

Impact Measurement (External Stakeholders)

1. Sustainable Finance

Climate change can adversely impact people's livelihoods and properties, disrupt supply chains, reduce competitiveness, and hamper sustainable development. The Bank, as a financial intermediary, plays a significant role in supporting businesses and households to adapt to climate change and transition to a low-carbon economy, which in turn also create positive impacts to economy, environment, and society. These includes promoting green finance products (renewable energy loans, sustainability-linked loans, Bualuang Green Loan, Bualuang Green Solar Energy Loan) and transition finance product (Bualuang Green financing for transition to environmental sustainability). Also, we underwrite sustainability bonds that comply with international standards and help build awareness on climate risks and opportunities.

Financing renewable energy not only helps reduce GHG emissions, but also helps mitigate long-run negative impacts to society, businesses, and supply chains. To calculate the impact of our renewable energy loans, we utilize the social cost of greenhouse gasses introduced by the Institute for Policy Integrity. The social cost considers the value of all future climate change impacts (both negative and positive), including changes in net agricultural productivity, human health effects, property damage from increased flood risk, changes in the frequency and severity of natural disasters, disruption of energy systems, risk of conflict, environmental migration, and the value of ecosystem services. The avoided social cost of GHG emissions represents the net social benefit created from the loans.

External Impacts: Renewable Energy Loans

Output Metric	Quantitative Output Metric	External Stakeholders/ Impact Areas Evaluated	Type of Impact	Impact Valuation Conducted	Impact Metric	Quantitative Impact Metric
Avoided GHG emission	Total GHG emission avoided ¹ from renewable energy loans (Solar Power) is 17,350.69 tons of CO2 equivalent.	<ul style="list-style-type: none"> Environment Society Consumers 	<ul style="list-style-type: none"> Positive Negative 	Social cost avoided	Avoided social cost of GHG emission	Total avoided social cost of GHG emission ² is 125,123,580.12 Baht.

¹ The amount of Greenhouse Gas (GHG) emission avoided is calculated by using Emission Factor of Electricity Generation and Electricity Consumption Version 3, issued by Thailand Voluntary Emission Reduction Program (T-VER).

² The avoided social cost of GHG is calculated using the tool available at <https://costofcarbon.org/calculator>. The estimated social cost of emitting one additional metric ton of CO2 equivalent (\$212 per metric ton of CO2 equivalent in 2024), is from EPA. 2% discount rate and the exchange rate at the end of 2024 of 33.99 Baht per USD are used in the calculation.

2. Inclusive Finance

Recognizing the importance of inclusive finance, the Bank offers various financial products and services accessible and affordable for everyone. Adequate financial inclusion and financial literacy help strengthening financial stability, reducing inequality and poverty, and uplifting wellbeing of individuals, households, and society, as well as creating new business opportunities to the Bank. The products and services include 1.) banking agents distributed across Thailand which benefit people living in rural communities and remote area and those who are not able to access online banking services; 2.) a special function on Bualuang ATM to provide convenience and safe financial transaction for visually-impaired people; 3.) a variety of financial services through Bangkok Bank Mobile Banking to promote financial inclusion anytime anywhere and meet the needs and lifestyles of all groups of customers; 4.) Basic Banking Account for people with lower incomes under the State Welfare Program and those aged 65 and over with no charge for account opening, no minimum deposit requirement, no account maintenance fee and no annual fee for debit card linked to the account; 5.) loans for pensioners, SMEs, and farmers; 6.) providing financial knowledge for customers, people, university students and the public; and 7.) providing financial knowledge and guidance on financial management through “Unlocking Debt – Happy Retirement” project.

Household debt is a longstanding problem in Thailand, limiting the country to reach its growth potential. High and persistent household debt has led to financial vulnerability and barriers to access to finance from formal sources for many households. To alleviate household debts especially among vulnerable groups, we have been partnering with Noburo Platform, a social startup, to launch the Unlocking Debt – Happy Retirement project as an initiative to encourage responsible spending and repayment of excessive debts including those from loan sharks. By providing necessary knowledge, guidance and support, the project aims to help the participating employees to be able to save money, repay debts, and improve their wellbeing. When designing the project, the opportunity/time cost incurred to the project’s participants, an adverse side-effect, is taken into account. The online learning platform available to all participants allows them to minimize the opportunity/time cost by flexibly allocating their time to learning.

External Impacts: The Unlocking Debt – Happy Retirement Project

Output Metric	Quantitative Output Metric	External Stakeholders/ Impact Areas Evaluated	Type of Impact	Impact Valuation Conducted	Impact Metric	Quantitative Impact Metric
Number of employees participating the project	404 employees participating the project	<ul style="list-style-type: none"> • Society • Consumers/ end users • External employees (Companies participating in the project) 	<ul style="list-style-type: none"> • Positive • Negative 	Access to product/service with positive impact provided	Total amount of debt repayment	Total amount of debt repayment is more than 4,900,000 Baht