skills for the digital era.





## A New Way of Learning

74

The Bank collaborated with Darunsikkhalai School for Innovative Learning at King Mongkut's University of Technology Thonburi to develop a constructionism-based curriculum which focuses on learning-by-doing and positions learners as creators of their own knowledge. The curriculum also facilitates connections between learners from diverse areas and allows employees to brainstorm and propose solutions to problems at work, as well as to learn how to build relationships with customers to increase business opportunities. This curriculum also included a design-thinking model to help learners better understand problems and how to use a creative process with employees from diverse functions to solve problems. This process helps learners understand how to realistically apply knowledge to business projects and real-world situations.

A Blended Learning Journey curriculum has been developed, comprising learning workshops and mandatory online courses. Employees conduct self-assessments before taking the course and they are evaluated throughout the learning process, as well as having to take a mandatory post-tests. To complete the course, employees must present a plan on how they will apply skills or knowledge from the course to improve their work or for business purposes.

### The New Way of Learning

1

**Constructionism**

2

**Connectivity**

3

**Design Thinking Model**

### This New Way of Learning is Expected to Help Develop Employees' Capabilities in Four Key Areas

1



**Thinking Agility** enhancing analytical capability and connectivity to embrace change

2



**Team Learning** being open-minded, empathetic, team-oriented, working toward common goals and being an effective cross-team collaborator

3



**Customer Experience** developing business perspectives and critical entrepreneurial thinking to understand customer needs and business contexts, as well as being able to connect with customers and help grow their businesses

4



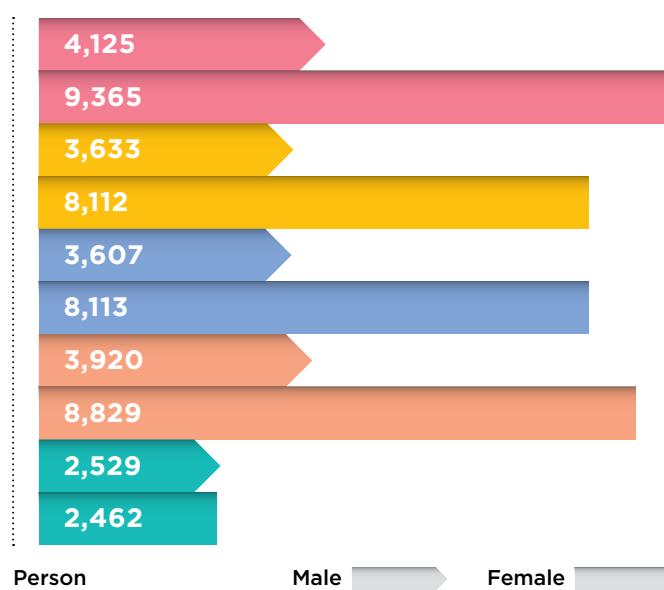
**Business Growth & Global Perspectives** encouraging employees to be responsive to change, as well as being able to expand business opportunities and create competitive advantages

## Creating Learning Opportunities

The Bank offers diverse learning opportunities for employees to improve their skills and develop their knowledge, which employees at all levels can access anywhere, anytime.

### 1. Promoting knowledge and understanding of core banking

The Bank recently teamed up with the Thai Bankers' Association to develop online learning curriculums under "BBLearn". In 2019, 29 new curriculums were created for Bank employees on subjects such as anti-corruption, market conduct, business code of conduct, and sustainability. More than 14,000 employees, or 63 percent of total employees, completed one of these courses.



### 2. Encouraging personalized expertise learning through channels provided by well-known educational institutions

- SkillLane offers 450 courses through its online platform, such as digital skills enhancement, embracing change, knowledge for the future, and foreign languages. In 2019, more than 900 employees have taken courses through this platform with an average learning time of more than 69 hours per employee.

- Massachusetts Institute of Technology Industrial Liaison Program (MIT ILP) provides articles, research papers and conference videos via online channels on technology, innovation and business administration. Some 1,232 employees used this service in 2019.

- 3. Development of knowledge and enhancing skills and business experience through sharing forums. The Bank invited external expert speakers, government officials and Bank customers to give lectures and exchange perspectives on various topics.

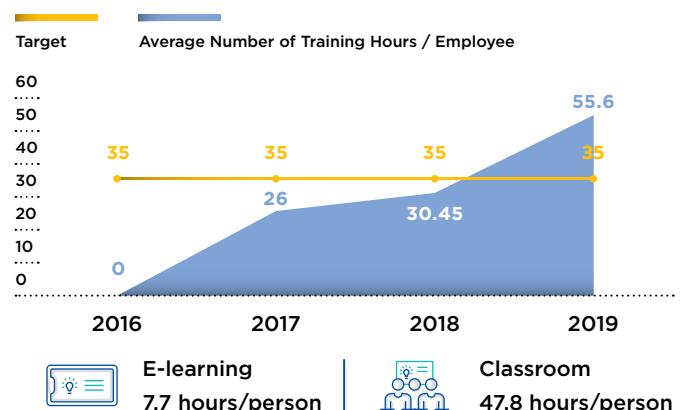
For instance, the Bank organized forums on preparation for organizational changes in the digital age, new forms of financial products, changing business models, and operational risks that may affect the banking business.

- 4. Fostering professionalism through informational events on key subjects, such as new laws, regulations and standards to ensure employees can perform their duties to high standards and confidentially.

- 5. Leadership development of employees through The Next Program which promotes effective team management to help realize the Bank's goals and develop plans consistent with the Bank's directions and policies.

75

**Average Number of Training Hours Per Employee (Hours/Person)**



Remark: In 2019, the number of training hours rose significantly as the Bank added a new reporting system where learning and development through eLearning was included whereas in the past only classroom learning data was included.



## Development Program for High-potential Executives and Staff

To attract younger employees with high potential, the Bank developed a selection criteria that emphasizes three qualities: passion, drive and commitment. After screening, the Bank supports this group by honing five required skills for the future: Future Leadership, Digital Acumen, Thinking Agility, Change Agility and Language Agility.

76

The Bank enhances capabilities of employees with high potential to embrace future changes and grow together with the organization through its Executive Development Program (EDP). This program stresses leadership development to strengthen essential soft skills, such as Dialogue Leadership, Deep Listening and Coaching. These high-potential people are seen as critical members of the Bank's talent pool who will continuously progress at work and take on managerial roles in the future.

In addition, the Bank places importance on developing executives and enriching them with global perspectives and networking opportunities with external parties. Executives are encouraged to participate in local and international seminars every year, such as the Advanced Management Program of Harvard Business School, Senior Executive Program of SASIN at Chulalongkorn University and Strategy, and Innovation for Businesses at Mahidol University and Massachusetts Institute of Technology.

## Important Development Programs

### 1) Executive Leadership Program

Under the Executive Leadership Program, the Bank teamed up with the International Institute for Management Development (IMD) to organize an executive workshop on "Leading Bangkok

Bank into the Future" to enhance their capabilities and promote work readiness. The workshop covered Change Management, Leadership, Strategic Thinking, Design Thinking, Innovation, Collaboration, Customer Centricity, Self-Awareness and Leadership Style. This program was initiated in 2017 and extended in 2019 to focus on digital agility through the Digital Journey seminar. Various case studies from successful financial institutions were presented to aid learning in the program so that executives can learn and bring lessons from those financial institutions and apply them to their work at the Bank.

### 2) Future Leader Development

The Bank launched the Future Leader Development program to help promote mutual understanding between employees at supervisory levels and executives in order to work together as a team to succeed in running the Bank in the digital age. The objective of this program is to train participants on knowledge and skills in teaching, building and developing teams effectively through good coaching. Participants are provided with knowledge and skills necessary for being a good coach while the training format uses a mix of classroom, workshop and experience sharing. The Bank expects executives who complete the program to be able to share and pass on acquired knowledge and skills to their teams so that they work in a creative and effective way, and this should eventually become part of the Bank's organizational culture. 181 employees graduated from the program in 2019.

### 3) Future Skill Academy

The Future Skill Academy program was designed to offer in-depth knowledge for employees and executives interested in digital transformation. This program was conducted using the blended learning model through the EdX/Coursera platform and workshops with world-leading companies such as Microsoft, IBM and Amazon Web Services. The program's content comprises five main subjects: Digital Transformation Strategy, FinTech, Design Thinking, Blockchain, and Internet of Things. Participants also had the opportunity to go on field trips to visit leading companies to learn and exchange experiences on digital transformation and innovation. The program urged participants to attend knowledge-sharing forums and related seminars to enhance their understanding so that they can propose initiatives to their supervisors as part of being a change agent within their units. During 2019, 30 employees completed the program.



#### **4) Knowledge Day Forum 2019: Inspiring Change for the Future**

The Bank hosted “Knowledge Day Forum 2019: Inspiring Change for the Future” for executives and employees with the objective to raise awareness and promote preparedness for future changes. Employees were expected to apply knowledge and perspectives gained in the program to improve work processes and learn about innovative products and services to serve the future needs of customers. A total of 3,312 executives and employees joined this program.



#### **5) The Next Program**

The Next Program advances the capabilities of executives and employees with high potential to prepare them to become leaders for the future. The program helps equip participants with perspectives and ideas that are developed through business simulations that allow them to analyze problems, risks, opportunities and success factors, including related resource management strategies in driving business forward, to effectively address customer needs. During 2019, 196 executives and employees completed the program.

#### **6) Farewell Event for Retired Employees**

The Bank values retired and retiring employees as they have been working with the Bank through good and bad times and have contributed to the success of the Bank for an extended period. As in every other year a “Farewell Event for Retired Employees” was organized for employees retiring in 2019 to recognize and honor their contributions as well as to share important information on retirement. Guest speakers from the Bank and external agencies were invited to share knowledge on how to handle life after retirement, and discuss matters such as worry-free life management, career choices after retirement, healthcare, government welfare, and the Bank’s retirement and welfare benefits for retirees. Some 305 retiring employees participated in this event.





## Customer Satisfaction

### 1 Commitment

The Bank is committed to providing service excellence, acting responsibly, treating customers fairly and honestly and observing industry standards. The Bank aims to provide customers with a satisfying and positive experience in line with its commitment to be “puan koo kit, mit koo baan” (aspiring to be a trusted partner and reliable close friend) standing alongside customers and Thai society.

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### 3 2019 Performance Highlights



Customer satisfaction for branch services was 93.37 percent as measured by the Voice of Customer.

The way customers use banking services has changed significantly thanks to technological developments and innovation, as customers can access a greater variety of services more quickly and conveniently. This has stimulated

### 2 Targets

#### Long-term targets 2020 - 2022



Maintaining customer satisfaction in using branch services at higher than 95 percent, measured by the Voice of Customer survey.

#### The targets of 2019



Maintaining customer satisfaction in using branch services at 94 percent, measured by the Voice of Customer survey.

competition in the banking sector, which is becoming increasingly intense. Accordingly, the Bank is determined to build and maintain good relationships with customers, while improving the quality of its products and services. To enhance the satisfaction of existing customers and attract new customers, the Bank is constantly improving its service delivery systems to ensure they are fast and convenient and developing useful financial products that meet customer needs.

To meet its targets and objectives, the Bank has established policies and guidelines on customer service covering all delivery channels. Employees at all levels are provided with training and development so they are equipped with the skills, knowledge, and service-mindedness they need to satisfy customers and meet excellent service standards.



## Customer Relationship Management

Having an extensive customer base with many long-established relationships, the Bank places the highest importance on building and maintaining a good rapport with its customers. Therefore, the Bank has established a Service Quality Management Policy which sets forth guidelines for equitable market conduct to serve customers fairly. It has also established a manual on an effective service delivery process that promotes regular service quality checks, and outlines clear steps to assist customers and solve their issues. This is to ensure quality professional services that can respond to the needs of all customer groups so that the Bank impresses customers and becomes their bank of choice.

### Customer Opinion and Satisfaction Survey

The Bank conducts a customer satisfaction survey annually to promote customer engagement, to listen to their views and to understand situations or problems so it can improve service quality to be in line with customer needs.

#### 1. Customer Satisfaction Survey

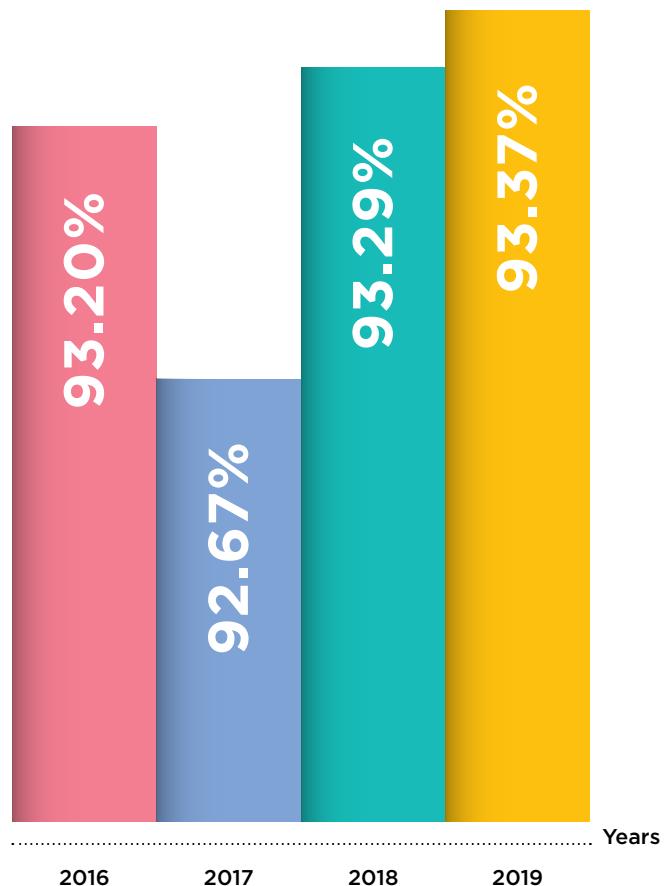
The Bank conducts a Voice of Customer survey on the satisfaction of customers who use its services via telephone interviews, polling customers who visited branches on whether they received proper and satisfactory services. The survey is undertaken for all branches an average of 50-100 times per branch per year. Branch managers later use the survey results and customer advice to elevate the service standards of their branches.

Customers using the interactive voice response (IVR) and the customer support representative (CSR) can rate their satisfaction and record voice recommendations or complaints on their

experiences after receiving the service. Moreover, all conversations between customers and staff as well as service delivery steps are recorded for the purpose of analysis and service quality improvements in the future.

**Customer Satisfaction Level of Branch Services  
(Voice of Customer)**

79



## 2. Customer Recommendation Survey

The Bank assigned the Consumer Research Team to hold a customer recommendation survey on an annual basis to monitor long-term customer satisfaction and engagement with the Bank. The survey is conducted online and nationwide twice a year and covers all customer groups. Each survey covers 2,000 customers

who are asked about their views and experiences of the Bank's service through various channels. The findings of the survey help identify key areas for service improvement and development to better serve and satisfy customers.

### Customer Recommendation Survey Score

Item	2560	2561	2562
 BBL Recommendation Score	<b>72.20</b>	<b>72.10</b>	<b>73.70</b>
 Branch Recommendation Score	<b>77.40</b>	<b>77.60</b>	<b>78.80</b>
 Mobile Banking Recommendation Score	<b>80.00</b>	<b>81.30</b>	<b>79.70</b>

80

Remark: Customer recommendation survey score (out of 100)

## Capability Development for Service Staff

The Bank has set up a Quality Service Team to be responsible for improving and assessing service quality of branch staff to ensure customer satisfaction when using branch services. Regarding capability development, the Bank fosters a positive attitude toward service delivery with all its employees. Learning activities and communication are regularly conducted to equip employees with deep knowledge and understanding of the Bank's products and services.

To achieve service quality improvements among branch staff, the Quality Service Team conducts an annual service quality

In 2019, the Bank organized the “Market Conduct for Legitimate Sales With No Complaints” (Four No’s Principles: No Tricking, No Forcing, No Bothering, No Abuse) activity to raise awareness and promote understanding about fair market conduct among branch staff regarding the product and service sales process. The Bank created a fun and easy-to-understand educational video on market conduct (4 No’s Principle) for its employees and held a quiz to check their understanding with prizes.

### 4 No's Principles

**1**



No Tricking

**2**



No Forcing

**3**



No Bothering

**4**



No Abuse

evaluation of branch staff and uses the findings from the evaluation for employee learning and development plans to ensure that the Bank offers quality services to all customers.

1. Mystery Shopping Service Quality Evaluation: Mystery shoppers visit every branch two times a year to observe and assess services provided by branch staff in three aspects: readiness of customer service areas, services provided by staff, and phone answering manner. For the 2019 evaluation results, the mystery shopping service quality was at 86.48 percent.

2. Evaluation of Staff Knowledge of Mutual Funds and Insurance Products (Voice of Staff): The central team carries out phone surveys of staff with mutual fund or insurance product licenses at branches across the country to check how well they understand the relevant products. Any misunderstandings branch staff may have are clarified by the central team to ensure that staff will be able to provide customers with accurate information. For the 2019 evaluation results, the average knowledge score of the staff was 90 percent.

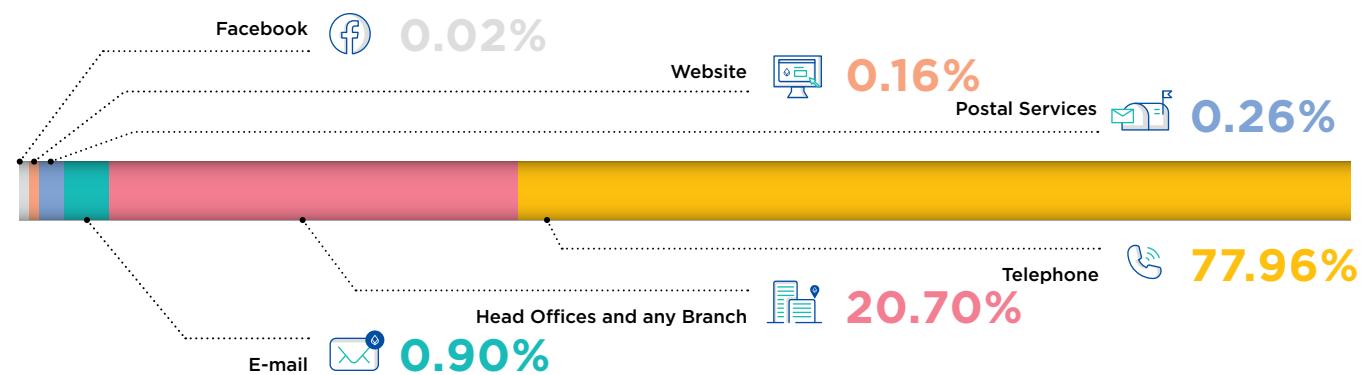
## Customer Complaints Handling

### 1. General Complaints

The Bank provides multiple channels for receiving customer complaints, such as the official website, Bualuang Phone, e-mail, branches and social media channels. Responsible officers receive complaints from customers and input the details into the system to be promptly passed on for corrective actions.

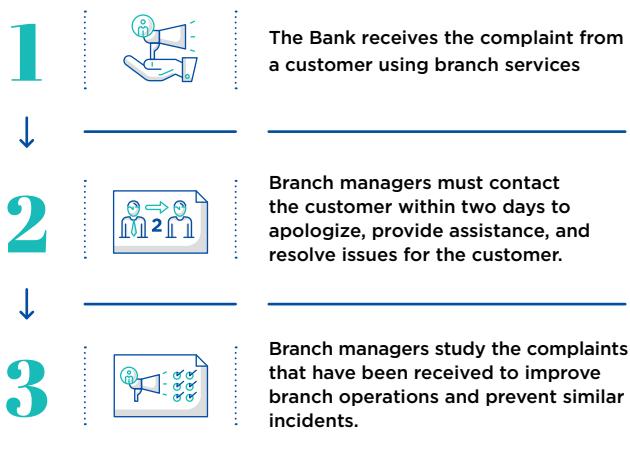
Complaint handling must be completed within the period specified in the service level agreement (SLA) which the Bank uses as one of the key performance indicators of related operational centers. Complaints will be put in a monthly summary report to be sent to the Compliance Unit which gathers all complaints about the Bank. In 2019, the Bank completely managed 100 percent of complaints within the timeline specified in the SLA.

### Complaints Received Through All Channels in 2019



### 2. Complaints through Branches

In the case of complaints filed through branches, the Bank has set guidelines to handle customer complaints as follows:



To investigate complaints received through branches, the Bank has set up the “Voice of Customer and Employee Committee” to be responsible for fact-finding and providing fair treatment to both sides. The Bank puts its customers first, while giving opportunities for its employees to explain the situations and reasons for any issues.

Additionally, a central team was established to make phone calls to customers to check if they are satisfied with the assistance received from branch managers, whether the issues have been resolved, as well as asking them for additional suggestions they may have to increase their satisfaction. This enables the Bank to gather feedback to improve its service quality in the future. In 2019, results from the satisfaction survey on the Bank’s problem-solving approach showed that more than 79 percent of customers were satisfied with and impressed by the speed of branch managers’ complaint handling.

## Service Channel Development

The Bank continually develops its service channels to provide customers with convenient, fast and diverse channels to meet their needs as well as to deliver memorable experiences to all customer groups. New technologies are also introduced to enable customers to more easily make financial transactions on their own.

### 1) Bualuang mBanking and Bualuang iBanking

Online channels like mobile banking and internet banking have become the preferred channels for financial transactions. Consequently, the Bank continuously upgrades its mobile banking application (Bualuang mBanking) to include a broader variety of products and services. Furthermore, the Bank has joined partners to develop new services that fit the lifestyles of customers today, for example, Rabbit LINE Pay, QR payments in foreign countries, online payments, and e-Rewards that offer various privileges to different customer groups. Additionally, the application process has been streamlined for higher speed and more convenience and now customers can apply through self-service or at branches. With this new development, the number of mobile banking users increased by 25 percent while the number of transactions via mobile banking grew by 50 percent compared to 2018.

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Throughout 2019 the Bank was in the process of upgrading and updating its mobile banking application. This aims to simplify and improve the ease of making transactions, be more modern and user-friendly, support higher volumes of transactions, and provide for more daily activities of customers.

### 2) ATM and Automatic Banking Services

The Bank has been extending its services and managing its service locations to better serve customers. Currently, there are approximately 10,600 Bualuang ATMs and automatic cash deposit machines. In addition, the Bank has a plan to revamp the display formats of its electronic machines for better ease of use as well as develop systems to offer services via Bualuang ATMs to be more efficient and compatible with customers' lifestyles.

### 3) Phone Banking Services

The Bank set up the Call Center Team to be responsible for responding to inquiries, providing assistance, and solving issues that customers may encounter in a timely manner according to the specified SLA. Customers can call customer support

representatives (CSR) through Bualuang Phone 1333 to make inquiries, file complaints, and provide recommendations or give feedback on the Bank's services, while the Interactive Voice Response (IVR) is also available for self-service. The Bank has increased the number of CSR officers and equipped them with the skills they need to perform well in customer relationship management. In 2019, the success rate of customers using automatic services stood at 82 percent and the average waiting time to reach an agent was only 35 seconds. This pushed up the customer satisfaction level to 95 percent compared to 2018 which had a satisfaction level of 92.50 percent.

The Bank plans to further develop and improve its services as follows:

- Adopt voice biometric and speech recognition technology to facilitate customers in making transactions by using their own voices for authentication and chatting through the IVR system instead of pressing phone keypads. New functions will also include an automatic menu that customers can choose from and record frequently used transactions for faster and easier usage.
- To add web chat and messaging functions for its digital channels such as the website, Bualuang mBanking, Bualuang iBanking as well as social media platforms such as the Bank's official LINE account and Facebook using AI Virtual Assistance technology to expedite customer responses and reduce the volume of customer calls made to staff.

### 4) Branch Network

The Bank has a footprint of more than 1,100 branches nationwide and plans to further expand its service offering through banking agents. It has researched suitable service providers to represent the Bank and made an initial selection. In the first stage, basic financial services such as deposits and withdrawals will be offered through banking agents which will extend service delivery channels to remote areas since these agents have more service access points with better coverage of local communities. The Bank expects that services via banking agents will be activated within January 2020. In addition, the Bank intends to enable more types of transactions through banking agents to better serve its customers as well as to appoint new agents.



## Financial Calculators

ตัวช่วยสู่ทุกเป้าหมายทางการเงิน



## Product and Service Development

The Bank continuously develops new products and services that cater to customers' different needs. Examples include:

**Super SMS** - A notification service via SMS for businesses and/or individual customers owning businesses who want to be informed of all account movements including transactions related to cheques to facilitate customers' business undertakings.

**Be1<sup>st</sup> Smart and Rabbit LINE Pay** - A debit card and Rabbit Line Pay in one, this card with appealing designs has been developed for new-generation customers. Not only can customers perform basic financial transactions hassle-free in a fast and safe manner, and they can also make payments for BTS fares with the Rabbit function without queuing for tickets. Linked with Rabbit LINE Pay, the card allows customers to make purchases with various merchants and collect Rabbit Rewards points for every transaction that can be redeemed for gifts and other privileges.

**Be1<sup>st</sup> Smart TPN Mastercard** – A debit card that enables contactless payments for purchases of products and services by simply tapping card readers at stores with the contactless symbol anywhere in the world for more convenient shopping experiences. All payments are made simple, quick and secure through this card.

## 5) Website

The Bank's website is a major communications channel that promotes customer engagement. Through digital marketing and content marketing platforms, the Bank can analyze customer information in order to introduce products, services and promotions that fit customer interests. During 2019, the Bank premiered its Financial Calculators, a financial planning tool available on the Bank's website on top of the four wealth check-up functions that are Savings Plan by Objective, Retirement Plan, Tax Saving Plan and Home Loan Repayment Plan. This new tool aims to help customers plan and manage their finances and prepare themselves to achieve their financial and lifestyle goals under the concept Growing Wealth with Bangkok Bank.







# Be Ethical

The Bank strives to conduct business with transparency by adhering to the principles of good governance and business ethics, not engaging in any form of corruption, and maintaining the security of customers' information and confidentiality in accordance with regulations and international standards.



Anti-Corruption



Data Protection and Customer Confidentiality



## Anti-corruption

### 1 Commitment

Maintaining the status as a financial institution that places the highest importance on anti-corruption and prevention of corruption.

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### 3 2019 Performance Highlights



No significant incidents of corruption

Corruption, including money laundering from related fraudulent activities, is considered a threat to the economy and society that adversely affects and impedes the development of the country, as well as being an important risk in conducting banking business. Therefore, the Bank promotes

### 2 Targets

#### Long-term Targets 2020 - 2023



Supporting the business sector to be vigilant in preventing corruption and joining Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) with the purpose of creating and growing ethical business ecosystems in Thailand in a sustainable manner.

#### The target of 2019



No significant incidents of corruption

all forms of anti-corruption and has a firm belief that undertaking business with transparency and fairness in accordance with good corporate governance principles is the bedrock that helps prevent risks associated with corruption such as reputation risk, litigation risk, and risk of paying fines or compensation for damages.

The Bank conducts its anti-corruption and money laundering prevention activities with the strong intention to oppose corruption and strictly comply with rules and regulations issued by authorities, as well as the Bank's internal policies, in order to build trust among stakeholders, promote a good image and reputation, and create business opportunities.

## Guidelines for Anti-Corruption

### Anti-Corruption Policy

The Bank has clearly stated its anti-corruption policy so that directors, executives and employees are fully aware of and adopt the anti-corruption policy as a norm in order to build a good corporate culture. The anti-corruption policy covers proper practices, risk management and channels for whistleblowing and complaint filing related to corruption. The Bank publishes the anti-corruption policy on its website (<https://www.bangkokbank.com/th-TH/About-Us/Corporate-Governance/Anti-Corruption-Policy>). Moreover, the Bank clarifies, informs and communicates the anti-corruption policy to executives and employees at all levels through training and internal communication channels. Violation or non-compliance will result in penalties as stipulated.

Apart from its anti-corruption policy, the Bank has prepared an anti-corruption handbook as a practical guideline for employees to conform to. The Bank conducts an assessment on compliance using the compliance assessment checklist according to the anti-corruption policy regularly every year. The Bank also provides safe and accessible channels for whistleblowers who intend to expose information, file complaints or report dubious actions related to corruption.

The Bank was recognized by external agencies as a financial institution that plays an important role in fostering anti-corruption awareness. The Bank was certified by the Private Sector Collective Action Coalition Against Corruption Council (CAC) as one of the members since 2015 and the membership was later renewed in 2018. That year, the Bank also announced its no-gift policy to emphasize its firm standpoint on anti-corruption.



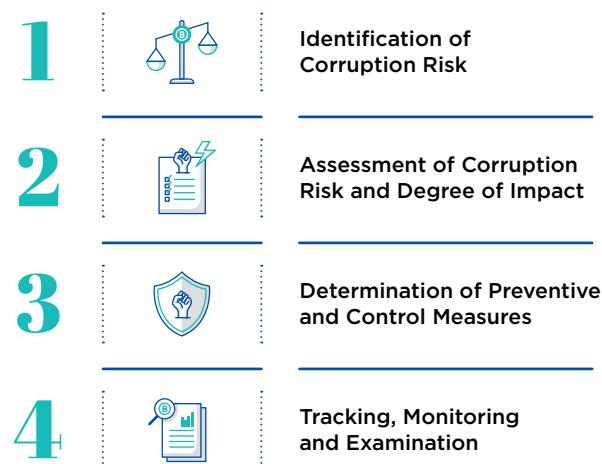
### Corruption Risk Management

To prevent and control corruption risk that may negatively affect its image and reputation, the Bank established an effective corruption risk management process that is suitable for its business contexts as follows:

1. Identification of corruption risk the Bank may be exposed to through its operations or business activities.
2. Assessment of corruption risk and degree of impact.
3. Determination of preventive and control measures specific to corruption risk that are consistent with the situations and business contexts of each unit. The three steps are executed by unit executives and supervisors relevant to each corruption risk. All information will be collected and stored in a corruption risk database for further analysis and reference where the information is subject to regular updates.
4. Tracking, monitoring and examination of corruption risk with the three lines of defense. For the first line, business unit heads and business unit compliance officers follow up, supervise, and examine the units they are responsible for. Next, the Risk Management Unit and the Compliance Unit track and monitor corruption risk as the second line. For the last line, the Audit and Control Division examines related work and reports results to responsible persons according to the chain of command.

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### Corruption Risk Management



## Whistleblowing and Complaints Handling Process

### • Channels for Whistleblowing and Complaints

The Bank provides whistleblowing channels for both internal and external stakeholders to file complaints or report information related to corruption. Bank employees can directly report their issues to their executives or the Head of Compliance. The Bank has defined whistleblowing procedures which include processes and channels for receiving and managing complaints and protecting the rights of whistleblowers and related parties from any kind of unfair treatment or harassment. Additional details are published on the Bank's website.

### Channels for Whistleblowing and Complaints

- 1  Corporate Secretary or Compliance Unit  
333 Silom Road, Bang Rak, Bangkok 10500
- 2  The Bank's website through which Complaint Form may be filled  
<https://www.bangkokbank.com/th-TH/Contact-Us>
- 3  Bualuang Phone  
1333 or (66) 0-2230-2888
- 4  E-mail  
[info@bangkokbank.com](mailto:info@bangkokbank.com)

### • Whistleblowing and Whistleblower Protection Measures

The Bank is open to receive whistleblowing reports on the basis of equality, transparency and fairness to all parties. The Bank stipulates an appropriate investigation period and keeps the whistleblower's identity strictly confidential. Bona fide whistleblowers are protected from harassment, punishment and any negative impact. The Bank has assigned the Compliance Unit to serve as the Bank's whistleblowing channel.

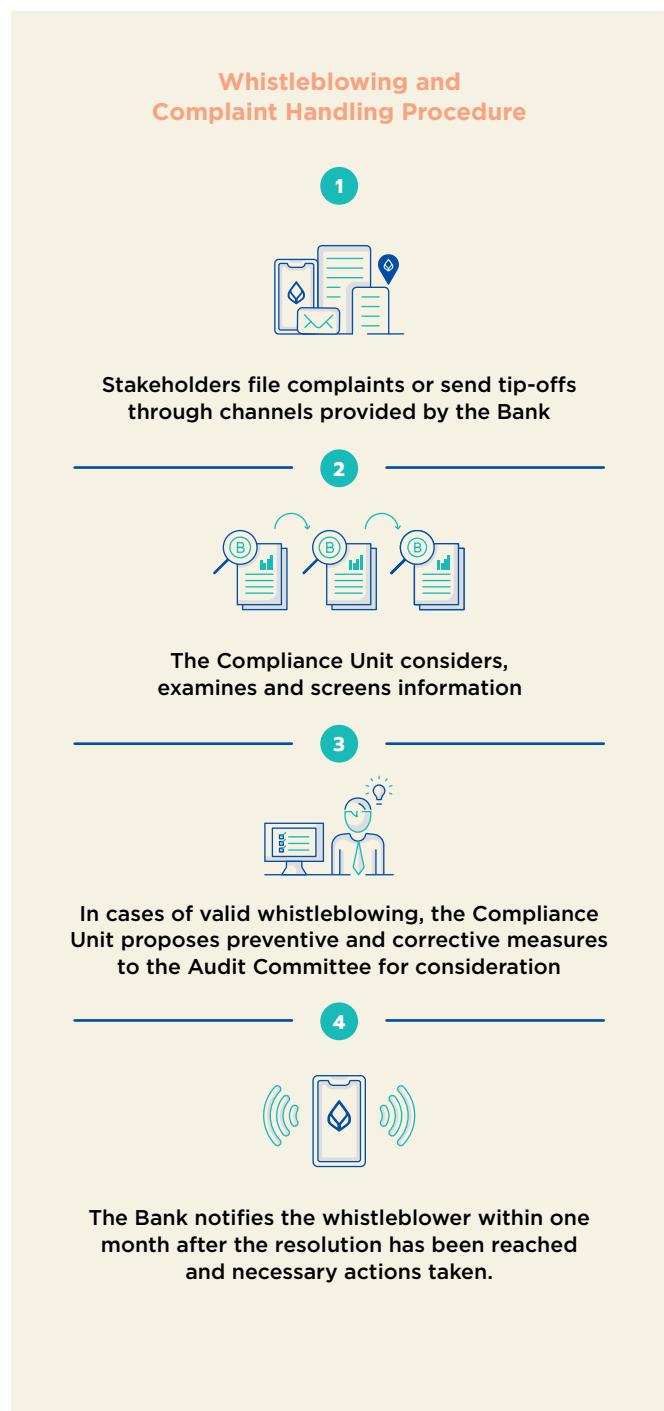
### • Whistleblowing and Complaint Handling Procedure

The Compliance Unit will investigate whistleblowing cases prudently and properly by gathering and processing facts and information. For severe or complex cases, the Compliance Unit

may refer the cases to the Audit and Control Division, or an ad hoc committee to further examine, investigate and consider. The Compliance Unit may also present cases to the Audit Committee for consideration as it deems necessary and appropriate.

### • Preventive and Corrective Measures and Reporting

The Compliance Unit will propose preventive and corrective measures for whistleblowing cases that are found to be well-grounded to the Audit Committee for consideration. Whistleblowers will be informed of the results within one month after the case is resolved and necessary actions taken. In cases where Bank employees are found guilty, the Bank has set certain penalties from minor offences to dismissal, and litigation. The Bank will ensure that suitable remedies are offered to affected parties.



## Performance Highlights

With regard to the anti-corruption performance, there was no violation of, or non-compliance with, the anti-corruption policy found to have a significant effect on the Bank in 2019.

The Bank received a total of 158 complaints and investigations were completed into 147 of these. Completed cases can be categorized into 24 operational mistake cases, four system error cases and 10 fraud-related cases. The other 109 cases resulted from customers misunderstanding the Bank's actions. The Bank has clarified all such misconceptions with customers and has closed these cases. With respect to media reports on an embezzlement case involving a branch customer with accounts in Samut Prakan and Bangkok, the Bank compensated the customer for damages caused and dismissed and took legal action against the employee who committed the fraud.

## Learning and Development for Executives and Employees

The Bank organized training programs on anti-corruption and Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) on a regular basis to keep executives and employees fully aware and knowledgeable about proper practices regarding anti-corruption compliance. Additionally, the Bank developed an anti-corruption curriculum on its online platform, BBLearn, so all employees can access relevant information and knowledge through smartphones, tablets and computers in a convenient, fast and comprehensive manner.

### 1. e-Learning Curriculums

#### • Anti-Corruption Course

The contents of the Bank's anti-corruption curriculum on BBLearn covers the Bank's anti-corruption policy, guidelines, roles and responsibilities of employees, whistleblowing, supporting measures and penalties. Completing this anti-corruption curriculum is mandatory for all employees and the Bank has set a target for every employee to complete the program within 2020.

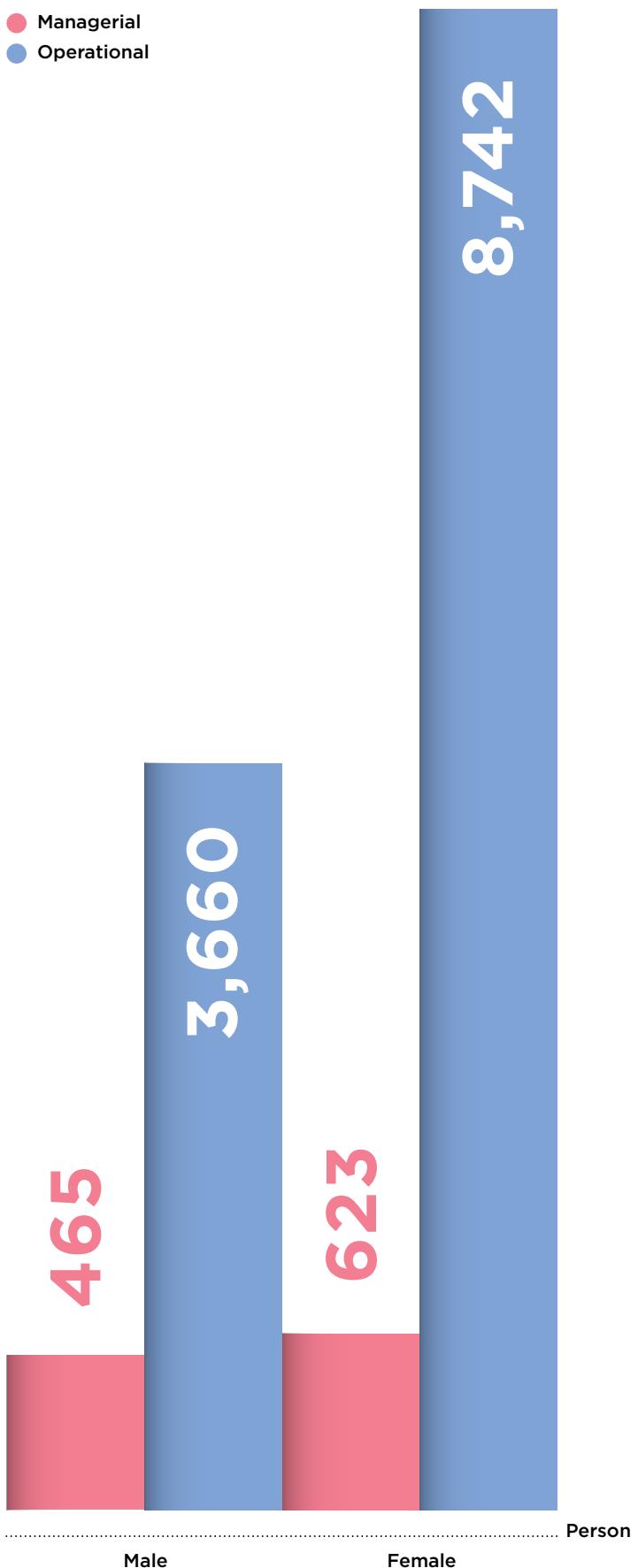


**13,490**

total number of employees trained  
on anti-corruption

## Participating Employees for Anti-Corruption Course

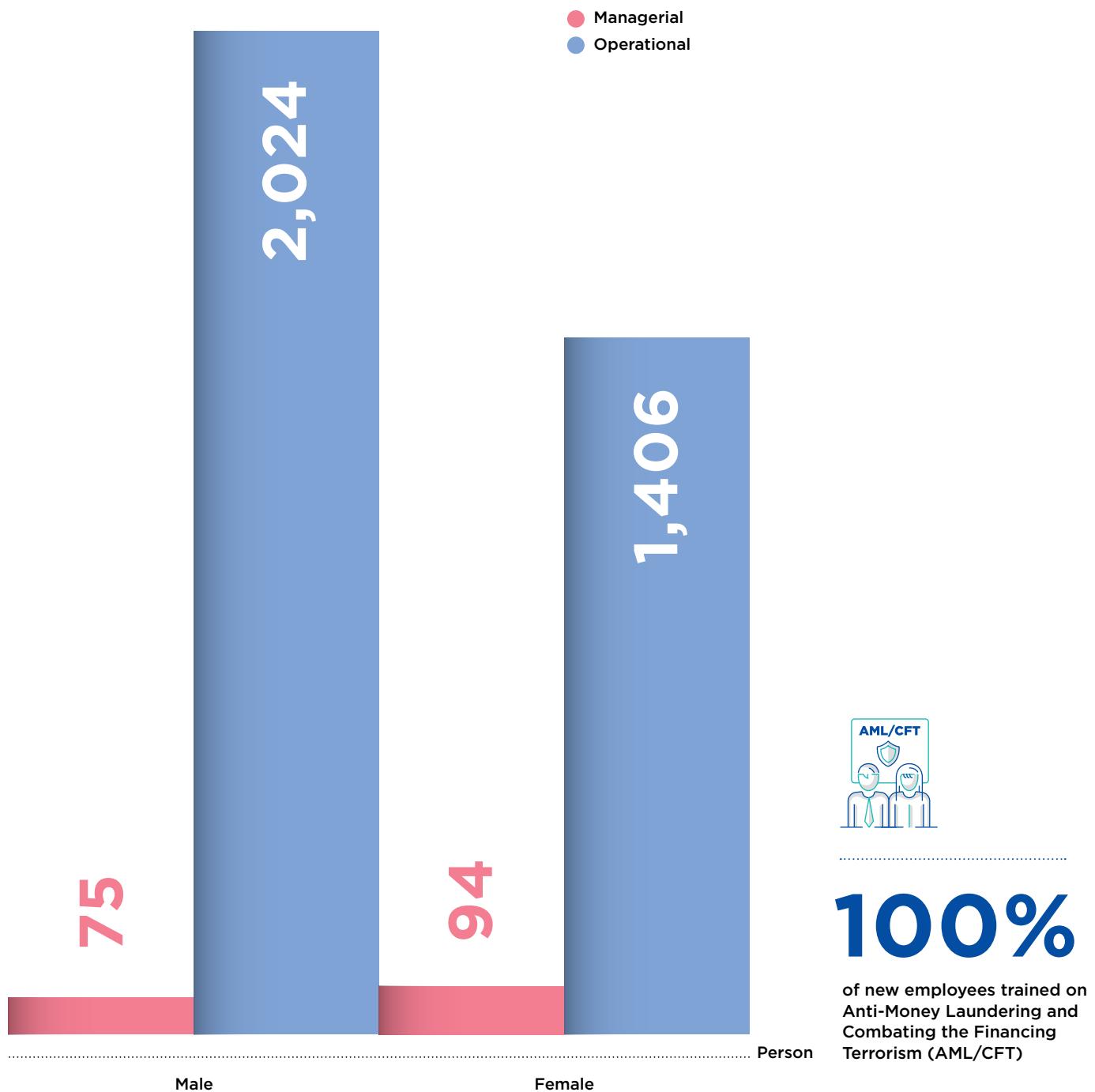
- Managerial
- Operational



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

The Bank provided a training program on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) to its employees. Training assessments were conducted to ensure executives and employees had sufficient knowledge and understanding to apply their learnings to their work accurately and effectively. The Bank requires all new employees to undergo the AML/CFT training and for every employee to take a refresher course at least once every two years, or when there is a material change in regulations.

#### Participating New Employees for AML/CFT Course





## 2. 2019 Annual Training on “A Practical Guideline for AML/CFT Compliance”

The Bank conducted its annual AML/CFT training program “A Practical Guideline for Anti-Money Laundering and Combating the Financing of Terrorism Compliance” in 2019 for employees at supervisory levels working in branches, business centers and other functions related to AML/CFT. Over 1,200 employees participated in this training program at the Bank’s Head Office in June 2019. The Bank invited lecturers from the Anti-Money Laundering Office to share knowledge and present updates on money laundering as well as case studies for the banking sector. This program ensures Bank employees have up-to-date knowledge on the matter to prudently perform their duties.

## 3. Senior Executive Forum on “Key Trends and Changes in AML/CFT Regulations”

The Bank hosted an Annual Senior Executive Forum on AML/CFT in 2019 for about 250 people from the Board of Directors, the Board of Executive Directors, the Audit Committee, high-level executives and Compliance Unit executives. The Bank invited guest lecturers from the Anti-Money Laundering Office to present “Key Trends and Changes on AML/CFT Regulations” to update senior executives of the Bank about the latest developments on AML/CFT to ensure compliance with applicable laws as well as rules and regulations of the Bank.



## Data Protection and Customer Confidentiality

### 1 Commitment

The Bank is committed to ensuring data protection and customer confidentiality in compliance with good corporate governance principles. This covers the Bank's overall capability to counter cyber threats, and comply with Thai laws and related international standards, to drive the overall financial sector toward sustainability.

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### 3 2019 Performance Highlights



Communicating and educating the Bank's Board of Directors, senior executives, and employees about cybersecurity and cyber threats, including producing online media to educate the Bank's customers

### 2 Targets

#### Long-term target 2020 - 2023



To increase the efficiency of data protection to safeguard the interests of data owners and to maintain stability of the Bank's business operations

#### The target of 2019



To build awareness among senior executives, employees, and customers of data protection and cyber threats

Financial institutions in the digital era need to use data in making strategic plans and analyzing market situations and individuals' behaviors so they can develop financial products and services that meet customers' needs. It is imperative for the Bank to safeguard the information it collects so it is safe from being misused to prevent negative impacts on the Bank and data owners. The Bank has set up effective information security and cybersecurity measures, as well as practical guidelines for all units in the Bank, both at home and abroad, to follow, in order to prevent information technology risks and to respect customers' confidentiality rights. This is to maintain the Bank's trustworthiness and customers' confidence, as well as to protect the Bank from legal liability risks.



## Information Security Management

The Bank manages information security throughout the life cycle of each piece of information, starting from the stage of data creation and through to storing, sending and receiving, processing, and destroying unused data. To protect data from loss, leakage, or alteration, the Bank has adopted modern technology that meets international standards for managing information security, as well as ensuring the Bank's employees have capabilities to handle cyber threats. The Bank has also continually built awareness about cyber threats for its employees at every level of the Bank. They are required to monitor situations and any unusual incidents that could harm the data and information system of the Bank.

### Management Structure of Data Protection

To mitigate risks and alleviate possible impacts from information security risks, the Bank has set up the Corporate Risk Management Committee to oversee and monitor overall information security risks of the Bank, as well as to establish an effective set of measures to limit and prevent risks. Besides this, the Bank has set up a Security Management Department to prescribe standards for information security and cyber threats management, to govern the practices of other units in the Bank to be in compliance with the required standards, and to assess technology-related risks that could possibly impact data in the custody of the Bank. The Department monitors cyber threat intelligence to analyze any possible cyber threats and to prepare protection measures. The Department also has to create awareness about data protection and guide employees and customers of the Bank on how to handle cyber threats.

The Bank has set up security standards for information used in providing services by setting up security baselines for working systems, and security requirements for online services provided via applications. The working systems and online services provided on applications have been assessed against the security standards on a regular basis, both before and after the services are provided. This is to ensure that the information security management and cyber threats are examined, and preventive or corrective actions are taken promptly once a loophole is found. The Bank requires concerned personnel to monitor, take due care, correct, and regularly improve the security of the information in their responsibilities.

### Information Security and Cybersecurity Policy

The Bank has established the Information Security and Cybersecurity Policy as a framework for information security management and for effective handling of cyber attacks. The policy is in line with the ISO/IEC 27001: 2013 international information security management standards, and is applied across all units of the Bank. The policy is reviewed annually to remain relevant amid ever-changing technology and cyber threat situations.

In 2019, the Bank amended the policy by adding a 13<sup>th</sup> topic, namely Emerging Information Security and Cybersecurity Threats and Trends, which sets forth the security requirements and measures before adopting new technology for banking services such as the requirements for developing standards concerning evaluation, testing, and training for personnel.

## Essence of Information Security and Cybersecurity Policy



Information Security and  
Cybersecurity Risk Management

1



Information Technology  
Asset Management

2



Access Control

3



Physical  
and Environmental Security

4



Operational  
Security

5



Communication  
Security

6



Mobile Device  
and Remote Access

7



Third Party  
Management

8



System Acquisition, Development  
and Maintenance

9



Incident Response  
and Management

10



Business Continuity  
Management

11



Information Security  
and Cybersecurity Training

12



Emerging Information Security  
and Cybersecurity Threats  
and Trends



## Customer Confidentiality Management

The Bank is aware of its responsibility in protecting the security of personal information and customer confidentiality in order to maintain customers' trust. The Bank has, therefore, set a framework of customer information management to conform to the rules and regulations set by regulatory authorities and related laws. In this regard, the Bank has established the Policy for Financial Product Presentation to provide a framework for maintaining customer information for units responsible for product offerings, while the Privacy Policy is under review to conform to a law on personal information protection which will be enforced in 2020. This is to ensure the efficiency and effectiveness of the Bank's customer information management.

Furthermore, the Bank has set practical guidelines for personal information protection which covers all customers. With this framework, collection and use of customer information could only be done with prior consent from customers, provided also that such collection and use is in line with the business objectives of the Bank. The Bank will protect the customer confidentiality in accordance with the information security policy of the Bank. If there is a breach of data privacy by the Bank's employees, customers

can file a complaint through the Bank's contact channels. The Bank will conduct an investigation in a transparent and fair manner to all related parties. If the complaint filed is found to be factual, the Bank will discipline the wrongdoers and remedy the victims appropriately. The Bank will also set up measures to prevent the incident recurring. The importance of data privacy will be continually emphasized to all Bank's employees.

In 2019, the Bank had received 21 complaints about data privacy breaches through all contact points of the Bank. The Bank investigated these and found no data leakage, theft, or loss as a result of cyberattacks.

Regarding media reports that a number of holders of Bangkok Bank AirAsia credit cards had their data stolen and used to make online purchases, the Bank investigated those cases and clarified the outcome with the customers. The Bank followed the procedures in rejecting the card usage and deleted the troubled items from the customer's statement. The Bank also worked with AirAsia in setting better protection measures.

# គិតកំនទល់ មីស៊ិកំនឹង



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## Building Awareness about Cybersecurity

The Bank believes that to create understanding and awareness regarding data protection and cyber threats it is important for the Bank to be protected from information misuse or theft. The Bank has continually created awareness among the Board of Directors, executives, and staff about these risks. Responses to cyber threats were tested in simulations and training sessions were held on information security and cyber risks. Information was also regularly disseminated through various formats such as short articles, infographics, video clips, and quiz games with rewards through the Bank's internal communication channels.

In 2019, the Bank held a training session under the topic of "Cybersecurity and Trends in 2020" to create awareness and understanding of the importance of information technology risk and how to safely use information technology. The training also involved the correct way to use internet-connected devices, and a drill to prepare employees to be ready in handling cyberattacks.

Creating understanding among customers about information security is a major obligation of banks in the digital age. The Bank has regularly notified its customers about hoax e-mails and fake websites through online communication channels. In 2019, the Bank created a video clip featuring an animated character called Blink Blink Family to build awareness of cyber threats with fun, easy-to-understand contents, such as, "Safe Internet Banking Usage", and "Be Aware to Avoid Phishing". The clips were released through the Bank's social media channels such as its official LINE channel, Facebook, and YouTube.

## Performance Highlights

### Safety System Test and Information Security and Cybersecurity Drill

The Bank organizes an annual test and/or a cybersecurity drill operated by the information security management unit at least once a year. The internal drill was conducted by simulating new cyber-attack scenarios. External drills were done in collaboration with the Thailand Banking Sector Computer Emergency Response Team (TB-CERT) in an annual event called “TB-CERT Banking Cyber Drill.” The drills enabled the Bank to improve the clarity and effectiveness of the Bank’s cyber threat handling processes, such as data communications, and procedures for handling internal and external cyber threats.

In 2019, the Bank joined cyber drills of the financial sector which included banking businesses, capital markets, and insurance businesses, at the event “Financial Sector Cyber Exercise”, co-hosted by The Bank of Thailand, the Securities and Exchange Commission, and the Office of Insurance Commission, in order to prepare for situations of information leakage and the potential impacts on different parties in the financial sector.

In addition, the Bank simulated a cyber-attack scenario to test the Bank’s employees by sending phishing e-mails to all employees. The aim of the simulation was to build awareness and understanding about data phishing which is a technique constantly used by threat actors. The test in 2019 saw 5.6 percent of total employees being phished, a lower number than in 2018. After the test, the Bank communicated the results with the employees and explained the details of the test, as well as pointing out characteristics of potential phishing e-mails to give employees better knowledge and understanding of the risk.

### International Certification of Information Security Standards

The Bank has been certified ISO/IEC 27001: 2013 for its fund transfer service provided on the Bank of Thailand’s Automated High-value Transfer Network (BAHTNET), and for Imaged Cheque Clearing and Archive System (ICAS), for the second consecutive year. This certification is a widely recognized international information security standard, reflecting the commitment of the Bank on information security management.

### Collaboration with External Organizations to Strengthen Cybersecurity

In this era of fast-changing technology, cybersecurity of the financial sector is crucial. Collaboration is essential for information and knowledge exchange in order to prepare preventive measures and to develop cybersecurity standards, as well as to create an ecosystem of banking services which enables financial institutions to be strong together. The Bank, therefore, has joined the Bank of Thailand in studying and developing the “Mobile Banking Application Security” standard, which has been effective from 2019.

### Cyber Security Knowledge and Skills Enhancement for Youths

The Bank has continually supported the “Financial Cybersecurity Boot Camp”. The program is held by the Bank of Thailand, in collaboration with the Securities and Exchange Commission, the Office of Insurance Commission, the Thai Bankers’ Association, and the Electronic Transactions Development Agency (Public Organization). The objective of the program is to assist young undergraduates who will enter the future jobs market to have skills and better understanding about cybersecurity in the financial and banking sector. University students who joined the camp learned about secure methods of system installation and techniques of system attacks. They were given lectures and learned about the experiences of working in the financial sector from previous camp participants, so that they could better understand the nature of banking business and be inspired to work in cybersecurity. The program aimed to prepare them to be ready to work in the financial and banking sector in the future.





# Be Resilient

The Bank emphasizes delivering stable and sustainable business growth. The Bank has invested in expanding internationally by continuously developing its financial innovations, carefully and thoroughly managing its risks, and effectively planning for crises.



Economic Performance



Innovation and Brand



Risk and Crisis Management



## Economic Performance

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### 1 Commitment

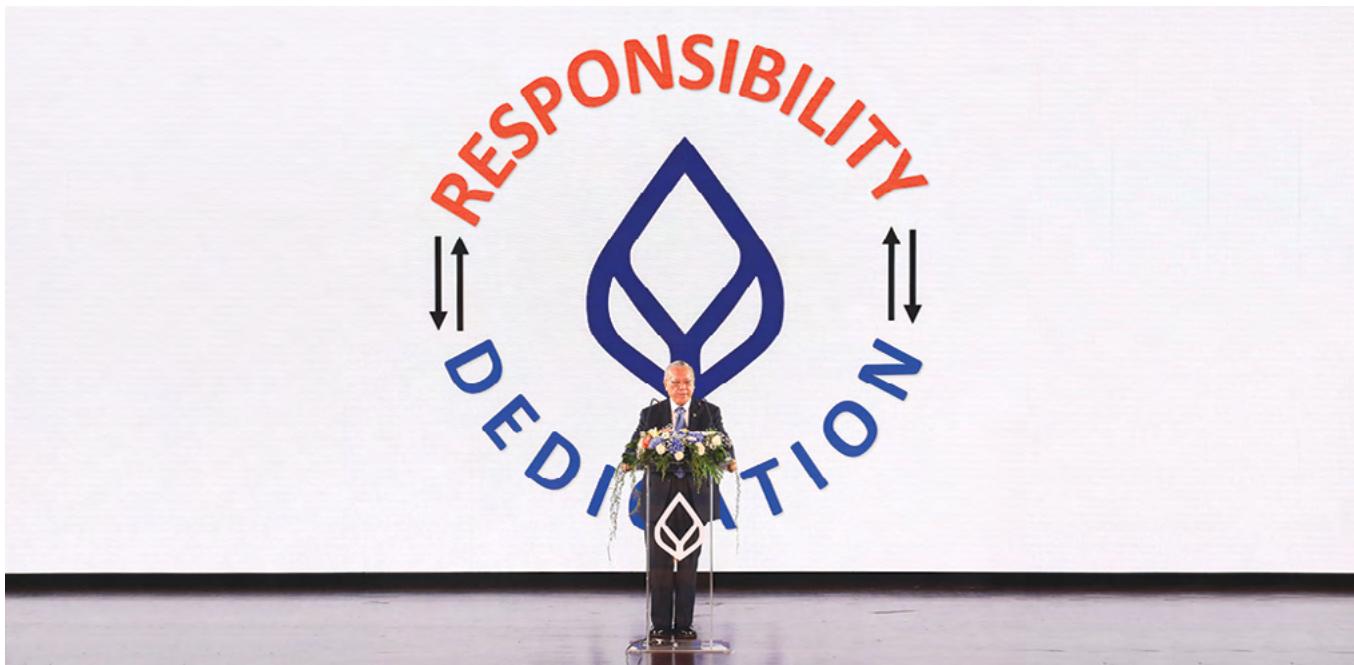
Undertaking the Bank's business to deliver a satisfactory performance and be able to compete and grow steadily in the long run.

### 2 2019 Performance Highlights



The Bank posted a net profit of Baht 35,816 million.

Thailand is facing both external and internal challenges that affect the economy, society and environment. These factors affect the performance of the business sector as well as the quality of life in the household sector. As a financial intermediary that plays an important role in maintaining stable economic growth, the Bank places the highest importance on prudently conducting business, carefully managing risks, exploring and committing to new business opportunities, and assisting the business sector to develop the capabilities to embrace rapid and unpredictable economic and technological changes. Furthermore, the Bank is committed to developing a variety of financial products and services that suit the needs of both business and individual customers and conducting its business in a socially and environmentally responsible way. The Bank is resolute in its determination to create value for its stakeholders and consistently deliver a satisfactory performance in a sustainable manner.



## Business Strategies

The Bank undertakes its business under the aspiration to be “puan koo kit, mit koo baan” or a trusted partner and reliable close friend for its customers and the Thai society. The Bank builds long-term relationships with customers based on sincerity and consistency to help customers achieve financial stability and robust business growth. The Bank values prudent and careful financial management and maintains suitable levels of liquidity and capital to support future business expansion. Most importantly, the Bank ensures that it is responsible in its business conduct regarding the environment, society and all stakeholders in order to attain sustainable growth.

The Bank must continually adapt its financial services to meet the needs of customers and look for business opportunities suited to the changing economic and social environment. In 2019, the Bank continued to emphasize its “Creating Value” principle adopted in 2018 as it focuses on generating and expanding business opportunities that are consistent with three key trends in Thailand and Southeast Asia as follows:

### 1) Regionalization

Through its international branch network of local staff with knowledge and experience, the Bank provides financial services, expertise and local knowledge to business customers expanding in the region. At the same time, the Bank has been developing its digital banking and payment services to accommodate international financial transactions so that the Bank’s customers can capitalize on emerging business opportunities from the economic growth and integration in the region.

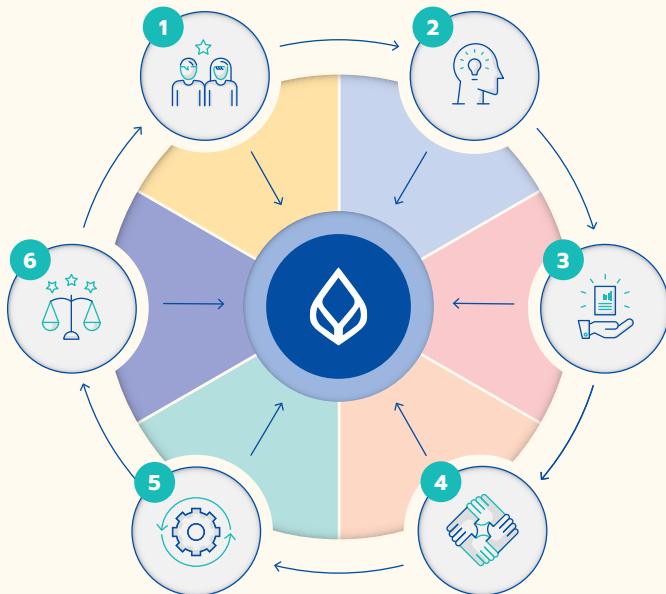
### 2) Urbanization

The government aims to establish the Eastern Economic Corridor (EEC) as a regional hub for technology, high-end manufacturing and the service industry. The Bank supports business customers by introducing them to opportunities in infrastructure development, the EEC and urban development. Furthermore, in partnership with its subsidiaries and business alliances, the Bank provides financial services that address customer needs for savings, investment and insurance products through the Bank’s branch network and various service channels.

### 3) Digitalization

Innovations and technologies are constantly being introduced to enhance the Bank’s services. To drive innovation, the Bank has established the Innovation Department which is applying new technologies to products and services as well as internal work systems. The Bank collaborates with FinTech startups to develop new products and services that better serve markets in Thailand and Southeast Asia including electronic payment systems that support Thailand’s move toward a cashless society. The Bank also works closely with various business groups and institutions to develop digital solutions that will support their ecosystems.

To Create Value, the Bank Adheres to the Following Six Key Principles:



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1



**Customer First**

Create value for customers and meet their expectations.

2



**Problem-Solving Mindset**

Address customer needs by having a deep understanding of their requirements and offering solutions that are right for them.

3



**Ownership**

Be responsible and trustworthy.

4



**Collaboration**

Collaborate across internal units and with external partners.

5



**Execution**

Leverage the Bank's strengths to deliver benefits and provide value to customers. Share knowledge, resources and expertise in financial services and from the Bank's extensive network to provide for the best interests of customers.

6



**Good Governance and Conduct**

Ensure high ethical standards in all business undertakings, maintaining business code of conduct, and acting responsibly towards customers and the society.



## Monitoring, Controlling and Evaluating Business Performance

To ensure that the Bank is operating according to its business plans, targets and strategies, the Bank has assigned the Corporate Planning Department to be responsible for monitoring and evaluating business performance. Performance analysis and evaluation is conducted on a quarterly basis and the results are used to improve the Bank's business operations to achieve higher efficiency and effectiveness. The Bank's Board of Executive Directors routinely oversees and supervises project developments and Bank teams report their progress to the Board of Directors on a regular basis to ensure that all projects are completed on time and meet the desired objectives.

## Performance Highlights

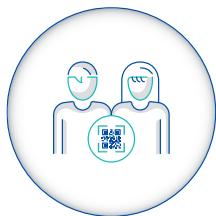
### Business Customers



- Financed large-sized corporate customers to undertake infrastructure development projects to support the Thailand 4.0 policy, such as the Route Extension of the Mass Transit System in Bangkok, the High-Speed Rail Linking Three International Airports Project (Suvarnabhumi, Don Mueang and U-Tapao), and development of the Electricity Generation System for the Eastern Economic Corridor.
- The Bank developed a QR-on-Delivery payment system for Kerry Express (Thailand) Limited, a major logistics provider and e-commerce leader, as an alternative to the widely used "cash on delivery" system. This not only reduces cash handling costs for Kerry Express but enables them to reconcile receipts more efficiently and provide faster refunds or payment cancellations to their own customers. In addition to the QR-on-Delivery service, the Bank offers a credit line to Kerry Express's e-commerce merchants, further supporting customers within their ecosystem.
- Encouraged SME to adopt electronic payment systems by offering QR code payments on EDC that enables vendors to accept payments through Visa, Mastercard, UnionPay and applications such as WeChat and Alipay.

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### Individual Customers



- Supported the transition to a cashless society by joining forces with Central JD Fintech Holding Co., Ltd. in launching "Dolfin Wallet", an electronic wallet application that enables payments for products and services in retail shops of Central Group.



## International Business Customers

- Strengthening the international network is a crucial factor that consistently drives the Bank's business growth. On December 12, 2019, the Bank announced a plan to acquire an 89.12 percent stake in PT Bank Permata Tbk, the 12<sup>th</sup> largest commercial bank in Indonesia by total assets. The transaction is expected to be completed in 2020. Indonesia is the largest market in ASEAN with many favorable factors that will steadily contribute to the Bank's growth.
- Signed a business collaboration agreement with the Japan External Trade Organization (JETRO) to support and promote businesses, trade and investment development in Thailand and Japan in four areas, namely investment development, trade development, tourism-related business development, and human resources development.



## Investment Banking Customers

- Structured the Super Energy Power Plant Infrastructure Fund (SUPEREIF) which is the first solar power infrastructure fund in Thailand.
- Supported the first issuance of Baht-denominated debentures of Yoma Strategic Holdings Co., Ltd., a Myanmar-based conglomerate, as the sole lead arranger, to be offered in the Thai market. It succeeded in raising over Baht 2,000 million.
- Was the joint lead arranger for Thailand's inaugural Green Bond issuance under the criteria of Green Bond Notification of the Securities and Exchange Commission (SEC) with the objective to finance the expansion of the Bangkok mass transit system which is certified under the criteria of the Climate Bond Initiative.

In addition to the initiatives mentioned above, the Bank fosters the sustainable growth of customers' businesses through providing educational activities for customers on a regular basis so that customers have practical knowledge they can apply to their businesses. In 2019, the Bank organized a large number of seminars on business and the economy e.g. the AEC Business Forum 2019 on "2020 ASEAN Connectivity", the 10<sup>th</sup> International Knowledge Talk on "China's International Relations in an Era of Global Change", and the seminar on "Effective Content Creation on Social Media with Useful Tools".

In 2019, Bangkok Bank (not including group operations) posted a net profit of Baht 35,816 million, increasing 1.36 percent from 2018. The Bank created direct economic value for itself and distributed the value to stakeholders.

The Bank's income of Baht 165,846 million with 7.57 percent growth created retained economic value of Baht 54,439 million, rising 14.67 percent. The Bank generated income and benefits for employees of Baht 24,141 million, payments to suppliers of capital of Baht 42,022 million, taxes and duties paid to the government of Baht 22,478 million, and donations and social and environmental support of Baht 627 million. Note that the Bank is committed to retaining its economic value at a satisfactory level despite challenging economic factors and distributing this value to its stakeholders accurately and appropriately.



### Direct Economic Value Created and Distributed

Unit : Thousand Baht

Detail	2019	
	Consolidated	The Bank
	Income	175,239,794
	Operating Costs	24,232,247
	Personnel Expenses	26,725,848
	Payments to Suppliers of Capital	43,633,923
	Taxes and Duties Paid to Government	23,535,748
	Donations and Social and Environmental Support	640,638
	Economic Value Retained	56,471,390
		105
Remark:		

- Income consists of net operating income excluding interest expenses
- Operating costs consist of directors' remuneration, premises and equipment expenses and other expenses excluding personnel expenses and expenses on donations and social and environmental support.
- Personnel expenses cover all expenses paid to employees including benefits and welfare payments.
- Payments to suppliers of capital consist of dividends paid to shareholders and interest expenses.
- Taxes and duties paid to government consist of corporate income tax, duties and contributions to the Financial Institutions Development Fund (FIDF).
- Donations and social and environmental support consist of donations for public charities/public interest, donations for education/sports, scholarships for external parties, support for activities of local communities, and expenses on social benefits.
- Economic value retained is the direct economic value the Bank generates (Income) less the economic value distributed (operating costs, personnel expenses, payments to suppliers of capital, taxes and duties paid to government, donations and social and environmental support).

## Innovation and Brand

### 1 Commitment

The Bank is developing its Innovation Department as a center for innovation, providing cross-functional integrated research and building capacity across the Bank as well as developing innovative technologies to meet customer needs. The Bank also collaborates with external parties such as FinTech startups, government agencies and universities to facilitate the adoption of innovative technologies.

### 3 2019 Performance Highlights



Received three innovation awards



Further developed products and services under the Bangkok Bank InnoHub Accelerator Season 2



Developed the Digital University (BeDigiPass) platform in collaboration with King Mongkut's University of Technology Thonburi (KMUTT)



### 2 Targets

#### Long-term Targets 2020 - 2022



Developing the Innovation Department to be the center of innovation and learning as well as integrating external technologies into the Bank's businesses.



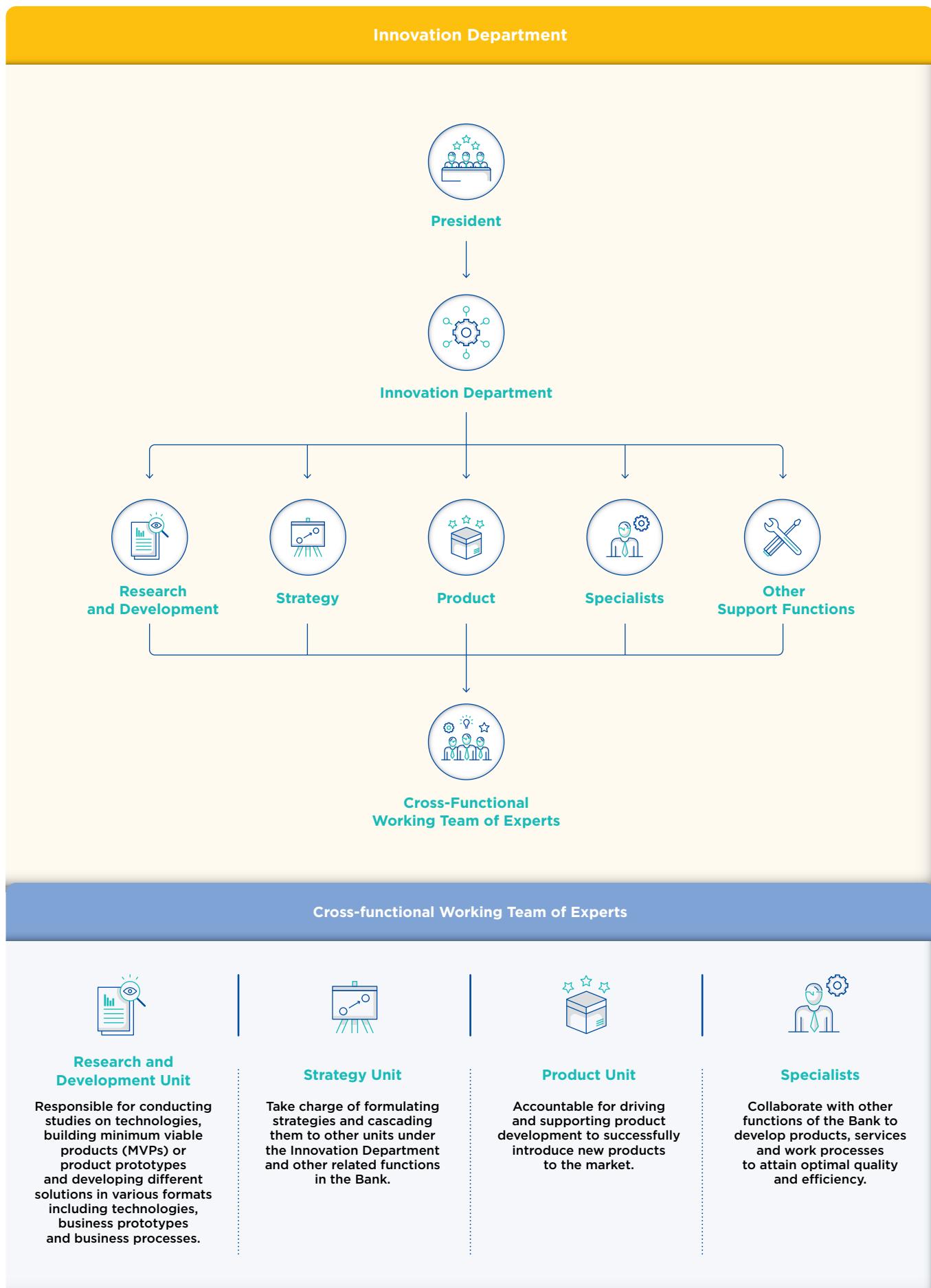
Developing the Innovation Department as a resource base of specialists providing assistance and advice to the Bank in areas related to digital transformation and product and service development.

#### The target of 2019



Adopt technologies and innovations to develop financial products and services that suit the needs of customers and improve the Bank's work processes to achieve higher levels of efficiency.

Rapid technological changes present the Bank with both opportunities and challenges. While technological advances enable the Bank to offer new products and services to customers that better suit their needs, they also lead to intense competition from players within and outside the banking industry. To capitalize on potential opportunities, while remaining competitive, the Bank must be innovative and adapt to technological changes. Therefore, the Bank has set up the Innovation Department as an innovation center of excellence responsible for internal and external collaboration to promote financial innovations that address customer needs. The Bank continually adopts new technologies to improve work processes and services to enhance its competitiveness and promote its position as a "puan koot kit mit koo baan" (trusted partner and reliable close friend).





## Management Approach

### Innovation Management

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The Bank has adopted a hybrid management approach combining both centralized and decentralized models within the Bank's organizational constraints. The Bank has long-established large business units that are strong and experienced and have the capability to innovate on their own as well as new units and businesses that require support from external parties. The Innovation Department's key roles and responsibilities are to support business units' initiatives such as the development of specific technologies, simulation of new business models, and formation of business alliances. Details of the roles and responsibilities are as follows:

- Provide guidance and advice, promote knowledge and tools related to innovation development and liaise with departments about innovation initiatives.
- Coordinate and manage innovation projects that require cooperation between different functions of the Bank
- Coordinate various innovation initiatives such as Bangkok Bank InnoHub Accelerator program.
- Study and monitor technological advances, and exchange information and knowledge with external parties such as universities, research centers and innovation units of the government according to the open innovation concept.
- Follow industry developments and changes in related technologies to identify opportunities and be mindful of imminent threats at an early stage and use relevant information to formulate business strategies.

- Develop best practices for innovation initiatives including improvements to and development of innovation processes to drive new product offerings.

The Innovation Department helps the Bank to meet its business requirements in two main areas:

- Enhance product and service development capabilities using technologies and innovations to meet customer needs and provide them with better service experiences.
- Extend service channels so customers can access the Bank's services more easily, conveniently, and quickly.

Note that new products and services using latest technologies may cause inconvenience, usage issues or unexpected effects on customers or other people. To avoid these problems, the Bank tests its new products and services in a limited setting and has joined the regulatory sandbox of the Bank of Thailand. The Bank follows up with the test results to make further improvements, ensuring the products and services of the Bank are safe to use, convenient, and truly beneficial for its customers.

In 2019, the Innovation Department has adopted and implemented various technologies and innovations such as chatbots, artificial intelligence, advanced analytics and blockchain to improve the Bank's systems to accommodate customers' needs, analyze information, and effectively address internal and external demands. These initiatives are currently in a pilot phase.

## Innovation Awards

During 2019, the Bank won three financial innovation awards that helped promote the Bank's image as a leading bank in the country and the region related to product and service development and information disclosure through digital channels. The awards are listed below:



- “Website of the Year – Thailand” award from the Asian Banking & Finance Awards 2019 for the Bank’s outstanding development and improvement of its website [www.bangkokbank.com](http://www.bangkokbank.com) to be modern, appealing, simple and user-friendly under the concept ‘Speed, Simplicity and Personalization’. The refurbishment also helps promote positive customer experiences.
- “Thailand Domestic Trade Finance Bank of the Year” award from the Asian Banking & Finance Awards 2019 for the 5<sup>th</sup> consecutive year for the Bank’s achievement in addressing the needs of entrepreneurs in a digital age. The Bank trialed an L/C transaction between Thailand and Indonesia on the Corda platform, an enterprise blockchain platform using distributed ledger technology (DLT) owned by the R3 consortium. This helped reduce processing time and document usage by more than half.
- “National Innovation for Media, Mass Media (online)” award from the Innovation Thailand Expo 2019 organized by the National Innovation Agency that honored the Bank’s use of online media in disseminating information related to innovation under the name “Bangkokbanksme” i.e. Facebook ([www.facebook.com/bangkokbanksme](https://www.facebook.com/bangkokbanksme)) and the website [www.bangkokbanksme.com](http://www.bangkokbanksme.com). These channels present exceptional content especially about business disruptions. The award was based on the success rate in disseminating news and information related to innovation. This was determined by the highest average level of engagement including likes, shares and comments using a social listening and monitoring tool to gather and analyze scores.

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The Bank’s executives and employees were proud to receive the awards that represented the Bank’s strong commitment to developing its services to better serve the needs and lifestyles of customers in the digital era.

## Performance Highlights

### 1) BeDigiPass

The Bank in collaboration with King Mongkut's University of Technology Thonburi (KMUTT) introduced the BeDigiPass service, a technology that creates digital ID cards for students and university staff under the name "KMUTT Mod D Pass" which is downloaded in smartphones and replaces plastic cards. This full-range service offers multiple functionality that suits the "Digital University" positioning of KMUTT — for example, offering self-authentication with digital ID through QR code scanning services used across various locations on campus. The service is also used for disseminating information by the university such as results of scholarship applications and examinations and class relocation notices. The service includes secure cashless payments for cardholders using Bualuang mBanking with an OTP (One-time Password) to authenticate every transaction.



### 2) Bangkok Bank InnoHub Accelerator

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The Bangkok Bank InnoHub Accelerator project was initiated in 2017 as a channel for startups to share and exchange creative business ideas to develop products and services with the Bank as well as to broaden business perspectives and ideas for the Bank. The objective of the project is to develop new products and services through collaboration with participating startups by supporting them with the Bank's resources and business networks, and using these startups as a catalyst to drive the future development of Thailand's economy and financial sector. In 2019, the Bank held the Bangkok Bank InnoHub Accelerator Season 2. Eight startups from 128 applicants joined the project and worked closely with the Bank's Innovation Department and other business units. At the end of the project in March 2019, three start-ups had made it to the scoping process for forming joint business collaborations with the Bank and three startups had achieved proof-of-concept status that considered the feasibility of applying their technology within Thailand's financial sector. Two other startups are undertaking pilot projects with the Bank with a view to developing future commercial launches of products and services.



### 3) National Digital Identification (NDID)

The Bank participated in the National Digital Identification (NDID) project as one of the pilot teams to develop a digital authentication system under National Digital ID (NDID) using facial recognition technology to provide convenience for customers and promote trust in the authentication process. For the first stage, the Bank will offer an account opening service via its mobile application using e-KYC (Electronic-Know Your Customer) enabled by the NDID system for





new customers who have no existing relationship with the Bank or who have not previously been through the KYC process. This digital deposit account opening service is being tested under the regulatory sandbox of the Bank of Thailand. After passing the test, the Bank will further extend the service to the general public.

#### **4) Facial Recognition Technology for Deposit Account Opening**

The Bank upgraded its customer authentication process for customers opening deposit accounts at its branches by adopting facial recognition technology in its KYC process. This allows more convenience, higher security and better trust in the deposit account opening process compared to the current process in which customers are required to present an identity document issued by government agencies such as a Citizen ID card as evidence to open an account with the Bank.

#### **5) Kidpreneur Ninjas**

Under the shared vision of laying a solid foundation for startup ecosystems in Thailand, HUBBA Thailand and the Bank's Innovation Department teamed up for the Kidpreneur Ninja project. The objective is to drive the startup industry through providing young Thai people with right mindsets and skills. The project intends to immerse young people in an inspiring environment of knowledge-sharing and networking that empowers them with confidence to take on the business world through a business idea pitching competition, with the possibility to win prizes. The Kidpreneur Ninjas project is considered a meaningful first step to encourage the first unicorn startups in Thailand.

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#### **6) Contour Enterprise Blockchain**

The Contour project is the exchange of a letter of credit (L/C) via enterprise blockchain using Corda technology developed by R3 consortium. Bangkok Bank was the only Thai bank participating in the consortium out of the eight participating banks, namely Bangkok Bank, HSBC, BNP Paribas, ING, NatWest, Standard Chartered, CTBC Holding and Skandinaviska Enskilda Banken. The letter of credit (L/C) service using enterprise blockchain not only enhances speed, transparency and accountability but also provides high data security, as transaction information can be accessed only by specific related parties. Given Bangkok Bank's extensive international branch network covering major economies, especially in Asia and ASEAN, the L/C service via a blockchain platform will create business opportunities for import-export businesses. This further highlights the Bank's position as an ideal partner for international businesses able to support its customers success in the global trade arena.



## Risk and Crisis Management

### 1 Commitment

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The Bank is committed to managing risks and crises in an efficient, transparent and prudent manner, covering all major risks with the objective to attain sustainable growth and maintain the longstanding reputation of the Bank as “puan koo kit, mit koo baan” (aspiring to be a trusted partner and reliable close friend).



**As at December 31, 2019, the capital adequacy ratio of the Bank's financial business group was at 20.04 percent, higher than the level to be required by the Bank of Thailand of 12 percent from year 2020 onwards.**

The Bank regards risk management as fundamental to conducting its business as a financial institution in order to build confidence among all groups of stakeholders. Proper risk management practices allow the Bank to prevent or alleviate negative impacts or damage from various risk factors that may affect its business undertakings and would

### 2 Targets

#### Long-term Targets 2020 - 2022



Conducting risk management reporting in compliance with rules and regulations stipulated by the Bank of Thailand as well as maintaining the capital adequacy ratio according to Basel III and business requirements.

#### The Target of 2019



Maintaining the capital adequacy ratio at a level higher than required by the Bank of Thailand and sufficient for conducting business.

subsequently cause ripple effects to the Thai economy and society. The Bank maintains its capital adequacy ratio at a level higher than that required by regulatory authorities as well as being sufficient and consistent with the size, complexity and nature of its business. In addition, the Bank has defined its risk management framework and continuously reviews, improves and develops risk management practices to cover relevant dimensions including society, environment and good governance, as well as preparing for challenges from changes in external factors. The Bank fosters risk culture internally in every part of the organization in order to achieve business stability and gain trust among all groups of stakeholders.

## Risk Management Structure

The risk management structure of the Bank consists of the Board of Directors, which has the highest responsibility in overseeing all risks and formulating risk management policies for all types of risks, and the Risk Oversight Committee, which has the duty of assisting the Board of Directors in supervising risk management to be in line with policies and processes for identifying, reviewing and monitoring various types of risks and their statuses, as well as evaluating the efficiency of risk management on a regular basis. The Risk

Oversight Committee holds a monthly meeting to deliberate on relevant risk management matters. Lastly, the Bank has also established committees to be directly responsible for managing specific types of risks, namely the Asset-Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC) to support and supervise risk management areas concerning operational risk, information technology risk, as well as to manage business continuity of the Bank.

## Risk Management Principles

The Bank adopted risk management principles to control risks to be within specified limits while enabling its business to deliver a proper rate of return. The Bank embeds risk management into the organization's culture as a key foundation.

With regard to the Bank's risk management framework, the Bank has a specified risk appetite, formulated risk management policy, defined risk management processes, and stipulated reporting of different types of risks to related parties and the Risk Oversight Committee. This allows the Bank to be able to manage risks in a timely manner. The review of the suitability of the risk management policy and systems is conducted at least once a year. Additionally, the Bank also formulated a business continuity management policy that includes a business continuity plan in case of a crisis or an emergency.

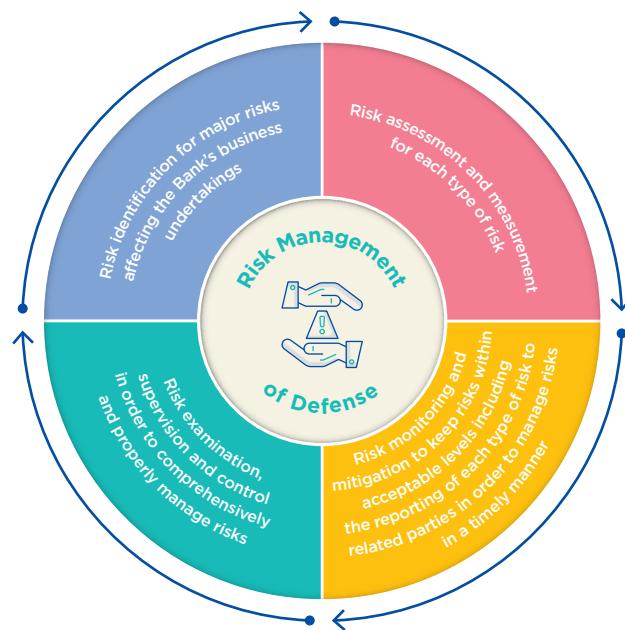
The Bank has established a framework for managing and monitoring major risks, including credit risk, market risk, operational risk, strategic risk, liquidity risk and information technology risk. Moreover, the Bank considers other risks through the internal capital adequacy assessment process, which is a forward-looking assessment process for significant risks to ensure that the Bank manages risks properly and efficiently. This also ensures that the Bank maintains a level of capital sufficient for undertaking business under both normal and stressed scenarios within the boundaries of its risk appetite. The purpose of risk management is to deliver appropriate returns for shareholders and build confidence among all stakeholders.

## Risk Management Process

1. Risk identification for major risks affecting the Bank's business undertakings.
2. Risk assessment and measurement for each type of risk.

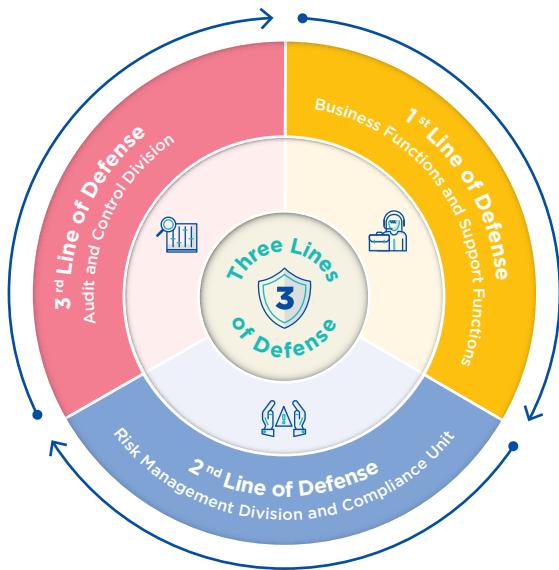
3. Risk monitoring and mitigation to keep risks within acceptable levels including the reporting of each type of risk to related parties in order to manage risks in a timely manner.
4. Risk examination, supervision and control in order to comprehensively and properly manage risks.

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Furthermore, the Bank regularly conducts risk assessments on an annual basis covering various risks of its internal functions, namely strategic risk, credit risk, market risk, liquidity risk and operational risk including financial risk assessment through analyzing the capital position and revenue-generating capability of the Bank. Findings and issues from the Bank's risk assessment will be used to develop and improve its risk management in order to create a balance between performance and proper risk management.

## Three Lines of Defense



The Bank adopted three lines of defense for its risk management in order to ensure effective risk supervision which can be detailed as follows.

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- 1. First Line of Defense:** Business functions and support functions must have a good understanding of existing risks and are responsible for managing these risks to be within specified levels and consistent with the overall risk management policy approved by the Board of Directors.
- 2. Second Line of Defense:** The Risk Management Division and the Compliance Unit make up this line of defense. While the Risk Management Division has duties and responsibilities in regularly measuring, monitoring and controlling risks, the Compliance Unit is responsible for ensuring that business is undertaken according to laws, regulations and regulatory requirements.
- 3. Third Line of Defense:** The Audit and Control Division forms the organization's third line of defense. This independent internal control and audit function conducts reviews and audits the operations of business functions, support functions, the Risk Management Division and other units to ensure that the internal control systems are prudent, adequate and appropriate.

## Credit Risk

Credit risk is considered one of the major risks of the Bank because of the nature of the commercial banking business. Regarding credit risk management, the Bank has created risk management structures and processes with proper checks and balances with the Credit Acceptance Unit in charge of assessing credit as

proposed by business units and supervising credit extension in line with policies and credit underwriting standards, as well as having suitable credit structures. The Credit Acceptance Unit reviews the credit risk ratings of customers, promotes a good credit culture, and systematic and credible credit extension processes. In addition, the Risk Asset Review Unit is responsible for reviewing credit management and credit quality, evaluating the adequacy of loan loss reserves and ensuring compliance with policies, regulations and credit underwriting standards. Besides, the Bank also develops ESG credit policy principles as guidelines for credit officers.

In 2019, the Bank held a training program on "Impacts of the Thai Financial Reporting Standards 9 Financial Instruments (TFRS 9) on Credit Process" for credit officers and other officers in related functions to inform them of principles, guidelines and material changes related to credit operations and the credit process of the Bank under the new financial reporting standards to be enforced in 2020. Around 2,200 employees have participated in this training program. The Bank will also develop supporting media to accommodate online learning on this subject and distribute this to credit officers in provincial areas as well as other interested people.

## Precautionary Principle and Crisis Management

The Bank follows the precautionary principle in risk management by setting an internal capital adequacy assessment process and preparing a liquidity contingency plan to avert a liquidity crisis and alleviate unavoidable impacts. This strengthens the Bank's ability to systematically and effectively resolve crisis situations and recover normal conditions. While still in good health the Bank is preparing for potential issues related to capital adequacy and has formulated a recovery plan to uphold stability and solve problems.

Additionally, the Bank has established a Crisis Management Team consisting of senior executives to take charge during crises and manage emergency situations so the Bank's business can continue to run smoothly and continuously. The Crisis Management Team also routinely reviews the business continuity plan to ensure that the plan is comprehensive and can effectively respond to potential threats and situations and conducts regular drills of the plan.

## Risk Culture Promotion

The Bank fosters risk culture throughout the organization by promoting moral values and concepts among managers and employees. These include honesty in performing duties, empathy in serving customers, and providing support to and growing alongside customers. Directors and high-level executives are role models who set examples for employees across the organization so

**Tone from the Top**  
**Customer Centricity, Integrity and Collaboration**

**1****Organization & Responsibility**

Good governance principles and clear roles and responsibilities for all business divisions with proper checks and balances and three lines of defense principles

**2****Recruitment & Training**

“Customer Centricity, Integrity and Collaboration” shapes and defines employee qualifications for hiring and promotions

**3****Risk Management**

Risk management framework including roles and responsibilities in risk monitoring

**4****Risk Control**

Additional risk controls to strengthen risk management

**KPI & Competency****Transformation Planning and Implementation****115**

that the employees are fully aware and careful of potential risks that may have adverse impacts on the Bank's reputation, and potential risks that may cause damage to its stakeholders.

The Bank has adopted a culture of “Customer Centricity, Integrity and Collaboration” and has embraced organizational and work process design that emphasizes board and management oversight, dual controls, checks and balance principles as well as collaborations between related functions. Moreover, the three lines of defense model has been implemented as the risk management framework and risk management is included in the performance evaluation of executives to further strengthen the risk culture in the organization.

The Bank requires all functions in the organization to be directly responsible for managing their own operational risks. The risk management process covers risk identification and assessment, risk management effectiveness, and risk analysis. This is used for risk mitigation guidelines and to monitor risks within specified levels.

In addition to the above, the Bank consistently raises awareness, develops and trains its employees at all levels on risk management so that they have good knowledge and understanding on the subject, and are careful and mindful of potential risks that may affect the Bank and its stakeholders. The Bank also provides for regular dissemination of basic information and knowledge on risk issues relating to business undertaken by the Bank through its internal communication channels. Moreover, in 2019 the Bank organized training sessions on new risk topics such as “Cybersecurity and Trends in 2020” to educate employees at all levels of the organization about the importance of information technology risk and how to use information technology safely. Lastly, the Bank held a session on climate change risk for its executives and invited experts from World Wildlife Fund (WWF) to give a lecture on the subject. The objective of this session was to equip the Bank's executives with awareness and understanding about this risk as well as the direct and indirect impacts from climate change on the general public and the business sector.

# AWARDS AND ACHIEVEMENTS

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## Sustainability Achievements

2019

1. 2019 Thailand Sustainability Investment (THSI) Listing, the Stock Exchange of Thailand
2. Inclusion in the 2019 SETTHSI Index, the Stock Exchange of Thailand.
3. 'Very Good' CG Scoring (4 stars) for 2019 Corporate Governance Report of Thai Listed Companies, the Thai Institute of Directors
4. Honorable Mention Plaque for "Contributor to Thai Education" from the Leadership Program for Sustainable Education (CONNEXT ED) during CONNEXT ED Workshop 2019

# STATISTICS ON SUSTAINABILITY PERFORMANCE

## Economic Dimension

### Key Financial Highlights (Consolidated Financial Statement)

	Unit: Million Baht			
	2016	2017	2018	2019
Assets	2,944,230	3,076,310	3,116,750	3,216,743
Loans <sup>1</sup>	1,941,093	2,003,989	2,083,160	2,061,309
Deposits	2,178,141	2,310,743	2,326,470	2,370,792
Net interest income	63,998	66,625	71,376	71,071
Net non-interest income	41,860	45,843	50,025	62,675
Operating expenses	50,505	48,948	55,165	54,963
Income taxes	7,556	7,832	8,554	10,219
Net profit <sup>2</sup>	31,815	33,009	35,330	35,816

Note: <sup>1</sup>After deferred income

<sup>2</sup>Only for the Bank

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## Social Dimension

### Data of Employees

Description	2016			2017			2018			2019		
	Male	Female	Total									
Total number of employees (person)	8,287	16,535	24,822	7,941	15,861	23,802	7,674	15,380	23,054	7,536	15,261	22,797
Percentage of total employees	33.4	66.6	100.0	33.4	66.6	100.0	33.3	66.7	100.0	33.1	66.9	100.0

### Number of Employees by Work Location

Head Office and Metropolitan Area	5,264	10,776	16,040	5,025	10,105	15,130	4,916	9,863	14,779	4,876	9,808	14,684
Head Office	3,782	5,387	9,169	3,618	5,038	8,656	3,580	5,051	8,631	3,848	6,076	9,924
Metropolitan Area	1,482	5,389	6,871	1,407	5,067	6,474	1,336	4,812	6,148	1,028	3,732	4,760
Percentage of total employees	21.2	43.4	64.6	21.1	42.5	63.7	21.3	42.8	64.1	21.4	43.0	64.4
Other provinces	3,023	5,759	8,782	2,916	5,756	8,672	2,758	5,517	8,275	2,660	5,453	8,113
Percentage of total employees	12.2	23.2	35.4	12.2	24.2	36.4	12.0	23.9	35.9	11.7	23.9	35.9

**Data of Employees**

Description	2016			2017			2018			2019		
	Male	Female	Total									
<b>Number of Employees by Type of Employment</b>												
Permanent employees*	8,233	16,500	24,733	7,871	15,799	23,670	7,583	15,315	22,898	7,452	15,190	22,642
Percentage of total employees	33.2	66.5	99.6	33.1	66.3	99.4	32.9	66.4	99.3	32.7	66.6	99.3
Temporary employees**	54	35	89	70	62	132	91	65	156	84	71	155
Percentage of total employees	0.2	0.1	0.4	0.3	0.3	0.6	0.4	0.3	0.7	0.4	0.3	0.7
<b>Number of Employees by Nationality</b>												
Thai nationality	24,771			23,747			23,000			22,740		
Percentage of total employees	99.8			99.8			99.8			99.7		
Other nationalities	51			55			54			57		
Percentage of total employees	0.2			0.2			0.2			0.3		
<b>Number of Employees by Level and Age</b>												
Top management	41	22	63	42	22	64	43	21	64	42	22	64
118 Percentage of total employees	0.2	0.1	0.3	0.2	0.1	0.3	0.2	0.1	0.3	0.2	0.1	0.3
Aged over 50 years	33	16	49	35	17	52	38	18	56	39	20	59
Percentage of total employees	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.1	0.3
Aged 30–50 years	8	6	14	7	5	12	5	3	8	3	2	5
Percentage of total employees	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Aged under 30 years	0	0	0	0	0	0	0	0	0	0	0	0
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Middle management	274	224	498	264	231	495	257	227	484	267	234	501
Percentage of total employees	1.1	0.9	2.0	1.1	1.0	2.1	1.1	1.0	2.1	1.2	1.0	2.2
Aged over 50 years	150	95	245	148	107	255	146	118	264	155	123	278
Percentage of total employees	0.6	0.4	1.0	0.6	0.4	1.1	0.6	0.5	1.1	0.7	0.5	1.2
Aged 30–50 years	124	129	253	116	124	240	111	109	220	112	111	223
Percentage of total employees	0.5	0.5	1.0	0.5	0.5	1.0	0.5	0.5	1.0	0.5	0.5	1.0
Aged under 30 years	0	0	0	0	0	0	0	0	0	0	0	0
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note : Data refers to employees working in Thailand only, not including foreign employees and employees working in branches outside Thailand.

\* Permanent employees refers to employees of Bangkok Bank (the Bank only) under permanent contracts.

\*\* Temporary employees refers to employees of Bangkok Bank (the Bank only) under temporary contracts.

## Data of Employees

Description	2016			2017			2018			2019		
	Male	Female	Total									
Low-level management	419	513	932	424	522	946	417	508	925	417	528	945
Percentage of total employees	1.7	2.1	3.8	1.8	2.2	4.0	1.8	2.2	4.0	1.8	2.3	4.1
Aged over 50 years	165	138	303	165	144	309	176	164	340	171	170	341
Percentage of total employees	0.7	0.6	1.2	0.7	0.6	1.3	0.8	0.7	1.5	0.8	0.7	1.5
Aged 30–50 years	252	375	627	256	378	634	240	344	584	241	358	599
Percentage of total employees	1.0	1.5	2.5	1.1	1.6	2.7	1.0	1.5	2.5	1.1	1.6	2.6
Aged under 30 years	2	0	2	3	0	3	1	0	1	5	0	5
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operational-level employees	7,499	15,741	23,240	7,141	15,024	22,165	6,866	14,559	21,425	6,726	14,406	21,132
Percentage of total employees	30.2	63.4	93.6	30.0	63.1	93.1	29.8	63.2	92.9	29.5	63.2	92.7
Aged over 50 years	2,212	1,928	4,140	2,252	2,010	4,262	2,303	2,140	4,443	2,314	2,202	4,516
Percentage of total employees	8.9	7.8	16.7	9.5	8.4	17.9	10.0	9.3	19.3	10.2	9.7	19.8
Aged 30–50 years	3,405	6,302	9,707	3,261	6,544	9,805	3,094	6,929	10,023	3,057	7,590	10,647
Percentage of total employees	13.7	25.4	39.1	13.7	27.5	41.2	13.4	30.1	43.5	13.4	33.3	46.7
Aged under 30 years	1,882	7,511	9,393	1,628	6,470	8,098	1,469	5,490	6,959	1,355	4,614	5,969
Percentage of total employees	7.6	30.3	37.8	6.8	27.2	34.0	6.4	23.8	30.2	5.9	20.2	26.2
Temporary employees (management)	33	14	47	37	15	52	39	15	54	37	15	52
Percentage of total employees	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.1	0.2	0.2	0.1	0.2
Aged over 50 years	30	12	42	31	14	45	34	14	48	32	13	45
Percentage of total employees	0.1	0.0	0.2	0.1	0.1	0.2	0.1	0.1	0.2	0.1	0.1	0.2
Aged 30–50 years	3	2	5	6	1	7	5	1	6	5	2	7
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aged under 30 years	0	0	0	0	0	0	0	0	0	0	0	0
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary employees (operational)	21	21	42	33	47	80	52	50	102	47	56	103
Percentage of total employees	0.1	0.1	0.2	0.1	0.2	0.3	0.2	0.2	0.4	0.2	0.2	0.5
Aged over 50 years	5	4	9	7	2	9	8	3	11	9	5	14
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1

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**Data of Employees**

Description	2016			2017			2018			2019		
	Male	Female	Total									
Aged 30–50 years	12	5	17	14	4	18	15	10	25	14	11	25
Percentage of total employees	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
Aged under 30 years	4	12	16	12	41	53	29	37	66	24	40	64
Percentage of total employees	0.0	0.0	0.1	0.1	0.2	0.2	0.1	0.2	0.3	0.1	0.2	0.3

**New Employees (Permanent and Temporary)**

Description	2016			2017			2018			2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total number of new employees	599	1,504	2,103	434	1,088	1,522	546	968	1,514	612	1,319	1,931
Percentage of total employees	2.4	6.1	8.5	1.8	4.6	6.4	2.4	4.2	6.6	2.7	5.8	8.5
New permanent employees			2,020			1,364			1,316			1,753
New temporary employees			83			158			198			178
Expenses on new employee recruitment per head (Baht)			9,049			15,140			19,565			14,705

**Number of New Employees by Age**

Aged over 50 years	28	15	43	36	16	52	35	22	57	38	27	65
Percentage of total employees	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.1	0.2	0.2	0.1	0.3
Aged 30–50 years	103	109	212	83	117	200	102	146	248	108	167	275
Percentage of total employees	0.4	0.4	0.9	0.3	0.5	0.8	0.4	0.6	1.1	0.5	0.7	1.2
Aged under 30 years	468	1,380	1,848	315	955	1,270	409	800	1,209	466	1,125	1,591
Percentage of total employees	1.9	5.6	7.4	1.3	4.0	5.3	1.8	3.5	5.2	2.0	4.9	7.0

**Number of New Employees by Work Location**

Head Office and Metropolitan Area	568	1,474	2,042	416	1,041	1,457	513	899	1,412	599	1,258	1,857
Head Office	455	934	1,389	356	731	1,087	415	654	1,069	434	908	1,342
Metropolitan Area	113	540	653	60	310	370	98	245	343	165	350	515
Percentage of total employees	2.3	5.9	8.2	1.7	4.4	6.1	2.2	3.9	6.1	2.6	5.5	8.1
Other provinces	31	30	61	18	47	65	33	69	102	13	61	74
Percentage of total employees	0.1	0.1	0.2	0.1	0.2	0.3	0.1	0.3	0.4	0.1	0.3	0.3

## Employee Terminations

Description	2016			2017			2018			2019		
	Male	Female	Total									
Total Number of Employee Terminations	2,347			2,378			2,228			2,174		
Total number of permanent employee terminations	2,263			2,263			2,058			1,993		
Total number of temporary employee terminations	84			115			170			181		
Percentage of total employees	9.5			10.0			9.7			9.5		

## Voluntary Resignations

Total number of voluntary resignations	476	1,340	1,816	447	1,380	1,827	508	1,160	1,668	415	1,144	1,559
Voluntary resignations of permanent employees	472	1,331	1,803	441	1,357	1,798	500	1,115	1,615	396	1,116	1,512
Voluntary resignations of temporary employees	4	9	13	6	23	29	8	45	53	19	28	47
Percentage of total employees	1.9	5.4	7.3	1.9	5.8	7.7	2.2	5.0	7.2	1.8	5.0	6.8

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## Voluntary Resignations by Age

Aged over 50 years	18	26	44	59	196	255	31	25	56	21	23	44
Percentage of total employees	0.1	0.1	0.2	0.2	0.8	1.1	0.1	0.1	0.2	0.1	0.1	0.2
Aged 30–50 years	115	259	374	111	255	366	169	360	529	120	347	467
Percentage of total employees	0.5	1.0	1.5	0.5	1.1	1.5	0.7	1.6	2.3	0.5	1.5	2.0
Aged under 30 years	343	1,055	1,398	277	929	1,206	308	775	1,083	274	774	1,048
Percentage of total employees	1.4	4.3	5.6	1.2	3.9	5.1	1.3	3.4	4.7	1.2	3.4	4.6

## Voluntary Resignations by Work Location

Head Office and Metropolitan Area	387	980	1,367	328	997	1,325	400	812	1,212	341	850	1,191
Head Office	271	451	722	213	464	677	261	405	666	222	471	693
Metropolitan Area	116	529	645	115	533	648	139	407	546	119	379	498
Percentage of total employees	1.6	3.9	5.5	1.4	4.2	5.6	1.7	3.5	5.3	1.5	3.7	5.2
Other provinces	89	360	449	119	383	502	108	348	456	74	294	368
Percentage of total employees	0.4	1.5	1.8	0.5	1.6	2.1	0.5	1.5	2.0	0.3	1.3	1.6

Note: Employee terminations include retirement, early retirement, deceased, failure to fulfill probation conditions, contract rejection, no show on start date, completion of contract terms, voluntary resignation and all other termination circumstances.

**Maternity Leave or Parental Leave**

Description	2016			2017			2018			2019		
	Male	Female	Total									
Total number of employees eligible for maternity/parental leave	8,287	16,535	24,822	7,941	15,861	23,802	7,674	15,380	23,054	7,536	15,261	22,797
Percentage of total employees	33.4	66.6	100.0	33.4	66.6	100.0	33.3	66.7	100.0	33.1	66.9	100.0
Number of employees taking maternity/parental leave	-	-	-	98	524	622	73	547	620	103	604	707
Percentage of total employees	-	-	-	0.4	2.2	2.6	0.3	2.4	2.7	0.5	2.6	3.1
Number of employees returning to work after maternity /parental leave	-	-	-	93	499	592	73	541	614	101	580	681
Total number of employees taking maternity/parental leave in percentage of total employees	-	-	-	94.9	95.2	95.2	100.0	98.9	99.0	98.1	96.0	96.3
Number of employees returning to work after maternity/parental leave and continuing working for the next 12 months	-	-	-	93	499	592	72	516	588	101	580	681
Percentage of total maternity/parental leave	-	-	-	94.9	95.2	95.2	98.6	94.3	94.8	98.1	96.0	96.3
Percentage of retention of employees taking maternity/parental leave	-	-	-	94.9	95.2	95.2	100.0	98.9	99.0	98.1	96.0	96.3

## Employee Performance Evaluation and Compensation

Description	2016			2017			2018			2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Employee Performance Evaluation*</b>												
Total number of employees evaluated (person)	8,233	16,500	24,733	7,871	15,799	23,670	7,583	15,315	22,898	7,536	15,261	22,797
Percentage of total employees	100.0			100.0			100.0			100.0		
<b>Employee Evaluation by Level*</b>												
Management (%)	100.0			100.0			100.0			100.0		
Operational (%)	100.0			100.0			100.0			100.0		
<b>Compensation Comparison for Male to Female Employees</b>												
Top management (average monthly compensation in Baht)	1,130,076	713,723	921,900	1,212,050	762,905	987,477	1,291,991	834,948	1,063,469	1,338,283	907,955	1,123,119
Compensation ratio (male : female)	1 : 0.63			1 : 0.63			1 : 0.65			1 : 0.68		123
Middle management	153,142	138,657	145,900	159,312	144,962	152,137	169,746	153,687	161,717	176,660	158,116	167,388
Middle management (average monthly compensation in Baht)	1 : 0.91			1 : 0.91			1 : 0.91			1 : 0.90		
Operational staff and supervisors (average monthly compensation in Baht)	42,830	34,468	38,649	44,250	36,149	40,200	46,070	37,895	41,983	46,778	39,157	42,968
Compensation ratio (male : female)	1 : 0.80			1 : 0.82			1 : 0.82			1 : 0.84		
Average compensation per employee** (Baht)	-			-			-			52,427		

Note: \* Performance evaluation was conducted only for permanent employees at all levels, not including temporary employees.

\*\* Executives and employees excluding the Chairman of the Board of Executive Directors

**Employee Training**

Description	2016			2017			2018			2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Employee Training</b>												
Total number of employees taking training	3,392	9,145	12,537	7,759	9,006	16,765	6,138	14,343	20,481	5,933	14,018	19,951
Percentage of total employees	13.7	36.8	50.5	32.6	37.8	70.4	26.6	62.2	88.8	26.0	61.5	87.5
<b>Employees Taking Training by Level</b>												
Management	674	727	1,401	467	522	989	632	724	1,356	675	796	1,471
Operational	2,718	8,418	11,136	7,292	8,484	15,776	5,506	13,619	19,125	5,258	13,222	18,480
<b>Trained Employees by Work Location*</b>												
Head Office	4,229	3,480	7,709	2,525	5,234	7,759	2,770	4,483	7,253	2,882	4,931	7,813
Metropolitan Area							1,085	4,488	5,573	1,139	4,491	5,630
Other provinces	2,050	2,778	4,828	1,224	3,502	4,726	2,283	5,372	7,655	1,912	4,596	6,508
Total training hours provided		743,227			615,420		169,453	532,599	702,052	323,350	944,191	1,267,541
Average training hours provided		30.1			26.0		22.0	35.0	30.5	42.9	61.9	55.6
Average training expenses per employee (Baht)		2,547			7,821				4,136			6,783

Note: \* During 2016–2017, data on employees receiving training from Head Office and Metropolitan area were not collected separately.

## Occupational Health Data

Description	2016			2017			2018			2019		
	Male	Female	Total									
<b>Occupational Health</b>												
Occupational Disease Rate (ODR)	0	0	0	0	0	0	0	0	0	0	0	0
Total operational disease rate per total working hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Injury Rate (IR)</b>												
Number of employees with recorded work injury	1	2	3	1	2	3	3	3	6	1	1	2
Total work injury rate per total working hours*	0.02	0.04	0.07	0.02	0.05	0.07	0.07	0.07	0.14	0.02	0.02	0.05
Number of employees with work injury without working hours lost	0	0	0	0	0	0	0	0	0	1	1	2
Total work injury rate per total working hours*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Lost Day Rate (LDR)	1	2	3	1	2	3	3	3	6	0	0	0
Total work injury rate per total working hours*	0.02	0.04	0.07	0.02	0.05	0.07	0.07	0.07	0.14	0.00	0.00	0.00
<b>Work-related Fatalities</b>												
Number of fatalities from work-related accidents	0	0	0	0	0	0	0	0	0	0	0	0
Percentage of total employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Absentee Rate (AR)**	8.60 days			6.44 days			6.06 days			4.95 days		
Average number of work days lost from non-work related sick leave (days)	1.23 days			1.10 days			1.01 days			0.38 days		

Note: \* Data on employee leave refers only to 14,304 employees recording their leave through the HRMS Self-Service system in the following departments: Human Resources, Investment Banking, Commercial Banking, Business Banking, Corporate Banking, Consumer Banking and Innovation.

The HRMS Self-Service is expected to extend across the Bank by 2020.

\*\* Calculated from number of employees per 1,000,000 working hours

## Environmental Dimension

Description	Unit	2016	2017	2018	2019
<b>Energy Consumption<sup>1</sup></b>					
Electricity	Megawatt-hours	37,312	33,925	116,978	115,840
Diesel fuel for emergency power generators and fire pumps	Liters	26,245	27,755	24,965	27,174
<b>Fuel for Vehicles Used in Operations<sup>2</sup></b>					
Diesel	Liters	148,709	136,921	126,598	178,252
Gasoline	Liters	1,097,478	1,042,587	4,328,083	4,333,773
<b>Total Energy Consumption<sup>3</sup></b>					
Total Energy Consumption	Gigajoules	175,244	160,964	562,889	560,931
<b>Air Travel for Business Purposes<sup>4</sup></b>					
Air Travel	Total distance (Kilometers)	N/A	N/A	313,214	6,461,483
	Tons of carbon dioxide' equivalent	N/A	N/A	22.74	680.51
<b>126 Greenhouse Gases (GHG) Emissions<sup>5</sup></b>					
GHG Scope 1	Tons of carbon dioxide equivalent	3,712	4,039	12,189	12,312
GHG Scope 2	Tons of carbon dioxide equivalent	21,720	19,748	68,093	67,430
GHG Scope 3	Tons of carbon dioxide equivalent	597	517	1,473	2,152
<b>Water Consumption<sup>6</sup></b>					
Tap Water	Million cubic meters	0.42	0.37	0.64	0.62
<b>Use of Recycled Water<sup>7</sup></b>					
Recycled Water Used	Cubic meters	45,197	46,880	45,207	50,109
<b>Waste Disposal<sup>8</sup></b>					
General Waste	Tons	-	≤1,053	≤1,053	3,267
Used Paper	Tons	-	506	510	540
Electronic Appliance Waste	Tons	-	70.06	98.13	34.59

- Note:
- <sup>1</sup> Based on data from the meters of the Metropolitan Electricity Authority and the Provincial Electricity Authority.
  - <sup>2</sup> Based on data from the Bank's fuel expense database.
  - <sup>3</sup> Based on the Energy Content of Fuel Table (Net Calorific Value) of the Department of Alternative Energy Development and Efficiency, Ministry of Energy. This combines the electricity consumption volume, diesel consumption for emergency power generators and fire pumps, and fuel consumption of all types of vehicles used in the Bank's operations.
  - <sup>4</sup> The Bank began collecting the volume of air travel for business purposes in 2018. The higher volume of air travel for business purposes in 2019 was due to the extension of the data collection scope to be nationwide. Note that the calculation of GHG emissions was based on the emission factor standards of the Ministry of Energy and the 2019 UK Industrial Policy.
  - <sup>5</sup> Data on volume of greenhouse gases is categorized into three scopes as per the following:
    - GHG Emissions under Scope 1 were calculated based on fuel consumption of emergency power generators, fire pumps, and vehicles used for day-to-day operations. The volumes of refrigerants leaked from air-conditioning systems and fire extinguisher chemicals were evaluated from purchasing orders, and the volume of methane gas from septic tanks was evaluated from the number of employees in each building.
    - GHG Emissions under Scope 2 were calculated from electricity consumption of the Bank referring to the meters of the Metropolitan Electricity Authority and the Provincial Electricity Authority.
    - GHG Emissions under Scope 3 were calculated from water consumption of the Bank referring to the meters of the Metropolitan Waterworks Authority and Provincial Waterworks Authority, paper use evaluated from the volumes requested by each unit, and air travel for business purposes based on the emission factor according to the standard from the Ministry of Energy and the 2019 UK Industrial Policy.
  - <sup>6</sup> Data calculated from the meters of the Metropolitan Waterworks Authority and the Provincial Waterworks Authority.
  - <sup>7</sup> Data calculated from the quantity of water recycled from the activated sludge system and used for watering plants and lawns surrounding the Rama 3 Building. Recycled water accounted for approximately 8% of the Bank's water consumption nationwide. It was calculated from the total quantity of water consumption at the Rama 3 Building less the quantity of cooling water in the air-conditioning system.
  - <sup>8</sup> The volume of waste is categorized into three types: general waste, used paper and hazardous waste (electronic appliances). During 2019, the volume of general waste escalated as the Bank extended the scope. It collected additional data of waste volume across the country by considering sources of waste from the Bank's business processes. The volume of general waste was derived from the volume of waste sent by the five Head Office buildings for disposal at Bang Rak District Office and Yannawa District Office plus branch buildings across Thailand and support centers and also derived from the academic estimation of waste volume apart from the five Head Office buildings such as branch buildings and operation support centers. However, the general waste excluded the volume of used paper that was sent for a recycling process and electronic waste. The volume of used paper was assessed by the volume sent to pulp mills for recycling which covers used paper from offices and cheques from branches across the country.

#### Data boundary:

- **Data on energy consumption, GHG emissions and water consumption**

For 2016, data reporting was for three buildings, namely the Head Office, Trinity Building and Rama 3 Building. For 2017–2018, the scope of data collection was extended to cover the group of five buildings of the Head Office which are the Head Office Building, Trinity Building, Rama 3 Building, Building 3 and Saengthong Thani Tower. From 2018 onwards, the data reporting was extended further to cover the Head Office group of buildings and branches nationwide (data on the volume of energy consumption and the volume of GHG emissions are exclusive of branches in rental spaces).

- **Data on fuel energy consumption for all types of vehicles used in the Bank's operations**

For 2016–2018, the data reporting covers the group of five buildings of the Head Office which are the Head Office Building, Trinity Building, Rama 3 Building, Building 3 and Saengthong Thani Tower.

From 2018 onwards, the data reporting was extended to cover the Head Office group of buildings and branches nationwide.

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Head Office      333 Silom Road, Silom, Bang Rak,  
                      Bangkok 10500, Thailand

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[www.bangkokbank.com](http://www.bangkokbank.com)