

# Corporate Social Responsibility Report 2016

Bangkok Bank Public Company Limited



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“In 2016, Bangkok Bank was listed among the Thailand Sustainability Investment (THSI) securities by the Stock Exchange of Thailand”



# Message from the Chairman

Bangkok Bank's performance results for the past year are reported in the annual report, which is an opportunity to disclose essential business information to shareholders, customers and the public. Previously the information published in the annual report included corporate social responsibility as well as financial results and business strategies.

For the past two years, Bangkok Bank has placed greater importance on the dissemination of detailed information about its corporate social responsibility strategy and achievements and has produced a separate report about corporate social responsibility and the Bank's approach towards sustainability. In 2016, the Bank has published its Corporate Social Responsibility Report separately from the annual report for the third year, and has improved its contents to be more in line with international reporting standards.

In 2016, there were many unexpected events that affected all parts of Thai society and the passing of His Majesty King Bhumibhol Adulayadej deeply saddened all Thais as well as people around the world.

Bangkok Bank understands that the monarchy, which is close to the hearts of all Thai people, has been a unifying force throughout many eras. Bangkok Bank therefore places importance on upholding

the monarchy, an institution the Thai people have loved and greatly respected for longer than the 72 years that the Bank has been established.

This Corporate Social Responsibility Report 2016 provides information about the Bank's major activities and achievements in line with the three generally accepted dimensions of business sustainability in international circles, namely economic development, natural resource and environment development, and social development. A summary of the Bank's major achievements follows.

**Economic Development.** Bangkok Bank places significance on accessibility to financial services for all customer groups, the development of a variety of products and services to fully meet the needs of customers, continuous innovation, and the use of modern technology to improve customer service so that customers can make transactions in a convenient, quick and secure fashion. This not only saves time, costs, energy and paper in making transactions, but also enables customers in remote areas to better access banking products and services. In addition, the Bank has developed its information security capability to strengthen the confidence of customers in its services. Bangkok Bank promotes accessibility to financial service for socially-disadvantaged groups, including those living in rural areas, retirees, and

foreign workers in Thailand. The Bank also supports Thailand's private sector to expand businesses in the ASEAN region and has set up the AEC Connect Desk and disseminates business knowledge to the public via feature programs on television, online channels and social media.

Bangkok Bank also helps strengthen small and medium-sized enterprises (SMEs), both in Thailand and the region, by encouraging them to develop knowledge and providing access to financial services which were previously inaccessible. These groups include, for example, farmers and agro-business operators and certain consumer groups. We do this by organizing activities suitable for each target group, including running major projects that provide financial knowledge to customers and the public. These projects include Modern Agriculture, Bualuang Family Banking seminars, and Idea Can Do television programs aired in Myanmar, with the aim of encouraging entrepreneurs in Myanmar to be aware of and prepare for the opportunities and challenges that the ASEAN Economic Community (AEC) will bring.

**Natural Resource and Environment Development.** In 2016, Bangkok Bank was successful with its commitment to be responsible about the issue of climate change as the Bank was accepted by Thailand Greenhouse Gas Management Organization (Public Organization) as a



registered voluntary member for reporting on greenhouse gas emissions at the organization level using its Head Office building as a model. The Bank will later expand the scope to its other buildings. Furthermore, Bangkok Bank is the first and only bank in Thailand to send all types of electronic equipment for disposal and recycling in line with international standards. In 2016, the Bank collected more than 250 tons of electronic equipment from the Head Office and nearby offices in Bangkok and sent them to be processed in an environmentally-friendly recycling way. We will further expand this approach to other offices and branches.

**Corporate Social Responsibility Development.** Bangkok Bank has continued its social and community investments in various areas, namely upholding the monarchy, sustaining religion, preserving Thai arts and culture,

supporting public welfare activities in general, and providing education opportunities for young Thais. Supporting education is an area of special interest for Bangkok Bank and we do this in various ways. These include donating buildings to schools in rural areas, providing scholarships to students with good academic records and in need at the high-school and tertiary levels, nurturing science and technology education, and providing knowledge about the economy and business which young people can apply to their lives and use to help Thai society grow sustainably.

Bangkok Bank understands the value and importance of its employees at all levels as invaluable assets of ours and Thai society's. We therefore organized a variety of projects to help our employees improve their knowledge, skills and expertise so that they can have stable and sustainable careers. We also encouraged

employees to continuously participate in activities for social development, including the Government's Pracharath Project, a collaborative scheme between the public and private sectors which the Bank has joined to support government policy for the advancement of the Thai economy and society. Bangkok Bank has been given opportunities to play important roles in several Pracharath projects, such as the Leadership Program for Sustainable Education or "CONNEXT ED" and the establishment of Pracharath Rak Samakkee companies.

In 2016, Bangkok Bank was listed among the Thailand Sustainability Investment (THSI) securities by the Stock Exchange of Thailand. The listing is intended to provide information to investors expecting long-term returns on investments and those seeking to invest in listed companies with a positive impact on society and the environment.

Bangkok Bank believes that the corporate social responsibility activities we organized throughout 2016, with our determination to be a trusted partner and reliable close friend, will serve as one of the elements that will allow us to prosper alongside stakeholders, as well as the Thai economy, society and environment, in a robust, stable and sustainable fashion.

**Chatri Sophonpanich**  
Chairman

# About this report



## Our approach

### Significant changes since the last reporting period

In 2016, Bangkok Bank improved the channels for accessing financial services it offers to customers and the public so that they are in line with the needs of communities and local businesses which may have a significant impact on the Bank's business. The Bank opened 10 new branches in Bangkok and nearby areas and 10 other branches in provincial areas. One provincial branch was closed last year. By the end of the year the Bank's service network comprised 1,157 domestic branches, and 32 overseas branches (including branches of two overseas banks wholly-owned by Bangkok Bank) in 15 economies.

### Information not included in this report

This report is part of Bangkok Bank's annual report and it contains content about the Bank's corporate social responsibility undertakings aimed to strengthen the Bank's business sustainability. The contents of this report are separate from the content about other business operations published in the 2016 annual report, such as the Bank's mission, vision, core values, financial reports, performance results, corporate governance, risk factors and risk management.



## Scope of contents and reporting approach

In producing this Corporate Social Responsibility Report, Bangkok Bank selected the contents and defined the scope of contents which are significant to the Bank's business operations for achieving business sustainability in line with the guidelines suggested by the Stock Exchange of Thailand (SET). The Bank also adjusted the reporting approach in line with the guidelines prescribed in the fourth version of the Global Reporting Initiative (GRI-G4), on disclosure of relevant content.

The main contents published in this report were suggested by units in the Bank which took part in activities or were responsible for projects. The contents have been examined by the unit heads with regard to their significance and suitability, and reviewed and approved by the Bank's Board of Directors. These processes were employed to ensure that the level of significance of the contents is appropriate to stakeholders outside the Bank, and responds to comments, or information obtained from, for instance, shareholders, customers, counterparties, and regulatory bodies.

This report covers one accounting period of the Bank, from January 1 to December 31, 2016. The last report was produced for 2015 and covered the period from January 1 to December 31, 2015, in line with the Bank's reporting annual cycle.

This report has been reviewed and approved by Bangkok Bank's Board of Directors.

Readers seeking more information about this report can contact:

The Corporate Secretary  
 Bangkok Bank Public Company Limited  
 333 Silom Road, Bang Rak District, Bangkok 10500, Thailand  
 e-mail: [apichart.ram@bbl.co.th](mailto:apichart.ram@bbl.co.th)



## Business operations

### Major impacts, risks and opportunities

Although economic conditions in Thailand and elsewhere were affected by various events, including political changes in the UK and the US and the economic downturn in China, which inevitably impacted businesses in Thailand, the Bank continued to perform at a satisfactory level. This can be attributed in part to the foresight of the Bank's management and its prudent and cautious approach.

The Bank is aware that situations, such as those described above, may bring about both risks and opportunities for its business operations. Therefore, the Bank has made it a priority to manage the business in a prudent and cautious manner within the framework of good corporate governance and under the concept of sustainable business development. The Bank also takes into consideration economic, social and environmental matters which will play an important role in supporting the Bank to grow its business while participating in community and social development, taking care of the environment, and protecting nature.

Various organizations have forecast positive growth for Thailand's Gross Domestic Product (GDP) in 2017 and government investments in the country's infrastructure and the growth of businesses in ASEAN will offer the Bank opportunities to grow its business on the back of these trends. The Bank's risk management system provides a means to monitor changes affected by factors inside and outside the organization. Environmental and other risks which may affect the Bank's business operations include uncertainty about the global and

“Various organizations have forecast positive growth for Thailand's Gross Domestic Product (GDP) in 2017 and government investments in the country's infrastructure and the growth of businesses in ASEAN will offer the Bank opportunities to grow its business on the back of these trends”

domestic economies, and changes to the banking industry due to financial technology (FinTech). Risk monitoring is a tool that enables the Bank to provide awareness and enhance the knowledge and skills of consumers, service users, customers and staff in areas such as cyber security, regulatory changes, credit risk, market risk, liquidity risk, and operational risk, in relation to both internal and external factors, such as outsiders' behaviors, natural disasters and catastrophes, or disturbances which may damage the Bank's properties.

The Bank has published reports about risk factors and risk management in the 2016 annual report.



“Bangkok Bank places importance on building relationships with other organizations in adhering to corporate social responsibility guidelines by adopting membership of, or making commitments to, organizations which support economic, social and environmental development”

## Cooperation with other organizations

The Thai Government has established an initiative for driving the Thai economy under the Public-Private Collaboration project – a collaboration between the government, private and social sectors for developing industries of the future. There are 12 working groups and Bangkok Bank is proud to be offered an opportunity to participate in several of these, for instance the Local Economic Development and Pracharath Scheme, by helping to establish social enterprises, namely Pracharath Rak Samakkee (Thailand) Company Limited, and 76 provincial Pracharath Rak Samakkee companies. The Bank has also taken an active role as a partner in the Basic Education and Human Capital Development working group by assigning new-generation staff to work with schools and local communities to improve education quality in a sustainable way.

Bangkok Bank places importance on building relationships with other organizations in adhering to corporate social responsibility guidelines by adopting membership of, or making commitments to, organizations which support economic, social and environmental development related to the financial and commercial banking industry, namely the Thai Bankers' Association, CSR Club of the Thai Bankers' Association, Anti-Corruption Organization of Thailand, and the Thai Future Network of the Thailand Sustainable Development Foundation. The Bank has also engaged with organizations for promotion of international co-operation, such as the Thai-Myanmar Business Council, the Thai-India Business Council, and the

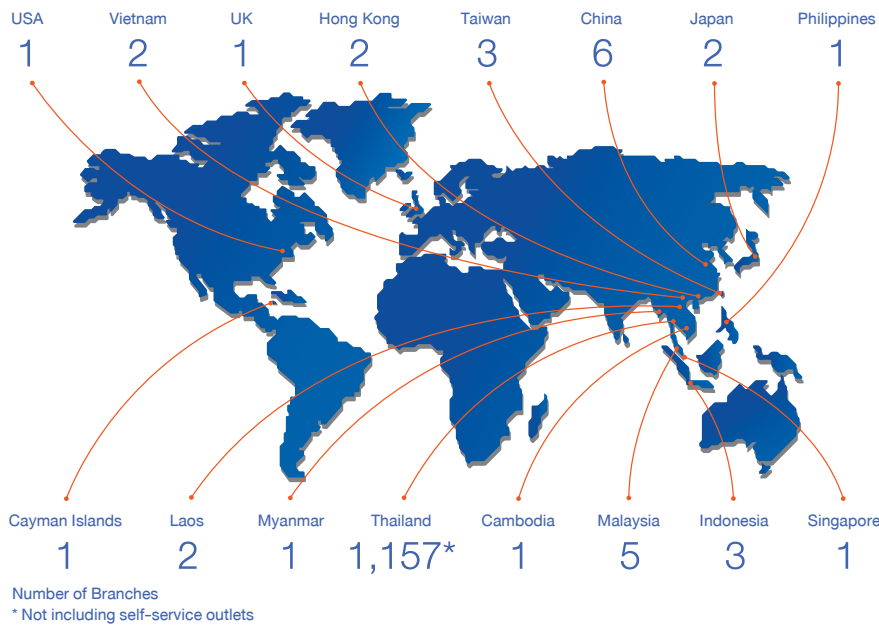
Thai-UK Business Leadership Council.

In addition to participation by the Bank on an organizational level, its directors and high-level executives also participate in national committees which are guiding Thai society and the country to achieve long-term sustainability. These include Admiral Prachet Siridej, independent director, who is the chairman of the Phra Racha Wang Derm Restoration Foundation, and a director of the Rak Muang Thai Foundation, Mrs. Kasinee Witoonchart, independent director, who is a director of Thammasat University Council, and Mr. Pailin Chuchottaworn, independent director, who is a commissioner on the Securities and Exchange Commission, a director of the Thai Institute of Directors Association, and a director of the Sasin Graduate Institute of Business Administration, Chulalongkorn University. Mr. Chartsiri Sophonpanich, Bangkok Bank President, is a director of the National Science and Technology Development Agency (NSTDA), and the Electronic Transactions Development Agency (Public Organization) (ETDA).

## Scope of business operations

<p><b>Bangkok Bank Public Company Limited</b> Established in 1944</p>	<p>Registered capital of 40 Billion Baht Common shares 3,998,345,000 Preferred shares 1,655,000 with 10 Baht par value</p>
<p>Has been listed on the Stock Exchange of Thailand since April 25, 1975. Its commercial registration number is 0107536000374</p>	<p>Paid-up capital of 19.1 Billion Baht</p>

Operates **32** overseas branches in **15** economies



Bangkok Bank is one of Thailand's leading banks for both business and individual customers. The Bank provides modern financial products and services, its extensive branch network covers all parts of Thailand, and it also has international branches in major economies of the world.



The Bank's corporate logo, adopted from the "lotus" design, and its slogan "puan koo kit mit koo baan" are well-known in Thailand, while the brand is also known internationally.

<p><b>Total Income</b> <b>152.7</b> Billion Baht</p>	<p><b>Deposits</b> <b>2,178.1</b> Billion Baht</p>	<p><b>Total Assets</b> <b>2,944.2</b> Billion Baht</p>
	<p><b>Loans</b> <b>1,941.0</b> Billion Baht</p>	<p><b>Total Liabilities</b> <b>2,565.0</b> Billion Baht</p>
	<p><b>Tax Paid</b> <b>8.7</b> Billion Baht</p>	<p><b>Net Profit</b> <b>31.8</b> Billion Baht</p>

The Head Office is located at 333 Silom Road, Bang Rak District, Bangkok 10500, Thailand.

Head Office  
8,305 Staff



Processing Centers  
14 Centers

2,497 Staff



Domestic Network



Metropolitan

407 Branches  
5,144 Staff

39 Business Centers  
792 Staff

Provincial

750 Branches  
6,712 Staff

77 Business Centers  
1,338 Staff



Total Number  
of Employees  
25,512\*

\*Including employees at overseas offices

An extensive base of  
more than  
17 Million Accounts

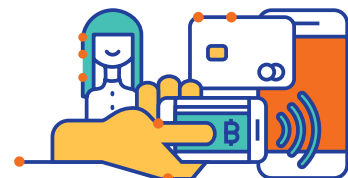


Cash Deposit Machines  
more than  
1,200



ATMs  
more than  
9,300

The Bank also has state-of-the-art internet banking and mobile banking services which allow customers to conveniently make financial transactions on personal computers and mobile devices, anywhere, anytime.



## Supply chain and procurement management

The Bank operates a financial service business and its supply chain therefore comprises the aspect of capital sourcing and capital management for appropriate returns. The Bank develops its supply chain by managing its liquidity in a prudent and cautious manner, sourcing the capital from various sources, such as deposits from customers, money and capital markets inside and outside the country, and bond futures exchanges and repurchase markets. With regard to asset management, the Bank maintains high-quality liquid assets which can be liquidated or realized as needed in order to meet its financial obligations under both business-as-usual and crisis situations. The Bank manages liquidity risk in the financial supply chain by maintaining an amount sufficient for honoring present and future obligations, while retaining options for managing the funds and receiving returns as market conditions permit, so that the supply chain can continue without interruption.

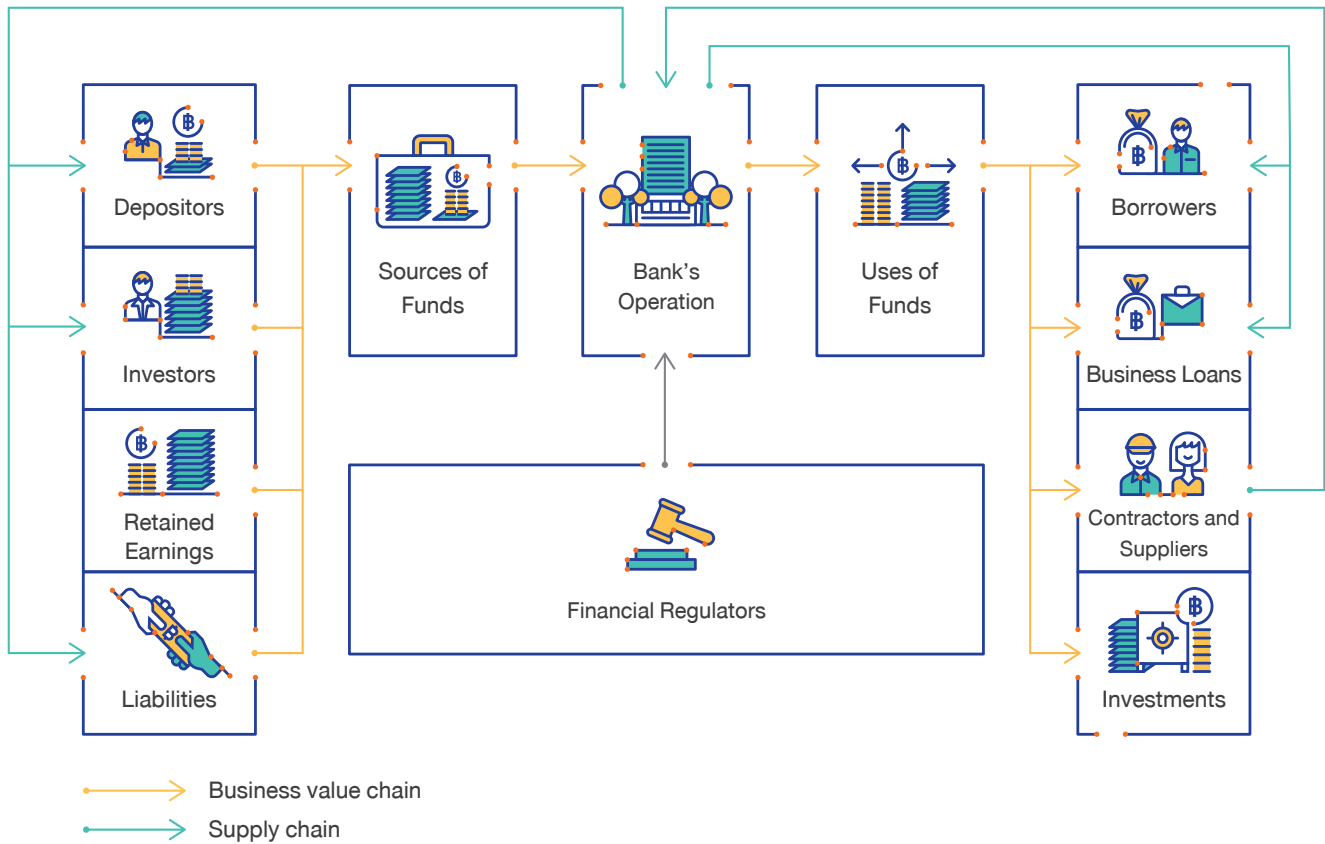
Parties in the Bank's supply chain for supporting business operations include suppliers of resources, who are vendors, contractors or sub-contractors; and customers or beneficiaries of the Bank's services. Parties on both sides are bound with business contracts. In stipulating terms and conditions of contracts binding contractual parties, the Bank considers the principle of corporate social responsibility and sustainable development, particularly liability for damages, labor conditions, human rights, environment protection, and respective regulatory

requirements. For example, when selecting contractors, the Bank requires human rights matters to be stated in the contract, and the Bank will only consider proposals from companies which conform to the guidelines stipulated by the Bank of Thailand before awarding the contract. The practice also applies to all sub-contractors. With regard to procurement, the Bank enforces regulations and procedures which allow examination of each working process. It also has regulations for selecting vendors to bid for contracts and a transparent process for making decisions on proposed prices.

The Bank places importance on safeguarding society and the environment, and it therefore chooses products or manufacturers which practice environmentally-friendly policies. As a result, the Bank is one of the companies which received a commendation certificate from Kimberly-Clarke Thailand Company Limited's Reduce Today Respect Tomorrow project for supporting and preserving the environment in a sustainable fashion. The Bank also manages the use of office equipment in an environmentally-friendly manner.

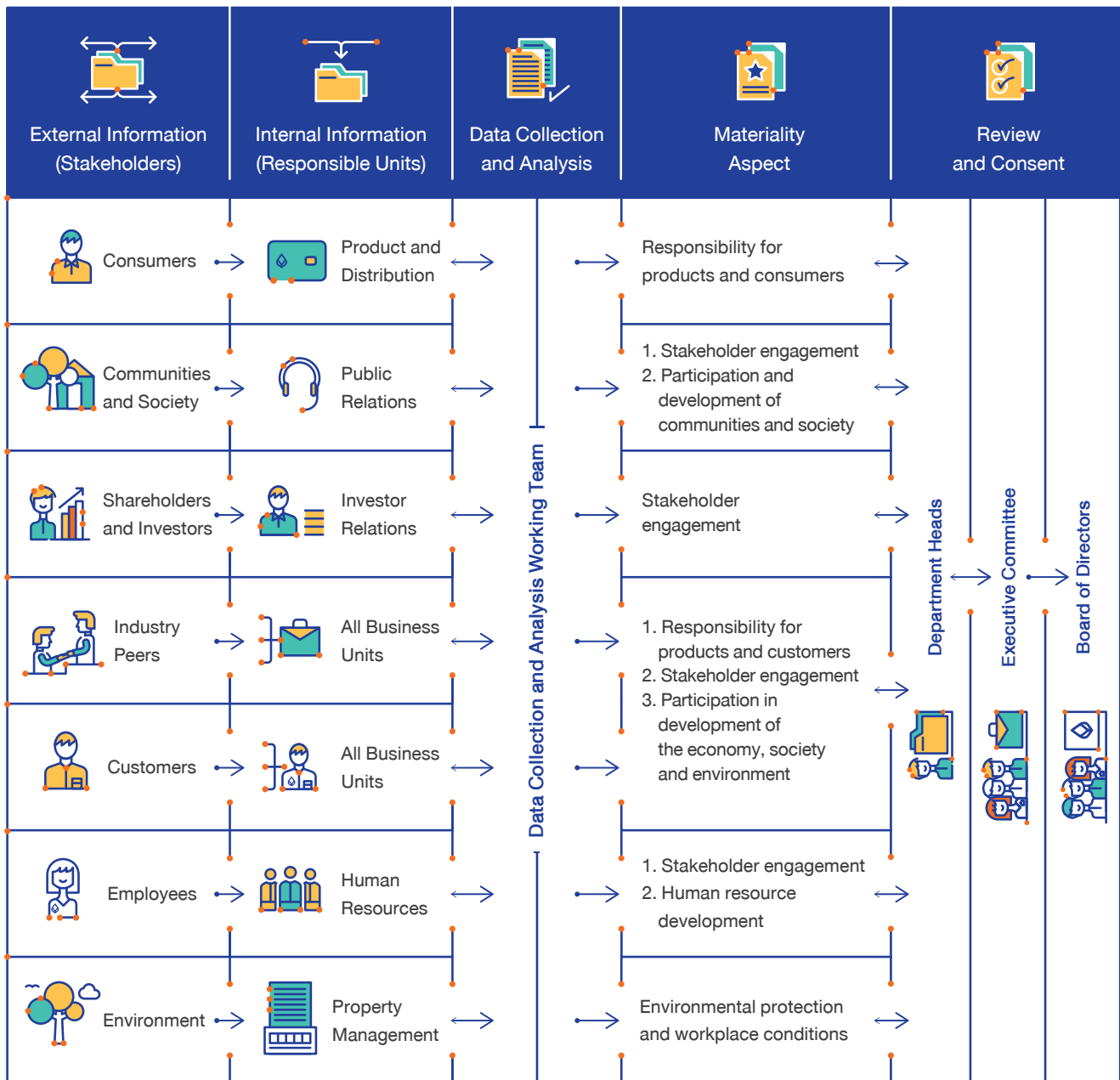
With such measures, there were no incidents of negative social impact arising from the operational processes of the Bank's supply chain and other business processes with a potential significant impact on the Bank's business operations for this reporting year.

▼ Business value chain and supply chain



## Materiality of this report

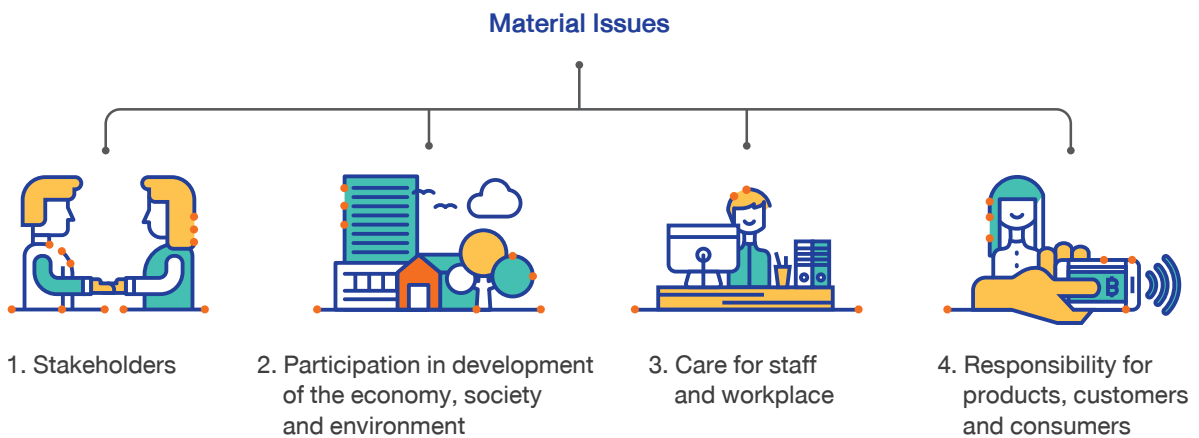
### Overview of Corporate Social Responsibility Report preparation



In preparing the contents of this Corporate Social Responsibility Report 2016, the Bank has selected information from activities deemed substantial to disclose to stakeholders and the public interested in the Bank’s corporate social responsibility undertakings. The process began with setting up a working team to collect and analyze information and co-ordinate with various departments involved with stakeholders both inside and outside the Bank. For instance, the Public Relations Department, which plays an intermediary role between the Bank and relevant outside parties, suggested activities related to corporate social responsibility and the Bank’s sustainable development, which were organized in collaboration with other organizations and persons outside the Bank. The working team also gathered information about activities reflecting corporate social

responsibility and sustainable development from business units and supporting units, and conducted an analysis and selection process to identify materiality to be proposed for endorsement by unit heads and the Board of Directors, respectively, before disclosing it in this report to the public to reflect the objectives and strategy for the year.

In this report the Bank has placed the contents, as aligned with the materiality of corporate social responsibility policies deemed significant to the Bank’s business and social responsibilities, in line with the “puan koo kit mit koo baan” spirit which has always guided the Bank. The materiality has been defined in four areas as follows.







In the context of the four materialities above we report on activities disclosed in the report for the previous year and provide up-to-date information on matters the Bank deems relevant to its corporate social responsibility commitment.



Information about good business management, risk management, and financial reports are disclosed in detail in the Annual Report 2016.

# Responsibility to and engagement with stakeholders

## ▼ Overview of stakeholder engagement activities

Stakeholders	Communication channels	Engagement strategy
 <p>Shareholders and Investors</p>	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Annual report</li> <li>• Investor relations activity</li> <li>• Call Center and website</li> <li>• Direct communication to Corporate Secretary</li> </ul>	<ul style="list-style-type: none"> <li>• Respect the rights of shareholders in accordance with good corporate governance principles</li> </ul>
 <p>Financial Service Customers</p>	<ul style="list-style-type: none"> <li>• Direct interactions</li> <li>• Financial training or advisory sessions</li> <li>• Customer visits</li> <li>• Customer need and satisfaction survey</li> <li>• Call Center and website</li> <li>• Branches and business centers</li> </ul>	<ul style="list-style-type: none"> <li>• Offer quality products and services</li> <li>• Utilize advanced technology</li> <li>• Provide knowledgeable and skilled personnel</li> <li>• Expand service networks</li> <li>• Serve customers responsibly</li> <li>• Protect customer information and privacy</li> </ul>
 <p>Staff</p>	<ul style="list-style-type: none"> <li>• Training and development activity</li> <li>• Performance assessment</li> <li>• Social activity</li> <li>• Internal communication network</li> <li>• Suggestion system</li> <li>• Supervisor consultation</li> <li>• Labor unions</li> </ul>	<ul style="list-style-type: none"> <li>• Provide guidelines and codes of conduct</li> <li>• Care for living standards and career stability</li> <li>• Suitable remuneration and welfare</li> <li>• Work safety</li> <li>• Career development</li> </ul>
 <p>Counterparties in Supply Chain</p>	<ul style="list-style-type: none"> <li>• Joint relationship activity</li> <li>• Business meetings</li> <li>• Call Center and website</li> <li>• Contact with concerned unit</li> </ul>	<ul style="list-style-type: none"> <li>• Honor trade conditions and agreements</li> <li>• Recognize fair trade competition</li> <li>• Respect market practices</li> </ul>
 <p>Industry Peers</p>	<ul style="list-style-type: none"> <li>• Joining trade associations</li> <li>• Direct communication in the event of suspicious transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Treat business peers with good mutual understanding and cooperation</li> <li>• Conduct business within the framework of regulations, fair competition, and business practices</li> </ul>



Stakeholders	Communication channels	Engagement strategy
 <p data-bbox="245 495 354 517">Creditors</p>	<ul data-bbox="488 393 889 488" style="list-style-type: none"> <li>• Joint relationship activity</li> <li>• Call Center and website</li> <li>• Direct connection with concerned unit</li> </ul>	<ul data-bbox="1000 393 1414 422" style="list-style-type: none"> <li>• Strictly honor contractual commitments</li> </ul>
 <p data-bbox="180 754 415 809">Community, Society and Environment</p>	<ul data-bbox="488 559 889 858" style="list-style-type: none"> <li>• Training and education</li> <li>• Television programs</li> <li>• Social and public benefit activities with community involvement</li> <li>• Campaigns for energy conservation, environmental protection and efficient use of resources</li> <li>• Review of community needs</li> <li>• Call Center and website</li> </ul>	<ul data-bbox="1000 559 1414 915" style="list-style-type: none"> <li>• Act in line with generally-accepted CSR guidelines and principles</li> <li>• Develop and offer products that suit social needs and people's lifestyles</li> <li>• Support social and public development</li> <li>• Encourage formation of strong and self-reliant community</li> <li>• Organize public benefit activities</li> <li>• Support anti-corruption efforts</li> <li>• Conform to environment standards appropriate for financial institutions</li> </ul>

## Identification of stakeholders

The Bank places importance on and takes into consideration engagement of stakeholders on the basis of good mutual understanding and cooperation. To identify stakeholders, the Bank analyzes components of its supply chain, especially the components related to corporate social responsibility and sustainable development as deemed significant to the Bank's business. In addition, the Bank also takes into consideration the connection between stakeholders and the Bank's corporate governance policy, including practical guidelines under the code of conduct and business ethics. The Bank also refers to practical guidelines for corporate social responsibility for the financial industry deemed suitable for its situation and business in identifying its stakeholder groups.

## Stakeholder engagement strategy

The Bank has reviewed the characteristics and behaviors of stakeholders in the development of its strategy for corporate social responsibility and sustainability to define an effective strategy for engaging stakeholders. Stakeholders are categorized into seven groups, namely: shareholders and investors; customers, including depositors and loan customers; employees; counterparties in the supply chain; industry peers; creditors, both financial and commercial; and others, representing the community, society and environment.

The Bank reviews and analyzes the roles of stakeholders every year. In 2016, it has analyzed the needs and expectations of stakeholders who communicated with the Bank through various communication channels, and used the information to improve its strategy to respond to and take responsibility for stakeholders as follows.



## Shareholders and investors



## Communication channels and engagement activities

A formal event for high-level executives of the Bank to engage shareholders is the annual ordinary shareholders' meeting, and extraordinary shareholders' meetings, if required. At the annual general shareholders' meeting, the Bank provides opportunities for shareholders to propose agenda items, send questions in advance, and nominate names for appointment to committees. The Bank also produces an annual report summarizing the results of its business operations in writing for all shareholders to acknowledge.

Shareholders and investors in general can receive information about the Bank from its filings to the Stock Exchange of Thailand, analyst meetings, or dissemination of information by the Bank's Investor Relations unit. Shareholders can communicate with the Bank to make suggestions or lodge complaints with its Call Center on telephone +(66) 0-2645-5555 or 1333, or on the Bank's website [www.bangkokbank.com](http://www.bangkokbank.com), or by sending letters to the Company Secretary.



## Needs and expectations

The Bank has analyzed the needs and expectations of shareholders and investors and found that they are, in order of priority: investment returns pursuant to the economic climate, robust performance results, equal treatment, transparent and fair business operations, corporate social responsibility, and efficient risk management systems.



## Strategy for meeting the needs

To meet the needs of shareholders and investors, the Bank places importance on respecting the rights of shareholders in accordance with good corporate governance principles while strictly practising business ethics in doing business.



## Results of engagement

In 2016, the Bank held 54 visits to investors and stock analysts, 37 teleconferences, five meetings with small groups of investors and stock analysts, and 14 meetings with investors, involving 692 people. The Bank held its annual ordinary shareholders' meeting on April 12, 2016, which was attended by 9,168 shareholders or their representatives, collectively accounting for 908,500,035 shares, or 47.59 percent of the total 1,908,842,894 shares that have been issued and paid-up, thus constituting a quorum pursuant to the Articles of Association of the Bank.



## Financial service customers



## Communication channels and engagement activities

The Bank categorizes financial service customers into two main groups – depositors and loan customers – and they are also categorized by nature of the financial transactions they make into business customers and individual customers. Communications and interactions with this group of stakeholders are mostly handled by staff when making transactions at branches and business centers located nationwide. Staff also visit the customers at their places of business on a regular basis according to their scheduled customer visit plan.

In addition, the Bank, as the organizer of training sessions, seminars, and knowledge-sharing events, as well as sessions in which staff give financial advice to individual customers, uses these opportunities to communicate with or receive opinions from participants to learn about the needs and expectations of customers or potential customers.

The Bank also organizes surveys on the needs and satisfaction of customers using marketing communication tools as another channel to assess their needs and satisfaction in a systematic way.



## Needs and expectations

From data obtained and analyzed, the Bank has summarized the customer needs and expectations deemed material, such as offering financial products with acceptable costs, security in using products and services, quality financial advice and service, initiatives for offering a variety of products, particularly those promoting convenient access for customers and which are environmentally friendly, protection of customers' confidentiality and respect of customers' privacy.



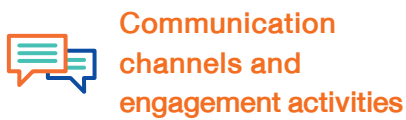
## Strategy for meeting the needs

To meet the needs and expectations of customers, the Bank has developed and improved its business operations in various ways, such as offering financial products and services that meet high-quality standards, reflect social responsibility, and meet customers' needs; developing operating systems and using modern technology to serve customers as appropriate; providing knowledgeable and skilled personnel to serve customers; expanding the branch and business center network nationwide; serving customers responsibly, in line with its business code of conduct and ethics; protecting customers' information; and continually training staff to enhance their potential and efficiency in serving customers. The Bank also invites customers to join corporate social responsibility activities, or public benefit activities, on suitable occasions.



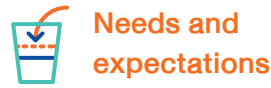
## Results of engagement

The Bank has published the results of its customer engagement under the topic of "Responsibility for products and to customers and consumers" in this report.

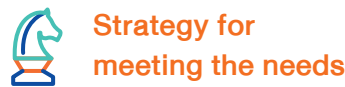


The Bank places great importance on engagement with its staff, managers and executives as it realizes that human capital is an essential element in the commercial banking business, and staff play a vital role in growing the Bank’s business in a sustainable way.

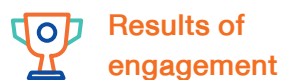
The Bank communicates with and engages with staff on various occasions, such as staff training and development, coaching and feedback sessions, performance assessment, awarding outstanding staff, inviting staff to participate in corporate social responsibility activities organized by the Bank, or in collaboration with other organizations, and direct communications with, or between staff, including through the BBL Connect intranet website. The labor unions in the Bank participate in meetings and join discussions on staff welfare, through their representatives, which reflects staff engagement in almost every aspect of the Bank.



The Bank has analyzed and summarized the needs and expectations of staff into categories, such as suitable and equal remuneration and welfare for female and male staff, career stability and advancement, continual enhancement of knowledge, skills, and potential for work, workplace security and hygiene, involvement in development of working processes and products and services, and participation in public benefit activities.



The Bank has taken actions to meet the needs of staff in various ways, such as establishing practical guidelines under the business code of conduct and ethics for staff to follow at work, care for living standards and career stability for staff on the basis of good relationships and cooperation, providing suitable remuneration and welfare, providing systems and equipment of a good standard to ensure work safety, and providing a suitable workplace that enhances work efficiency and productivity, while taking into account security and hygiene for staff.



The Bank has published the results of staff engagement under the topic of “Care for staff and workplace” in this report.



## Counterparties in supply chain



## Communication channels and engagement activities

The Bank has organized communications and engagements suitable for and in accordance with business operations for counterparties in the supply chain, such as organizing or joining in activities for promotion of relationships with counterparties or meeting with them, and providing opportunities for counterparties to make suggestions and complaints at all times with the Call Center on telephone number + (66) 0-2645-5555 or 1333, the Bangkok Bank website, or heads of relevant units in the Bank.



## Needs and expectations

The Bank has analyzed and summarized the needs and expectations of counterparties in the supply chain and found that most of them prefer doing business with, or engaging in, business contracts with transparency and fairness.



## Strategy for meeting the needs

The Bank honors its trade conditions and agreements with counterparties with mutual good understanding and co-operation, and in recognition of the basis for fair competition or market practices, as well as other widely-accepted standards relating to the banking business to promote good relationships with counterparties. The Bank also invites customers to join corporate social responsibility activities, or public benefit activities, on suitable occasions.



## Results of engagement

In 2016, the Bank operated its business with counterparties in line with set objectives, and therefore there were no incidents of conflicts with significant impacts on the Bank's main counterparties.



## Industry peers



## Communication channels and engagement activities

The Bank operates its business in the financial sector as a commercial bank and has a number of other banks as industry peers. In conducting its business, the Bank is determined to engage in fair competition and respect industry peers. To encourage constructive engagement between commercial banks, the Bank has joined the Thai Bankers' Association, which provides opportunities for exchanges of opinions between member banks, particularly high-ranking executives of each bank. Exchanges of information among staff at an operational level also takes place on various occasions, such as direct communications in the event of suspicious transactions, or participation in other activities, such as financial fairs, seminars, and social responsibility activities.



## Needs and expectations

The Bank has analyzed relevant information and found that the needs and expectations of industry peers include transparency and fairness in doing business, and competition within the boundaries specified by laws and regulations.



## Strategy for meeting the needs

The Bank follows the practical guidelines for treating business competitors with good mutual understanding and cooperation, and conducts its business within the framework of regulations, fair competition, and business practices under the supervision of the Bank of Thailand, the Stock Exchange of Thailand, and the Security and Exchange Commission.



## Results of engagement

In 2016, under the Government's National e-Payment Master Plan, all commercial banks in Thailand made a concerted effort to develop their own internal systems to provide national person-to-person fund transfers under the PromptPay service. All banks achieved the joint target and the Bank operated its business smoothly without any incidents of significant conflicts with competitors.



## Creditors



## Communication channels and engagement activities

The Bank categorizes creditors into two groups, namely financial creditors who are depositors and holders of debt instruments issued by the Bank, and commercial creditors. This is in order for the Bank to define suitable activities for strengthening relationships with creditors, particularly financial creditors. The Bank focuses on building relationships and engaging with creditors directly through staff who serve them and provide financial advisory services. The Bank regards financial creditors as customers as well.

In addition to direct communications, the Bank also engages with commercial creditors in meetings, or by visiting their place of business or manufacturing plants. They can also make suggestions and complaints to the Call Center on telephone number +(66) 0-2645-5555 or 1333, Bangkok Bank's website at [www.bangkokbank.com](http://www.bangkokbank.com), or to relevant units in the Bank.



## Needs and expectations

The needs and expectations of financial creditors are for the Bank to strictly honor conditions and agreements made with them, particularly with regard to financial returns and timing, while commercial creditors expect transparent and fair business dealing.



## Strategy for meeting the needs

The Bank places importance on proper treatment of all creditors and does this by strictly honoring conditions and agreements made with them. The Bank also invites its creditors to join corporate social responsibility activities, or public benefit activities, on suitable occasions.



## Results of engagement

In the year in review, the Bank maintained good relationships with all creditor groups in accordance with specified objectives, and abided by conditions and agreements as usual.

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## Community, society and environment

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## Communication channels and engagement activities

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The Bank has prepared various channels for communicating and engaging with the community and society, and for preservation of the environment, namely external stakeholders with a potential impact on the image, reputation and business sustainability of the Bank. The Bank included corporate social responsibility elements in activities for engaging this stakeholder group, such as seminars to provide financial knowledge and information useful for doing business to the general public, television programs providing knowledge on financial and business management for SMEs, corporate social responsibility and public benefit activities with the community's involvement, campaigns for energy conservation, environmental protection and efficient use of resources, media providing knowledge and training on environmental protection to staff in offices and branches, and surveys on the needs of customers. The Bank is open for suggestions or complaints through its Call Center on telephone number +(66) 0-2645-5555 or 1333, or on its website [www.bangkokbank.com](http://www.bangkokbank.com), or to relevant units in the Bank.

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## Needs and expectations

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Through engagement with external stakeholders regarding community, society and environment, the Bank has analyzed and found that the needs and expectations of this stakeholder group include access to knowledge on financial management for individuals or businesses, convenience and security in using financial products, development of local economies for sustainable growth, support for public benefit activities, promotion of and practice of human rights, anti-corruption, environmental protection, and alleviating factors contributing to climate change.

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## Strategy for meeting the needs

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The Bank has established a strategy and procedures for meeting the needs of the community, society and environment as guidelines for its operations in 2016, such as placing importance on taking actions in line with generally-accepted guidelines and principles of corporate social responsibility for the financial business; development of financial products and services to meet the needs of a changing society and changing lifestyles; support for activities for the benefit of the public, community, and society as a whole; support for activities to nurture and develop communities to be strong and self-reliant; support for and participation in activities for the benefit of the public and society; dissemination of policies on the Bank's website and internal communication channels; and care for environmental standards relevant to the Bank's business.

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## Results of engagement

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The Bank has published detailed results of its activities and participation with the community, society and environment under the topic "Responsibility for community, society and the environment" in this report.

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# Good corporate governance



The Bank has published its undertakings under the principle of good corporate governance and risk management in its Annual Report 2016, which is separate from this report. The Bank's Annual Report, also available on the website [www.bangkokbank.com](http://www.bangkokbank.com), elaborates on important topics as follows.

- Structure of the Board of Directors; qualifications of members of the Board of Directors; roles, duties and responsibilities of the Board of Directors

- Processes for reviewing or auditing the efficiency of the Bank's risk management
- Policy on remuneration for members of the Board of Directors and high-level executives, criteria for setting remuneration for top-executives
- Human rights, intellectual property and copyright
- Channels for receiving information about wrong-doing, complaints, and corruption

The Bank places importance on the rectification of customers' complaints and has prescribed a standard process for receiving and resolving them to ensure that all complaints are addressed independently, quickly and fairly. This may involve solving the problems, or providing customers with appropriate remedies or compensation. The Bank has a timeframe for receiving and processing customers' complaints received through various channels and this is published on its website to ensure transparent and equal treatment for every customer.

In addition, the Bank has also established a process for analyzing the causes of problems that lead to complaints, and the results of the analysis are used for improving its operations, products and services to meet customers' needs sustainably and fairly.

In 2016, the Bank received 310 complaints. Of these, 256 complaints, or 83 percent, had been rectified within the specified timeframe and the remainder were in the process of being actioned.

## Contribution to community economic and social development



“Bangkok Bank also helps strengthen small and medium-sized enterprises to develop business skills while providing them access to financial services which were previously inaccessible”

## Modern Agriculture Project

Modern Agriculture is a long-term project which reflects the Bank's commitment to aligning social responsibility with its business development. The Bank does this by making its financial services accessible to farmers, the largest vocational group in the country, which plays a fundamental role in the country's economic and social development. The project began with individual farmers and was later expanded to networks of farmers which has generated a beneficial ripple effect for the wider society.

The main objective of the Modern Agriculture Project is the promotion of knowledge about the sector – in technology, innovation, and the application of modern business management to farming, thereby improving the production process, quality and cost. Significantly, the project aims to raise awareness of environmental conservation and consumer wellbeing.

To provide such knowledge to farmers, the Bank acts as a coordinator, organizing "Knowledge Exchange" activities, providing the opportunity for various groups of farmers to exchange their views with academics and experts from public and private organizations as well as with successful farmers. Since its inception nationwide in 2010, there have been more than 120 such exchange activities.

In 2016, the Bank organized special activities aimed at groups of farmers, including seminars for durian and orchid growers and those in crisis seeking sustainability guidance. In the same year, the Bank organized a seminar titled "Bualuang Family Banking", providing knowledge about financial planning and wealth management. More than 20 farmers' networks attended the seminar.

In addition to these activities, the Modern Agriculture Project provides guidance in agricultural supply chain management, which links all parties in production and distribution from upstream to downstream. The Bank strongly believes that improvements in these linkages will be an important factor paving the way for integrated and sustainable agricultural development in Thailand. The major stakeholders in the agricultural supply chain include market developers, product managers, farmers, and academics.

The Bank also believes that the agricultural supply chain should more adequately link aspects of the market that are different, such as specifications, quality and quantity, as well as regulations and export standards. This will in turn help farmers improve their production and more efficiently meet the demands of the market in terms of quality, quantity, and timing for market entrance.

There were many success stories under the Modern Agriculture Project. One that the Bank was particularly proud of was improving the post-harvest treatment for mango exports, which has lifted the entire network of mango exporters.

Mango growers used to grow export-quality mangos but shipment took such a long time that the fruit suffered skin discoloration, which turned off many importers. As Japan was a prominent market for Thai mangoes, Bangkok Bank asked its branch managers in Japan to find out what Japanese consumers wanted from their mangoes. The Bank then passed this information to a university to do some research to overcome these problems. The university eventually came up with a treatment known as "hot dipping", which stopped fungus from growing on the mango skin. At the same time, the treatment helped preserve the mangoes during shipment. The Bank passed this treatment expertise on to mango growers and exporters who benefited from improved demand and higher prices.



Last year, during the Bank’s Modern Agriculture Fair, which is held every year in December, Bangkok Bank awarded “The Best Supply Chain Network” to Mr. Chusak Chuenprayot as market developer, and Mrs. Somjit Praisimuang as product manager, of KC Fresh; and to Ms. Pattada Samakkee as market developer, and Mr. Chatri Saenbuakham as product manager, of PDI Trading. Both companies export fresh fruit and vegetables to Europe. Their efforts helped improve farmers’ incomes and offered role

models for others about how to put in place sustainable good management.

Bangkok Bank also held a national seminar titled “Connecting a Thai Growers’ Network for tasty, safe and year-round pomelos” that focused on exports of pomelo to the Japanese market, aimed at making the fruit as famous and as highly reputed in that country as Thai mangoes.

“The company worked together with Bangkok Bank right from the beginning. When Khun Kosit [Panpiemras, former executive chairman of the Bank] was still alive, we got a chance to work together. We have been using the services of Kamphaeng Saen branch [in Nakhon Pathom province] to transfer money to farmers. We thank Bangkok Bank for giving us a helping hand in terms of credit, system development and various sorts of information. Certainly, we use the Bank for overseas transactions. Staff of the company and the Bank work closely together, so it is very convenient for us.”

“Khun Kosit came to farmers and talked to them. He took good care of them. The Don Toom branch (of Bangkok Bank) gives us good support and our relationship is very close. At the end of the year, the branch always gives us New Year calendars. We have been with the Bank for 20 years. Khun Kosit was fond of me. If he could not visit me, he gave me a call and asked how I was. These days the manager of Doon Toom branch (in Nakhon Pathom province) takes care of us.”

Mr. Chusak Chuenprayot

Market Developer of  
KC Fresh

Mrs. Somjit Praisimuang

Product Manager of  
KC Fresh





Ms. Pattada Samakkee

Market Developer of  
PDI Trading

“We have used Bangkok Bank’s services for nearly 20 years. We have been a customer at the Soi Aree Branch [in Bangkok] and borrowed money from the Bank since we built our first factory. No matter what happened to us, the Bank has always been “puan koo kit mit koo baan” (aspiring to be a trusted partner and reliable close friend). For instance, when floods affected exports and we had lots of problems, the Bank offered us financial aid packages. The Bank also set up the Bualuang SME Club, which we joined. It gives us another kind of help in the form of a network. In addition to that, the Bank provides news and information about the economy, where there are likely difficulties and how we can deal with the problems. It also provides lots of management information such as fund management and accounting systems, basic knowledge that SMEs should have.”

“We have used Bangkok Bank’s Lamnarai Chaibadan branch [in Lopburi province] over the the last nine years. We have applied the accounting system recommended by the Bank, which provides guidelines for savings too. Every week we set aside savings for when we really need it, such as for healthcare in the future. These are ideas we have adopted from the Bank.”

Mr. Chatri Saenbuakham

Product Manager of  
PDI Trading

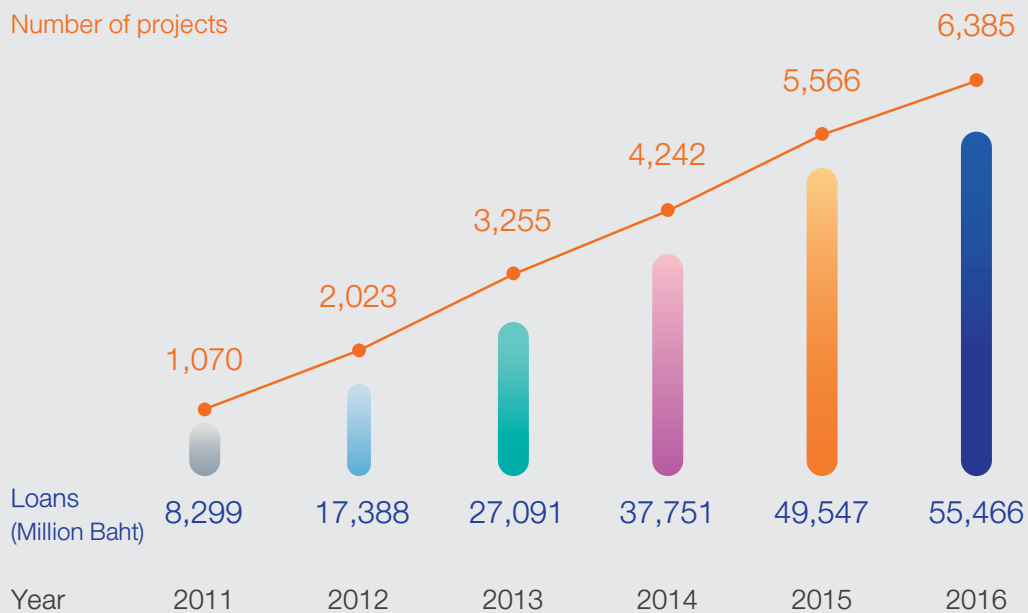


Mrs. Pimjai Matsumoto, managing director of P.K. Siam, who is also its market developer, shared her knowledge regarding marketing management in the Japanese market. Others who shared their experience were Mr. Preecha Sethapokin, a highly successful pomelo grower who won the heart of Japanese consumers, and Mr. Tim Thaithawee, leader of the national pomelo network. Academics, marketing developers and other pomelo growers from about 20 farmers' networks also attended.

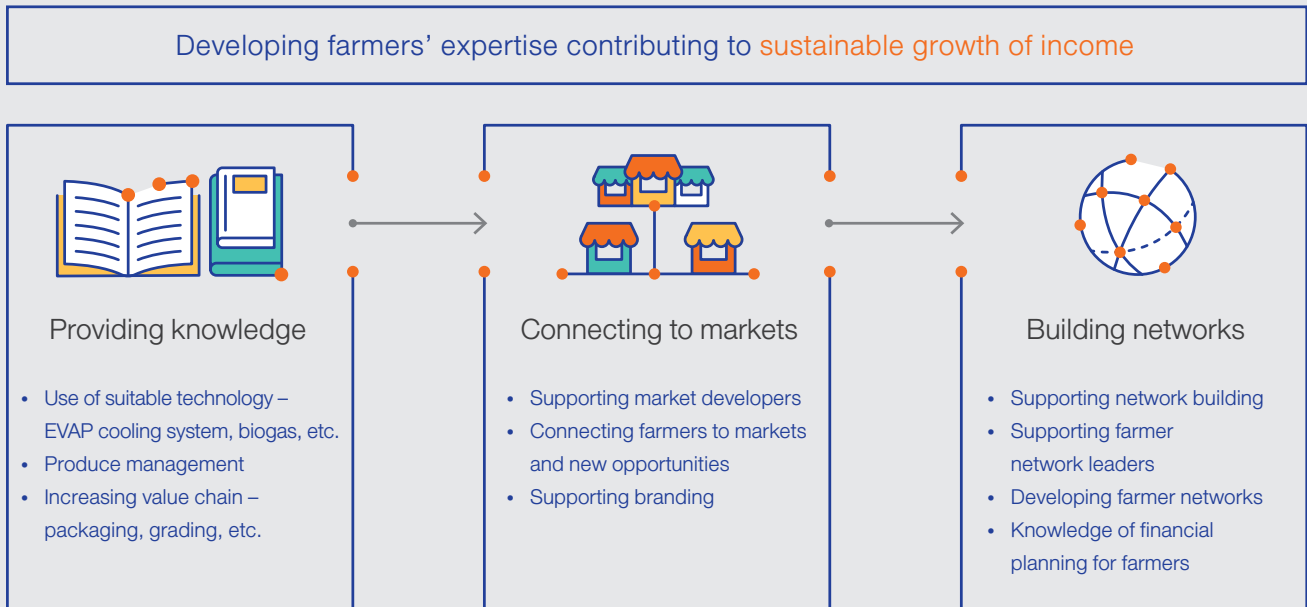
Under the Bank's Modern Agriculture loan scheme, borrowers are required to learn from other farmers' experience with technology and product development, and to pass on the knowledge and experience they receive from the Bank to other farmers and create a network for information and marketing advice. This makes the Bank a coordinator, connecting farmers with technology, producers and marketing experts in order to develop the potential of the Thai agricultural sector.

The Bank is always seeking ways to encourage and support market developers, farmers and academics, many of whom are the Bank's customers (and therefore its stakeholders) to work together, strengthening the supply network for Thai farmers.

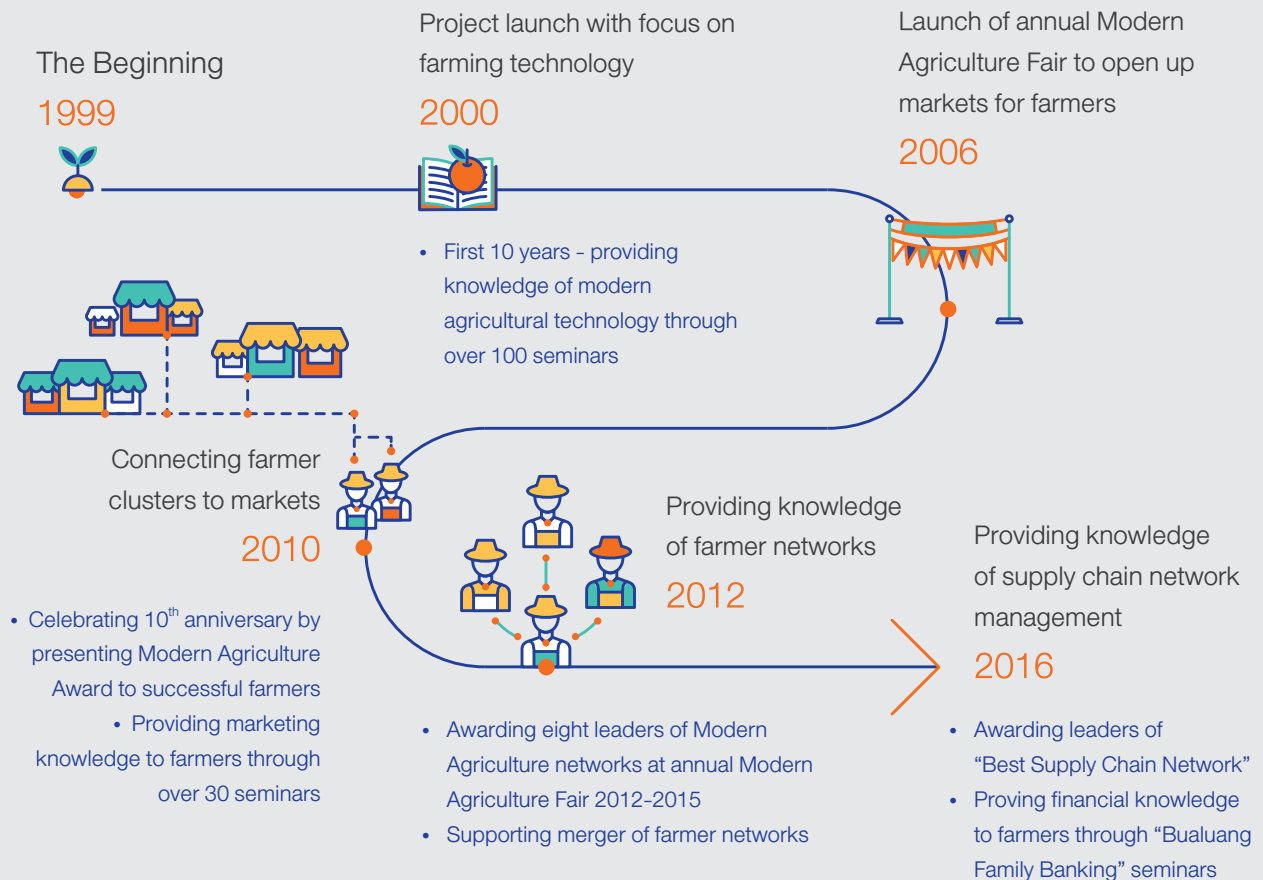
▼ Growth of Modern Agriculture loan scheme



▼ Concept of Modern Agriculture Project



▼ Modern Agriculture Project in the past 17 years



## Cooperation with the Government on Pracharath Project and Thailand 4.0

The Government has announced a policy to move the country towards what it calls the “Thailand 4.0” economic model. The goal is to become a value-based economy instead of a production-based economy and overcome the so-called “middle income trap”. The government is seeking cooperation from all parties, including state agencies, the private sector and the people, as well as civil society, to help lift the country through what it calls the “Pracharath” (a people’s state) Project. There are 12 steering committees working on this project. Bangkok Bank is supporting both investment and operational activities, including:



### Working Committee for Local Economic Development and the Pracharath Scheme (E3 Project)

The Government has pledged a policy on local economic development aimed at increasing income sustainably for local people working in three focus areas: agriculture, farm product processing, and community tourism. Bangkok Bank is part of the working committee on Local Economic Development and the Pracharath Scheme (E3 Project), representing the private sector. The project will provide support for local communities to improve efficiency through the whole production process.

A social enterprise, called Pracharath Rak Samakkee (Thailand) was set up to drive the project at a national level. Since December 2016, with Bangkok Bank’s involvement, another 76 Pracharath Rak Samakkee companies were set up in 76 provinces (though not Bangkok) in addition to the national social enterprise.

The Bank uses its experience in business to support and strengthen local communities by providing them with access to capital and financial resources. Also, it provides guidance for local people to add value to products based on “folk knowledge” and marketing to develop new marketing channels. It also raises awareness of sustainable development, cost management, accounting and risk management.

Some executives and staff representing Bangkok Bank have frequently worked in the field to help the scheme achieve its goal of growing the income of communities and subsequently increasing the people’s wellbeing. This will eventually contribute to the stability, growth and sustainability of the Thai economy, which is the project’s goal and also the Bank’s.





## Working Committee for Basic Education and Human Capital Development (E5 Project)

The Bank signed a memorandum of cooperation on a Leadership Program for Sustainable Education (CONNEXT ED) under the Basic Education and Human Capital Development (E5 Project) on June 20, 2016. As part of this program, the Bank is working with 11 other organizations to provide financial support and human resources for improving the quality of education. The Bank has introduced its “new generation” leaders for education development (called “School Partners”) by sending 80 volunteers from its staff, most of whom are branch managers and assistant branch managers, and other senior service officers and senior marketing officers, to work with 207 schools nationwide for a year, starting from September 1, 2016.

Staff volunteers worked together as School Partners with school headmasters and teachers as well as local communities to develop schools in accordance with the project’s action plan. School Partners did on-site research before drafting an education development plan for each school. All the plans were completed by December and are due to be submitted for approval in March 2017.

This social activity is a good opportunity for the Bank to have its younger staff contribute to society and better understand the community. It is also a good opportunity for the Bank to develop leadership skills for its staff. They learn how to work with other people and build relationships with other organizations in this project, crucial to the Bank’s future development.



## Building business knowledge and financial management for customers and others

The Bank understands the importance of having knowledge of business and financial management for strengthening local communities, the economy, society and the nation. The Bank therefore undertakes this as part of its corporate social responsibility. During 2016, key activities included:

### ▼ Knowledge-building activities for customers and public

	AEC Business Leader Program
	Improvement of professional skills for Myanmar students
	AEC Investment Clinic Seminar
	Business visit to ASEAN and China
	Thai and Myanmar business heirs connection meeting
	Business connectivity among Thai business people
	Training Course for SMEs
	Providing basic knowledge in economics and finance for youth

### AEC Business Leader Program

The countries of the Association of Southeast Asian Nations (ASEAN) are different in many aspects, from geography to culture as well as trade and investment regulations. Due to its long experience in expanding business to ASEAN countries for more than half a century, the Bank recognizes these differences and has conducted intensive workshops, including seminars on ASEAN and business trips. In addition, the Bank has arranged business matching and business talks between Thai business people and their counterparts from Cambodia, Laos, Myanmar and Vietnam (known as the CLMV countries). This has helped give confidence to Thai business people wanting to explore the market opened up by the ASEAN Economic Community (AEC). The ultimate goal of the workshops is to strengthen Thai business operators involved in trade and investment in this regional market.

The first workshop was held between June-July 2016 and focused on Myanmar. Speakers came from both the private and public sectors. Myanmar experts shared their knowledge on marketing, laws, tax and business analysis as well as culture and consumer behavior. A realistic business plan was then drawn up based on knowledge from the workshop and the visit.

A second workshop has already been planned to take place in February-April 2017 with Cambodia as the focus of study. Participating entrepreneurs will learn of the successes of pioneering Thai companies that have grown their businesses in this market.

## Improvement of professional skills for students in Myanmar

Bangkok Bank worked together with the Office of Vocational Education Commission in Thailand, Indorama Ventures and Thanlyin Technological University in Myanmar to improve its students' professional skills. The Bank gave six students from the university scholarships of Baht 50,000 each.

The scholarships enabled the students to attend training courses for two months at Samutsongkhram Technical College. After that, they were trainees at Indorama Ventures in Myanmar for one month, learning from this real working experience. This also gave the Myanmar students the opportunity to find a job or work in Thailand since they had established relationships with organizations here.

As a result, two Myanmar students got jobs at Indorama Ventures in Myanmar. Other students were able to learn skills from their training course for their future jobs. Positive feedback from this project has prompted Bangkok Bank to hold a second program. Many students from Thanlyin Technological University were enthusiastic about joining the program. The two programs eventually involved 12 students.

The Bank is keen to support the Myanmar government in improving human resources in technology in the hope that it will lead to economic and social structural reform in Myanmar in its goal to become an efficient production base like other ASEAN countries. This activity was an example of the Bank expanding its social responsibility to other countries where it has a presence.



## AEC Investment Clinic Seminar

To open new opportunities on trade and investment in ASEAN, the Bank organized a seminar called an “AEC Investment Clinic” covering seven countries – Cambodia, Laos, Myanmar, Vietnam, Malaysia, Indonesia and the Philippines – with economic, trade and investment information about those countries as well as business ideas for Thais wishing to expand their businesses there. About 250 business people have joined the program so far.

## Connectivity between Thai and Myanmar business heirs

Given that connections are often the beginning of business, the Bank arranged talks that brought together the heirs of Thai and Myanmar business people. About 100 Myanmar business heirs visited Thailand as part of this project. Also, 100 Thai business heirs visited Myanmar to explore business opportunities there.

## Business connectivity among Thai business people

The Bank organized a quarterly activity to promote supply chains among Thai business operators to strengthen Thai business and help SMEs expand at a time of slow growth in the economy. About 200 people took part.

## Training courses for SMEs

The Bank offered 11 training courses for SMEs, called “Bualuang Courses”, to help SMEs thrive in a competitive open business environment. The courses included basics such as business planning, cost and financial management, as well as topics that included B-to-B business, risk management, business solutions, business negotiation, increasing competitiveness with branding, the best CEO, and keeping up with business and current affairs. About 800 people participated in each course. In 2016, the Bank introduced a new course, “Change Concept and Profit”, which taught junior and intermediate managers of SMEs how to reduce costs in times of declining purchasing power to maintain profitability. Managers from 80 companies participated in the training program, and they subsequently trained more than 1,000 of their subordinates.

In addition to training entrepreneurs, the Bank also expanded training to the heirs of Bualuang SME Club members with an annual “Young Bualuang Business Leaders” course to help the heirs manage the business of their parents in a smooth transition. Since 2012, more than 200 SME business heirs have participated in the training.

## Business delegation from Bualuang SME Club to visit ASEAN and China

The Bank and its branch managers in neighboring countries led business people to visit business centers in, among others,

Vientiane (Laos), Kuala Lumpur (Malaysia) and Kunming and Chongqing (China). The aim was to encourage Thai SMEs to expand trade and investment in ASEAN and Southern China. There were between 60 and 70 people on each trip, totalling about 210 in all.

## Providing basic knowledge in economics and finance for youth

The Bank organized an “Open House” activity to offer financial knowledge to students from various educational institutions at its Head Office. The activity was aimed at providing an introduction to economic systems and the role of financial institutions that could be useful for studying economics and business management in higher education, and for future employment.

Last year, the Bank gave lectures to students from many universities such as Universitas Gadjah Mada in Yogyakarta, Indonesia; STIE Perbanas in Surabaya, Indonesia; and the Royal Melbourne Institute of Technology (RMIT) in Australia. Lecturers and students from institutions in Thailand, namely Burapha University International College in Chon Buri, and Nak Prasit School in Nakhon Pathom, attended the program as well. Also, executives and managers from Bangkok Bank (China) shared their knowledge with a group of 40 Chinese students from Shanghai Xiandai Vocational and Technical School who were visiting the head office and branch in Shanghai.





As a member of the CSR Club of the Thai Bankers' Association, the Bank ran a project to educate youth about finance and financial discipline. In cooperation with various institutions – the National Council for Child and Youth Development under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn, the Stock Exchange of Thailand, the Bank of Thailand and the Office of the National Anti-Corruption Commission – Bangkok Bank provided instructions to young people about financial planning and personal finance. The program also aimed at teaching anti-corruption principles and practices. Some 312 students and 35 professors from seven higher educational institutions in Nakhon Pathom attended the program. Some 191 students adapted the knowledge from the club's member banks and shared it with other students and people in local communities through 25 activities involving about 4,000 people.

## Creating an environment supportive to Thai businesses and benefiting the whole economy

The Bank set up an "AEC Connect Center" to advise customers wanting to expand their trade and investment to ASEAN nations through the Bank's regional network in nine countries. The center organized seminars and provided detailed information for customers, who are able to follow its Facebook page "AEC Connect".

The Bank also improved the content of its website, [www.bangkokbank.com](http://www.bangkokbank.com), under the topic "International Network", presenting services through overseas branches for customers needing to perform transactions in other ASEAN countries.

The Bank produced regular episodes in a short documentary program called "Idea Can Do", which is broadcast on television and introduces interesting and creative SMEs in Myanmar. It includes stories about Myanmar folklore adapted to fit with the changes of modern life. The Bank hopes this might inspire young people to develop their businesses from folklore knowledge. Other programs included one on the ASEAN Economic Community for a program called "Puan Koo Kit" which has been broadcast on Thai TV Channel 3 since 1989, "AEC Mee Thang Ruay", and "AEC Plus."

On the topic of creative industry promotion in local markets, the Bank produced a television program called "Yes or No Innovation" to search for innovative businesses employing knowledge, technology and research to develop their products, production processes and creative services. It helped Thai innovators test the water before embarking on a real business. It also helped increase the comparative advantage of Thai innovation in meeting international standards. The program's judges were experts in innovation.

## Support for micro economy and community economy

### Small and medium-sized enterprises (SMEs)

The Bank recognizes the importance of SMEs, which are the major business engine of the country, contributing more than 40 percent to the country's Gross Domestic Product (GDP). This has led the Bank to promote many programs supporting SMEs. In 2016, the Bank signed a memorandum with the Government Savings Bank to offer credit under a scheme called "Low interest credit for machinery replacement and to improve productivity for SMEs". The total credit line for the project was Baht 30 billion, aiming to improve the potential of business operators and encourage them to invest locally and therefore help drive a sustainable economy.

The Bank also signed a memorandum of cooperation with the Thai Credit Guarantee Corporation called "Credit Guarantee for Start-up & Innovation", allowing SMEs, new business operators and start-ups to access capital more easily. It also signed separate memoranda on credit at a low interest rate to provide working capital for SMEs that were customers of the Government Savings Bank, aimed at rescuing small enterprises in financial trouble.

▼ **Target groups for programs supporting micro and community enterprises**



**Innovation in business**

Based on its experience and understanding that customers have different financial needs, the Bank has designed a loan that supports SMEs to create innovation for the market. Special credit conditions are created to support SMEs in the hope that they will help build strong foundations for the Thai economy. Bualuang Tan Jai Loan, for example, was designed to shorten approval times. The Bualuang Green Loan is for green and environmentally-friendly businesses, Bualuang SME Start-up is for startup businesses, the Agriculture Loan is for promoting technology and modern agriculture, Micro Entrepreneurs is for small enterprises to access capital, the Bualuang Loan for Franchisees is for franchise businesses, and the Good Innovation without Interest Loan is for promoting prototypes of innovation for commercial purposes.

**Social enterprise**

The Bank and more than 60 private and public organizations together agreed to cooperate on the “Pracharath: Promoting SMEs, Startups & Social Enterprises” initiative. The main purpose is to strengthen and improve the capacity of Thai business operators. The intention is to create business models able to

promote knowledge-based businesses (including creativity, innovation and cultural identity) for local communities. The hope is that these will be a force for change in society that enables the economy to grow in a stable and sustainable fashion. The cooperation is supported by the Government to support and promote startups and social enterprises. This is an opportunity for Thai business operators to showcase their potential to both the local and international communities. Successful business people have been asked to mentor small businesses. The Government plans to create a business environment to speed up the growth of startup businesses and social enterprises. As a financial institution participating in this project, the Bank will help startups to access financial resources.

**Consumers and vulnerable groups**

The Bank cares about customers’ access to financial services and products as well as a variety of services. The Bank therefore introduces innovative new services to respond to the needs of a wide range of customers. It encourages them to use its digital channels, which are convenient, quick and safe, do not require going to the bank, and save time, cost, energy and paper. They also allow customers in remote areas to access financial services and products anywhere and anytime. The Bank can assure customers that their personal information is protected.

The disadvantaged, such as people in remote areas, retirees and foreign workers, can access the Bank’s financial services too. The Automated Teller Machine (ATM) network has 9,300 units offering eight languages – Thai, English, Chinese, Japanese, Arabic, Myanmar, Cambodian and Laotian.

**Community**

Currently, many Thai households are undergoing economic and social changes that are affecting their financial security, and Thailand is experiencing issues associated with an aging society thanks to extended life expectancy. As a socially responsible corporate citizen, the Bank joined with its financial subsidiaries to hold the “Bualuang Family Banking” events for the fourth year. They have been held over the last three years with the aim of extending sustainable wealth planning to the community. The events have educated customers about comprehensive

financial planning, such as saving, risk coverage and investment. The theme of Bualuang Family Banking last year was “Digital Life”, with events held 18 times nationwide. The Bank promoted the seminars through branch staff, posters, leaflets and messages on ATMs, as well as social media such as Facebook and LINE with excellent results. Customers sought a range of financial advice including financial planning after retirement, saving for children’s education, and marriage. Other organizations gave advice on planning for studying abroad and medical treatment plans after retirement.

The Bank also invited experts from BBL Asset Management and Bualuang Securities to provide information about finance and savings. Approximately 35,000 customers nationwide joined Bualuang Family Banking events, of which 8,043 requested financial planning advice from the Bank, covering a total of 12,508 financial plans. This activity alerted the Bank’s staff to be ready to give financial advice to customers and understand customers’ needs better. This was part of the Bank’s social responsibility in building a strong and sustainable community.

### Professional groups

The Bank helps professionals to save with two campaigns run by staff. One provides a working schedule for staff to go out and convince prospective customers to start saving money, and another to deepen relationships with customers and understand all aspects of the financial needs of customers and business networks. They are required to understand the needs of all kinds of customers, from general to community and business. The process directs staff to educate customers about finance and saving, aiming to create a stable financial status. At the same time, they offer services provided by the Bank to help customers achieve their goals.

With the trust of customers, the Bank’s financial advice can respond to their real needs and at the same time identify the financial needs of other parties with whom those customers are involved.

### Farmers

In 2016, the Bank continued to give priority to upgrading Thai farmers to the status of “Smart Farmer”, the term given by the Bank to farmers who use modern agricultural techniques and management. The idea is to encourage farmers to add value to their products. Last year, the Bank applied the strategy “Knowledge, Quality, Standard and Meeting Market Demand” under the Modern Agriculture Project to the “Smart Farmer” project. Bangkok Bank expanded credit from the Modern Agriculture Loans from individual farmers to farmer networks, thereby strengthening all farmers. Also, the Bualuang Green Loans offered by the Bank provided encouragement to farmers to care about the environment and consumer wellbeing.

The Bank still focuses on farmers’ savings and management of their incomes and this program has received a positive response from farmers. They have started saving money in savings accounts and installment fixed-deposit accounts (Sinmathaya Subthawee) as well as using debit cards, and many have bought accident insurance. The Bank has also offered some services, such as opening new bank accounts, at sites where product trading takes place, allowing farmers to deploy their bank accounts to conduct all their transactions and save their money with the Bank. Staff also visit customers’ businesses in the areas under their responsibility, inviting them to make effective use of their bank accounts. Staff also invite new customers to open current accounts and savings accounts. Customers thus receive useful financial information and can use convenient channels for their financial transactions, which are quick and save customers’ time.

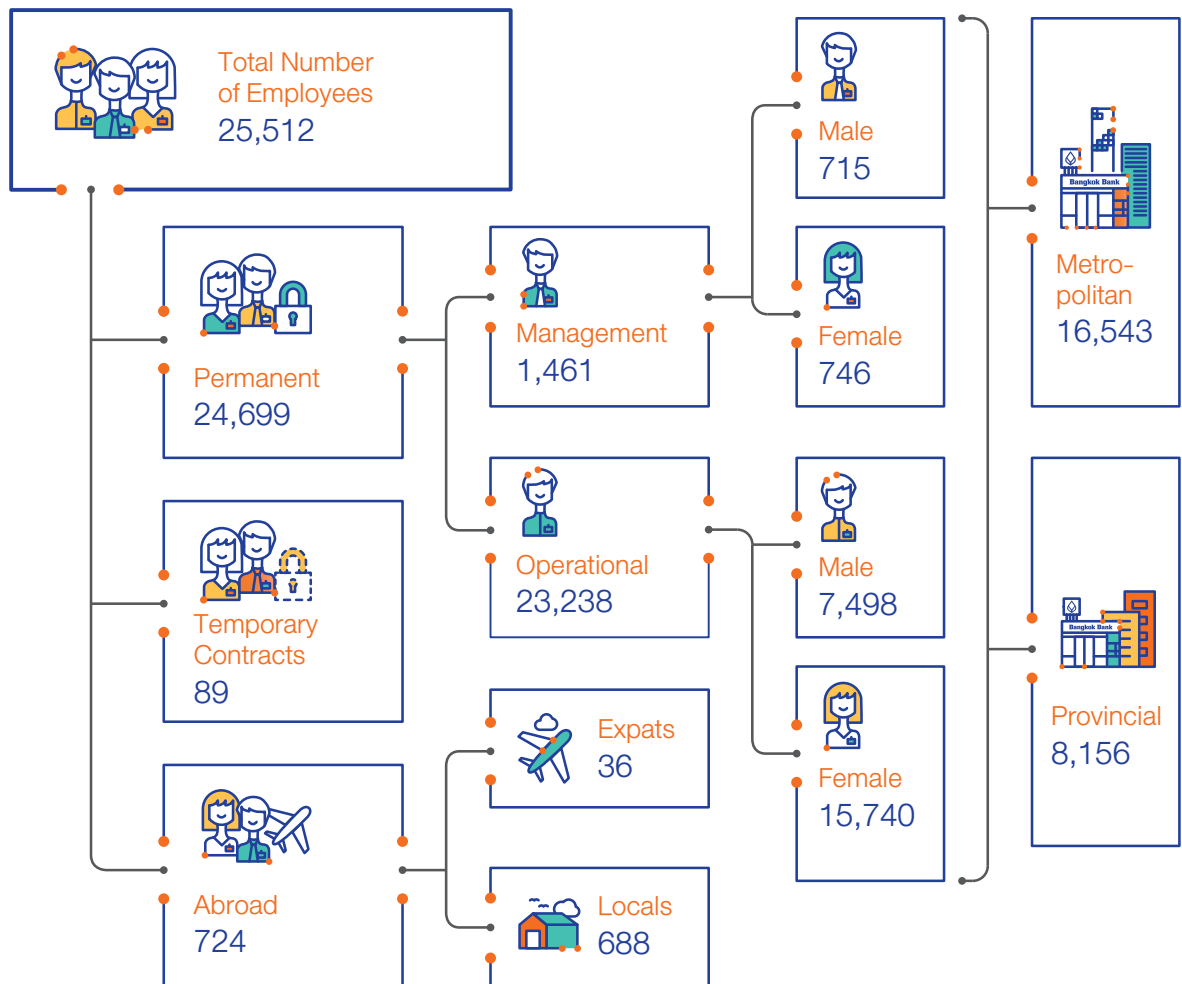
## Care for staff and workplace

“Bangkok Bank understands the value and importance of its employees at all levels as invaluable assets of ours and Thai society’s”



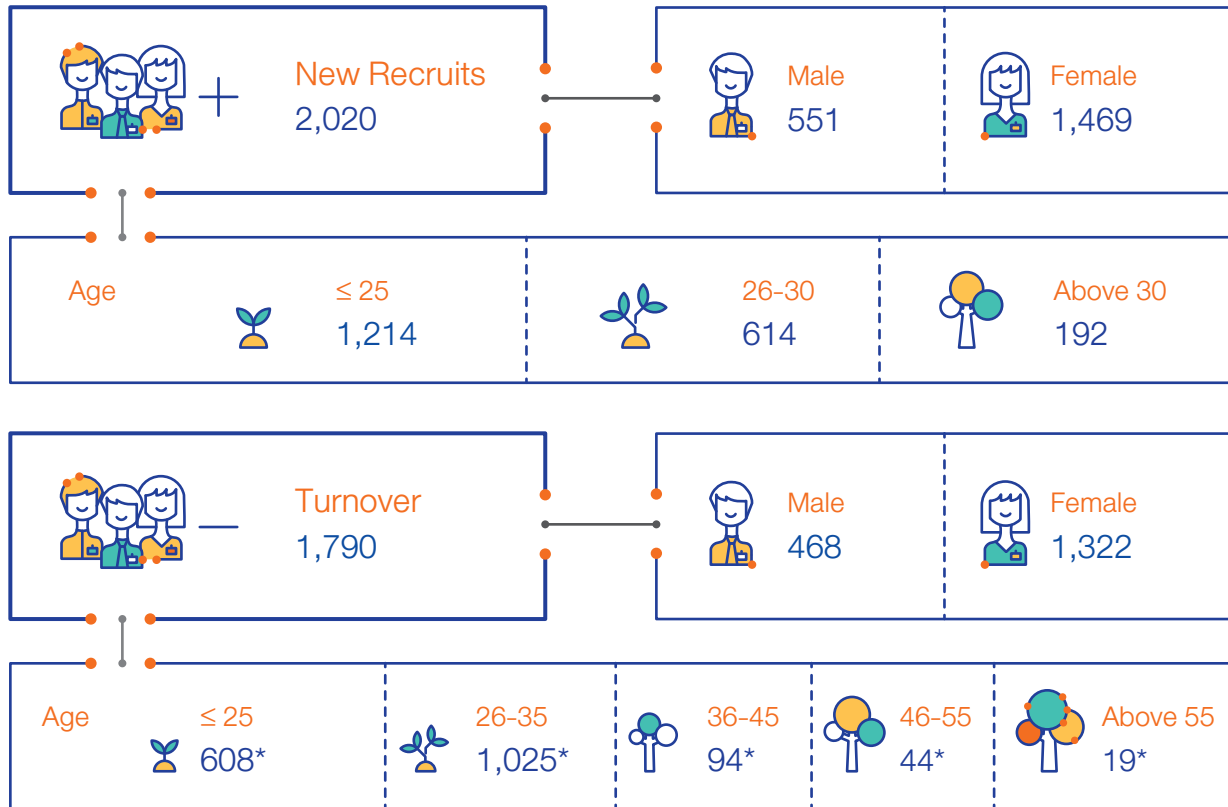


## Number of employees and type of employment



▲ Summary of the number of employees

▼ Recruitment status



\* Excludes employees working outside of Thailand and contracted employees

## Employment and remuneration

### Type of employment

At Bangkok Bank, there are two types of employment:

#### Permanent employees

Permanent employees are those whose contracts do not specify the employment period. Permanent employees can work until mandatory retirement, unless found to have abused their duties, or breached the Bank's regulations and caused damage to the Bank.

#### Employees on temporary contracts






Employees on temporary contracts are contracted for a specific employment period, with defined starting and ending dates. They are assigned to perform temporary tasks until the contract term expires or until assigned goals are achieved.

### Remuneration

The Bank considers employees' remuneration to be of great importance. It understands that satisfactory remuneration will give rise to quality of life and career stability for its employees. As a consequence, employees will have pride in their work and be willing to fulfill the expectations of customers. In practice, the Bank always remunerates its employees at a higher rate than the minimum wage specified by law. For example, in 2016, remuneration of operational-level employees was 17.4 percent higher than the legal minimum wage.

The Bank commits to pay wages, salaries and welfare compensation fully and on time, by prudently planning for remuneration and welfare expenses.

## Welfare and provident funds

<b>Health and Recreation</b>	<b>Bangkok Bank Sports Club</b>
	<ul style="list-style-type: none"> <li>• Fitness facilities</li> <li>• Sports fields               <ul style="list-style-type: none"> <li>• Football</li> <li>• Basketball</li> <li>• Tennis</li> <li>• Badminton</li> <li>• Takraw</li> <li>• Chair ball</li> </ul> </li> </ul>
	<b>Health Care unit</b> <ul style="list-style-type: none"> <li>• Specialist physicians at the Health Care unit</li> <li>• Reimbursement for medical expenses</li> </ul>
<b>Leave Allowances</b>	<ul style="list-style-type: none"> <li>• Sick leave</li> <li>• Casual leave</li> <li>• Annual leave</li> <li>• Maternity leave or paternity leave</li> <li>• Hajj leave</li> <li>• Ordination leave</li> <li>• Military service leave</li> </ul>
	
<b>Employment Funds</b>	<ul style="list-style-type: none"> <li>• Provident Fund</li> <li>• Social Security Fund</li> <li>• Workmen Compensation Fund</li> </ul>
	
<b>Staff Loans</b>	<ul style="list-style-type: none"> <li>• House purchase, house construction, land purchase and condominium purchase</li> <li>• House repair and renovation</li> <li>• Car purchase</li> <li>• Children's education (loan top-up)*</li> <li>• Emergency loan*</li> <li>• Purchase of household goods and other necessities</li> <li>• Medical fees</li> <li>• Computer purchase</li> <li>• Master degree scholarship loan</li> </ul>
	
<b>Social Welfare</b>	<ul style="list-style-type: none"> <li>• Compensation for the loss of a family member</li> <li>• Child benefits</li> <li>• Special monetary aid for employees working at currency exchange outlets*</li> </ul>
	

### Employee welfare

Bangkok Bank would like all staff members to have a good life, good health and job security. The Bank therefore provides work compensation and other benefits that provide a good standard of living, in return for employees dedicating their physical, mental and creative resources for the Bank.

The Bank also provides various kinds of benefits to employees to support their quality of life, as appropriate to current economic and social conditions. The welfare provided is comprehensive, able to serve the needs of employees, and comparable to that of other leading business organizations in the country.

### Welfare for quality of life

Benefits provided to Bangkok Bank employees include recreation and health care services which are available at Bangkok Bank's Head Office on Silom Road, Bangkok and at Bangkok Bank's Sports Club on Srinagarindra Road, Praves, Bangkok. The Bank provides medical services for all employees at the Health Care unit on the 4th floor at the Head Office on Silom Road and 2nd floor at the Training Center Building on Rama 3 Road, with general and specialist physicians on hand. The medical welfare scheme also covers annual physical check-ups. Employees receiving medical and dental services from hospitals outside the Bank are entitled to reimbursement at the rates set by the Bank. In addition, retirees can also receive free medical care from the Bank's Health Care unit including medicines and doctor fees.

\*Additional welfare benefits introduced in 2016

## Staff leave

Bangkok Bank has established clear regulations about staff leave entitlements for various purposes, including sick leave, casual leave, annual leave, maternity leave, paternity leave, the Hajj, ordination leave, and military service leave. The Bank has also provided some additional benefits which are superior to the standards specified by labor laws. For example, the legal requirement is for annual sick leave with pay for 30 working days but the Bank provides sick leave with pay for up to 90 working days.

## Provident Fund

The Bank has established a provident fund. All employees can apply for membership and choose an investment policy to suit their needs.

The Bangkok Bank Public Company Limited Employee Provident Fund is a registered fund which has an “Employee’s Choice” policy to match the individual’s risk profile. Employees can choose between five risk levels, namely lower, low, medium, high, and higher. Fund members can change their investment policies twice a year within specific time periods.

## Staff loans

The Bank also offers staff loans to provide for staff needs and help ease their financial burdens. The loans offered are for house or land purchase, house construction, house repairs and renovation, car purchase, children’s education, household goods and other necessities, medical fees, higher education (for staff), and computer purchase.

## Social welfare

In the event that an employee dies or has to end their contract prior to retirement due to illness or accidents caused from working for the Bank, their families will be offered social welfare assistance in the case of death or disability. Moreover, the children of employees will be offered child benefits on a monthly basis, Baht 600 each for the first three children, until they graduate with their bachelor’s degrees. This is in addition to the benefits they receive in accordance with the social security law.

## Social Security Fund

The Bank follows the social security law by providing the employer’s contribution to the Social Security Fund on time and for the full amount.





## Additional welfare effective in the year 2016

In 2016, the Bank introduced additional welfare support for employees to suit current living conditions such as emergency loans up to Baht 50,000, with an annual interest rate 0.25 percent lower than the premium rate given to first-grade customers (MLR). No collateral is required. The loans are for up to three years, and employees may obtain these loans up to three times during their employment at the Bank.

The Bank also offers special monetary aid of Baht 3,500 per month for employees working at branches which are open for service seven days a week and at currency exchange outlets which are also open for service seven days a week. Employees working at these outlets are required to work four days continually and two days off afterwards, effective from 2016 onwards.

The children's education loan rate in 2016 was increased from the maximum rate of 1.0 times the salary to 1.5 times the salary.

The Bank also adjusted the contribution rate to the Provident Fund of 0.75 percent to reach the highest rate of 8.75 percent.

## Workforce management and employee relations

The Bank clearly informs persons being recruited, in writing, of the scope of employment, details of working conditions, and remuneration before employing them.

The Bank has three labor unions which are the Bangkok Bank Workers Union, Bangkok Bank Employees Union and Bangkok Bank Managerial Officers Union. This demonstrates the Bank's support for the participation of its employees in labor organizations. In 2016, there was a friendly atmosphere at union

member meetings to discuss complaints, which were resolved with mutual benefit to all related parties.

In 2016, more than 10,000 employees and managers were members of these unions which represented the interests of all employees of the Bank. There were no significant issues or damages in terms of employee relations to the Bank's business operations.

## Workplace health and safety

### **Committees of Occupational Safety, Health, and Work Environment of the Workplace**

The Bank has appointed Committees of Occupational Safety, Health, and Work Environment of the Workplace at 37 offices and branches with 50 or more employees, in and around Bangkok, as well as in other provincial areas. These committees are required to maintain workplace health and safety in accordance with relevant laws.

Each committee comprises a chairman, committee members at the supervisory level, and committee members at the operational level. Each committee works for a two-year term.

In 2016, the committees conducted a report on health and safety indicating that there were three cases of work-related accident or sickness, representing 0.01 percent of all employees. There were no incidents that risked disruption to work, or contraction of diseases arising from work.

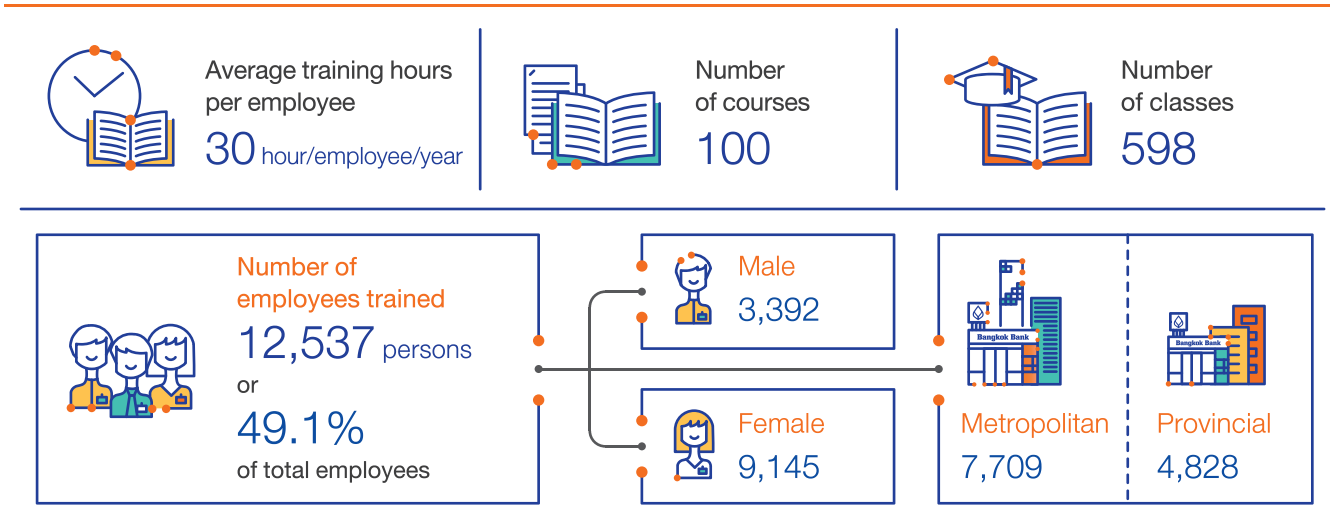
### **Health care for employees**

Bank employees visited the health service facilities of the Bank 39,999 times during January 1-September 30, 2016, an increase of 10.6 percent from the same period in the previous year, and the budget which the Bank provided to support the services increased by 2.0 percent from 2015.

Employees receiving medical and dental services outside the Bank are also entitled to reimbursement. During January 1-September 30, 2016, there were 50,970 cases of employees being reimbursed for their expenses for external medical and dental services, an increase of 2.9 percent from the same period in the previous year, with a budget increase of 4.25 percent, due to the increases in service fees and the cost of medicines.



## Career development for employees



### Learning through electronic media

The Bank encourages employees to improve their skills through self-learning with online learning technology and the use of mobile applications to improve their knowledge and working skills. Learners are able to access the sources of knowledge by themselves at any time and from any place.

#### Inspiring employees to participate in initiating and creating innovation

The Bank gave opportunities for employees to participate in creating and innovating the products and services of the Bank, especially the Bualuang mBanking service, which was launched early in 2014. The Bank arranged activities for the employees to share their views in designing the display screens, the function menus, the process sequences, and the vocabularies to ensure the best possible customer experiences.

Moreover, the Bank carried out a customer behavior survey to learn about customers' needs to develop the service. The survey was aimed at two different types of customers. For external customers, the techniques of focus groups, quantitative research, and social monitoring were used. For internal customers, the information was gathered from employees from different departments, including branches, and customer service centers. This research has helped Bualuang mBanking service to grow

extensively, in terms of the number of users, the volume and the value of transactions, with deep insights from new users and existing customers of the Bank.

In 2016, the Bank received awards from various organizations, which confirmed that inviting staff to help improve Bangkok Bank's Bualuang mBanking effectively serves the needs of its customers. Also, the Bank continuously develops new services and encourages employees to participate in initiating and creating innovation.

The Bank initiated a campaign for employees to create video clips showcasing its services for foreign customers. Employees from all branches throughout the country were encouraged to participate by presenting their techniques for serving foreign customers effectively and well. The campaign aimed to increase customer satisfaction and introduce them to make use of other services of the Bank. The video clips can also be used as training material for employees at branches that provide international services. The contestants were requested to create five-minute video clips to introduce international services of the Bank. All employees were eligible to vote for their favorite clips via the Bank's internal website called BBL Connect. The winners received awards to motivate creativity and stimulate innovation within the Bank.

## Developing human resources for the future

The Bank's systematic human resource development approach aims to help the Bank's employees reach their potential which will support the sustainability of the Bank's business. The Bank has a Learning and Development unit within Human Resources which is charged with the responsibility to develop the Bank's personnel to be competitive now and in the future. The unit is also responsible for the development of managers, providing them with content, tools and learning approaches so they can capably perform their duties and achieve the organizational goals. The Bank is determined to increase the channels of learning and utilizes technology to help develop its human resources.

Examples of highlighted courses and programs for human resource development:



### Online orientation for employees working in provinces outside Bangkok

The Bank has developed an online orientation program for new recruits who work in other provinces who cannot attend the formal orientation course on their first working day. The use of the electronic learning channel is appropriate for new Gen Y employees who are keen on technology and like to seek new knowledge by themselves.



The online orientation is presented in a game-like format and the activities require employees, their managers and colleagues, to connect online in order to build a good relationship. The game helps new recruits working at branches located in different regions to adapt quickly to the Bank's working environment. They also learn about and understand the Bank's objectives which will create a good first impression. The method also helps to instill pride in their work and create warm relations between employees.

This course has also been designed for new recruits to meet again with their peers of a similar age at the training center in Bangkok where they exchange ideas about the corporate culture and their expected roles as employees of the Bank. It also increases new recruits' skills and awareness about their upcoming professional duties. The online orientation was first implemented in June 2016 with 375 new recruits participating.

### Mobile application for language skills

As part of implementing the Bank's strategies of regionalization and digitalization, the Bank has initiated the Enhance Language Agility Program which is provided through a mobile application. This will help to increase employees' language skills and increase the competitive edge of the Bank internationally. The use of technology enables learners to access knowledge conveniently from any place and at any time.





In 2016, 1,000 staff from Commercial Banking, Business Banking and Consumer Banking joined pilot groups of the Enhance Language Agility Program. There are two levels in the study: beginning English for daily life, and business English for work. The Bank will extend this program in 2017 to cover 2,000 other staff from both business and support units. This is to encourage a self-learning culture whereby learners can effectively use their English knowledge and skills in their personal and working lives.

### **BBL People Manager: Managing People for Success**

This course focuses on development of perceptions, ways of thinking, and the ability to train people who can increase the Bank's competitiveness in a sustainable way. It is designed for executives and managers who have direct responsibilities to develop and nurture their subordinates who are the Bank's most valuable assets. Over a four-day course, workshops, practical training sessions and case studies help participants gain a better understanding of each training topic. During the course, executives will discuss theories they have learned and share ideas about how they can effectively apply them in their work. On the last day, a final examination is held which requires a comprehensive presentation about how to implement the knowledge gained from the course in the workplace. In 2016, the Bank organized training for five classes of 152 executives.

### **Knowledge Day Forum 2016 (Building Learning Agility)**

The Bank organizes this annual program with the objective of providing knowledge and skills for the participants in fulfilling the Bank's intention for human resource development covering a wider range of employees, while building a corporate culture with learning as a core value. The forum also encourages employees to be passionate about self-learning so they can deal with future business challenges. Each year, the Bank selects training topics to suit both the current business environment and anticipated trends, and these are tailored so that participants can adapt the knowledge to real-life situations for the ultimate benefit of both customers and employees.

In 2016, this course focused on building skills for the future and implanting values of self-development in the Bank's employees, so they have the flexibility to adapt to economic, social, technological and competitive changes, and can accommodate a diversity of languages and business cultures, which will become a crucial success factor for the Bank.

Course topics included Digital Mindset, Change Within You, Cross Cultural Diversity Management, and Collaboration for Synergy.





### Management Executive Development Program

This program prepares the Bank’s personnel in the Consumer and Business Banking business units to support rapid business expansion and replace executives retiring from the Bank. The program helps prepare high-potential employees to take on managerial roles, using workshops and on-the-job training techniques to enhance their knowledge and skills regarding financial products, customer relations, and leadership. This program prepares trainees to become efficient Branch Managers and Business Center Relationship Managers. In 2016, the Bank trained seven classes of 151 management trainees.

### Customer Insight & Total Solution Program

This program is aimed at Relationship Managers and Assistant Relationship Managers to help them increase their capabilities in analyzing the overall business and the business processes of their customers, so that products and services can be integrated into a total solutions package, which will effectively serve customers’ needs and meet the Bank’s targets. The course helps to enhance proficiency in advisory roles and team spirit, and teaches systematic learning methods based on experience and practice and the use of performance tracking to evaluate outcomes. In 2016, the Bank organized a pilot training for 45 Relationship Managers from the Provincial Commercial Banking Division.

## Human rights practices

The Bank has established practical guidelines regarding human rights focusing on the importance of conducting business in a prudent and careful manner and considering the impact the business may have on the rights of the employees, communities, other related parties, and society at large. The Bank wants to ensure that its operations will not violate human rights, nor will it support any actions that may lead to violation of human rights in its supply chain.

The Bank discloses its practical guidelines on human rights to employees, service providers and general stakeholders on its website. The Bank's employees can also access human rights information on the BBL Connect intranet network any time.

Within the context of the social and normal business environment in Thailand, problems arising from discrimination in terms of gender, or issues of minority ethnic groups, are infrequent; therefore, there were no incidents of human right violations which might have caused a significant impact to the Bank's operations within the past year.

The Bank's practical guidelines regarding human rights are part of the Bank's code of conduct which has been applied to its group of companies within the financial sector, as well as to its service providers, especially the security service company on duty at branches, business centers, and other business premises of the Bank. The security guards are required to attend training courses to perform their tasks appropriately. Last year, the security company reported that 263 of the Bank's security guards had attended such training courses.

## Human rights in the supply chain

General practice for human rights in the supply chain of the Bank applies to business engagements with vendors, contractors and subcontractors providing services, as well as customers and users of the services of the Bank which require contractual agreements. The Bank's standard contract terms reflect social concerns, such as damage liabilities, labor conditions, and child and forced labor abuses, as reflected in rules and regulations. For example, in the case of procurements or subcontracting services which may involve human rights issues, the Bank will consider only companies on approved lists of the Bank of Thailand, including all of their subcontractors.

With such measures, there were no incidents of social impact caused by the Bank's supply chain, or by any other business processes of the Bank, which may have had significant impacts on the Bank's business operations.

## Responsibility to society

“Bangkok Bank has continued  
its social and community  
investments in various areas”



## Strategy and objectives of investments for community and society

The Bank's strategy for investing in the community and society in 2016 remained focused on three areas which have been well-received by the public. They are:

- Maintaining Thai arts and culture and literature
- Providing education opportunities for Thai youth
- Sustaining spiritual and religious beliefs of the Thai people

The Bank administered its budget planning for corporate social responsibility projects by allocating 43 percent of the budget to the main projects in the above-mentioned areas, while the remaining 57 percent went to newly-initiated projects relating to community, society and public benefit. Of the total budget for the main projects, 18 percent was allocated to activities relating to art and culture, 16 percent to religious activities, and 9 percent to activities related to the monarchy.

Major activities implemented by Bangkok Bank in 2016:

## Maintaining Thai arts and culture and literature

Realizing the importance of arts and culture as the foundation of the nation, Bangkok Bank has been continuously supporting activities aimed at promoting Thai arts and culture, and dramatic arts and literature, which reflect the unique Thai identity. The Bank has also played a part in supporting several famous national artists who began their careers by participating in the Bank's arts and cultural activities, before developing their talents to their current success. The Bank is proud to demonstrate its corporate social responsibility by helping preserve and promote Thai arts and culture, the national identity and sustaining the heritage for future generations. This undertaking is in line with the Bank's corporate symbol of the lotus, a potent symbol of Thai culture.



Statistics of Thai musical and dramatic arts activities: Participation in “Pralong Pleng Plaleng Mahori”

	2012	2013	2014	2015	2016
 Number of schools participating in the competition	45	53	50	61	50
 Number of bands	9	15	18	21	17
 Number of students	224	333	376	469	354

Participation in Thai music concerts held for students

 Number of schools participating in the competition	5	5	4	4	4
 Numbers of audience members	800	1,000	850	900	1,000

Statistics of “Sangeet Saranrom” shows over five years

 Number of shows	24	24	24	24	19
 Numbers of audience members	5,749	6,350	6,475	6,500	5,520

Statistics of annual ritual for art mentors

 Number of events	1	1	1	1	1
 Number of participants	350	300	350	250	400

## Thai musical and dramatic arts

Bangkok Bank Musical Art Center was founded in 1979 in a bid to sustainably support and promote Thai traditional musical and dramatic arts, as well as folk arts. With steadfast efforts in this direction, the Bank has earned respect from the circle of Thai traditional musical and dramatic arts as a true supporter of the arts. The Bank has maintained long-standing good relationships with artists as well as mentors and students of Thai musical and dramatic arts. Activities initiated and maintained by Bangkok Bank Musical Art Center are as follows.

Following Her Royal Highness Princess Maha Chakri Sirindhorn’s initiative, the “Pralong Pleng Plaleng Mahori”, Bangkok Bank Musical Art Center, in collaboration with the Department of Children and Youth, has organized the Thai traditional music competition since 1986. The aim is to encourage high-school students to learn, practice and develop their skills in performing Mahori, a type of Thai traditional music, which continues the classical traditions passed on from earlier generations of musicians. The competition has seen a continuous increase in





the number of participating schools, with 50 schools nationwide sending their bands to compete in 2016. As part of the prize, each award-winning band was also offered an opportunity to showcase their talents to parents and people in local communities on a stage organized by the Bank.

“Sangkeet Saranrom” is an event which Bangkok Bank Musical Art Center organizes for artists to express their talent and creativity, and for enthusiasts to enjoy these kinds of shows, which are becoming increasingly rare. Over 30,000 people have enjoyed the shows held at Kukrit Institute located on Sathorn Soi 1, Bangkok. These classical shows have inspired young Thai people living in nearby communities to participate in Thai musical and dramatic arts classes offered free of charge to young people by the Kukrit Institute.

In addition to continuously organizing Thai music and dramatic arts shows, Bangkok Bank Musical Art Center also has a library with over 15,000 books of arts and culture, particularly relating to the performing arts, and electronic media recordings of various genres of Thai performing arts, which are available for the public to research free of charge.



To support the sustainability of Thai musical and dramatic arts, Bangkok Bank also organizes the annual ritual for paying respect to mentors and teachers. It is held at Bangkok Bank’s Head Office, and up to 400 people from Thailand’s musical and dramatic arts scene attended the ceremony last year. This demonstrates that the Bank’s efforts to sustain Thai musical and dramatic arts has created a ripple effect throughout society.

## Thai literature

The Bank organized the “Kawee Pakka Thong” (Golden Pen Poet) project for the second year to encourage university students to learn and practice writing different types of Thai poems. A poetry writing workshop was held in each region. Famous poets led by Mr. Naowarat Phongphaiboon, a national artist in literature and advisor to Bangkok Bank’s Musical Art Center, shared their knowledge and experience with students. The students were also invited to enter their poems in a competition at the end of the workshop and the winning young poet from each of the five regions of the country received a golden pen. So far over 2,000 students have participated in the workshops.

The Bank continued to support the development and international recognition of Thai literature as a sponsor of the Southeast Asia Writers (SEA Write) Awards, which the Bank has supported for more than 30 years. The “Meet the SEA Write Awardees” annual seminar has been held each year for the last five years. The Bank invited SEA Write laureates from the 10 ASEAN countries to join the event and share their thoughts and tips for success with young students and those interested in writing.

In 2016, the Bank was also the major sponsor for the fifth year of the Chommanard Book Prize, a non-fiction literature award for female authors, organized by Praphansarn Publishing Co., Ltd. The project supports the translation of the winning titles into English in a bid to expand readership internationally.

The Bank also supported another project which was initiated by the company to nurture young authors at high-school and university levels by inviting them to read and summarize key details of selected books and submit their works for competition. Of the total 450 entries, the 40 best young writers were selected to participate in an intensive writing workshop coached by national literature laureates. Each student that participates in a writing workshop receives a Baht 20,000 scholarship. After the workshop, each participant will take on the role of an ambassador representing and promoting the culture of reading for a period of one year. In addition, a compilation of 28 book reviews written by the young people who participated in the workshops in 2015 and 2016 was also published for other young writers to learn and develop their writing skills.

To help preserve Thailand’s cultural heritage for young generations, the Bank also produces a short documentary program, “Laksana Thai” (Thai culture), which is broadcast on Thai Rath TV channel. The aim is to provide knowledge about different types of Thai culture and local wisdom as explained in a series of four original books.

## Providing education opportunities to Thai youth

### Bangkok Bank school buildings in rural areas

The Bank has continued to support development of basic education as a vital component for improvement of the country’s competitiveness. Bangkok Bank initiated a project for donating school buildings to rural areas in 1975. As of 2016, about Baht 35 million has been spent on construction of 29 school buildings for schools in rural areas in 28 provinces. Over 10,000 students benefit from the project each year.

For over 50 years the Bank has provided scholarships for students with good academic records in need of financial support so that they can continue their studies at various universities nationwide, such as master’s degrees in economics at Thammasat University, medical doctor degrees at Mahasarakham University, and science degrees at Mahidol University. Master’s degree scholarships are also available for staff and members of the public interested in furthering their graduate studies in Thailand and overseas.

### Student Internship Program

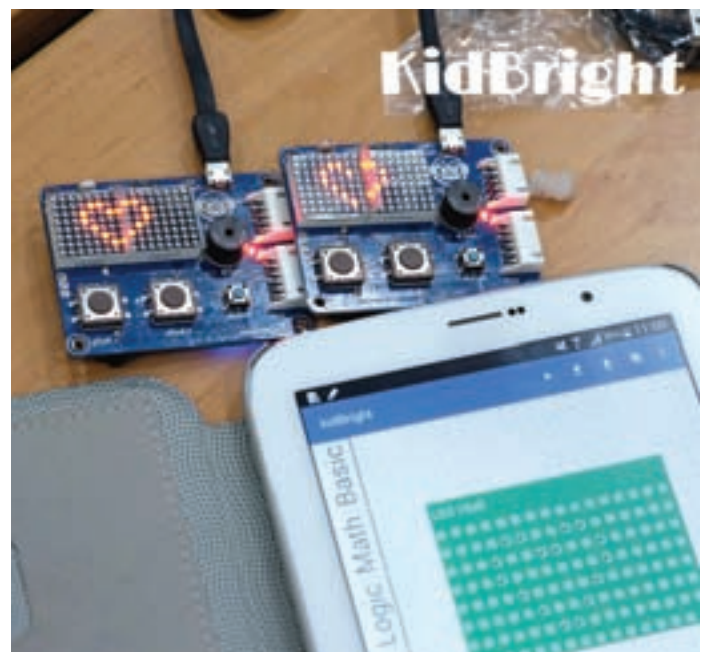
The Bank also helps young Thais develop skills for future careers by providing extra training that goes beyond regular subjects at school. The Student Internship Program (SIP) is a special training course developed by the Bank to provide knowledge about economics and business to university students. The project has been implemented continuously for 34 years, benefiting over 6,000 students. In 2016, a total of 298 students participated in the 67<sup>th</sup> class of the project. They were coached by Bangkok Bank executives and staff members.





## Bualuang for KidBright

To support the government's Digital Thailand policy to leverage digital technology for the development of the country, Bangkok Bank supported the National Science and Technology Development Agency and the National Electronics and Computer Technology Center to conduct the "Bualuang for KidBright" project. The project produced the "KidBright Board", an electronic circuit kit which can display visual and audio output in line with programming instructions sent from Android smartphones. A total of 500 sets of KidBright Boards were produced and distributed to schools in Bangkok and surrounding areas participating in the project. Students can learn and practice writing the programming instructions and applying the visual and audio output for practical use. The project is intended to help youth prepare for their education in computer science.



## Junior Achievement Company Program

The Junior Achievement Company Program (JA Company Program) is a training course aimed at providing business skills to high-school students. The project has been successfully undertaken in other countries and the Bank jointly works with Junior Achievement Thailand, a branch of a US-based non-profit organization, to develop training materials in the Thai language. In 2016, students from 25 schools joined the program and learned how to do business in practice. The students from 20 schools entered the competition to sell their products at a trade fair held at the EmQuartier shopping complex to gain experience in running a business amidst fair and regulated

competition. Altogether they managed to raise Baht 150,000 to set up their businesses and generated a total of Baht 622,228 in sales and Baht 218,758 net profit during the trade fair. As a part of their social responsibility, the students also donated Baht 41,554 from the total net profit to charity.

Over the past three years, the JA program attracted over 1,500 students from 52 schools to participate in the training courses. Bank executives and staff are encouraged to volunteer to teach. A total of 32 staff have so far participated as volunteer teachers in the program, with an accumulated 240 working hours.



## Sustaining spiritual and religious beliefs of the Thai people



Bangkok Bank continues to uphold two major pillars of society, religion and the monarchy, through the following activities:

### **Maintaining religion**

Bangkok Bank recognizes that every religion teaches people to value good deeds and promote peace in society. The Bank therefore continues to support and maintain various religious undertakings, and provides opportunities for its personnel at all levels – directors, executives, and staff – as well as all stakeholder groups and local communities, to join the religious activities it organizes.

In 2016, Bangkok Bank obtained royal approval from His Majesty the late King Bhumibol Adulyadej to take the Royal Kathin — comprising monks' robes, donations and other offerings — to Pranon Chaksi Worawiharn temple in the central province of Sing Buri. About 1,000 people, including the Bualuang Volunteers' Group (a charitable group of the Bank's executives and staff), former staff of the Bank, government officials, businessmen and the people of Sing Buri, as well as executives and staff of the Bank, participated in the ceremony. A total of Baht 7,408,587 was collected. It was donated to the temple for restoration work and religious studies for monks and novices.

Taking the Royal Kathin to temples under the royal patronage is a prestigious mission which Bangkok Bank has carried out for 50 consecutive years. 2016 was the last year of the Royal Kathin from His Majesty the late King Bhumibol Adulyadej.

Last year was a special religious year for Bangkok Bank as it took the Royal Kathin to temples on two occasions in the same year. The second Royal Kathin was presented to Wat That Luang Neua in Vientiane, Laos. Up to Kip 940,236,599 or Baht 4,087,985 was donated from more than 1,000 Buddhists who joined the ceremony from both countries, reflecting the good Thai-Lao relationship. The Royal Kathin ceremony also presented a good opportunity for the Bank to strengthen relationships with local customers. Bangkok Bank has been operating a branch in Vientiane for 23 years. The second branch in a southern province of Pakse was opened in early 2016.

The Bank continued the project aimed at celebrating Buddhist monks graduating in the Buddhist Theology examination at the highest level in the 9<sup>th</sup> grade. A total of 1,501 monks and novices have participated in the ceremonies held over the past 43 years. Training in basic financial and account management is also provided to these monks because over 90 percent of them have been given the responsibility of financial management at the temples. This project is in its third year and in 2016 20 monks joined the training conducted by the Bank staff.



## Upholding the monarchy

Bangkok Bank is deeply grateful for His Majesty the late King Bhumibol Adulyadej, Her Majesty Queen Sirikit and members of the Royal Family, who have tirelessly dedicated their life's work for the well-being of all Thais through many development projects and activities. The monarchy is the soul of the nation and the guiding light of the Thai people which has led Thai society and the nation safely through countless difficulties and crises. To pay tribute to Their Majesties, the Bank proudly supports Royal Initiative projects and organizes activities to express gratitude.

The Bank in collaboration with Phraram 9 Kanchanapisek temple organized the ordination of 90 novices in tribute to His Majesty the late King Bhumibol Adulyadej on the occasion of the 70<sup>th</sup> anniversary of his accession to the throne on June 9, 2016, and Her Majesty Queen Sirikit on the occasion of her 84<sup>th</sup> birthday anniversary on August 12, 2016. The novices were ordained for 20 days from March 28 to April 16, 2016.



The nation mourned His Majesty the late King Bhumibol Adulyadej who passed away on Thursday, October 13, 2016. Bangkok Bank joined the nation in taking an oath of loyalty to the King at the “Ruam Palang Haeng Khwam Pakdi” (United to show allegiance to the King) event, held at the Silom Road Head Office, Rama 3 Building and over 1,000 branches nationwide on November 22, 2016. The event was held to express gratitude to His Majesty the King for his kindness and dedication to the happiness of the Thai people and advancement of Thailand in all aspects throughout the 70 years of his reign.

The Bank held a merit-making and food-offering ceremony for 100 Buddhist monks in front of the Head Office on Thursday, December 1, 2016 in tribute to His Majesty the late King Bhumibol Adulyadej, and to mark the 50<sup>th</sup> day of his passing. The event, also marking the 72<sup>nd</sup> anniversary of the Bank, was held not only at the Head Office but also at branches, business centers, and other offices of the Bank nationwide with many executives, staff, customers and other people joining. The Bank also produced His Majesty’s portrait in large-sized high-quality print for distributing to customers and the public as a commemoration of the late King.

Bangkok Bank and its group of companies obtained royal approval to host the funeral ceremony for His Majesty the late King Bhumibol Adulyadej at Dusit Maha Prasat Throne Hall, the Grand Palace on January 15, 2017.

The Bank also offered a luncheon for 130 Buddhist monks at Phraram 9 Kanchanapisek temple on January 23, 2017 to mark the 100<sup>th</sup> day of the former monarch’s passing. On this occasion, Phra Dharmabundit, the temple’s abbot and panel member of the Sangha Supreme Council of Thailand, and Mr. Deja Tulananda, Vice Chairman of the Executive Board, as chairman of the lay people, participated in the religious activity.

## Responsibility for products, to customers and consumers

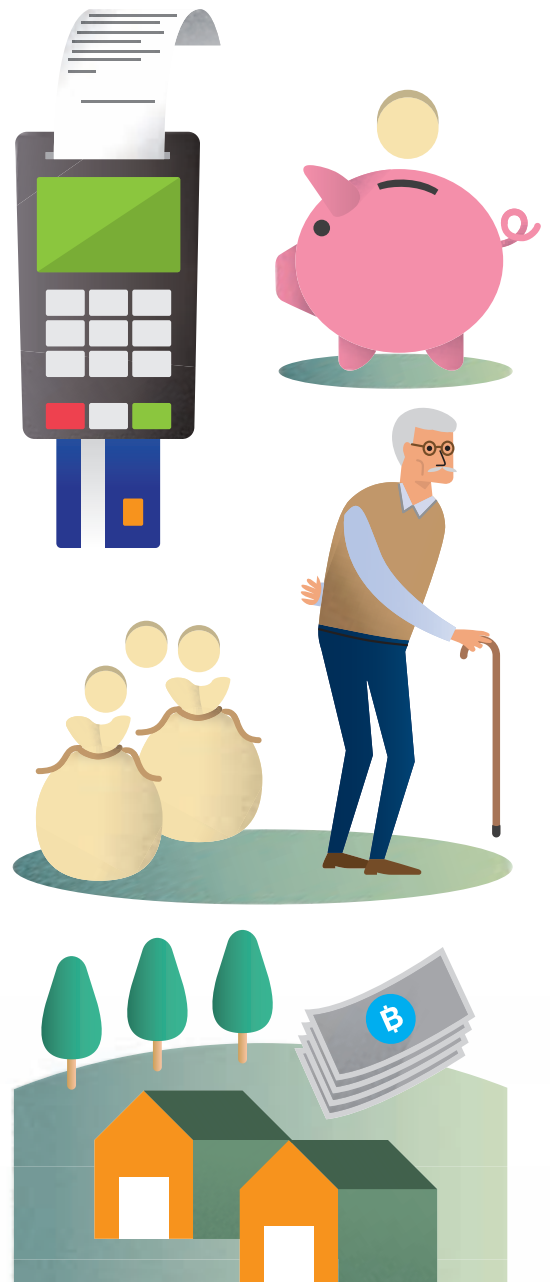


“Bangkok Bank places significance on accessibility to financial service for all customer groups, and the development of a variety of products and services to fully meet the needs of customers”

## Financial products reflecting social responsibility

As a socially responsible financial institution, Bangkok Bank exercises due care in the provision of financial products and services, starting from the product design stage until the end of the product life cycle. It adheres to the principle of business fairness and strictly abides by the law and government regulations to ensure that customers feel secure, receive fair treatment, and are confident in using the Bank's products and services.

The Bank takes a cautious and prudent approach in providing detailed information about its products or services in accordance with the regulatory and procedural framework for financial institutions. In 2016, there were no incidents or cases with negative impacts on customers and consumers, which might have significantly impacted on the Bank's business operations. Such issues might have included problems for customers and consumers due to inadequate provision of information, breaches of privacy, loss of customer information, complaints about violation of relevant laws and regulations, complaints about health and environmental matters, breaches of agreed conditions, or use of products or services.



## **Products and services for business**

In providing business loans, the Bank practices the General Underwriting Standards (GUS) to screen business loan customers to ensure their businesses would not lead to negative impacts on the community, society or environment; violate criminal laws; cause financial damage; or engage in illegal transactions. Nor would they undertake any activity which has not been approved by appropriate authorities or which has the potential to cause a severe impact on communities. For large-scale projects, which the Bank supports in collaboration with other domestic and international financial institutions, the Bank practices corporate social responsibility guidelines accepted internationally.

The Bank has put in place measures for prevention of violations of money laundering and financing of terrorism. The preventive measures generally focus on illegal businesses, narcotics, and human trafficking. The Bank organizes training about these matters for executives and staff at every level, every other year.

The Bank has structured its business-lending operations based on the nature of the products and services offered to customers, namely Corporate Banking, Commercial Banking, and Business Banking.

For Corporate Banking customers, the Bank provides advice about the use of their working capital for the highest return. The Bank develops products and services to suit customers' businesses, and invests in new technology to meet corporate customers' needs for a complete range of financial services and has the capability of displaying a full format of fund transfer data in compliance with the ISO 20022 standard for electronic data interchange between financial institutions.

For Commercial Banking customers, the Bank continued to support ground-mounted solar farm projects, which is part of the government policy on promotion of the use of recyclable energy in communities and projects for efficient consumption of energy. The Bank also organized Bualuang SMART Family Enterprise seminars to support leadership transitions for Thai family businesses in a smooth and successful way. In 2016, the Bank organized the seminars for the fifth consecutive year.

For Business Banking customers, the Bank encourages and supports these small enterprises to use modern technology to accomplish financial transactions via its internet banking service for business customers, BIZ iBanking. The Bank also organizes various activities to educate this group of customers about online payment channels, such as seminars on e-commerce payments for [thaitrade.com](http://thaitrade.com), Thailand's official B2B e-marketplace, operated by the Department of International Trade Promotion of the Ministry of Commerce.

## **Products and services for consumer**

In 2016 Bangkok Bank improved various business processes to enrich its service offerings to individual customers and consumers, including digital banking services, payment systems, service channel enhancements and product development to ensure that the Bank has the capability and flexibility to meet changing customers' needs. Furthermore, the Bank has strengthened customer confidence in information security and privacy, as well as providing convenience in making transactions on its anywhere, anytime omni-channel banking platform, which also extends to all other target customer groups – Corporate, Commercial, Business, Consumer, International Banking, and Investment Banking.

## **Innovative products and services for financial security**

Bangkok Bank recognizes that modern technology and telecommunications are essential for providing inclusive access to financial services, and it seeks to be a leader in providing digital banking services. The Bank has therefore developed innovative products and security enhancements to ensure customers at large can be confident in doing their banking.



In 2016, Bangkok Bank launched Bualuang mBanking's mAlert service – a new feature that helps customers keep track of their account movements, reminds them of credit card payments on the due date so they can avoid late charges, and notifies customers of every log-on to their accounts. Customers can choose to receive mAlert notifications via three channels or any combination of them, namely push notification, SMS and email. Customers can also receive mAlert notifications on their Apple Watches to track their account movements.

To provide consumers at every level with convenient access and use of our feature-rich mobile banking service, all customers need to do is download the Bualuang mBanking application and register online using information on their Bangkok Bank Be1<sup>st</sup> debit card, ATM card, or credit card. Then they can start using basic functions of Bualuang mBanking right away. The basic functions include checking balance, viewing account activity, transferring funds between own accounts, and viewing credit card statements and transactions and available credit. The Bank does not charge any fee for using these basic functions.

In addition, the Bank has enhanced the capabilities of Bangkok Bank's ATMs to accept all EMV chip cards from other banks. The Bank has also installed anti-skimming devices in all of its ATMs nationwide to provide a higher level of security for ATM usage.



Regarding electronic data security, the Bank last year implemented security standards for disposal of data storage media retired from operations to protect confidential data of customers and the Bank by using strong magnetic fields to destroy all data stored on hard disks and then crushing them into small pieces to prevent any possibility of retrieving the information. The Bank's email system also scans every email sent to outside recipients for computer viruses and malware to ensure high-level security and efficiency of the Bank's internet system.

## Continual developments of products

The Bank has developed additional services on Bualuang iBanking for customers using digital banking services on personal computers. They can add their bond investment accounts and buy scripless bonds. The Bank has also improved Bualuang iBanking for credit card customers to apply for the internet banking service conveniently via its website and log on to use basic functions, such as checking available credit and viewing transaction records over the last three months, immediately after having completed online registration.

To support the Government's National e-Payment initiative, Bangkok Bank has offered convenient ways for customers to register their bank accounts using their citizen identification number or mobile phone number for PromptPay, the national electronic fund transfer platform for individuals, via any electronic channel of the Bank as well as branches. The Bank also added a new feature to its PromptPay service to allow users to top-up Rabbit LINE Pay e-Wallet from their Bangkok Bank account free of charge.

Bangkok Bank, in collaboration with Thai Payment Network (TPN) and China UnionPay, launched Be1<sup>st</sup> Smart TPN UnionPay Card – the first chip debit card to be issued under the local card scheme that provides the highest level of security from chip technology and a 6-digit PIN. The card can be used for cash withdrawals, fund transfers and other transactions at ATMs, as well as to make payments to merchants worldwide. An increasing number of merchants in Thailand are expected to accept TPN debit cards since the merchant fee has been cut to 0.75 percent per transaction. This will support the Government's plans to move towards a cashless society with an improved financial security system.

## Network spanning regional and major economies of the world

### Products helping to support government initiatives for economic growth

To enable people to enjoy the convenience of making transactions and provide new kinds of payment options, Bangkok Bank and other commercial banks joined together to develop the PromptPay service with high security standards. PromptPay is a new scheme for receiving and transferring funds, using the recipient's Citizen ID or mobile phone number registered for PromptPay without having to identify the account name and account number.

In addition, the Bank and the Excise Department signed a memorandum of understanding on tax payments using an e-payment system to facilitate and enhance customer service channels by allowing tax to be paid anywhere, anytime by simply submitting a tax declaration form on the Excise Department's website and making payment via electronic channels such as ATMs and Bualuang mBanking.

### Regional network

Bangkok Bank has a strong overseas branch network spanning 15 economies, particularly countries in the ASEAN Economic Community (AEC), where the Bank has branches in nine of 10 countries, including the fast-growing sub-region of CLMV (Cambodia, Laos, Myanmar and Vietnam). Bangkok Bank has received licenses to provide a variety of financial services, including business loans, trade finance, foreign currency exchange, and international fund transfers to serve existing and potential customers. With its extensive branch network in strategic locations, Bangkok Bank is ready to provide financial services to serve a wide range of customers' needs. Linkages between international branches also enable the Bank to provide financial services to support supply chains at the local, regional and global levels, which helps generate business opportunities for Thai and foreign investors.





## Convenience and reduced costs with international services for businesses

Bangkok Bank in 2016 launched the AEC Same Day Transfer service which transfers funds in Thai baht and US dollars between parties in the AEC within the same day. The improved service enables customers to conveniently settle payment for goods and services with their trade partners. Also, the Bank has been authorized by Bank Negara Malaysia (BNM) and the Bank of Thailand (BOT) as an Appointed Cross Currency Dealer (ACCD), providing cross-border trade settlements in Malaysian ringgit for Thai entrepreneurs doing business with partners in Malaysia. The service helps reduce the cost of transactions and exchange rate risk, while increasing trade opportunities with Malaysian partners. The appointment enables the Bank to provide a full range of financial services, namely Trade, Trade Finance, Outward and Inward Remittance, Currency Exchange, Forward Contract, and Foreign Currency Deposit Accounts.

## Services to meet the needs of consumer lifestyles

The Bank provides a complete range of services, seamlessly integrated between channels including digital banking, mobile banking, internet banking and phone banking, and has also improved the co-ordination of operations between branches and business centers. The Bank offers free high-speed internet connections at its branches across the nation, to enable customers to conveniently access the internet while making transactions at the branch. In addition, the Bank has increased the number of ATMs to more than 9,300 machines with service screens available in up to eight languages including Thai, English, Chinese, Japanese, Arabic, Myanmar, Cambodian and Laos. Moreover, the Bank is continually expanding its network of branches and business centers nationwide, protecting customer information, and managing and duly rectifying complaints, taking into consideration due responsibility to its customers as well as relevant individuals and parties.

## Services to meet the needs of an aging society

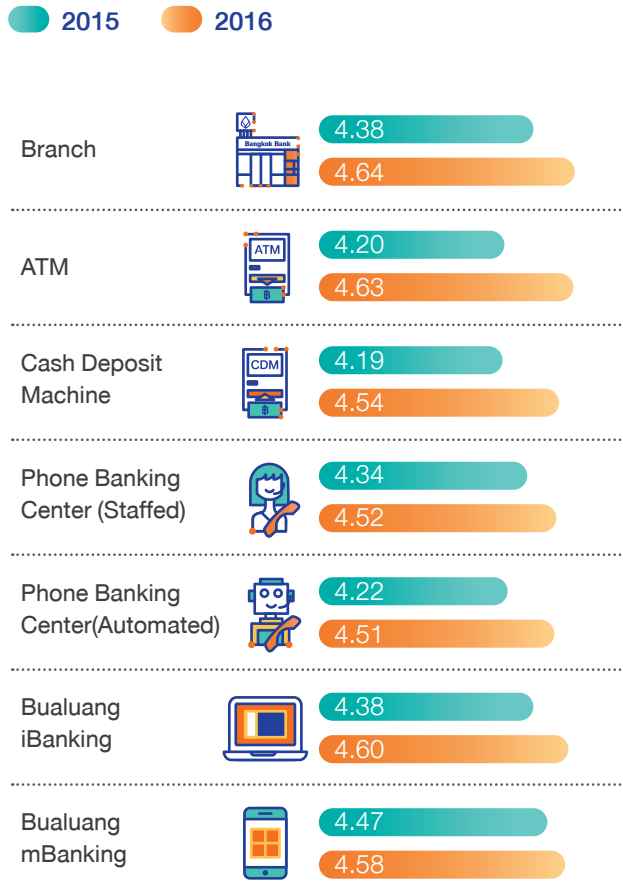
The Bank is improving the customer service environment. The renovation of a branch in Khlong Toei district, Bangkok is a pilot project under the concept of services to support an “Aging Society” which is currently a significant issue in Thai society. The renovation included the improvement of facilities, such as an escalator, elevator, and toilets designed for the elderly to use conveniently and safely. In addition, the Bualuang Exclusive Suite is available at the 3rd floor of the branch to provide premium services to high-net-worth Bualuang Exclusive customers, focusing on investment portfolio management and financial advisory services to meet the needs of customers.

## Service flexibility to meet social needs

To support people travelling to pay respects to the late His Majesty King Bhumibol Adulyadej, the Bank offered fee waivers for inter-regional ATM cash withdrawals at Bangkok Bank ATMs for holders of Bualuang ATM, Bualuang Premier ATM and all Be1<sup>st</sup> debit cards. The fee waiver took effect from November 15, 2016 until January 3, 2017.

## Customer satisfaction

### ▼ Customer Satisfaction Survey Results



### Customer satisfaction survey in 2016

The Bank organizes a customer survey every year to gauge the satisfaction of customers who use its products and services through its main channels, namely branches, ATMs, cash deposit machines, Call Center, Bualuang iBanking, and Bualuang mBanking.

The Bank proudly presents the survey results of customer satisfaction on Bualuang mBanking, the channel with the most rapidly-rising usage in line with the widespread adoption of smartphones and the rise of the mobile internet in Thailand.

The survey showed that customer satisfaction scores for Bualuang mBanking in 2016 rose to 4.58 out of 5 from 4.47 in 2015 and for Bualuang iBanking it rose to 4.60 out of 5 from 4.38. Also, the customer satisfaction scores for self-service machines, branches, and the Phone Banking Center rose as well. The survey was organized by Ipsos Company during September-October 2016.

The survey results were analyzed and used as guidelines to increase the quality of the Bank’s services and business operations to meet customer needs, such as improving operating systems, and developing new functions to enable customers to make transactions via electronic channels more easily and conveniently.

### Success in customer acceptance

The Bank’s digital technology products and services include Bualuang mBanking, Bualuang iBanking, BIZ iBanking, Cash Management and thaitrade.com which have been widely accepted by customers and consumers. In 2016, the number of customers using the bank’s digital banking channels grew, with the number of users of Bualuang mBanking, Bualuang iBanking and BIZ iBanking rising from the previous year by 80 percent, 35 percent and 17 percent, respectively (data as of October, 2016).

### Practical guidelines for responding to customers

The Bank assesses levels of customer satisfaction towards its products and services through its Call Center or direct communications between customers and branch staff. The Bank is well-prepared to answer inquiries or solve problems for customers or service users in compliance with the Service Level Agreement as stipulated by the Bank of Thailand and publicized on the Bank’s website. In 2016, there were no complaints related to actions that breached laws, regulations or guidelines in areas such as marketing communications, advertising, promotions, or the use of banking products and services, which might have had a significant impact on the Bank’s business operations.

## Awards

Bangkok Bank's success in developing innovative products and services to increase financial security was evidenced by various awards earned in 2016. The Be1<sup>st</sup> debit card, for example, won the "Most Trusted Debit Card" award based on consumers' opinions nationwide from BrandAge magazine's Thailand's Most Admired Brand 2016. The Bank's Be1<sup>st</sup> Smart card was Thailand's first debit card to use the latest EMV (Europay, MasterCard, and Visa) chip security technology. The embedded chip has the capability to store both data and security software which prevents information theft so that customers can be confident that the money in their account is safe.

Moreover, the Bank's BKIND Fund won the "Asia Asset Management Award" for Best Innovative Product 2015 from Asia Asset Management Hong Kong. BKIND is the first mutual fund focusing on social responsibility in four areas including environmental, social, governance and anti-corruption. BBL Asset Management Company Limited, Bangkok Bank's mutual

fund management subsidiary which launched and manages the fund, will donate 40 percent of the fund's management fees to foundations or organizations which support or invest in public benefit projects. The fund has so far supported 17 projects, with total donations of more than Baht 12 million.

In the International Banking Group, Bangkok Bank (China) received the "2015 Outstanding Foreign-invested Corporate Citizen in China" award from Xinhuanet and the Business School of Central University of Finance and Economics. This award is the highest honor for an organization doing business in China. It also reflects the potential and readiness of the Bank and its staff to provide full financial services to Thai and foreign entrepreneurs in ASEAN and China. In addition, the Bank was named "Best Foreign Bank in Indonesia 2016" for the second consecutive year by Infobank, Indonesia's leading banking magazine with the highest circulation.

In 2016,  
**Evaluang 11 Banking**  
was awarded  
five awards  
as follows



**Best Mobile Payment  
in Thailand**  
by The Asian Banker



**Mobile Banking Initiative  
of the Year – Thailand**  
by Asian Banking & Finance



**Best Customer  
Experience – Mobile  
(Highly Commended)**  
by Timetric Asia




**Best Peer-to-Peer  
Payments Initiative**  
by Timetric Asia



**Cards & Electronic Payments  
Asia Leadership Awards  
– Institutional  
(Highly Commended)**  
by Timetric Asia

## Conservation of environment and natural resources



“The Bank was accepted by Thailand Greenhouse Gas Management Organization as a registered voluntary member for reporting on greenhouse gas emissions at the organization level”

## Responsibility for society

### Improving Khlong Pipat canal project

In 2016, Bangkok Bank, in collaboration with the Utokapat Foundation under the Royal patronage of His Majesty the King Bhumibol Adulyadej, initiated a project for improving Khlong Pipat, a drainage canal running through the Pipat community and the Lalaisap shopping market on Silom Road, close to the Bank's Head Office. Joining the project were volunteers from Pipat community, vendors from around the Pipat lane area, as well as personnel from the Bang Rak District Office of the Department of Drainage and Sewerage in the Bangkok Metropolitan Administration, the 3rd Cavalry Division of the King's Guard, Royal Thai Army, and Silom Serene Hotel. There were also students from Rajamangala University of Technology Krungthep and more than 200 of the Bank's employees. They worked together to improve the canal by getting rid of garbage and dredging the canal basin in the pilot area near Pipat community. A total of 6,000 big bags of dregs, weighing more than 180 tons were disposed of. This was done with the determination to develop and improve the Pipat canal to return it to its clean, odor-free, and beautiful state, and using the knowledge provided by the Utokapat Foundation, which follows His Majesty King Bhumibol Adulyadej's guiding principles for water management, to improve the quality of lives of those affected by Klong Pipat and for the benefit of the Pipat community.





## Water preservation according to His Majesty's initiative

The Bank has continued to support the Utokapat Foundation's youth camps for the community water resource preservation competitions in accordance with His Majesty King Bhumibol Adulyadej's initiative. More than 30 youth groups from around the country joined the camp in 2016. The winning project was to solve the waste water problem in the Praves canal community by systematically getting rid of garbage and installing a grease trap in the neighboring schools. The project also designed a training course for preserving the environment in a sustainable way by promoting the participation of the community, extending the collaboration into nearby communities, and setting up funds to sell products from bio-fermented water.

The Bank has supported the youth camp for water preservation competition since it was first initiated in 2008. Over the past seven years, more than 200 groups of young people from around the country have joined the project which has created a network of communities engaged in water resource management that follows His Majesty King Bhumibol Adulyadej's working principle of "Understand, Reach Out, and Develop". This is because the Bank recognizes the importance of water and environmental preservation and management by the community members themselves, so that they can be self-dependent and live happily and sustainably.

## Products promoting environmental preservation

The Bank has a policy to support entrepreneurs to develop or apply technology which is environmentally friendly, effective for energy consumption, as well as promoting the use of alternative energy, and doing business in an environmentally friendly way. The Bank provides them with information and technical knowledge. The Bank also takes an intermediary role in supporting customers to expand their businesses and networks, as well as introducing financial products for investment in environmentally-friendly technologies. Examples of outstanding financial products for environmental preservation which have been well accepted by customers are as follows:

### Bualuang Green Loans

The Bank has encouraged customers to use environmentally-friendly technologies by providing financial support under the Bualuang Green Loan project which is a loan product for entrepreneurs in any kind of business who wish to invest in clean energy, energy-saving improvements, or to produce environmentally-friendly products. Entrepreneurs can apply for this loan for various business objectives. These include the development of alternative and renewable energy, production of green label products, waste management, and use of bio-products in place of chemical substances.

### Modern Agriculture Loans

The Bank supports farmers who wish to invest in technologies which are already tested and proven to work effectively and be economical viable, or in their own innovations, by offering special-rate loans for the approved projects. The loans will help the farmers reduce costs while increasing the efficiency of their production to create good quality, safe products for consumers.



## Environmentally responsible and eco-efficient business operations

The Bank has a policy and practical guidelines regarding responsibility to the environment under the concept of business development towards sustainability. In 2015, the Bank initiated a project for systematic monitoring of its consumption of energy, water, and paper materials. This would be used to calculate the amount of greenhouse gas released or the carbon footprint of the Bank, using the data collected from Head Office as a pilot model. In 2016, the consumption could be reported and compared with previous years as follows:

### Electricity consumption



2015  
34,730 x 1,000 kWh

2016  
33,899 x 1,000 kWh

### Diesel fuel consumption



2015  
129,379.72  
Liters

2016  
148,709.45  
Liters

### Gasoline consumption



2015  
1,117,914.22  
Liters

2016  
1,097,478.19  
Liters

Note: 1. Data collected from 3 main buildings in the Head Office complex, namely Head Office, Trinity Building and Rama 3 Building  
2. Numbers for 2016 were taken from the actual numbers from January – October and the estimated numbers for November – December

### Water consumption



2015  
355.6  
x 1,000 m<sup>3</sup>

2016  
398.7  
x 1,000 m<sup>3</sup>

Note: Water from the Metropolitan Water Authority is the only source used

### Reuse of waste water



2015  
32.3  
x 1,000 m<sup>3</sup>

2016  
23.9  
x 1,000 m<sup>3</sup>

Note: Recycled water is only applied in Rama 3 Building

### Amount of waste water released



2015  
219.1  
x 1,000 m<sup>3</sup>

2016  
220.4  
x 1,000 m<sup>3</sup>

Note: 1. Amounts collected from 3 main buildings in the Head Office complex, namely Head Office, Trinity Building and Rama 3 Building  
2. Numbers for 2016 were taken from the actual numbers from January – October and the estimated numbers for November – December

Paper consumption

Equivalent of A4 80 gram paper



2015	2016
82,000	121,585
reams	reams

Equivalent of A4 70 gram paper



2015	2016
1,600	4,849
reams	reams

Recycled paper consumption

Transaction forms and slips



2015	2016
50,000	50,000
packs	packs

Calendar leaflets



2015	2016
7,800	7,911
reams	reams

Use of paper manufactured under ISO 14001

Toilet paper



2558	2559
4,500 cartons	3,361 cartons
54,000 rolls	40,332 rolls

Paper towels



2558	2559
3,200 cartons	3,031 cartons
25,600 rolls	24,248 rolls

Note: 1. Amount collected from 3 main buildings in the Head Office complex, namely Head Office, Trinity Building and Rama 3 Building  
 2. Numbers for 2016 were taken from the actual numbers from January – October and the estimated numbers for November – December

Replacement with LED light bulbs



Total  
 41,100  
 Units

Estimated savings  
 4.13  
 megawatt hour (MWh)

Water chiller replacement  
 Rama 3 Building



No. of units  
 4 Units

Estimated savings  
 1.15 megawatt hour (MWh)

## Energy conservation measures in business operations

The Bank has replaced fluorescent lamps with LED lamps in six office buildings because of its commitment to the energy-conservation campaign of the Department of Alternative Energy Development and Efficiency, the Ministry of Energy. The six buildings are the Head Office, Trinity, Rama 3, Saeng Thong Thani, Rama 9, and Hua Lamphong buildings. The Bank replaced 41,000 lamps at a cost of Baht 14,900,000,

and expects to save electricity costs at these buildings of Baht 16,123,518.79 per year.

Moreover, four water chillers at Rama 3 Building were also replaced at a cost of Baht 38,000,000. The investment is estimated to reduce electricity consumption by 1.15 MWh per year.

## Proper disposal of electronic waste

Modern technology provides indispensable tools to improve productivity and create quality products serving the needs and lifestyles of consumers who are well-educated with high expectations. Accordingly, the business sector, especially financial institutions and commercial banks, needs to make widespread use of computers and other electronic equipment.

However, the intensifying use of modern technologies is causing problems and concerns. The quantity of electronic waste and discarded computer parts has been multiplying rapidly and this can be harmful to nature and the environment, as well as human health, if not disposed of properly.

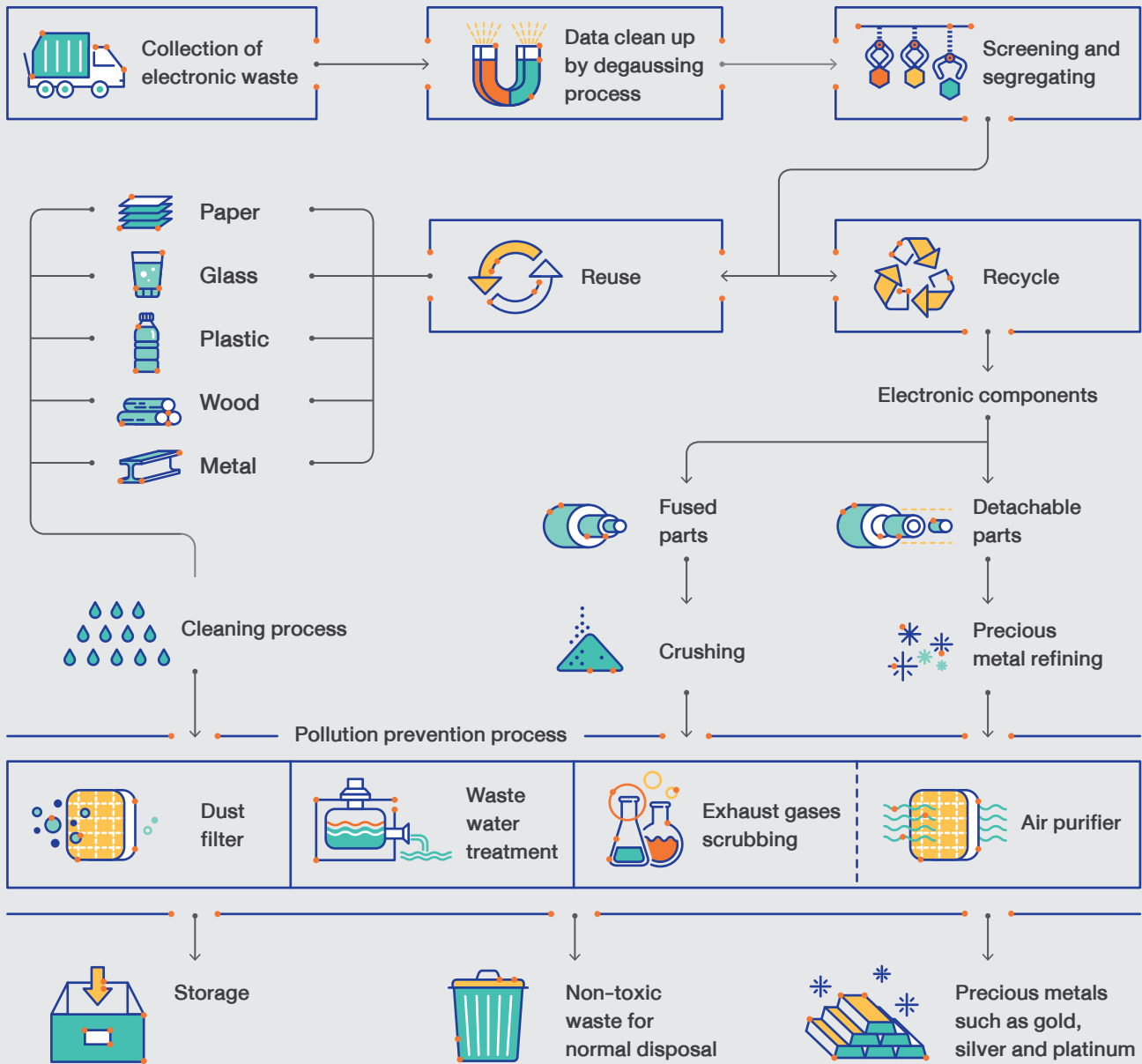
Bangkok Bank, as a leading commercial bank in Thailand, is well perceived by customers and the public as a leader in introducing modern technology to the market. However, it is aware that the disposal of electronic waste and computer parts used in

its business operations may cause problems. In order to help the environment and reduce pollution, the Bank explored new and effective ideas to solve these problems.

In 2016, the Bank contracted with Tes-AMM (Thailand), an internationally certified electronic waste management company, to supply and dispose of electronic equipment no longer needed for business operations. The company is certified under ISO 14000, ISO 18000, ISO 9000 and ISO/IEC 27001, and follows proper procedures which will not impact the environment. Tes-AMM (Thailand) was engaged to provide a “proper and complete method of electronic waste disposal” for the Bank.

A crucial issue for the Bank, in addition to disposing of electronic waste which may cause pollution, is the security of leftover data in storage devices. The Bank must ensure that there is no leakage of data during the process of waste disposal.

▼ Proper and complete process of electronic waste disposal



The recycling process for IT equipment and hard disks begins with disassembling each device into pieces such as plastic, metal, non-metal, and electronic parts and the first three types will be melted down to be used as materials for new products. The electronic parts will be sent to a chemical recycling process to extract valuable metals from the waste. For the disposal of hard disks, the degaussing technique will be used to destroy the leftover data, while the hardware is crushed into pieces to be sent to the recycling process at Tes-AMM, located in Singapore, to extract valuable metals from the waste.



























Under this electronic waste recycling process, the Bank can dispose of data which was left in the storage devices in an appropriate, standardized, and environmentally-friendly way. The process does not harm the atmosphere, there is less contamination of the soil and water, and a reduced risk of contributing to global warming. In sum, it helps preserve a good environment, supports quality of life, and encourages the reuse of resources through a technically-proven recycling process.

Currently, Bangkok Bank is the first and only bank in Thailand which has initiated such a program for disposal of old or unusable electronics devices under a standardized recycling process. The program has been very successful. In the past year, the Bank gathered electronic devices from Head Office, Trinity Building, and Rama 3 Building, totaling 257.61 tons, which was sent for the recycling process. In 2017, the Bank plans to extend the measure to branches in Bangkok as well as other provinces.

This initiative responds to the Bank’s concern about the impact on the environment of improper disposal of electronic waste. It also reduces the amount of carbon dioxide emitted to the environment by as much as 80 percent, compared to the conventional disposal method. The reduction in gas emissions was calculated and confirmed by the Research Unit for Energy, Economic and Ecological Management, Science and Technology Research Institute, Chiang Mai University.

**Examples of electronic waste disposed of correctly at Head Office, Trinity Building and Rama 3 Building, totaling 257.61 tons.**

**▼ Quantity of electronic waste disposed of from Head Office, Trinity Building and Rama 3 Building in 2016**

Notebook	 × 8	Rack	 × 72	Copier	 × 80
Desktop	 × 6,840	Tape drive	 × 6	Typewriter Paper cutter Cheque encoding machine	 × 19
LCD Monitor	 × 205	Adaptor/ Power Supply	 × 15	UPS	 × 30
CRT Monitor	 × 5,361	NAC	 × 205	Telephone	 × 747
Server	 × 337	EDC	 × 28,747	Calculator	 × 252
Board	 × -	ZipZap	 × 2,626	Projector	 × 2
Router/Hub	 × 5,416	Printer	 × 1,583	Keyboard	 × 382
Network	 × 57	Scanner	 × 64	Mouse	 × 17
Switch Box	 × 2,550	FAX	 × 99		

(pieces)

## Measures to alleviate climate change

Bangkok Bank has been certified for its actions in accordance with the rules and recommendations of the Thailand Greenhouse Gas Management Organization (Public Organization), a national organization. The Bank has a strong determination to tackle climate change and has established a base line for its production of greenhouse gases, a major contributor to climate change. This monitoring will help the Bank more effectively reduce the amount of greenhouse gases caused by its operations.

By tracking and controlling greenhouse gas emissions, the Bank conforms to the principles and criteria of the Thailand Greenhouse Gas Management Organization (Public Organization), Revision 1, October 2013. This is based on five principles as follows:

**Relevance:** Use of greenhouse gas data which is relevant to the needs of the business operations within the company, or relevant to the company, and establishing which data is useful in decision-making for setting company policies.

**Completeness:** Use of data collected from all activities taking place at the Head Office Building, Rama 3 Building, and Trinity Building, or as it is called, the Head Office building complex.

**Consistency:** Methods of collecting or calculating data and comparisons of the amount of the greenhouse gases must be consistent, verifiable, and comparable.

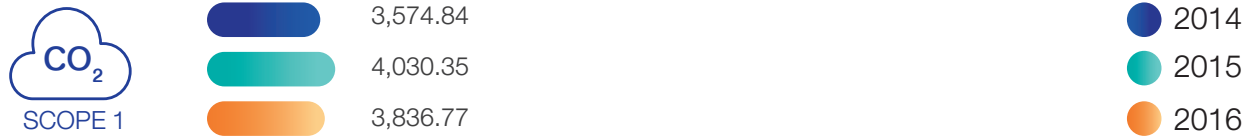
**Accuracy:** Use of a practical and methodical process to reduce prejudice and uncertainty in collecting or calculating the amount of the greenhouse gases.

**Transparency:** Disclosure of data related to the collection and calculation of the emission and absorption of the greenhouse gases, which is sufficient, appropriate, and traceable, so that target groups can make logical decisions based on the data.

The Bank's report of greenhouse gas emissions was certified under a limited assurance with a materiality level of  $\pm 5\%$ .

The type of gases which the Bank controls and monitors include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride. The emission of these gases was calculated using an international standard multiplier in tons of CO<sub>2</sub> equivalent greenhouse gases.

▼ Statistics of the Bank’s greenhouse gas emissions



(unit: tons of CO<sub>2</sub> equivalent)

- Scope 1: Greenhouse gases released from fuel consumption
- Scope 2: Greenhouse gases released from electricity consumption
- Scope 3: Greenhouse gases released from other activities

Intensity of greenhouse gas emissions

Amount	Unit	2016
Total greenhouse gas emissions	Tons of CO <sub>2</sub> equivalent	14,003.47
Number of permanent employees working at controlled buildings	Persons	8,078
Intensity of greenhouse gas emissions	Tons of CO <sub>2</sub> equivalent for each permanent employee	1.73

# Goals for 2017





“The Bank’s determination to be a trusted partner and reliable close friend will serve as one of the elements that will allow it to prosper alongside stakeholders, as well as the Thai economy, society and environment, in a robust, stable and sustainable fashion”

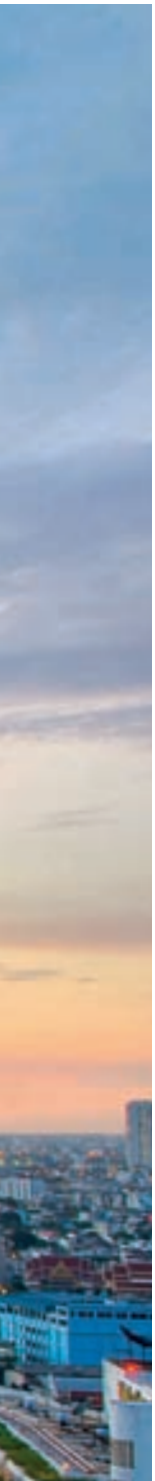
Bangkok Bank has adhered to its determination to be a “trusted partner and reliable close friend” of customers and Thai society throughout the 72 years of its business operations. This has enabled the Bank to maintain long-term relationships with customers, with various groups of customers honoring the Bank with their trust over a period of several decades. An important factor which supports the Bank’s growth is its strong customer base which enables it to expand its business to meet the growing financial needs of customers. Our determination to be a “trusted partner and reliable close friend” is reflected in every aspect of its business operations, and goes hand in hand with its responsibility to society and the environment and support for sustainable development.

After only moderate growth of the Thai economy in 2016, the Government has plans to invest in mega projects, especially the country’s infrastructure, and has developed initiatives for solving economic problems at a structural level. This is evidenced by the Government’s five-year plan for 2015-2020, which aims at boosting the country’s long-term competitiveness and building a stable, prosperous and sustainable economy. These development projects are important as they will lead to the restructuring of major economic sectors such as agriculture, services, and telecommunications, as well as the automotive industry, a major sector for Thailand. These investments will help the economy move forward in 2017.

For 2017, the Bank has refined its business approach of reaching out and understanding customers in response to three major trends which impact the economy and society as a whole – regionalization, urbanization, and digitalization. Some of the main elements are as follows:

- The Bank will drive new financial product and service development to meet the needs of customers, while making use of modern technologies to improve the efficiency of operations and customer service.
- The Bank will stay close to customers, providing them with useful advice to help them grow their businesses, helping them take advantage of emerging opportunities and supporting them to adapt their businesses in a timely fashion, in line with challenges of the new era.
- The Bank will engage with communities and society through various corporate social responsibility projects, and provide opportunities for employees and executives to reach out and understand the wider social environment.

In the coming year, Bangkok Bank will move ahead with confidence, while providing service excellence from the heart to customers as a “trusted partner and reliable close friend” as it strives to meet the needs of all stakeholders.



# GRI-G4 Cross Reference

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**Bangkok Bank**

We care for you wherever you are



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