

# CREATING VALUE



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## + VISION



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



# + MISSION



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

## Financial Perspective

- To attain stable growth in financial performance

## Market and Customer Perspective

- To maintain business leadership with service excellence

## Quality Operations Perspective

- To have efficient working systems and quality control procedures
- To set standards for work processes and be able to use data from these processes to support decision-making

## Capability Perspective

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

# + CORE VALUE



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

1

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

2

To provide quality work

3

To perform duties as ethical and professional bankers

4

To work as a team with shared goals

5

To give importance to personnel development

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



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From left to right: Deja Tulananda, Piti Sithi-Amnuai, Chatsiri Sophonpanich

In 2018 Bangkok Bank experienced a major change due to the passing of our then Chairman Mr. Chatri Sophonpanich. The loss of our much-loved and respected leader brought deep sorrow to all executives and staff. The current management is determined to continue with our mission to maintain the Bank's role as a leading bank in ASEAN and Asia, and as a Thai bank with a network covering important economies in the world. We maintain our determination to build stable and sustainable growth along the guidelines established by our former Chairman.

As a key financial intermediary trusted by customers, investors and government agencies within and outside Thailand, Bangkok Bank remains committed to its vision and business guidelines, pursuing socially responsible policies and sustainable development. As well as supporting all our stakeholders so they can be strong and self-reliant, building their potential to pass on their strengths to society, we provide efficient and secure financial products and services that are appropriate to the changing needs of customers, while practicing high governance standards to enhance the economic, social, and environmental strengths of Thailand.

In line with our vision to be a leading bank in ASEAN and Asia, we continue to focus on three major trends – regionalization, digitalization and urbanization – which are driving economic, social and environmental changes in all parts of the world.

BANGKOK BANK  
REMAINS COMMITTED  
TO ITS VISION AND  
BUSINESS GUIDELINES,  
PURSUING SOCIALLY  
RESPONSIBLE POLICIES  
AND SUSTAINABLE  
DEVELOPMENT.

We are doing this by providing customers with new business opportunities through our domestic and international networks, leveraging our expertise in supporting corporate and international customers, and putting digital innovation at the heart of our operations to ensure we can efficiently support our customers today and tomorrow, enriching their digital lifestyles by collaborating with business and technology providers.

In recent decades, Bangkok Bank has placed importance on laying the foundations for systematic development of sustainability by keeping up to date with financial developments in Thailand and abroad, governance standards and measures in Thailand and the region, United Nations' Sustainability Development Goals (UN SDG), the National Strategy (2018-2037), and the Bank of Thailand's Strategic Plan (2017-2019). Our aim is to determine a direction and strategy for sustainable development of the Bank so that it gains recognition internationally. The Bank was listed among the Stock Exchange of Thailand's Thailand Sustainability Investment (THSI) securities for the third consecutive year in 2018.

In this report, the Bank has published the results of its undertakings on sustainability development, starting from the review of materiality issues from the perspective of stakeholders inside and outside the Bank. Consequently, five focus areas of sustainability have been identified and 12 materiality issues listed. Our commitment to each materiality issue has been established so that the Bank can monitor, assess, and clearly and efficiently measure the results of relevant activities, ensuring they are in accordance with guidelines for sustainability established by the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Bank of Thailand, as well as internally-accepted standards, such as the Dow Jones Sustainability Index (DJSI) and Global Reporting Initiatives (GRI).



We are confident that following this framework and these guidelines will contribute positively to the Bank's image and reputation as a sustainable bank, and that the experience gained from committing to the five focus areas of sustainability will enable the Bank to expand the success to our branches and business units in other countries as well.

The five focus areas of sustainability for Bangkok Bank are that we help our customers grow while supporting the wider community as a true friend; we create value through innovation to benefit from the global digital revolution; we support talent development and create value in the workplace to develop new skills and capabilities; we share our expertise and financial knowledge to help empower our customers; and we practice ethical banking through good governance in our own business and those of our customers, including caring for the environment and society. The five focus areas encompass the 12 materiality issues outlined in this report.

Our short-term approach to sustainability focuses on reviewing our performance in terms of sustainable development and corporate social responsibility, making plans for improving and leveraging existing activities, and initiating new activities in accordance with accepted international standards.

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## THE FIVE FOCUS AREAS ARE TRUE FRIEND, DIGITAL REVOLUTION, VALUE CHAIN EMPOWERMENT, EMPLOYEE CENTRIC, AND ETHICAL BANKING.

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For the medium-term, our commitment is defined by prescribing key performance indicators for our sustainability activities in terms of the materiality issues.

For the long-term, we are confident that we will achieve our objectives of being a responsible bank, and that all our business units, operation units and support units will comply with the guidelines for sustainable development. These objectives, when achieved, will enhance the Bank's positive image and stability with regard to the economy, society and environment as accepted by all stakeholder groups.

We are proud that our activities have positively impacted the Bank's sustainable development. Activities include supporting farmers and small and medium-sized enterprises (SME) to achieve sustainable strength, providing advice and financial support to infrastructure and energy projects which take into account environmental impacts, practicing business ethics and good governance, caring for customers and other stakeholders, and helping conserve Thai arts and culture, as part of our efforts to create sustainable and strong communities and society.

The Bank must overcome a range of challenges to its sustainable development, in particular ensuring that the operations of all our units address the materiality issues. To achieve this, we plan to use modern technology for communicating, educating and training executives and staff at all levels so that they understand the significance of and collectively participate in the Bank's sustainable development.

We are confident that the results of the Bank's sustainability undertakings, as published in this report, will help readers and those enthusiastic about Bangkok Bank's reputation, image, and stability, to learn about our intention, direction, and performance in all aspects, including business operating results and sustainable development.

Bangkok Bank understands that Thailand faces challenges in its development path to establishing a technologically-advanced economy, high earnings for Thai people, upgraded transportation and energy infrastructure, and high-value industries. In support

of the UN SDG, Bangkok Bank has identified a sustainability program which brings together social, economic, and environmental dimensions in a systematic way, under the five focus areas of sustainability .

On behalf of the Board of Directors, the Board of Executive Directors, executives, and all staff, we thank all stakeholder groups for their continued confidence in the Bank. We will remain steadfast in our determination to create financial products and services on the basis of good governance, social responsibility and environmental conservation, and to help all parts of our country grow in a stable and sustainable manner.



**Piti Sithi-Amnuai**  
Chairman

**Deja Tulananda**  
Executive Chairman

**Chartsiri Sophonpanich**  
President

# + ABOUT BANGKOK BANK

## BANGKOK BANK IN BRIEF

Bangkok Bank Public Company Limited is a leading commercial bank in Thailand, which was established on December 1, 1944. The Bank has been listed on the Stock Exchange of Thailand since 1975, the very first year of operation of the Stock Exchange of Thailand. The Bank was the first Thai bank and among the first 16 companies listed on the national stock market. The Bank provides a complete range of financial services under a business emblem of “Bualuang”, which means “lotus” in Thai. Its motto “puan koo kit, mit koo baan” (aspiring to be a trusted partner and reliable close friend) reflects its determination to always stand by customers and the Thai society.



## PRODUCTS AND SERVICES

Main products and services for business customers include operating accounts in Baht and other currencies, commercial credit cards, merchant services, payment services, collection services, fund transfers, project finance, revolving credit, financial services for international trade, digital banking for business, liquidity management, financial risk protection services, and investment advisory services for customers interested in investing in member countries of the ASEAN Economic Community (AEC).

The Bank provides loans to various businesses and industries, such as manufacturing and commercial sectors, public utilities and services, housing loans, property and construction sectors, agricultural and mining sectors, and others.

Main products and services for individual customers include savings products, such as basic banking accounts, savings deposit accounts, fixed deposit accounts, and foreign currency deposit accounts; credit cards and debit cards, fund transfer and payment services, digital banking services, electronic banking services and self-service machines; family security services, such as life insurance, accident insurance, health insurance, and non-life insurance; personal loans and home loans; and investment products, such as retirement mutual funds, and long-term funds.

## TARGET CUSTOMER GROUPS

The Bank provides financial products and services to business and individual customers, both within and outside the country, via service channels covering all customer groups. Examples of these service channels are branches, electronic banking channels, and internet banking channels.

The Bank categorizes its customers into main groups as follows.



### Corporate banking customers

These are large companies and multinational companies doing business in Thailand in various industries. The Bank allocated staff with specialized skills and knowledge in relevant industries to serve these customers.



### Commercial banking customers

These are medium-sized companies striving to develop their businesses to be ready to cope with changes in the business landscape, and/or preparing to hand over the business to next-generation heirs.



### Business banking customers

These are small-sized enterprises in need of enhancement of their business potential. To support these customers, the Bank provides knowledge useful for adding value to their businesses, and connects them to new business opportunities.



### Individual customers

These are consumers in general who need to use financial services in various forms via the Bank's nationwide branch network, electronic banking channels, and digital banking service. This customer group also includes those interested in financial advice and investment products.



### International business customers

These are large companies operating international businesses, and interested in expanding their operations to various countries in which the Bank has branches, including Thailand.



### Investment banking customers

These are large companies which need to raise funds through issuance of debt instruments to invest in large development projects, or to finance merger and acquisition transactions. Some companies also need treasury services to alleviate risks and maximize benefits from movements in exchange rates and interest rates.

## SERVICE NETWORK

As of December 31, 2018

Domestic branches **1,161** locations



Metropolitan branches

**411** locations



Provincial branches

**750** locations



Overseas branches

**32** locations

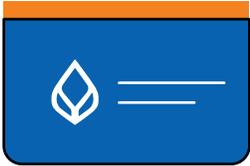
Economies around the world

**15** economies



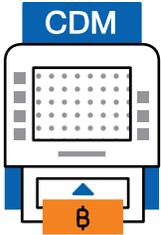
NUMBER OF BRANCHES

\* Not including self-service outlets



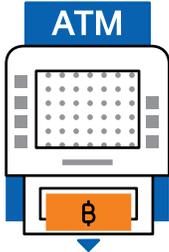
Deposit accounts

17+ million accounts



Cash Deposit Machines

1,296 machines



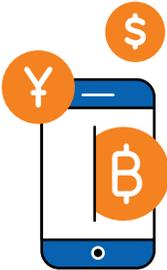
ATMs

9,389 machines

### Digital Banking Service Users

Bualuang mBanking and Bualuang iBanking services

6.6+ million registered

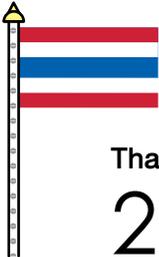


Merchants receiving payment with BeSure QR Basic Solution

0.58+ million registered

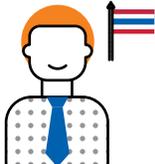


### Number of Employees



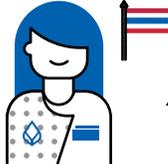
Thailand

23,054



Male

7,674



Female

15,380

## + KEY FINANCIAL INDICATORS

(Consolidated Financial Statement)

million Baht

	2015	2016	2017	2018
Assets	2,835,852	2,944,230	3,076,310	3,116,750
Loans*	1,868,903	1,941,093	2,003,989	2,083,160
Deposits	2,090,965	2,178,141	2,310,743	2,326,470
Liabilities	2,473,821	2,564,985	2,674,303	2,703,591
Total income	157,044	152,747	160,253	170,653
Net profit**	34,181	31,815	33,009	35,330

\* Deducting deferred incomes \*\*Profit attributable to the Bank only

Note: Consolidated financial statement comprises financial statement of Bangkok Bank Public Company Limited and its subsidiaries, including BBL (Cayman) Limited, Bangkok Bank Berhad, Sinnsuptawee Asset Management Company Limited, BBL Asset Management Company Limited, Bualuang Securities Public Company Limited, Bangkok Bank (China) Company Limited, and Bualuang Ventures Company Limited.

Most subsidiaries of the Bank are incorporated in Thailand, except BBL (Cayman), which is incorporated in the Cayman Islands; Bangkok Bank (Berhad), in Malaysia; and Bangkok Bank (China), in China. All the Bank's affiliates are incorporated in Thailand.

The consolidated financial statement does not include that of BBL Nominees (Tempatan) Berhad, which is wholly-owned by Bangkok Bank Berhad, and Bangkok Capital Asset Management Company Limited, which is wholly owned by Bualuang Securities.

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## PARTICIPATION AS MEMBERS OF OTHER ORGANIZATIONS

The Bank is determined to undertake its business by adhering to principles of business ethics, good governance, and sustainable development in order to take part in creating sustainable value for the economy, society, and the environment. The Bank is a participating member of various organizations and has played a role in advancing the work of these organizations, offices, and associations as follows.

Organization	Participating Role
Thai Bankers' Association	Mr. Chartsiri Sophonpanich, President, is an advisor to the Thai Bankers' Associations' Board of Directors.
Electronic Transactions Development Agency (Public Organization) (ETDA)	Mr. Chartsiri Sophonpanich, President, is a director and a member of certain committees.
National Science and Technology Development Agency (NSTDA)	Mr. Chartsiri Sophonpanich, President, is a director.
Stock Exchange of Thailand	Mr. Charamporn Jotikasathira, Executive Director, is a director.
Suksapattana Foundation	Mr. Charamporn Jotikasathira, Executive Director, is a director.

Organization	Participating Role
Institute for Technology and Innovation Management, Mahidol University	Mr. Thaweelap Rittapirom, Executive Vice President, is a director.
Thailand Banking Sector Computer Emergency Response Team (TB-CERT)	Mr. Kitti Kosavisutte, Senior Vice President, Technology Division, is the committee chairman.
National Cyber Security Committee	Mr. Kitti Kosavisutte, Senior Vice President, Technology Division, is a committee member.

## COLLABORATION WITH OTHER ORGANIZATIONS

The Bank cooperates with various parties – government sector, private sector, associations, business clubs, chambers of commerce, and educational institutions inside and outside the country – in order that its business undertakings generate maximum benefits to stakeholders. In 2018, the Bank supported and participated as a member of associations, clubs, institutions, and chambers of commerce with total financial support of Baht 32 million. The organizations which received the three highest amounts of financial support are as follows:

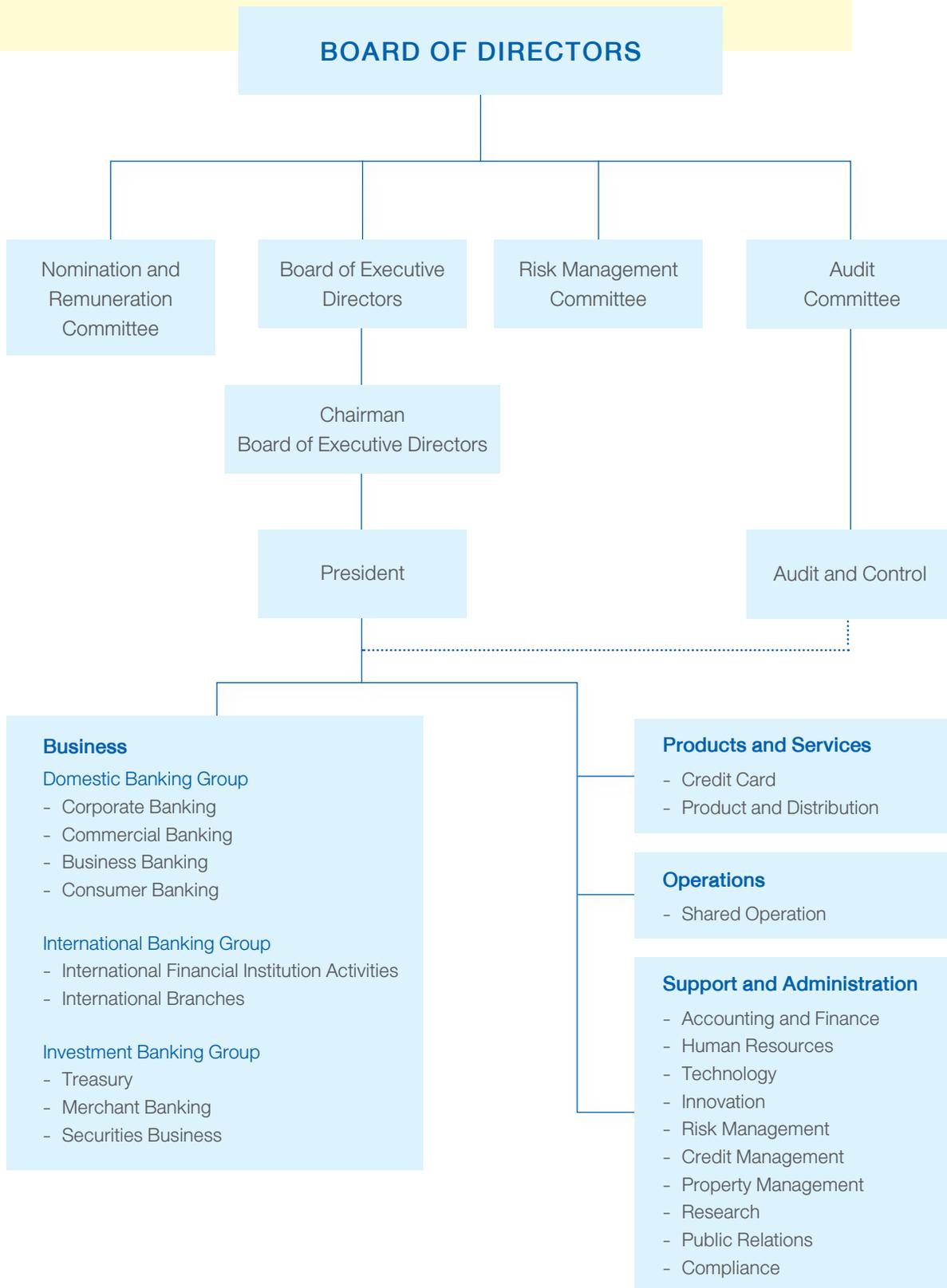
Organization	Amount (million Baht)	Proportion (%)
Thai Bankers' Association	17.94	56.06
Institute of International Finance (IIF)	6.55	20.46
Thai Chamber of Commerce	5.02	15.70

## CORPORATE GOVERNANCE

The Bank places greatest importance on good corporate governance and maintaining ethics in undertaking its business, as they serve as principles for sustainable growth of the Bank, strengthen public confidence in the Bank, and enhance the Bank's reputation as a national and regional leading bank in accordance with the Bank's vision.

The Bank has therefore established a good corporate governance policy and respective practical guidelines to ascertain that its business undertakings are in compliance with the laws, purpose, Articles of Association of the Bank, and resolutions of shareholders' meetings which are in writing and have been communicated via various communication channels inside the Bank for executives and staff at all levels to acknowledge. The Bank has also communicated the policy and guidelines to stakeholders and the general public on its website.

## ORGANIZATION CHART



The structure of the Bank's good corporate governance begins with the Board of Directors which has the greatest duties and responsibilities. The Board of Directors plays a vital role in governing the Bank's business undertakings so that the Bank attains good performance results, remains competitive, achieves sustainable growth in a changing business environment, and adds value to the business and for shareholders, while taking into consideration business ethics and the needs of stakeholders, as well as being responsible to society and to the environment. The Board of Directors' leadership and vision are keys to the Bank's success, and to the ability of the Bank to grow in tandem with Thailand throughout the years.

Members of the Board of Directors consult among themselves about significant economic, social and environmental issues at their monthly meetings. Should there be scrutinization of a matter related to the Bank's policy on corporate social responsibility, the Corporate Secretary will include such matter in the agenda and propose it to the meeting of the Board of Directors.

To ascertain if the Bank's business undertakings are aligned with its set goals, the Bank's Board of Directors has authorized the Board of Executive Directors to oversee the Bank's business management and ensure that business undertakings are in alignment with the policy, goals and business plans set forth by the Board of Directors. The Board of Executive Directors is also required to report the Bank's performance result to the Board of Directors.

The Board of Directors has appointed committees to screen matters to be submitted and provide opinions to the Board of Directors as well as to monitor and oversee the Bank's operations as assigned by the Board of Directors for the purpose of the Board of Directors' effective performance of its duties. The committees must report their progress to the Board of Directors on a regular basis. These committees include the Board of Executive Directors, the Nomination and Remuneration Committee, the Risk Management Committee, the Audit Committee, and the Management Committee.

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

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

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

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

**The Management Committee** is tasked with the duties of operating the business in accordance with the set policies and objectives, by considering and/or performing its duties in accordance with policies given by the Board of Executive Directors, scrutinizing and following up on the performance of various units of the Bank, and prescribing various areas of policies in order to present them to the Board of Executive Directors for consideration. The Management Committee is also tasked with managing internal and external communications, and considering projects and services as well as management guidelines and new business strategies to present to the Board of Directors.

Details of the Bank's good corporate governance have been published in the Annual Report 2018 under the topic of "Corporate Governance".

# + SUMMARY OF SUSTAINABLE PERFORMANCE IN 2018

## Economic Dimension



Total income

**170,653 million Baht**



Net profit

**35,330 million Baht**



**39%**

Registered users of Bualuang mBanking and Bualuang iBanking: > 6.6 million



**9.33 scale**

Customer satisfaction with branch service (on 0-10 scale)



**7.21 scale**

Customer recommendation for overall service (on 0-10 scale)

## Social Dimension



**406.3 million Baht**

Financial support to social and sustainable development



**904 courses**

Staff training courses provided



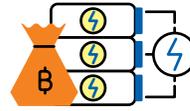
**Private Sector Collective Action Coalition Against Corruption (CAC)**

Anti-corruption commitment re-certified



**Systems service certified ISO/IEC 27001:2013**

## Environmental Dimension



**46%** of energy industry loans

Granted to alternative energy developers



**4,758 tonnes CO<sub>2</sub> equivalent**

Purchased carbon credits equivalent to 20% of greenhouse gases emitted from the Bank's Head Office buildings



**Greenhouse gases emitted from business operations**

- Scope 1: **12,189** tonnes of CO<sub>2</sub> equivalent
- Scope 2: **68,093** tonnes of CO<sub>2</sub> equivalent
- Scope 2: **1,473** tonnes of CO<sub>2</sub> equivalent



**45,207 cubic meters**

Treated and reused wastewater equivalent to 7% of the water used at the Head Office buildings and branches nationwide

## + ABOUT THIS REPORT

### OUR APPROACH

This is the first year that the Bank has produced a “Sustainability Report”; in previous years we produced a “Corporate Social Responsibility Report”.

This change has been made to allow the Bank to report on its sustainability development and social responsibility more accurately, in line with the reporting framework and disclosure criteria set forth by governing bodies in Thailand and internationally recognized agencies, namely the Stock Exchange of Thailand, the Securities and Exchange Commission, the Bank of Thailand, the Dow Jones Sustainability Index (DJSI), and the GRI Sustainability Reporting Standards (GRI).

Content and data published in this report were collected and screened by the relevant units within the Bank, following a reporting structure designed to encompass all relevant areas. Initially, the working team prepared a draft report for executives responsible for undertakings relevant to materiality issues and the Executive Vice President in charge of the Office of the President and the Public Relations Department to review the correctness and completeness of content before forwarding the draft report to the Board of Directors to seek its consent for disseminating this report to the Bank’s stakeholders and the general public.

In this report, we have selected activities which have a significant impact on sustainability across the three dimensions – economic, social, and environmental – and which reflect the Bank’s materiality issues. In this way, the report complies with GRI reporting standards at the core option level and with the additional component Financial Services Sector Disclosure G4. The reporting period covers activities and undertakings of the Bank from January 1 to December 31, 2018. It is a continuation of the previous year’s report, for 2017, which was distributed on March 21, 2018.

### SCOPE OF CONTENT

This report covers materiality issues agreed upon by both internal and external stakeholders, with potential to create economic, social, and environmental impacts as a result of the Bank’s business undertakings. The scope of the report covers only the operations of the Bank in Thailand, relating to 94.2 percent of the Bank’s total revenues. However, when the report deals with content and information relating to the Bank’s overseas business, the business of subsidiaries and affiliates, or other business beyond the scope of this report, these exceptions will be noted.

In addition, the Bank has also complied with the four reporting principles of GRI, which are stakeholder inclusiveness, sustainability context, materiality, and completeness, so as to make this report as complete as possible.

Those wishing to express opinions, give advice, or inquire for more information; please contact:

Corporate Secretary

Bangkok Bank Public Company Limited

333 Silom Road, Bang Rak, Bangkok 10500, Thailand

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

# + STAKEHOLDER ENGAGEMENT

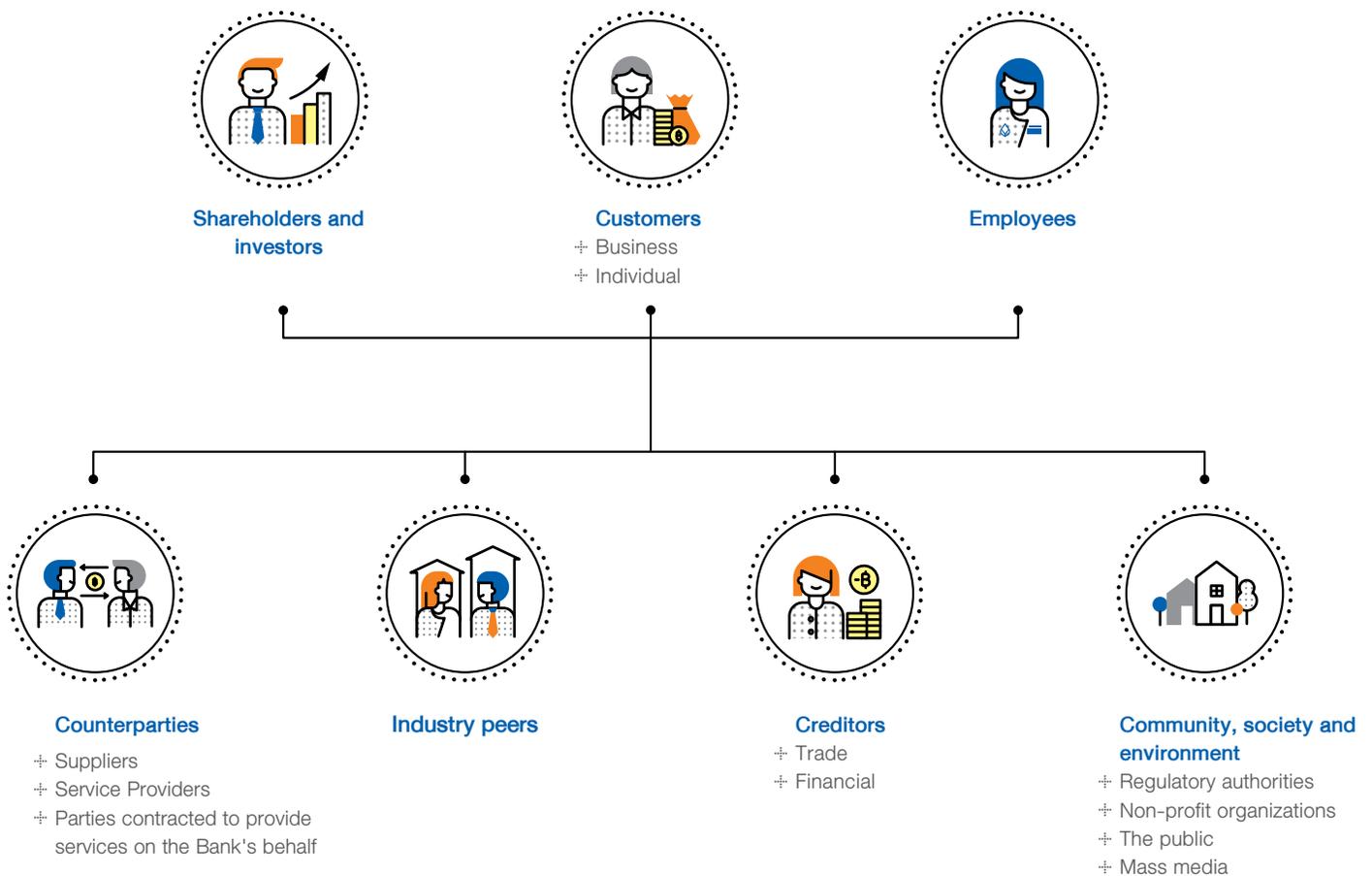
Engagement with stakeholders allows the Bank to understand their needs and expectations. To determine how to effectively meet the needs of each stakeholder group, the Bank has identified guidelines for treatment of stakeholders, and has published information on its website (<https://www.bangkokbank.com/en/About-Us/Corporate-Social-Responsibility/Corporate-Governance-Policy>) that details its service standards in accordance with principles of sound business ethics and in line with the code of conduct to give stakeholders confidence and alleviate risks that might negatively affect the Bank's image, reputation, and business undertakings.

The Bank believes that adhering to sound business ethics and a code of conduct are crucial for strengthening good corporate governance in line with the Bank's determination to be "puan koo kit mit koo baan" (a trusted partner and reliable close friend) of customers. The Bank recognizes the rights of every stakeholder group, taking into consideration the depth of the relationship and the impacts on the Bank's business undertakings.

The Bank has identified stakeholder groups based on the depth of relationship and possible impacts to the Bank's business undertakings by applying some of the criteria and conditions of Stakeholders Engagement Standard AA 1000SES that are relevant to the Bank's business context so that it can conduct its stakeholder engagement more efficiently.

The Bank has classified its stakeholders into seven groups, namely shareholders and investors; employees, customers, both business and individual; counterparties in the supply chain, namely suppliers, service providers, and parties contracted to provide services on the Bank's behalf; creditors, both trade and financial; industry peers; and communities, society and the environment, including regulatory authorities, non-profit organizations, the public, and mass media.

In the process of engaging with stakeholders over the past year, the Bank has reviewed its engagement methods, its communication channels and the frequency of their use, and has determined its approach to meeting the interests and expectations of each stakeholder group as follows.





## Shareholders and investors

### + Engagement channels and frequency

- Annual General Shareholders' Meeting once a year, and Extraordinary Shareholders' Meetings as required
- Disclosure of information in the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), and Sustainability Report in print or electronic form every year
- 55 meetings with investors and stock analysts in 2018
- 123 conference calls with investors and stock analysts in 2018 (including calls made after announcement of performance results)
- 15 meetings with investors in 2018.

### + Interests and expectations

- Satisfactory investment return in line with the economic climate, as well as steady and sustainable growth in performance results
- Good corporate governance in business undertakings, with efficient, transparent, and accountable business management in accordance with the code of conduct
- Equitable treatment of shareholders.

### + Approach for meeting expectations

- Recognize and observe the rights of every shareholder in an equitable manner by honoring their rights to propose items for the shareholders' meeting agenda in advance, submit questions in advance, nominate persons for directorship, and express their opinions in meetings
- Undertake business in accordance with principles of good corporate governance, strictly adhere to ethical principles, and disclose evenly and fully the practical guidelines for treatment of stakeholders
- Generate performance results based on prudent and efficient management principles, and manage risks in a timely fashion
- Maintain an Investor Relations Department to liaise on information disclosure, handle inquiries and disclose key performance results, and build good relationships with all stakeholder groups
- Disseminate information through various channels and media to all investor groups.



## Customers

### + Engagement channels and frequency

- Conduct customer satisfaction survey every year
- Organize activities throughout the year to promote relationships between the Bank and its customers
- Organize training and seminars to provide knowledge and financial advice regarding savings, trade and investment throughout the year
- Visit customers in accordance with year-round appointment schedules to strengthen relationships and accommodate their needs
- Receive complaints and provide services through the Bank's Phone Banking Center on telephone number 1333, or website [www.bangkokbank.com](http://www.bangkokbank.com), 24 hours a day.

### + Interests and expectations

- Undertake business in a fair and professional manner
- Offer products and services to meet the needs of every customer group
- Maintain readiness to respond quickly to customers' needs
- Provide financial transaction services which are secure and maintain customer confidentiality
- Make it convenient to access financial products and services, as well as financial advice and knowledge.

### + Approach for meeting expectations

- Maintain good relationships with customers as their "puan koo kit mit koo baan" (trusted partner and reliable close friend)
- Continue to innovate and deliver products and services to meet customers' needs
- Focus on providing transparent and easy-to-understand services to customers
- Continue to provide a variety of convenient, suitable channels for customers to access financial products and services
- Train staff to elevate the quality of their service standards, and stringently protect information and customer confidentiality.



## Employees

### + Engagement channels and frequency

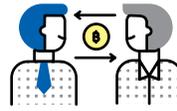
- Organize orientation for new hires twice a month
- Organize an annual meeting with executives from units nationwide to announce the Bank's policy at the beginning of January every year
- Conduct an annual survey on executives' satisfaction levels with the performance of the Human Resource Division
- Assign a team of staff members to represent the Bank at scheduled weekly meetings with the Bangkok Bank Managerial Officers Union, and Bangkok Bank Workers Union
- Disseminate information to all staff in the "Our News" internal newspaper, which is published every two weeks
- Disseminate daily announcements, news, and information about interesting activities on the Bank's intranet "BBL Connect", internal e-mail, and public address system so that staff receive the information in a timely fashion
- Evaluate the performance of staff twice a year.

### + Interests and expectations

- Obtain suitable remuneration and benefits in line with the economic and social climate
- Receive training for continuous improvement of skills and expertise useful to planning a career path and advancing along it
- Receive an appropriate level of staff welfare and enjoy a safe working environment
- Have access to equipment and facilities suitable for work.

### + Approach for meeting expectations

- Prescribe regulations, working procedures, and staff benefits which are clear, fair, and accountable
- Set remuneration, benefits, and assistance at levels that provide a good living for staff
- Provide training for staff suited to the nature and level of their work
- Maintain a suitable workplace environment in accordance with principles of occupational health and workplace safety
- Listen to the opinions of staff and understand their needs as communicated by the representatives of the two labor unions.



## Counterparties

### + Engagement channels and frequency

- Meet with new vendors (or with existing vendors when new contracts are signed) to listen to their suggestions and clarify protocols for working together
- Communicate in writing to inform vendors of every significant change to the Bank's relevant rules
- Hold meetings with vendors at least once a year to hear their opinions and give suggestions for improving their products and services.

### + Interests and expectations

- Receive transparent, fair, and equal treatment in doing business in accordance with good governance principles
- Receive payment in full and on time.

### + Approach for meeting expectations

- Honor contract terms as agreed upon with vendors in a fair manner
- Establish transparent and accountable criteria for selecting vendors and prescribe management guidelines and procedures for working with vendors
- Evaluate vendors' goods and services; business undertakings; and social and environmental responsibility conduct, to help vendors elevate the standards of their business undertakings, and place importance on vendors who practice environmental care and sustainable development.



## Creditors

### + Engagement channels and frequency

- Disseminate accurate information on a regular basis, honestly and equitably
- Communicate about the Bank's products and services through mass media and advertising with comprehensive coverage
- Receive suggestions and complaints through the Bank's call center on telephone number 1333, or website [www.bangkokbank.com](http://www.bangkokbank.com), 24 hours a day.

### + Interests and expectations

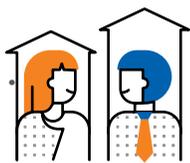
- Receive interest and principal repayments on schedule
- The Bank continues to undertake its business in a stable and sustainable fashion.



**Community, society and environment**

**+ Approach for meeting expectations**

- Honor all conditions mutually agreed upon on the basis of honesty and mutual trust
- Maintain creditor confidentiality
- Manage liquidity so that creditors can be repaid in a timely fashion and on schedule
- Communicate continually to provide general information, knowledge, and important information accurately and completely.



**Industry peers**

**+ Engagement channels and frequency**

- Participate as a member of the Thai Bankers' Association, and gain opportunities to exchange opinions with other member banks every month
- Participate as a member of various associations and clubs and gain opportunities to take part in various activities with these organizations, namely the Thai Bankers' Association, which has formed the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB - Thailand) in collaboration with the Board of Trade of Thailand and the Federation of Thai Industries, and working groups or clubs under the umbrella of the Thai Bankers' Association, such as the CSR Club, Credit Card Club, Branch Management Club, and the Sustainable Banking Working Group.

**+ Interests and expectations**

- Undertake business with transparency and fairness, and maintain good relationships among industry peers
- Compete within legal boundaries.

**+ Approach for meeting expectations**

- Follow guidelines for treating competitors with mutual good understanding and cooperation
- Undertake business within regulatory boundaries and fair competition rules under the supervision of the Bank of Thailand, and the Securities and Exchange Commission.

**+ Engagement channels and frequency**

- Produce weekly television programs to share knowledge of financial and business management with the general public and with businesses striving to achieve sustainable growth
- Continue to organize community, social and environmental activities with a focus on preserving the uniqueness of Thai culture at least twice a month
- Receive suggestions and complaints through the call center on telephone number 1333, or website www.bangkokbank.com, 24 hours a day.

**+ Interests and expectations**

- Receive financial knowledge, as well as knowledge of investment, savings, and business management from the Bank
- Access financial products and services through distribution channels which meet the needs of community members
- Help with economic development which will enhance the strength and sustainable growth of communities
- Participate in improving the environment of communities and promote and support social and community enterprises.

**+ Approach for meeting expectations**

- Provide financial knowledge through electronic channels and mainstream media, and support staff in organizing social activities
- Develop financial products and services to meet the needs of society
- Support activities which preserve Thai traditions and culture, and help communities become strong and self-reliant.

The Bank analyzes, reviews and plans its activities for engagement with stakeholders every year.

## + MATERIALITY ISSUES ASSESSMENT

To identify materiality issues, the Bank has focused on strategic analysis in order to create activities that meet the needs of stakeholders and are consistent with the Bank's business operations, in order to ultimately create shared values and to reduce risks that might impact on the strategic direction of the Bank's sustainable development.

The Bank has assessed its materiality issues with a process consisting of five important steps as follows:

1. The Bank has studied the landscape of sustainable development at both local and international levels. Internationally, the Bank has studied the UN Sustainable Development Goals (UN SDG), Dow Jones Sustainability Indices (DJSI), UN Global Compact (UN GC), and UN Environment Programme Finance Initiative (UNEPFI). For macro-level information within Thailand, the Bank has focused on the Twelfth National Economic and Social Development Plan, the sustainable development undertakings of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, as well as news reports on key industries in Thailand over the past period.

In addition, the Bank has studied the sustainability reports and annual reports of more than 25 leading local and international banks and decided on a list of 92 materiality issues, which were used as a starting point for identifying the materiality issues of the Bank.

The Bank has a working team for the sustainability development of the Bank which performs its duties under the supervision of the Executive Vice President overseeing the Office of the President. The team has reviewed and screened materiality issues aligned with the philosophy of the business operations of the Bank. The materiality issues on the initial list were later boiled down to 18 issues, which were used to form a framework for a stakeholder opinion survey.

2. The working team surveyed external stakeholders, including shareholders and investors, customers, counterparties, creditors, communities, society, environmental interests, and industry peers. The team analyzed their feedback on the materiality issues that might impact the Bank's business operations in terms of impact severity and impact likelihood. The team used a questionnaire for this part of the survey and obtained 292 responses.
3. The team surveyed internal stakeholders and analyzed their feedback on the materiality issues that might impact the Bank's business operations. The survey of internal stakeholders was conducted by face-to-face interviews with 13 Bank executives. For general staff, the team used questionnaires and organized a workshop of 50 staff members working at branches and business centers nationwide, as well as staff who were members of the Bank's labor unions.
4. The team analyzed the data and arranged them into a materiality matrix in order of priority of the issues, based on feedback from external and internal stakeholder sample groups. The materiality matrix showed 18 key issues that are important to the Bank.
5. The team proposed the materiality matrix to the Management Committee for it to consider and approve in order to use as a guideline to identify activities of sustainable development and social responsibility that the Bank would need to perform to meet the expectations of stakeholders.

## STAKEHOLDER ENGAGEMENT IN IDENTIFYING MATERIALITY ISSUES

The process used to identify and select the materiality issues of the Bank was designed to engage all stakeholder groups. Methods for obtaining opinions about the needs of stakeholders were chosen to suit each group, such as questionnaires, interviews, workshops, and research on annual reports or sustainability reports of companies included in the Bank’s stakeholder groups.

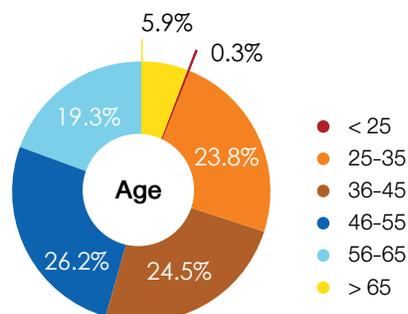
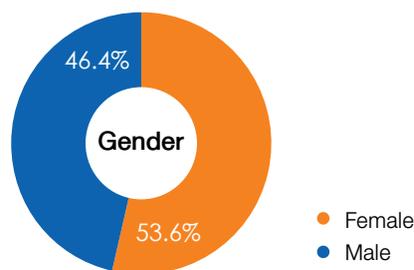
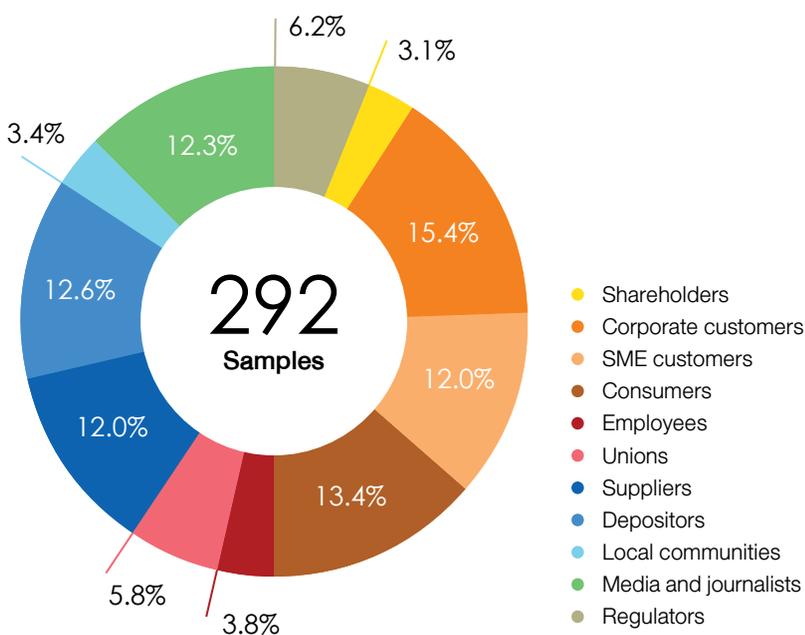
The questionnaire’s total of 292 respondents was designed to achieve a statistical confidence level of 90 percent and a margin of error not more than 5 percent. The sample group included institutional investors and shareholders, corporate customers, SME customers, consumers, branch and business center staff nationwide, staff who are committee members of the Bank’s two labor unions, vendors, contractors and service providers, journalists and other members of the media, people living close to the Bank’s branches, government officials, staff of the Stock Exchange of Thailand, and staff of financial institution regulatory bodies.

Interviews were conducted with Bank executives who encompassed 13 various functions and levels, including a director, senior executive vice presidents, senior vice presidents, and vice presidents.

A brainstorming workshop was held for a sample group of 50 staff working at Head Office and Rama III Building from various units.

The expectations of each sample group of stakeholders showed that SME operators were keen to obtain from the Bank knowledge of business management, financial management, and changes in the business environment. Staff expected remuneration and benefits that ensure the security of their families and also enhancement of their working knowledge and skills. Consumers expected the Bank to build on its positive image and strengthen its stability. The sample group comprising government officials and financial institution regulatory bodies expected the Bank to set a good example of sustainability for other financial institutions.

## OVERALL PICTURE OF STAKEHOLDER ENGAGEMENT IN IDENTIFICATION OF MATERIALITY ISSUES



On the question about sustainability-related activities, the stakeholder sample groups expected the Bank to maintain its business ethics and professionalism in doing business, introduce new products that demonstrate the Bank’s consideration of sustainability development with regards to the economy, society, and the environment, undertake business which aims to reduce negative impacts on the environment, provide premises convenient for customers using the Bank’s services and which provide good working conditions for staff, and continue charitable undertakings for society.

The team has analyzed and processed the data obtained from the stakeholder engagement to identify and prioritize the materiality issues.

The Bank assessed the materiality issues for the first time in 2017, and they were reviewed in 2018 by the Management Committee as part of an improvement in clarity. Several materiality issues which can be addressed with the same guidelines were combined; as a result, the number of materiality issues was reduced from 18 to 12 in 2018, as follows:

**Economic dimension**

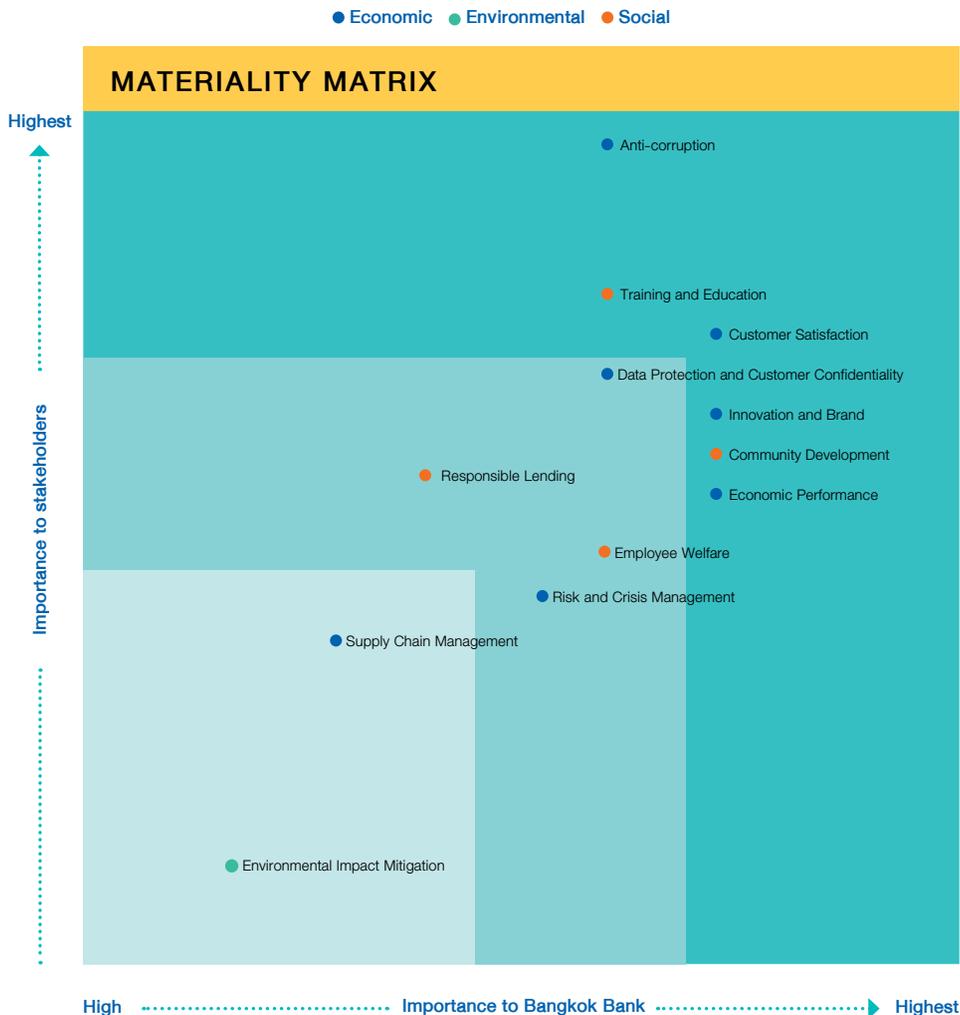
- 1) Customer satisfaction
- 2) Innovation and brand
- 3) Anti-corruption
- 4) Data protection and customer confidentiality
- 5) Risk and crisis management
- 6) Supply chain management
- 7) Economic performance

**Environmental dimension**

- 1) Environmental impact mitigation

**Social dimension**

- 1) Community development
- 2) Training and education
- 3) Employee welfare
- 4) Responsible lending



The Bank has categorized the 12 materiality issues into groups of activities which reflect its determination and direction for business undertakings as follows:

Theme	Materiality Issue	GRI Standard	Scope of Impact	
			Internal	External
True Friend	+ Community Development	G4 FS14	•	•
	+ Environmental Impact Mitigation	GRI 302-1 GRI 303-1 GRI 303-3 GRI 305-1 GRI 305-2 GRI 305-3 GRI 306-2	•	
Digital Revolution	+ Innovation and Brand	GRI 203-1 GRI 203-2	•	•
	+ Data Protection and Customer Confidentiality	GRI 418-1	•	•
	+ Customer Satisfaction	GRI 102-43	•	•
Value Chain Empowerment	+ Responsible Lending	GRI 203-2 G4-FS8	•	
	+ Supply Chain Management	GRI 102-9 GRI 308-1 GRI 414-1	•	•
Employee Centric	+ Training and Education	GRI 404-1	•	
	+ Employee Welfare	GRI 401-1 GRI 401-3 GRI 403-2	•	
Ethical Banking	+ Anti-corruption	GRI 205-3	•	•
	+ Risk and Crisis Management	GRI 102-11 GRI 102-15 GRI 102-31	•	
	+ Economic Performance	GRI 201-1	•	•



# SUSTAINABILITY INITIATIVES



## BANGKOK BANK'S FOCUS AREAS OF SUSTAINABILITY

1

### TRUE FRIEND

- ✦ Community Development
- ✦ Environmental Impact Mitigation

2

### DIGITAL REVOLUTION

- ✦ Innovation and Brand
- ✦ Data Protection and Customer Confidentiality
- ✦ Customer Satisfaction

3

### VALUE CHAIN EMPOWERMENT

- ✦ Responsible Lending
- ✦ Supply Chain Management

4

### EMPLOYEE CENTRIC

- ✦ Training and Education
- ✦ Employee Welfare

5

### ETHICAL BANKING

- ✦ Anti-corruption
- ✦ Risk and Crisis Management
- ✦ Economic Performance

## + TRUE FRIEND

Working closely with communities and wider society  
to promote sustainability of society and the environment





**+ Community Development**

Focusing on supporting and promoting development of communities and wider society as a way to demonstrate social responsibility, create community engagement, and enhance accessibility to financial services for communities and wider society to achieve sustainable advancement



**+ Environmental Impact Mitigation**

Placing importance on management of natural resource consumption and conservation of energy so that the Bank's business operations as a whole will not negatively impact the environment or contribute to global climate change

## + COMMUNITY DEVELOPMENT



### Commitment



Creating shared value for society and the Bank

### 2018 Performance Highlights



1

Promoting well-being of communities and society



2

Supporting access to health services for disadvantaged groups



3

Strengthening the Thai agricultural sector



4

Enhancing the potential of small and medium-sized enterprises



5

Promoting financial inclusion



6

Nurturing youth and promoting and preserving Thai arts and culture

## Materiality

Thailand is facing various challenges which are lessening the development capability of the country, such as the deterioration of the environment and natural resources, and inequality in opportunities, education, and access to financial services. Bangkok Bank believes that strong and self-reliant communities and society are essential for sustainable economic growth, which will subsequently contribute to the Bank's sustainability. Therefore, the Bank places great importance on and desires to take part in solving or alleviating key issues at a community and national level through the Bank's own operations and cooperation with other concerned organizations. The Bank has identified activities for community and social development by taking into consideration key issues at both a community and national level in accordance with sustainable development goals. The Bank also focuses on promoting and preserving Thai arts and culture, and strives to create shared value for society and the Bank.

The scope of this report on this materiality covers community and social development activities undertaken by the Bank only in Thailand.

## Management Approach

The Bank has established a social responsibility policy, which prescribes principles and a framework for its community and social undertakings, and has communicated the policy to staff and related parties so that they are well aware of and conform to it in what they do. The Bank has assigned its Public Relations Department as the main unit responsible for preparing annual plans for community development activities, proposing for management approval the allocation of necessary and sufficient resources for implementing activities according to the annual plans. Other units in the Bank may initiate and implement social development activities related to their work in responsibility, and they may proceed with their social development activities with other units in the Bank or external stakeholders as deemed appropriate. The unit responsible for social development projects has a duty to take care of and follow up on operations to ensure the projects achieve their goals. The Bank has established a Social Development and Business Promotion Committee to select various social projects proposed by external organizations for the Bank's support. Selection criteria emphasize the value which the projects will contribute to communities, society, and the Bank.

## Performance Highlights

### Promoting the Well-being of Community and Society

#### + Improving Khlong Pipat Project

The Bank, in collaboration with the Utokapat Foundation under the Royal Patronage of His Majesty King Bhumibol Adulyadej, has organized a project to improve the environment of Khlong Pipat, a drainage canal running through a community and market close to Bangkok Bank Head Office. The project, launched in 2015 to tackle the problem of polluted water in the canal, received good cooperation from community residents; vendors in the area; Bang Rak District Office, Department of Drainage and Sewerage, Bangkok Metropolitan Administration; the 3rd Cavalry Division of the Royal Guard; Rajamangala University of Technology Bangkok; Silom Serene Hotel; and Bank staff. Joint activities under this project included dredging the sludge from the canal, making and installing grease trap tanks to treat the sewerage water before draining it into the canal, and making and installing effective microorganism tanks and rafts of water plants to help treat and clean the water in the canal. The aim is to promote better well-being and healthy living for all.

#### + Caravan Samranjai Television Program

The Bank sponsors a TV program to promote sustainable community tourism and economy, called "Caravan Samranjai", which focuses on distributing income to local communities. The program searches nationwide for outstanding communities, with natural tourist attractions, arts and culture, architecture, ways of living, or products and services, which are unique and worth promoting to present on the show. The show, which is both fun and content-rich, also invites experts in various subjects to join to help suggest to communities ways of improving or developing their products and services or tourist attractions to become more interesting and more attractive. The program is broadcast on Thai TV Channel 3HD No.33 every Saturday from 7:20-7:50am.



## Supporting Access to Health Services for Disadvantaged Groups

### + Siriraj-Bangkok Bank Co-branded Privilege Cards

Bangkok Bank and the Faculty of Medicine, Siriraj Hospital, have two co-branded cards with features for making donations to the hospital. Be 1st Smart TPN Rabbit Siriraj Card is a debit card which gives benefits including coverage for medical expenses arising from accidents. Bangkok Bank donates to Siriraj Hospital Baht 100 for every new card issued, Baht 50 per card from the annual fee for each subsequent year, and another 0.2 percent of the value of purchases made using the cards. Bangkok Bank Visa Platinum Rabbit Siriraj Credit Card is another co-branded credit card with donation features. Card holders benefit from various privileges, including a free basic package for health check-ups when spending up to Baht 300,000 per year (period counts from the issuing month). The Bank donates 0.2 percent of the value of purchases to Siriraj Hospital every statement period. When card holders redeem their bonus points to make donations, in which every 1,000 points are equal to Baht 100, the Bank will donate an additional Baht 100 for every 1,000 points redeemed. During the past four years of these two card campaigns, the Bank has issued more than 1 million cards of both types and donated a total of more than Baht 160 million to Siriraj Hospital.

### + Mobile Medical Unit for the People

The Bank funds a Medical and Dental Mobile Unit Foundation to help the underprivileged access medical services for general illnesses or dental problems free of charge. The foundation has organized activities three to four times a year, and the Bank has supported these since 2011. In 2018, the Bank helped the foundation organize activities to help people in four districts, namely Khanu Woralaksaburi District, Kamphaeng Phet Province; Khlung District, Chanthaburi Province; Buachet District, Surin Province; and, for the first time, Khlong Toey District, Bangkok. The mission held last year helped around 5,000 people in the four provinces. Each mission saw the Bank's branch managers and staff in local areas joining activities to provide drinking water, and working as volunteers to assist people who came for medical services. Participation by the branch staff not only shares the workload of the foundation team, but also creates good relationships with the people in the areas.



## Strengthening the Thai Agricultural Sector

### + Modern Agriculture Project

Farmers play key roles in building food security for the country, but they are laden with chronic problems of low income and accumulating debts, which affect families and communities and development of the competitiveness of the agricultural sector and the country's economic growth. Since 1999 the Bank's Modern Agriculture Project has helped farmers strengthen their competitiveness. The Bank has taken a systematic approach to supporting farmers, starting from providing them with knowledge to improve their productivity and the quality of their produce. The Bank has also helped farmers form a collaborative network of support and cooperation among themselves and to seek knowledge and new opportunities. In 2018, the Bank organized various activities to support customers under the Modern Agriculture Project.

#### • Seminar on Good Management on the Path to Modern Agriculture

The Bank held a seminar on the theme of "Advanced Agriculture Path" to help farmers adapt to the changing behaviors of customers, who have become more concerned about the quality of goods and their health, while market competition has become more intense. The Bank invited experts and successful farmers to share their knowledge of farm management, marketing, and how to add value to their businesses throughout the value chain. This knowledge-sharing activity was aimed at equipping farmers with knowledge of and experience in producing agricultural products that meet market demand in terms of quality, quantity and timing, which will subsequently help the farmers sell their produce at higher prices. The Bank was honored to have Mr. Krisada Boonrach, Minister of Agriculture and Cooperatives, presiding over the event and giving a special lecture on Thai Agriculture 4.0. More than 500 people joined the seminar.

#### • Modern Agriculture Day Fair

The Bank has held a Modern Agriculture Day Fair in front of its Head Office on Silom Road in December every year since 2006. The fair allows farmers to sell their quality products directly to consumers, and gives both sides good opportunities to exchange opinions useful for future product development. It also provides another way of helping farmers expand their markets. At past years' events some farmers have cooperated as trade partners and have leveraged their expertise to add value to their businesses.

At the one-day fair in 2018, 72 farmers joined the event and total sales amounted to Baht 4.4 million. The Bank provided QR code payment services for shoppers to conveniently pay for their purchases. The application was warmly welcomed by both shoppers and farmers trialing the application. To honor and give the farmers encouragement, the Bank gave Modern Agriculture 2018 awards to two advanced farmers, who had successfully developed and created new plant species. Mr. Ekkanat Koo-Charoenchainatee, Managing Director of Proud Orchid Co., Ltd., was recognized for his development of the Suree orchid species, and Dr. Taweesak Poola, Managing Director of Sweet Seeds Co., Ltd., was recognized for his development of the Siam Ruby Queen corn species, the world's first species of super-sweet red corn.

### Enhancing Potential of Small and Medium-sized Enterprises (SME)

#### + SME Training on Management of Foreign Exchange (FX) Risk

Recognizing that Thai SME operators lack knowledge of the risk of foreign exchange (FX) transactions, the Bank in collaboration with government agencies and other commercial banks launched a campaign to provide knowledge to SME operators on the matter, and to provide them with better access to financial tools for managing foreign exchange risk. The knowledge and tools will help them estimate their costs and revenue so they can effectively manage their businesses and grow. The Bank trained SME in four provinces, namely Chiang Mai, Songkhla, Chon Buri and Nakhon Ratchasima, with 801 companies participating. An FX options service was provided to SME which had received the training and were qualified according to set criteria, with the government subsidizing fees for the FX options service.

#### + SME Training on Single Account

The Bank trained SME on single account to help them use the same financial statement they submit to the Department of Revenue as a supporting document in their loan application to banks. The single account demonstrates financial transparency and allows SME to have better access to funds that match the true needs of the SME businesses. It also allows government agencies to see information reflecting real business conditions, enabling them to launch policies to effectively help farmers. The training helped SME customers understand how keeping transparent financial statements is beneficial to their business management. The training gave SME not only knowledge but also guidelines for them to adapt to the regulatory changes and consequent impacts. The Bank trained 1,117 SME in Chon Buri, Chiang Mai, Songkhla, Nakhon Ratchasima, Ranong and Bangkok.

#### + Other Support

The Bank organized several activities to support SME such as training and seminars, and site visits to study best practice examples, connecting Thai entrepreneurs with potential trade partners in other countries, seeking support from universities in assisting SME to access research and technology to add value to their products with innovation, and organizing the Bualuang SME Fair in the area in front of Bangkok Bank Head Office on Silom Road for members of the Bualuang SME Club to sell their products. The Bank also produces educational media contents for SME, such as the Koo Kit SME television program, which selects interesting issues to be discussed and analyzed by experts in various areas such as investment, finance, marketing, online marketing and overseas investment, to enhance the knowledge of SME; and Secrets of Victory, another television program highlighting the secrets behind the success of the SME featured on the program to inspire new-generation entrepreneurs. Both programs are broadcast on television channels as well as online channels (website, Facebook and YouTube) of the Smart SME media network.

### Promoting Financial Inclusion

#### + Basic Banking Account for Government Welfare Card Holders or People Aged 65 and Above

To demonstrate its determination to operate as a "Sustainable Banking" business, the Bank joined forces with 14 other commercial banks, which are member banks of the Thai Bankers' Association (TBA), to provide a Basic Banking Account service, under the concept of supporting the financial inclusion of all sectors with the goal of achieving sustainable economic growth. The account is offered with special conditions, with no minimum-deposit requirement for opening or maintaining the account. Each account holder is issued an ATM card or debit card tied to the account with no charge for the first year and no annual fee, which they can use to make deposits and withdrawals, and to transfer funds. The special conditions help reduce costs for accessing financial services and allow people to efficiently manage their everyday finances. The Bank started providing the service in October 2018 to the low-income group registered with the government welfare program and to people aged 65 and above. By the end of December 2018, the Bank had opened a Basic Banking Account for 16,951 qualified people.

## Nurturing Youth

### + Junior Achievement Company Program

Youth are the future of the country, and preparing them to be new-generation entrepreneurs will lay the foundation for future development of the Thai economy. The Bank has worked with Junior Achievement Thailand to develop training material in the Thai language to provide basic business knowledge for high school students. The knowledge provided covers the establishment of a company, fundraising through initial public offerings, setting business plans, implementing business plans for success, producing real commercial products, and liquidating companies. The students experience how to run a business in a competitive market under fair rules and regulations while taking into account corporate social responsibility.

The Bank invites executives and staff to join the program as “Volunteer Teachers” to share their knowledge and experiences from working at the Bank with the students. In 2018, 858 students from 30 schools joined the program – 11 from Bangkok and 19 from other provinces. There were 14 schools that joined a trade fair held at a Bangkok shopping mall to sell their products. The students managed to raise as much as Baht 225,000 for setting up their companies. They earned combined revenues of Baht 312,264, and net profits of Baht 136,481. All the profits were used in their social activities. Sixteen executives and staff joined the program as volunteer teachers during their working hours, which amounted to 336 hours in 2018.

### Maintaining Thai Arts and Culture

Since 1986, Bangkok Bank Musical Art Center, in collaboration with the Department of Children and Youth, has organized the Thai traditional music competition “Pralong Pleng Plaleng Mahori” for high school students. The competition aims to uphold a royal initiative of Her Royal Highness Princess Maha Chakri Sirindhorn for encouraging youth interested in Thai traditional music to learn and develop their skills in performing Mahori, a type of Thai traditional music, to continue the classical traditions passed on from earlier generations of musicians. The number of participating schools has increased continuously. In 2018, 80 schools joined the competition. The Bank also provided the stage for the winning schools to show their Thai traditional musical and dramatic arts talents to their parents and the people in their communities. In 2018, the Bank organized the shows in three provinces, Nakhon Si Thammarat, Kanchanaburi and Bangkok.



#### Support for JA Company Program

Type	Value (Baht)
Sponsorship	1,577,000
Value of volunteer employees' working hours	135,930
Value of in-kind contributions	102,000
<b>Total</b>	<b>1,814,930</b>

Note: Value of volunteer employees' working hours = number of volunteer employees' working hours x average hourly rate of volunteer employees

The “Sangkeet Saranrom” performing arts show has been held by the Bank to bring Thai classical performances, which are becoming rare, to the Thai people, and to provide a stage for Thai artists and Thai classical dancers to show their skills to the public. Bangkok Bank Musical Art Center has organized 24 distinct shows on the Sangkeet Saranrom stage each year. These have inspired youth who live close to Kukrit Institute, in Sathon Soi 1, Bangkok, which provides the stage, to learn Thai traditional musical and dramatic arts at the Institute free of charge.

The Bank continued the “Kawee Pakka Thong” (Golden Pen Poet) project, the art of poetry workshop, for the fourth consecutive year, to support and inspire university students to learn and improve their skills as well as to continue writing poetry, which is another Thai art and cultural treasure. Famous poets led by Mr. Naowarat Phongphaiboon, a national artist in literature, shared their knowledge and experience in workshops for students from Thailand's five regions. The students were invited to submit their poetry to a contest at the end of the workshop and the experts selected the best works from each region. The winners were awarded pens with the project name engraved on them. More than 3,000 students have so far joined the project.

## + ENVIRONMENTAL IMPACT MITIGATION

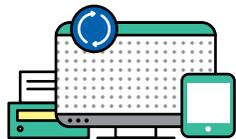


### Commitment



Use resources and energy in an efficient and environmentally-friendly manner, and help alleviate global climate change

### 2018 Performance Highlights



1

Improvement of equipment and appliances to increase energy consumption efficiency



2

Procurement of environmentally-friendly goods and services



3

Expansion of data collection boundary to cover group of Head Office buildings and branches nationwide

### Materiality

At present, exploitation of natural resources and the environment has intensified to the level that it is impacting on public health and ways of life, as well as the production of goods and services, and the economic and social development of the country. If this situation continues, the country, the community, and eventually the Bank will not be able to thrive sustainably. The Bank realizes the importance of natural resources and the environment as fundamental to the needs of human lives and their sustainable development. The Bank also realizes its operations may have negative impacts on natural resources and the environment directly or indirectly. The Bank has therefore determined to preserve the environment and to consume natural resources efficiently. The Bank has also taken crucial steps on alleviating global climate change and towards achieving the United Nations' Sustainable Development Goals (SDG). The Bank has announced policies on energy conservation which stipulate that executives and employees at all levels have duties and responsibilities to conserve energy, establish environmentally-friendly procurement processes and build awareness about energy conservation among employees and all stakeholders of the Bank. To set clear and systematic working processes, the Bank has appointed a Committee for Energy Conservation, to ensure that the energy conservation practices will be implemented according to the policy.

## Management Approach

The Bank has been focusing on environmental management by setting up a project to monitor the consumption of energy, water, and paper and green house gas (GHG) emissions to collect information necessary for establishing guidelines for effective and efficient resource consumption management. In addition, the Bank has set a long-term goal for GHG emissions reduction by referring to the Energy Efficiency Plan (EEP) of the country, which aims to reduce GHG emissions by 20-25 percent by 2030. The Bank has implemented the project at its group of five Head Office building comprising: Head Office Building, Trinity Building, Rama 3 Building, Building 3, and Saengthong Thani Tower. The project will expand throughout the organization nationwide in the following phases.

### Structure of Energy Conservation Management

In order to ensure effective energy conservation, the Bank has appointed an **Energy Management Team** to review the status of energy consumption, gather information on the Bank's energy and GHG emissions management, report its findings to senior management, and organize training or activities relating to energy conservation for the Bank's executives and employees. The Bank set aside an annual budget of not less than Baht 1 million for the aforementioned activities. In addition, the Bank has appointed an **Energy Management Appraisal Team** on energy management and a **GHG Emissions and Absorption Analysis Reporting Team** to produce reports on GHG emissions and absorption to support the Bank's energy management and reduce the impact of operations on the environment.

**+ Energy Management Team** is charged with the following duties and responsibilities:

- + Managing energy use in accordance with the energy conservation policy of the Bank**
- + Collaborating with related departments within the Bank to seek cooperation with the Bank's policy and practical guidelines on energy conservation, and organize training or activities on energy conservation suitable for each department**

**+ Governance to ensure effective energy management. Its roles are as follows:**

- Gathering energy consumption data of related departments
- Examining energy consumption of related departments
- Reviewing energy management results of each department from their performance reports

**+ Reporting its performance to senior executives**

**+ Reviewing the energy conservation policy and energy management performance on a regular basis, while summarizing suggestions regarding the policy and energy management methods to present to senior executives.**

**+ Energy Management Appraisal Team** is responsible for examining and evaluating the energy management methods of the Bank.

**+ GHG Emissions and Absorption Analysis Reporting Team**

is responsible for producing and reviewing reports on GHG emissions and absorption, and effectively collecting information covering all the Bank's operations that could have significant impacts on the environment.

### Energy Conservation Policy

The Bank has announced an Energy Conservation Policy to promote the most effective and useful consumption of natural resources. The Energy Conservation Policy has been publicly disclosed on the Bank's official website. The essence of the policy is to make energy conservation the responsibility of everyone in the Bank, from executives to staff at all levels. The Bank has also supported and promoted energy and environmental conservation both inside and outside the Bank, including organizing activities to create awareness among executives and staff at all levels.

### Monitoring, Examining, and Evaluating Energy Use and Environmental Conservation

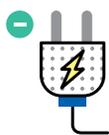
The Bank has set up processes for monitoring, reviewing, and improving the efficiency of energy and environmental conservation activities continuously and systematically to ensure that energy management supports the nature of the business while achieving the environmental goals of the Bank. The Bank has set up a responsible body to take care of the energy management system, produce reports about energy management results for management, and perform an annual management review with recommendations for improvement. The Bank has commissioned a verification body to review the information regarding the management of GHG and carbon footprints of the Bank, for the Bank to have adequate and valid information to prepare correct and suitable plans for environmental impact reduction. The Bank has also assigned the Energy Management Team to examine and analyze the performance results according to the plan. If the results do not meet expectations, the team has to analyze them to find the root causes and provide suggestions for further improvement.

### Energy and Resource Consumption Goals (2018-2020)

The Bank has set goals for energy and resource consumption to demonstrate its commitment to alleviating global climate change. The Bank used data collected in 2016 as the baseline because it was the first year the Bank expanded the data collection boundary to cover the group of five Head Office buildings comprising Head Office, Trinity Building, Rama 3 Building, Building 3, and Saengthong Thani Tower. However, in 2018 the Bank expanded the data collection boundary to include the group of Head Office buildings and branches nationwide in order to cover both the Bank's geographical presence and business operations. The boundary expansion will result in improved efficiency in the Bank's environmental management planning. The Bank has planned to adjust the baseline year in accordance with the scope of reporting, which will be used in setting goals for future stages.

#### + Goals 2020

##### 1 Reduction of resource consumption\*



Reduction of energy consumption by 5 percent



Reduction of paper consumption by 5 percent



Reduction of water consumption by 10 percent

##### 2 Reduction of Green House Gas (GHG) emissions from operations\*



Reduction of GHG Scope 1 and Scope 2 by 5 percent



Reduction of GHG Scope 3 by 10 percent

Note: \*Compared to 2016 baseline year

## Performance Highlights

Although the Bank is in the financial business, which does not cause direct and significant impacts on the environment or natural resources, the Bank places emphasis on, and takes clear actions to reduce environmental impacts and improve energy conservation. In 2018, the Bank's major activities were as follows:

### Office Equipment Improvement for Efficient Energy Consumption

- **Switching to LED bulbs.** The Bank improved the office and branch buildings by changing light bulbs, including fire exit signs, and emergency lights, from fluorescent light bulbs to LED light bulbs to conserve energy. In 2018, the Bank improved 17 branches, 12 located in Bangkok and its surroundings, and five in other provinces.
- **Changing air-conditioning systems to VRV (Variable Refrigerant Volume) or VRF (Variable Refrigerant Flow)** at the Bank's branches or processing centers that operate in overlapping hours to increase energy consumption efficiency. The new air-conditioning systems use technology which controls the volume of refrigerant flow automatically, resulting in precise control of room temperature and reduction of energy costs by around 20-30 percent, when compared to other air-conditioning systems.
- **Changing Main Riser Cold Water System at Rama 3 Building** by changing the pipelines of the whole system to Polypropylene Random Copolymer pipes (PPR), with strength and durability that conforms with DIN8077/8078 industrial standards of Germany, to prevent water leakage from rust and corrosion problems.

### Procurement of Environmentally-friendly Goods and Services

- **Green Label, EGAT No.5 Label, and Carbon Label.** The Bank chooses office appliances and equipment that meet international standards. For example, powder toners used with multifunction machines are certified ISO 14001 and Green Label, guaranteeing the environmentally-friendly quality. The Bank also chooses environmentally-friendly office appliances such as LED light bulbs, and low-volatile organic compound color paints.

- **Cool Mode Label.** The Bank's new uniforms for female employees were designed to conform with Cool Mode Label requirements, as materials have special characteristics of ventilating heat and give users a cool feeling when wearing them and they are easy to clean. The uniforms help reduce the energy consumption of air conditioners and water consumption in cleaning.
- **Design and renovation of the Bank's office buildings.** This has been done according to the Building Energy Code, energy efficiency standards for buildings set by the Ministry of Energy. The standards require, for example, specifications for color paints, and use of alternative and recycled materials.
- **Use of hybrid vehicles.** Hybrid-engine cars emit less CO<sub>2</sub> than internal combustion-engine cars. At present, the Bank uses 30 hybrid-engine cars to help reduce pollution and save the cost of fuel at the same time.

Moreover, the Bank places an emphasis on managing the use of electronic equipment to reduce the impact of operations on the environment by replacing electronic equipment used for specific purposes such as fax machines, copier machines, scanners, and printers with multifunction machines to increase energy efficiency and save energy and maintenance costs.

### Effluents and Waste Management

The Bank disposes of effluents and waste from its operations by adhering to the 3 R principles: Reduce, Reuse, and Recycle. The Bank has implemented several projects, namely: paper recycling, complete-cycle disposal method of electronic waste in accordance with an international standard, and reuse of treated waste water at the Rama 3 Building.

#### + Waste Management

The Bank has set guidelines for waste disposal by type as follows:

- **Non-hazardous waste** such as toilet paper, document envelopes, plastic bags, or food packages used by employees, is separated by type at the Bank, and local government agencies are commissioned to dispose of the waste with proper land-fill methods. The Bank has organized a campaign to reduce the use of paper in the office. As a result, each

department selects used paper which can be reused, sets passwords on printers or the copiers to reduce wasteful printouts, and collects paper waste for recycling. In addition, the Bank has launched a paperless campaign to promote the reduction of paper use by encouraging employees to send documents, disseminate information, and present documents at meetings or produce meeting minutes using electronic channels or devices instead of paper.

- **Hazardous waste** such as fluorescent light tubes, or batteries, are separated at the Bank, and collected by the related party, to be disposed of safely. Electronic waste or old electric and electronic appliances are sent to a recycling process in which valuable minerals will be extracted to be reused. This is done by an outside company with expertise in electronic waste disposal certified by international standards.

#### + Wastewater Management

Every building of the Bank is equipped with a wastewater treatment system, certified to legal standards. In addition, treated wastewater is used to water the green areas surrounding Rama 3 Building.

#### Creating Awareness

The Bank held the Bualuang Save Energy 2018 Project, inviting experts on energy-saving to talk on the topic of: Energy Management System for Buildings According to the Laws: Help You Save, the Country Benefits. The purpose was to give energy-saving tips and create awareness among employees regarding energy and environmental conservation. More than 500 employees attended the lecture. In collaboration with partners such as the Department of Alternative Energy Development and Efficiency, the Ministry of Energy; the Metropolitan Electricity Authority; and the Metropolitan Waterworks Authority, to name a few, the Bank has organized exhibitions and activities to educate employees about energy saving.

#### Development of Data Collection

Energy and environmental management plans need complete data covering all areas. In 2018, the Bank expanded its scope of work for collecting data on the consumption of energy, water, and vehicle fuel consumption in operations, to cover all the Bank's branches nationwide. The scope of data collection previously covered only the group of five Head Office buildings, which include Head Office, Trinity Building, Rama 3 Building, Building 3, and Saengthong Thani Tower. The energy consumption data does not cover branches located in rental spaces or shopping malls. The Bank has also started to collect data about business travel by plane to cover more categories of energy consumption by the Bank.

Regarding the data collection of the GHG emissions, the Bank first began in 2014 by setting the scope of data collection and evaluation for one building only, Head Office on Silom Road. From 2016, the Bank expanded the scope to cover five buildings, and used the data collected in the year as a baseline for setting goals for GHG emissions in 2018. Last year the Bank expanded the scope to cover all main office buildings and branches nationwide, except for the branches located in rental spaces or shopping malls. This is to collect sufficient information to make the Bank's environmental management plan more comprehensive. In setting goals for the following stages the Bank adjusted the baseline year in line with the changing scope of reporting.

Nevertheless, the GHG emissions and carbon footprint evaluation of the Bank was conducted in accordance with evaluation guidelines (October 2016 version) set by Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), compatible with ISO 14064-1 (2006 version). Emission factors referred to the standard set by the Intergovernmental Panel on Climate Change (IPCC), 2006, and TGO. The Bank also reviewed its information about GHG emissions annually with the reviewers licensed by TGO, with a limited level of assurance, and materiality set at 5 percent. The Bank has applied to register its GHG emissions and carbon footprint with TGO every year.



### Joining the Carbon Offsetting Program to Support the Voluntary Carbon Market

The Bank joined the carbon-offsetting program to support the voluntary carbon market for the fifth year held by TGO with the objective to create demands for carbon credit and to drive the voluntary carbon market in the country. As a result, the Bank has offset a total of 4,758 tons of CO<sub>2</sub> by buying carbon credits from Mitr Phol Bio-Power Co., Ltd., which is registered with the Thailand Voluntary Emission Reduction Program (T-VER). The offset carbon accounted for 20 percent of the GHG emissions from the operations of the Bank in 2017 (taking into account only the GHG emitted from the five buildings).

### Performance Highlights

40

**+ Energy Consumption:** The Bank used a total of **562,889** gigajoules of energy, which can be described as follows:



- Electricity consumption, equivalent to 421,121 gigajoules (75.8 percent)



- Diesel fuel, for back-up power generators and fire pumps equivalent to 909 gigajoules (0.2 percent)



- Diesel fuel<sup>2</sup> for vehicles, equivalent to 4,611 gigajoules (0.8 percent)



- Gasoline fuel<sup>2</sup> for vehicles, equivalent to 136,248 gigajoules (24.2 percent)

Note: <sup>1</sup> Referring to the meters of the Metropolitan Electricity Authority and the Provincial Electricity Authority  
<sup>2</sup> Referring to the Bank's fuel management data base  
<sup>3</sup> Referring to the meters of the Metropolitan Waterworks Authority and the Provincial Waterworks Authority



**+ Business Trips by Plane**  
**313,214** kilometers



**+ Water Consumption**  
 The Bank used a total of **0.64** million cubic meters<sup>4</sup>

Note: <sup>4</sup> Referring to the meters of the Metropolitan Waterworks Authority and the Provincial Waterworks Authority



**+ Water Recycled and Reused**  
 The Bank used **45,207** cubic meters<sup>5</sup> of treated wastewater, equivalent to 7 percent of the entire water consumption of the Bank, to water the trees and lawns surrounding Rama 3 Building

Note: <sup>5</sup> Calculated from the entire water consumption at Rama 3 Building not including the water used ventilating system of the building's air-conditioning system

+ GHG Emissions



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



**Indirect (Scope 2) GHG emissions** which the Bank controls and monitors are carbon dioxide (CO<sub>2</sub>), calculated from electricity power consumption of the Bank referring to the meters of the Metropolitan Electricity Authority and the Provincial Electricity Authority.



**Other indirect (Scope 3) GHG emissions** which the Bank controls and monitors are carbon dioxide (CO<sub>2</sub>), calculated from water consumption of the Bank referring to the meters of the Metropolitan Waterworks Authority and Provincial Waterworks Authority, and the paper used evaluated from purchased volumes.

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

GHG emissions	2016 <sup>6</sup>	2018 <sup>7</sup>	2018 <sup>8</sup>
Direct (Scope 1) GHG emissions	3,712	3,427	12,189
Indirect (Scope 2) GHG emissions	21,720	19,061	68,093
Other indirect (Scope 3) GHG emissions	597	573	1,473

Remarks: <sup>6</sup> Baseline data covering the five Head Office buildings

<sup>7</sup> Baseline data covering the five Head Office buildings

<sup>8</sup> Baseline data covering the five Head Office buildings and branches nationwide except branches in rental spaces or shopping malls

+ Volume of Effluents and Waste

• Non-hazardous waste



The volume of non-hazardous waste sent to local government agencies for landfilling was **1,053** cubic meters<sup>9</sup>



The amount of paper waste from offices and cheque-issuing sent to be recycled was **510** tons<sup>10</sup>

• Hazardous waste



The amount of used electronic equipment sent to the electronic waste disposal company with international standard certification to be recycled was **98.13** tons<sup>11</sup>

Note:

<sup>9</sup> Referring to fees paid in lump sums to district offices of Bang Rak and Yannawa for disposal of waste from the five buildings

<sup>10</sup> Referring to waste paper and used cheques from the Bank's offices nationwide and sent to waste paper recycling plants

<sup>11</sup> Referring to the volume of used or unusable electronic equipment sent to deteriorate to the electronic waste disposal company

## + DIGITAL REVOLUTION

Focusing on innovation, preparing for digital transformation and future challenges





**+ Innovation and Brand**

Using modern technology to develop new products and services and strengthen confidence in Bangkok Bank’s business and brand



**+ Data Protection and Customer Confidentiality**

Protecting data to give confidence to customers and service users



**+ Customer Satisfaction**

Giving value to customers through excellence in products and services

## + INNOVATION AND BRAND



### Commitment



Enhancing capability in creating innovation and applying technology in developing products and services to meet customer needs as well as collaborating with various parties to support and develop FinTech startups

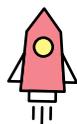
### 2018 Performance Highlights

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1

Establishing the Innovation Department



INNOHUB

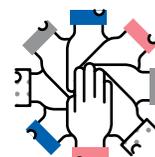
2

Implementing Bangkok Bank InnoHub Season 2



3

Supporting Thammasat University in organizing a hackathon to motivate students to create innovative ideas



4

Taking part in establishing InnoSpace (Thailand) Company Limited, a collaboration between government and private sectors as well as leading international companies to set up the promotional and development hub for Thai and international startups

## Materiality

Technological advancement brings both opportunities and challenges for the Bank's business operations. Modern technologies enable the Bank to offer customers new products and services, which better meet customers' needs and bring in new business opportunities. Technological changes also intensify competition from businesses both inside and outside the financial industry. To capitalize on potential opportunities, while protecting its own business, the Bank needs to stay abreast of technological advancements and be competitive in the financial and banking industry. The Bank is therefore emphasizing innovation development and strengthening its corporate brand image by focusing on creative ideas that will meet customers' needs. The Bank has created a wide variety of financial products and services designed to meet the needs of different groups of customers, help customers achieve financial stability and support the long-term competitive position of the Bank. The Bank continually improves its operational structure and conducts research and development to increase its capability and satisfy customers as "puan koot kit mit koo baan" (trusted partner and reliable close friend), standing by customers during times of change.

## Management Approach

Rapid changes in technologies have forced the Bank to change its viewpoint and business approach to deal with the changes. The Bank established the Bangkok Bank InnoHub team, reporting directly to the Office of the President, to study new technologies and launch innovation campaigns such as Bangkok Bank InnoHub. In 2018, the Bank elevated the team to become an Innovation Department to support and drive innovation in the Bank by working with related parties inside and outside the Bank. The new department also operates as a center of innovation excellence at the Bank, responsible for conducting research and development into financial and digital technologies, initiating new business models for the Bank, seeking various types of cooperation with partners, and helping its people adapt to ever-changing situations by providing them with appropriate skills. The Bank expects the center of innovation excellence to be a hub for specialists, which encourages learning, inventing, and innovating through experiential practices, using a modern and innovative process which allows for trial and error. The innovative activities of the department will help to create value for the Bank's business units, support units, affiliates, alliances, customers, and Thai society as a whole.

The Innovation Department focuses on two areas:

- Enhancing product and service development capability using modern technologies to meet customers' needs of and provide them with better service experience
- Providing more service channels so customers can access the Bank's services more easily, conveniently, and quickly.

The department's scope of responsibilities is as follows:

- Studying and monitoring technological changes, while developing technological solutions for the Bank's business units, and coordinating knowledge and information exchanges with external parties such as universities, research centers, and innovation-based government agencies
- Monitoring related technologies in other industries so the Bank can anticipate opportunities and threats at an early stage and use the information to design business
- Driving the creation of new products and services
- Providing a consulting service for other departments within the Bank and coordinating the management of innovation projects such as Bangkok Bank InnoHub Accelerator
- Handling the department's own operations such as governance, intellectual property management, laws, and administration.

To avoid inconvenience to customers or others when introducing new kinds of products and services, the Bank tests its new products and services in a test group and in the Regulatory Sandbox of the Bank of Thailand. The Bank follows up the test results to make further improvements, ensuring the products and services of the Bank are safe to use, convenient, and truly beneficial for the users.

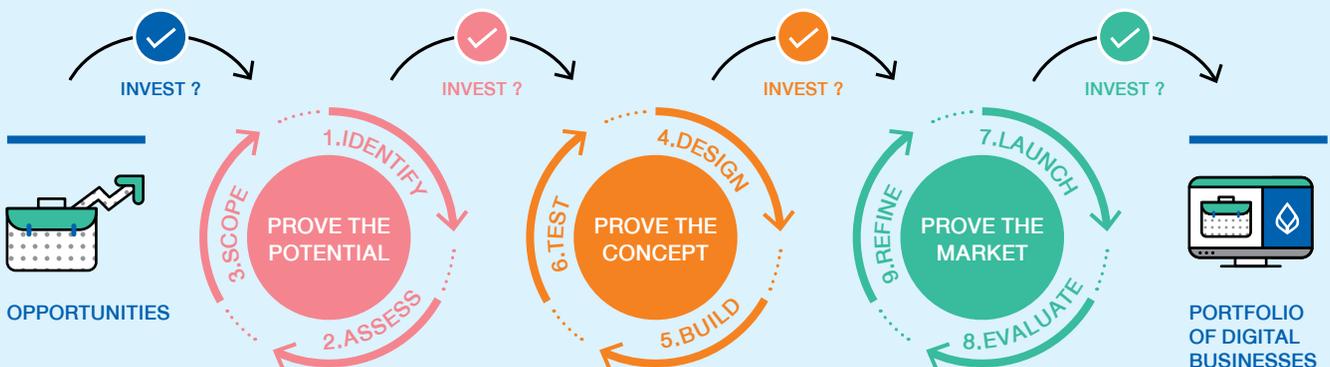
**Performance Highlights**

**+ Bangkok Bank InnoHub Accelerator**

In 2017, Bangkok Bank InnoHub Accelerator recruited world-class FinTech startups for a 12-week program of training and development. Some 119 startups from 32 countries applied to join the program; eight were chosen and five passed a technological and business proof of concept with the Bank. One of the startups, FundRadars (Siam Square Technology (Thailand) Co., Ltd.), developed a mobile application — BF Application — which helps mutual fund investors easily access investment information. The application was launched in November 2017.

The Bank started Bangkok Bank InnoHub Accelerator Season 2 around the end of 2018 and completed the project by the first quarter of 2019. The project attracted 128 applicants from 28 countries around the world. The Bank focuses on five technology themes which can contribute to the development of its products and services:

- **Creating Unique Customer Experience**  
Technology that can create new customer experiences, such as AI and chatbots, respond to customers' enquiries and present customers with appropriate products and services
- **Digitalization and Automation**  
Technology that can help digitalize the Bank's working processes to be automatic, simplified, fast, and efficient, such as AI for process automation and eliminating duplication
- **Future SME Solution**  
Technology solutions that can support SME with more efficient business management to serve their fast-growing businesses such as payments, online account management and business management tools in various forms, including AI for lending and loan analysis
- **Innovative Payment**  
New forms of technology for payment services, such as facial recognition, proximity technology, and cross-border payments
- **Discovering Cutting Edge Technology**  
The Bank focuses on discovering cutting-edge technologies, as innovations could emerge unexpectedly at any time or in any form.





**+ Enhancement of Bangkok Bank’s Website**

In the digital age, technology and communication networks play crucial roles due to the easy availability of information. Accordingly, the Bank has improved its website, [www.bangkokbank.com](http://www.bangkokbank.com), to be modern, beautiful, user-friendly and fast, under the concept of “Speed and Simplicity”. Customers can search for the Bank’s products or other information quickly and easily and the improved version provides an impressive customer experience whether on a computer screen, smartphone, or tablet.

The improvement of the Bank’s website included redesigning the format and graphics, and revising content to be more modern, attractive, concise, comprehensive, and accessible. Existing functions were upgraded while new functions were added including a search function, comparison of credit and debit cards, and matching of mutual fund products with each customer. An upgraded content management system makes it easier to add a variety of content. The website’s capacity for collecting statistical data was improved to enable more precise data analysis, while a centralized application programming interface allows people to easily access and use financial information such as exchange and interest rates.

**+ National Digital Identification (NDID)**

The number of financial transactions has increased dramatically, especially transactions via electronic channels which may be open to risks of identity theft or fraud. To minimize the risks and provide customers with convenient and speedy services, the Bank needs a quick and reliable customer authentication process which meets regulatory standards. The Bank has prepared to use facial recognition technology for making transactions at branches. The system is expected to be trialed in 2019.

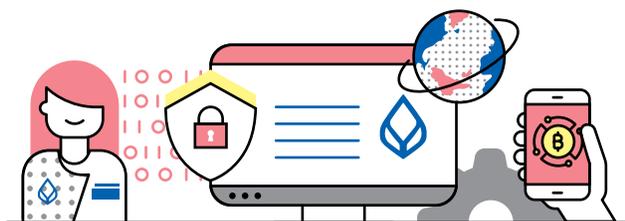
**+ New Bill Payment Machine**

The Bank has developed new cash deposit machines to provide a wider range of services such as bill payments or cash top-ups, and which accept both banknotes and coins. Customers can pay their bills or top up their electronic purse conveniently and easily at the cash deposit machines. This will reduce waiting time at the branches while providing a better customer experience.

## + DATA PROTECTION AND CUSTOMER CONFIDENTIALITY



### Commitment



Attaining data security management, and promoting and supporting cooperation regarding security of information technology of the banking industry

### 2018 Performance Highlights



1

Organizing a phishing drill with a phishing e-mail sent to employees to raise their awareness and readiness for handling phishing



2

Promoting and supporting operations of the Thailand Banking Sector Computer Emergency Response Team (TB-CERT)

### Materiality

In the digital age, data are essential for the banking business. As well as using data to analyze economic trends or determine corporate strategy, data can also be used for in-depth analysis to understand and forecast individual behavior, which will help the Bank develop new products and services that are different from those of competitors and beneficial to customers. At the same time, data constitutes a major risk to business undertakings if there are cyber threats and data security is compromised. Therefore, data protection is crucial for the growth of the Bank's business.

Data protection is not limited to preventing loss of data or preventing data being rendered unusable, but also covers safeguarding the data from unauthorized alteration, theft or misuse. Failure to do so would negatively impact the Bank's reputation and credibility, cause a loss of customer trust, potentially impact data owners, and result in legal liability on the part of the Bank. Therefore, the Bank has always considered data security as one of its top priorities.

.....  
**Management Approach**  
 .....

The Bank has adopted technologies to prevent data loss, leakage, and unauthorized alteration and access. The Bank has established systematic procedures to prevent data leakage by setting levels of users' permission according to data categories, protecting data confidentiality with data encryption, detecting malware or encroaching software attempting to steal data inside the organization, and staying alert for cyber attacks, which may cause service disruption and data damage. In addition, the Bank has been developing its employees' knowledge, skills and awareness of cybersecurity so they are alert to cyber attacks, and able to prevent efforts to phish for data from gaining access to the Bank's system and individuals' assets.

**Management Structure of Data Protection**

The Bank is aware of the importance of data security management and has therefore established a policy for data security and cyber risk. It also regularly reviews the policy to keep up with the current situation. In addition, the Bank's Risk Management Committee oversees and monitors the overall risks of the Bank, including setting effective measures to limit and prevent these risks.

The Bank has an information technology security management unit to set standards for data security and cyber risk management, oversee operations of units in the Bank to ensure they are in line with the set standards, and perform annual evaluations of technology risk that may affect the data the Bank has stored. The department's duties also include preparing plans for staff training to build awareness of data protection and plans for developing personnel in relevant units to have skills in data protection and cyber risk handling.

The performance of the information technology security management unit is continually monitored, reviewed, and evaluated by an internal audit unit every year. The department takes on board evaluation results and recommendations to improve its operational plan so that it is more efficient.

**Information Security and Cybersecurity Policy**

Technology is only one essential component of keeping information secure – another is processes for information security management to ensure the organization is resilient in handling and efficiently responding to cyber attacks. The Bank has established an Information Security and Cybersecurity Policy as a framework for managing matters covering every unit of the Bank in Thailand and overseas. The policy is in line with the Information Security Management Standard ISO/IEC 27001: 2013.

**Raising Awareness on Information Security**

The Bank believes that creating understanding and awareness of information security is essential for protecting the Bank, its service providers and customers. The Bank continues to communicate and educate employees and other parties involved, with an emphasis on personal information protection and customer information confidentiality, which is a main responsibility of the Bank.

In order to create awareness and understanding among staff about information security and cyber risks, the Bank periodically communicates information and knowledge in the form of short articles, infographics, videos, and quiz games with prizes on offer, via internal websites. The Bank has also set guidelines for information security which are communicated to new staff for their acknowledgement and understanding before they start working at the Bank. The guidelines have been disseminated internally with posters placed in office buildings, especially in highly visible spots.

## Essence of the Information Security and Cybersecurity Policy

1



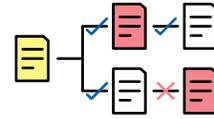
Information Security and Cybersecurity Risk Management component details risk identification, risk evaluation and analysis, risk mitigation, as well as risk monitoring and reporting

2



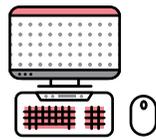
Information Technology Asset Management component prescribes a framework for risk management that covers stages from the beginning to the termination of use of hardware, software, and information

3



Access Control component prescribes formats and methods for users to access the information, and users' permission, roles and responsibilities

4



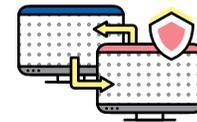
Physical and Environmental Security component prescribes management of the physical side of premises, equipment and environment, to protect the information technology assets

5



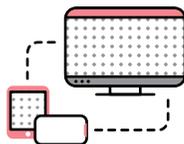
Operation Security component prescribes the operational framework for security control, namely anticipating threats, reporting, controlling changing factors, identifying loopholes, and managing the loopholes found

6



Communication Security component prescribes procedures for secure information reception and transmission

7



Mobile Device and Remote Access component prescribes procedures for accessing the Bank's information and technology system from outside locations using security-controlled devices

8



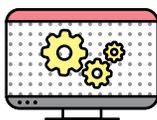
Third-party Management component prescribes processes for the Bank's engagement with third parties, either companies or individuals, who work with the Bank in developing or maintaining the security of the Bank's technology system

9



System Acquisition, Development and Maintenance component describes the work of acquiring, designing, developing and modifying to maintain the security of the Bank's technology system

10



Incident Response and Management component prescribes the operational framework for managing security incidents

11



Information Security for Business Continuity Management component prescribes planning and always-on-alert measures for responding to cyberthreats or information security incidents

12



Information Security and Cybersecurity Training component prescribes training programs and building awareness of cyber risk among employees.

### Collaboration with External Organizations to Create Cybersecurity

To efficiently anticipate and stay alert to cyber threats, cooperation is needed from external organizations for exchanges of information so that the Bank can respond promptly to a situation. Currently, the Bank plays a crucial role with the Thailand Banking Sector CERT (TB-CERT), which was established to achieve collaboration within the Thai banking industry to strengthen cybersecurity. In addition, the Bank has exchanged information with the Thailand Computer Emergency Response Team (ThaiCERT), Financial Sector Information Sharing and Analysis Center (FS-ISAC), which is the international center for exchanging information on information technology threats. The information is used to analyze situations and prepare for cyber threats.

### Performance Highlights

The Bank adheres to recognized standards for information security to protect important information. It has also continually invested in modern security technology. In addition, the Bank also connects with several cyber threat watch information networks in order to obtain information on cyber threats, which the Bank analyzes and uses to detect cyber attacks as well as to prepare response measures. Furthermore, every online service of the Bank is subject to regular security inspections before and after the service is provided to ensure the service is always secure.

In 2018, the Bank received 15 complaints from customers via its various channels regarding breaches of customer confidentiality. The Bank investigated those cases and found neither leakage of customer information due to cyber threats, nor breaches of the information.

### 10 Guidelines for Information Security for Staff to Follow in their Work



1

Store and destroy important information safely



2

Strictly follow the rules for accessing the security room and data center



3

Always wear an employee badge when working in an office building



4

Set a password that is difficult to guess and do not tell it to anyone



5

Do not send inappropriate e-mails



6

Regularly follow the agreement on internet use



7

Always lock the computer monitor when leaving the desk



8

Do not install software without permission



9

Always ask for permission to connect a computer or computer devices to the Bank's system



10

Inform the Service Desk if noticing an unusual security incident.

### International Certification of Information Security Standard

In 2018, the Bank was certified ISO/IEC 27001: 2013, a widely recognized international information security standard. The certification was granted for the Bank’s fund transfer service provided on the Bank of Thailand’s Automated High-value Transfer Network (BAHTNET), the electronic network for interbank fund transfers, and for Imaged Cheque Clearing and Archive System (ICAS), the system for interbank cheque clearing using electronic images of the cheques instead of physical cheques. The standard certification reflects the Bank’s quality of information security, in which the Bank takes pride. The Bank is determined to improve the information security management standards for other operating systems to give customers confidence while preventing any possible losses which may occur to customers.

### Electronic Waste Management to Prevent Information Leakage

The Bank places importance on information security management throughout the lifecycle of the information, including a procedure to ensure that no information is left in any devices that are no longer in use. Since 2015, the Bank has adopted guidelines for disposal of electronic waste in line with the DOD 5220.22M, high-level standards of the United States Department of Defence. Data storage media, such as hard disks, will be completely crushed into debris to ensure the data will not leak. The debris will be recycled for other uses, which helps conserve the environment at the same time.



## อีเมลปลอดภัย ป้องกันได้เพียงไม่กี่คลิก

*นำมาแช่ใจ*      *ใช้ภายในธนาคารเท่านั้น*

*นำมาส่งต่อ*

ปัจจุบัน เราใช้อีเมลเป็นช่องทางหลักในการสื่อสารและส่งข้อมูลระหว่างกันในการทำงาน เมื่อต้องส่งข้อมูลสำคัญ เราสามารถรักษาความปลอดภัยของข้อมูลทั้งเนื้อหาอีเมลและไฟล์แนบได้โดยจำกัดสิทธิ์การเปิดอ่านแก่ผู้เกี่ยวข้อง หรือส่งต่อไปยังบุคคลอื่นได้ง่ายๆ ใน Outlook

### เลือกกำหนดสิทธิ์อีเมลได้ 4 รูปแบบ ตามความเหมาะสมในการใช้งาน ได้แล้ววันนี้

การใช้งาน	อ่าน	แก้ไข	บันทึก	พิมพ์	คัดลอก (Print screen)	Forward	Reply
<b>Do not Forward</b> สำหรับอีเมลและไฟล์แนบที่ต้องการจำกัดผู้รับ ห้ามส่งต่อไปยังคนอื่นนอกเหนือจากรายชื่อที่ผู้ส่งกำหนด	✓	✓	✗	✗	✗	✗	✓
<b>Internal – Read/Edit/Save/Print</b> สำหรับอีเมลและไฟล์แนบที่มีมีการแก้ไขเนื้อหาพร้อมกัน	✓	✓	✓	✓	✓	✓	✓
<b>Internal – Read/Print</b> สำหรับอีเมลและไฟล์แนบที่ไม่ต้องการให้แก้ไขข้อความ แต่ต้องการให้ส่งพิมพ์ได้	✓	✗	✗	✓	✗	✗	✗
<b>Internal – Read Only</b> สำหรับอีเมลและไฟล์แนบที่ต้องการให้เปิดอ่านได้เพียงอย่างเดียวเท่านั้น	✓	✗	✗	✗	✗	✗	✗

**ขั้นตอนง่ายๆ ในการกำหนดสิทธิ์อีเมลใน Outlook**

## จัดประเภทข้อมูลก่อนใช้ ปลอดภัยอย่างมืออาชีพ

ข้อมูล (Information) ถือเป็นทรัพย์สิน (Asset) สำคัญในการทำธุรกิจขององค์กร เพราะก่อให้เกิดความได้เปรียบ เติบโต และลดการพึ่งพาธุรกิจได้ ทำให้ต้องมีวิธีการควบคุมการใช้ข้อมูลตั้งแต่การเก็บ ส่งต่อ ทำลาย ฯลฯ เพื่อความปลอดภัย โดยแบ่งระดับการรักษาความปลอดภัยตามระดับความสำคัญของข้อมูลเป็น 4 ประเภทดังนี้

**Public ข้อมูลสาธารณะ:**  
ข้อมูลที่จัดทำขึ้นเพื่อเผยแพร่ภายนอกธนาคาร เช่น ข้อมูลเพื่อการประชาสัมพันธ์ไปยังลูกค้า ผู้ลงทุน และผู้ถือหุ้นของธนาคาร ข้อมูลทางการตลาด ข้อมูลข่าวสารเกี่ยวกับบริการใหม่ของธนาคาร แผ่นพับ ข้อมูลข่าวสารของธนาคารในวารสารสิ่งตีพิมพ์ ข่าวสารต่างๆ ข้อมูลตลาดประกอบการประจำปีของธนาคาร เป็นต้น

**Internal ข้อมูลภายในธนาคาร:**  
ข้อมูลสำหรับใช้ภายในธนาคารหรือเฉพาะหน่วยงานเท่านั้น ห้ามนำไปเผยแพร่ภายนอก เช่น ผังองค์กร นโยบายส่งเสริมเงินฝากของธนาคาร ขั้นตอนการปฏิบัติงานในรูปแบบของคู่มือ เอกสารประกอบการปฏิบัติงาน ระดับยศตำแหน่ง ข้อมูลรายงาน บันทึกการประชุม หรือข้อมูลในบันทึกช่วยจำ (Memorandum) เป็นต้น

**Confidential ข้อมูลลับ:**  
ข้อมูลที่จำกัดการใช้เฉพาะบุคคลหรือกลุ่มบุคคลเท่านั้น เช่น แผนเชิงธุรกิจต่างกลุ่มภายใน กฤษฎีกาทางการตลาด ประสิทธิภาพงาน ข้อมูลประวัติทางการเงินของพนักงาน ข้อมูลเงินเดือน ข้อมูลทางบัญชีของลูกค้า ชื่อที่อยู่ของลูกค้า หมายเลขบัญชีของลูกค้า ข้อมูลลูกค้ารายบุคคล ข้อมูลลูกค้ารายสาขา หรือข้อมูลความปลอดภัยของระบบคอมพิวเตอร์ (Computer Security Parameter) เป็นต้น

**Secret ข้อมูลลับเฉพาะ:**  
ข้อมูลที่จำกัดให้ใช้เพียงวงแคบภายในธนาคาร และเปิดเผยได้เฉพาะบุคคลที่ได้รับอนุญาตเท่านั้น เช่น รหัสลับที่ใช้ในการโอนเงิน รหัสลับที่ใช้กับระบบคอมพิวเตอร์ (Password) หรือข้อมูลผลประกอบการของธนาคาร ข้อมูลเกี่ยวกับการควบคุมการให้บริการของธนาคาร ประเภทข้อมูลเชิงทางการ เป็นต้น

สำหรับข้อมูลอิเล็กทรอนิกส์ ประเภทข้อมูลลับ (Confidential) และข้อมูลลับเฉพาะ (Secret) นั้น ต้องมีการเข้ารหัส (Encryption) เพื่อความปลอดภัยในการส่งข้อมูลทุกครั้ง และใช้ขั้นตอนวิธีการเข้ารหัสข้อมูล เช่น ได้ใช้ **Be Safe** ตลอดไป

สอบถามเพิ่มเติมติดต่อทีม Security Management ฝ่ายเทคโนโลยี | security.mgt@bbl.co.th

### Cybersecurity Awareness Building Activities

In 2018, the Bank held activities to build awareness and understanding of personal information confidentiality and cyber threats for executives and staff in various forms and through various channels. The Bank plans to expand these awareness and understanding building activities to customers, in order to encourage them to protect themselves from the threats. Highlights of activities in 2018 are as follows:

#### + Communications for Cybersecurity Awareness Building

The Bank communicated useful information through its internal website in the form of infographics that are easy to understand. The topics communicated focused on issues in daily life or at work so that staff and executives can keep up with the issues and prevent or handle the situations properly. The topics communicated were, for example, “Protect your e-mail in a few clicks” and “Categorizing data before use to ensure security”. In addition, the Bank has raised awareness of and understanding of IT security among all new employees on their orientation day. In 2018, all 1,116 new employees attended the IT security presentation.

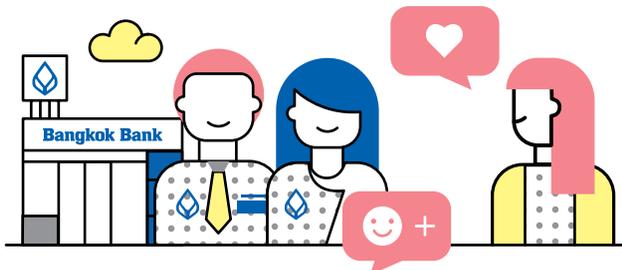
#### + Internal Cyber Drill

The Bank joined a cyber threat drill with the Thailand Banking Sector CERT (TB-CERT) for the third consecutive year. The Bank has used its experience to improve its cyber threat response plan and adapted it for its internal drills. In 2018 the Bank conducted an internal test of its cyber attack response plan. The test helped raise the awareness of various departments in the Bank of the need to prepare for cyber threats. In addition, the Bank held a cybersecurity drill by simulating a cyber attack in the form of a phishing drill. The Bank sent a phishing e-mail to employees across the country to try and trick them into disclosing personal information. The test was satisfactory, with 10 percent of staff involved in the drill being phished.

## + CUSTOMER SATISFACTION



### Commitment



Promoting the value of customer satisfaction among all employees so that they appreciate it is fundamental to the Bank's sustainability and strive to deliver the highest quality customer experience

### 2018 Performance Highlights



1

Achieving customer satisfaction  
(voice of customer)

= 9.33

in the use of branch services



2

Achieving Bangkok Bank  
recommendation

= 7.21

in the use of branch services

### Materiality

Customers are of the utmost importance to the Bank. Service quality is a crucial factor in drawing customers to the Bank, especially given the current environment of very aggressive competition among banks. Providing services that are better, more convenient, faster, and better suited to customers' needs are key to the Bank holding a competitive advantage over its competitors. The Bank realizes the importance of developing its services to meet its customers' needs better and faster. To do this, the Bank relies on properly analyzing the true needs of its customers so that it can develop and offer quality products and services which are beneficial to customers and meet their needs.

The Bank focuses on creating customer satisfaction and maintaining good service standards. The Bank has continued to adjust its approach to customer service to keep up with changing customer behavior and needs and has established policies and practical guidelines covering all service channels for the Bank's staff to follow. Customer satisfaction surveys were conducted at every Bank branch throughout the country. The evaluation results were used for service improvements as customer satisfaction is fundamental to the Bank's sustainability.

.....  
**Management Approach**  
 .....

The behavior patterns of users of the Bank's services have changed considerably due to technological development and service innovation, enabling customers to access services conveniently through digital platforms. Therefore, the Bank has adjusted the way it serves customers to achieve faster delivery. In addition, the Bank has set service principles and guidelines by focusing on presenting products and services suitable for customers and maintaining good relationships, while providing a quality and fast service, so that Bangkok Bank continues to be its customers' main bank.

The Bank believes that customer satisfaction comes mainly from good quality service and customer-centricity delivered by the Bank's staff. To this end, the Bank sees its staff as the most crucial element. All Bank staff must know and understand the Bank's products while being happy with their working lives, so that they can provide a quality service to customers, living up to the Bank's motto 'puan koo kit mit koo baan' (trusted partner and reliable close friend).

**Determination to be Customers' Main Bank**

To achieve the goal of being the customers' main bank providing customers with financial services which are of high quality, modern, and tailored to the needs of each customer group, the Bank has been focusing on:

- Providing excellent customer experience by taking a customer-centric approach in developing the Bank's operations in various aspects so as to achieve leadership in customer satisfaction
- Developing products and distribution channels to meet customers' financial needs at individual and segmented levels, while also improving working efficiency and service networks to deliver an omni-channel network approach.

**Customer Service Policy**

The Bank places importance on cultivating and spreading a culture of treating all customers fairly. To demonstrate its commitment to responsible and fair business conduct, the Bank has established a market conduct policy for the fair treatment of customers. The market conduct policy covers all the Bank's service channels and products. The policy means customers are provided with clear product and service information as well as useful advice so they can choose the most suitable products and services with regard to prices, conditions applied, and the customer's needs and expectations. Those required to follow this policy are directors, executives, staff, advisors, and persons authorized to act on behalf of the Bank. The Bank expects them to understand, accept, and strictly practice this policy.

**Customer Satisfaction Management Structure**

The Bank has set up a Quality Service Team, and a Data Research and Analysis Team. They are responsible for ensuring that the service provided by all Bank staff meets quality standards, and finding new ways to improve service quality so that customers receive the highest level of satisfaction.

**+ Quality Service Team**

To ensure that customers receive services that are fair and of good quality, the Bank has set up a Quality Service Team to ensure the service provided by the Bank's staff nationwide meets prescribed standards and practical guidelines. The standards and practical guidelines are reviewed regularly to ensure they are relevant to the current social context and customer expectations. The team also held activities to build up positive attitudes among staff towards the working culture, while activities for staff to exchange their opinions were held. Outsourced consulting companies were hired to observe the service quality provided by branch staff throughout the country in terms of its responsiveness to the needs of customers. The team conducts opinion surveys on customers using the branch services and customers' suggestions and demands will be used to improve the Bank's services.

**+ Data Research and Analysis Team**

This team has been assigned to evaluate customers' satisfaction in using the Bank's services through various channels, and to analyze the evaluation results to find ways to drive service improvements. A customer survey is conducted annually to track the performance of the Bank's staff. The results are analyzed and benchmarked with peers to identify the Bank's status, strengths and weaknesses, and are used in setting the service approach of the Bank.

## Customer Satisfaction Management

Customer satisfaction management of the Bank consists of three major elements: feedback from customers and service evaluation, complaint management, and customer service competency development for employees.

### + Feedback from Customers and Service Evaluation

The Bank provides various channels to listen to customers, such as the website [www.bangkokbank.com](http://www.bangkokbank.com) and Bualuang Phone 1333. The Bank conducts various types of surveys to evaluate customers' satisfaction, such as feedback from customers in using branch services, which is done with telephone calls to customers with as many as 70-100 calls per branch in a year. A customer satisfaction survey on mutual funds is conducted by contacting the customers investing in a fund on the following day to see if they had received the service quality set by the regulatory body. Customer recommendation surveys are done online to evaluate customer satisfaction and long-term engagement with the Bank. This survey is conducted twice a year, interviewing 2,000 customers all over the country in each survey.

Customer feedback and service evaluation are very important tools for the Bank to learn about and understand problems regarding service quality, enabling the Bank to identify and correct issues so that customer satisfaction and impressions can truly be improved.

### + Handling of a Complaint

In terms of the Bank's guidelines on how to handle customers' complaints, branch managers must contact customers to provide assistance and help solve problems as quickly as possible. Branch managers must set plans to improve the services of their branches and to prevent repetition of problems. In addition, the Bank has set up a central team to follow up with customers, ask for their feedback, and assess if they were satisfied with the assistance they had received. Customers can submit their suggestions or complaints using contact channels such as the Bank's official website or Bualuang Phone 1333.

### + Customer Service Competency Development

The Bank held various activities to enhance staff competencies in customer service.

'WoW' activity, aimed at improving staff knowledge and techniques for winning customers' heart. Each year, 600-700 employees join the activity and share what they learn with fellow employees at their branches afterwards.

**Evaluation of Staff Knowledge of Mutual Fund and Insurance Products (Voice of Staff)** The Voice of Staff activity was held with an objective of encouraging staff to enhance their knowledge of the mutual fund and insurance products of the Bank. The Quality Service Team sends a set of questions along with information about the mutual fund and insurance products, including any 'hot issues' at that time, for staff to study in advance. Then the central team will contact the staff licensed to offer mutual fund or insurance products at branches throughout the country, to check how well they understand the products. Staff who misunderstand certain points will receive clarification from the central team to ensure staff will be able to provide customers with the right information.

**Mystery Shopping** Service quality evaluation by way of mystery shopping is conducted to evaluate branch services four times a year. Mystery shoppers visit every branch to evaluate three aspects, which are readiness of customer service areas, services provided by staff, and telephone answering manners. Evaluation results will be used to set guidelines for branch staff to follow. The evaluation which began in 2018 and continued in 2019 focuses on services provided in line with rapid changes in technologies and customers' needs.

Performance Highlights

Customer Satisfaction Score

The result of the 2018 customer satisfaction and recommendation survey was very satisfactory. Overall customer satisfaction with the Bank’s service was high and they recommended the Bank to people close to them.



+ Customer Satisfaction

Voice of customer score in using branch services was 9.33 in 2018, a continuous increase from the score in 2015.



+ Customer Recommendation

Overall recommendation score was 7.21, while recommendation scores by channel were 7.76 for branch service, and 8.13 for mobile banking service, from 8.0 in 2017.



7.76 recommendation scores for branch service



8.13 recommendation scores for Bualuang mBanking, increased from 8.0 in 2017

Handling of Complaints

According to an opinion survey of customers who lodged complaints with the Bank, the complaining customers consider that the overall complaint handling of the Bank was satisfactory. Customers were mostly satisfied with branch managers who were able to handle the complaints quickly by calling the customers (within two working days) to listen to their complaints and help solve the problems. Branch managers also used the complaints to improve the service quality of their branches.

To accommodate growing needs of customers for making complaints and general inquiries, the Bank has upgraded the call center. The number of fixed telephone lines in Bangkok and its surrounding areas was increased to boost the service quality of Bualuang Phone 1333. A customer contact management measurement was set up so that staff could manage customer demand correctly and more quickly.

The call center upgrade was achieved without service disruption. Customers living in other provinces paid as little as Baht 3 per call when contacting Bualuang Phone. The proportion of customers who made successful calls to Bualuang Phone’s automated service was 87 percent. Customers who contacted the call center rated the services ‘Satisfactory’ and ‘Very Satisfactory’ – a level as high as 92.5 percent.

Customer Service Competency Development

In 2018, the Bank continued to hold Voice of Staff activities to increase the service competency of staff. One of the activities was designed to enhance their skill in using the Bank’s financial products to start conversations with customers. The Quality Service Team prepared important information about selected products which was used to communicate with staff who acted as coaches for their peers to study in advance. Staff were informed one week in advance to allow them time to prepare for evaluation later via telephone calls. This activity was organized across all branches throughout the country and took two months to finish. Afterwards, the Quality Service Team prepared an evaluation handbook and result report to be presented to business unit heads, regional managers, and branch managers, as relevant. Awards were presented to the best-performing branches.

In conducting the service quality evaluation by way of mystery shopping, the Bank set criteria relevant to a situation during the period. The evaluation result in 2018 was 89.72 percent, increased from 88.63 percent in 2017.

## + VALUE CHAIN EMPOWERMENT

Sharing financial knowledge and providing opportunities for access to financial services to small and medium-sized enterprise operators, farmers, and needy groups





**+ Responsible Lending**

Encouraging benefactors of the Bank’s financial services to be aware of the importance of managing businesses and projects with responsibility to the environment and with respect for human rights



**+ Supply Chain Management**

Demonstrating steadfast determination in managing the entire supply chain of the Bank to ensure all its business processes support sustainable business

## + RESPONSIBLE LENDING



### Commitment



The Bank is dedicated to actively preventing and alleviating social and environmental problems through responsible lending

### 2018 Performance Highlights



Loans provided to projects for energy conservation have continued to grow, and the Bank has been improving its guidelines for credit approval to ensure these are more relevant to social and environmental issues

### Materiality

Continuous economic development over past decades has had various side effects on communities, society, and the environment. These impacts include illegal logging, irresponsible exploitation of natural resources, pollution emissions, global warming, violation of human and labor rights in order to maximize business profits, and social and business inequality. These problems have affected communities' ways of life and obstructed sustainable development at the national level. Preventing, solving, or alleviating these problems requires the cooperation of all sectors.

As a key source of funding for business, the Bank realizes the importance of dealing with the social and environmental problems caused by various investment projects. The Bank embraces its duty of helping alleviate these problems in communities, society, and the environment by lending responsibly. Responsible lending will help prevent or cushion negative impacts that might emerge from large investment projects funded by the Bank, strengthen communities, and support sustainable development. It will also help safeguard the Bank from reputational risk and credit risk, as well as building good relationships between the Bank and communities. The Bank places importance on conservation of the environment, prevention of pollution, and alleviation of global warming, through lending to projects which produce or use alternative energy in place of energy from fossil fuel, such as solar power plants, wind power plants, and electric mass transit projects.

The Bank believes that strong communities are the basis of sustainable development. However, community strengths have been lessened by household debt problems, and limited access to sources of funds for small businesses, which are the main sources of community income. Therefore, the Bank has initiated loans for micro entrepreneurs to help small businesses access funding at reasonable interest rates. The Bank has also played its part in solving household debt problems through the Government’s Debt Clinic Project.

.....  
**Management Approach**  
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**+ Credit Policy with Social and Environmental Responsibility**

The Bank has established a general underwriting standard for scrutinizing loan applications which have no potential impacts on community, society, and the environment in accordance with its credit policy principles. The Bank requires projects that might have severe negative environmental impacts on communities, as determined by relevant government agencies, to pass an Environmental Impact Assessment (EIA) and/or Environmental and Health Impact Assessment (EHIA), according to criteria set forth by government agencies.

The Bank adheres to social responsibility guidelines set forth by international bodies with regards to criminal violation, actions causing financial damage, illegal transactions, and activities which may cause severe negative impacts on communities without legitimate approval from authorities, as well as large investment projects which the Bank supports in collaboration with other financial institutions in Thailand and other countries.

The Bank reviews the general underwriting standard every year to make certain the standard remains relevant to changing situations and risks.

The Bank has always been aware of the importance of sustainable development. An example of this is its approach to lending to the textile industry, which has the potential for environmental impact and is highly labor intensive. The Bank has stipulated additional criteria for social and environmental issues the industry may cause, in addition to the general underwriting standard and governing laws. The Bank also requires standard certification in terms of production quality, environmental management and labor management, such as international standards on environmental management (ISO) and labor management (SA 8000).

In addition, the Bank is studying options for improving its guidelines and processes for loan approvals to ensure that projects funded by the Bank have appropriate and effective risk management and environmental impact management, as well as respecting human and labor rights.

.....  
**Performance Highlights**  
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**+ Lending to Environmentally-friendly Energy Projects**

Use of alternative energy in place of fossil fuel plays a significant role in alleviating impacts on the environment and global warming, while strengthening energy security of the country. Although electricity generation using alternative energy is growing continually, it still falls behind the target set by the Government, according to the Alternative Energy Development Plan 2015-2036. The Bank is aware of the importance of alternative energy and has continually supported the alternative energy industry. For the past several years, the portion of loans granted to the alternative energy industry has grown constantly. Loans granted to the hydropower industry in 2018 accounted for 22 percent of total outstanding loans to the energy industry, up from 14 percent in 2015.

Category	Portfolio Mix (percentage of total loans granted to energy industry)			
	2015	2016	2017	2018
 Renewable Energy Power Plant	34%	42%	49%	46%
 - Solar Energy	18%	22%	31%	21%
 - Hydropower	14%	18%	16%	22%
 - Wind Power	2%	2%	2%	3%
 Fossil Fuel Power Plant	66%	58%	51%	54%

62

Over the past 10 years, the Bank has provided long-term loans to alternative energy-based electricity generation projects of Baht 47.6 billion, of which Baht 41.4 billion were provided to solar power plants, and Baht 6.2 billion to wind power plants. The Bank has also provided loans to businesses which install solar panels on factory rooftops and sell the electricity to the factories for lower prices compared to electricity prices charged by state-owned organizations. Solar rooftop electricity not only helps save electricity expenses for those factories, but also reduces the country's dependency on fossil fuels. In addition, the Bank has also taken part in developing alternative energy in countries other than Thailand through loans provided to alternative energy projects in Japan and Vietnam.

Support for generation and use of environmentally-friendly energy is another way to achieve sustainable development and meet the country's energy goals. Therefore, the Bank has supported generation and use of environmentally-friendly energy continually through provision of loans to various energy projects, especially the electric public transport system projects, resulting in a seven-fold increase in outstanding loans from 2015 to 2018.

#### + Promotion of Efficient Use of Electricity

Realizing the importance of energy conservation and efficient use of electricity in line with Government policy, the Bank has participated in a Government energy-saving campaign from the beginning of its first phase in 2003 through to its current sixth phase. Under this campaign, the Bank has extended total loans of Baht 12.4 billion, the full quota allocated to the Bank representing 15 percent of the campaign's target. The purpose of the campaign is to help businesses replace equipment and machinery, as well as installing solar electricity systems to save on electricity consumption.

#### + Loans for Micro Entrepreneurs

The Bank provides loans for micro entrepreneurs to help these small businesses gain more access to finance. Micro entrepreneurs as a group are high-risk borrowers and lack the collateral to qualify for lending, while financial institutions have limited information about them. These entrepreneurs therefore are unable to access sufficient funding from financial institutions and must resort to financing from loan sharks at the expense of very high interest rates. The Bank has continued its loan program for more than three years and has helped many micro entrepreneurs receive loans at reasonable interest rates without

collateral. More than 2,000 micro entrepreneurs have taken out total loans of more than Baht 400 million from the Bank. The loan program helped reduced the entrepreneurs' interest burden by more than Baht 20 million.

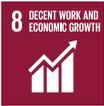
#### + Household Debt Restructuring

Thailand's high level of household debt has become a public concern and various sectors have been closely monitoring the matter, which may affect the long-term economic stability of the country. The Debt Clinic Project is an initiative implemented by the Bank of Thailand in collaboration with commercial banks, aimed at helping debtors who are honest and determined to solve their debt problems, and also at building financial disciplines among debtors. The Bank has joined the program for two consecutive years, with 40 debtors joining the program in 2017 and 28 joining in 2018. Those who joined the program had debt from credit and cash cards and non-collateral personal loans, which have become non-performing loans (NPL). Their debts were restructured and debtors were given reasonable repayment periods and lower interest rates. Debtors joining the project are required to not take out new loans and strictly maintain financial discipline.

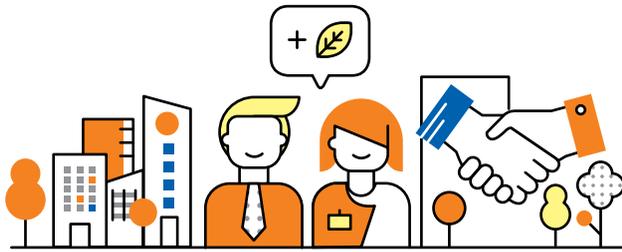


Loan Project	Phase 2	Phase 3
Year of operation	2016 - 2018	2018 - 2020
Number of borrowers	1,885	In progress with target of 2,000 borrowers
Loans approved	Baht 351 million	In progress with target of Baht 400 million in lending

## + SUPPLY CHAIN MANAGEMENT



### Commitment



Managing an efficient supply chain with consideration of social and environmental impacts while engaging suppliers to achieve a more sustainable supply chain

### 2018 Performance Highlights



Introducing an assessment form for new vendors covering their social and environmental undertakings and using the form to assess vendors, all of whom passed the assessment

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### Materiality

The Bank believes that good supply chain management will contribute to smooth and efficient business operations and the continuous delivery of quality services to customers. It also provides an important mechanism for building cooperation and networks to protect the environment and natural resource throughout the supply chain. In undertaking its business, the Bank requires large volumes of goods, materials, equipment, and services from suppliers and outsourced service providers. A lack of responsible supply chain management may adversely affect society and the environment.

To this end, the Bank has established practical guidelines for suppliers and outsourced service providers. This demonstrates the Bank's expectation that suppliers and outsourced service providers take into account the importance of environmental and social protection, and also to prevent direct or indirect risks to the Bank's corporate image and operations. The Bank considers it important to select suppliers and outsourced service providers who emphasize their readiness for doing business in line with the sustainable development guidelines. This is because the Bank believes that working with suppliers and outsourced service providers will help promote and enhance creative changes in society. It will support the sustainable growth of the Bank and its suppliers and outsourced service providers.

## Management Approach

The Bank has categorized the concerned parties within its supply chain into three groups: suppliers, contractors, and outsourced service providers. Suppliers provide, through processes administered by the Bank's Procurement Unit, materials or equipment necessary for the undertaking of the Bank's business. Contractors provide repair, improvement and maintenance services for the Bank's equipment or buildings. Outsourced service providers work on behalf of the Bank in specific work areas, such as premises, security or the transportation of cash and high-value items.

### Statistics and Categories of Parties Involved in the Bank's Supply Chain

Category	Total	Suppliers	Contractors	Outsourced Service Providers
Number of vendors on approved vendor list				
• Domestic vendors	2,883	1,214	1,197	472
• Foreign vendors	303	-	-	303
<b>Total</b>	<b>3,186</b>	<b>1,214</b>	<b>1,197</b>	<b>775</b>
Number of vendors awarded procurement contracts in 2018	1,173	151	278	744
New vendors listed on the approved vendor list in 2018	41	2	8	31

## Selection Process

### + Suppliers and Contractors

The Bank has established a systematic selection process for new suppliers and contractors. The process starts with a meeting with prospective suppliers and contractors to help them understand the Bank's practical guidelines that they need to follow. The Bank also invites the prospects to present their credentials, as well as their products or services, at the meeting, and inquires about the companies' general information, quality control processes, good governance philosophy, and financial stability.

In 2018, the Bank required all prospective suppliers and contractors to complete a self-declaration form, which covers not only product and service quality, but also their policies and management approaches related to society, the environment and social responsibility. Prospects failing the assessment criteria will not be listed as approved vendors. Those having passed the assessment are required to submit all relevant documents for the Bank to consider before listing them as approved vendors. A company that passes the assessment for contractor status will

need to pass another step, which is a site inspection of their business premises by a relevant team from the Bank. If the inspection is passed, the site inspection team will recommend the company is included on the Bank's approved vendor list.

Risks associated with procurement include errors in quoting prices or submitting qualifications or specifications of products or services, as well as the late delivery of goods or failing to meet commitments on the quality of goods or services. The Bank has established penalty measures for vendors failing to deliver on the agreed terms and conditions. The penalty measures for breaches of contract are clearly specified in procurement contracts. The Bank will inform the suppliers or contractors at fault of any measure taken, in writing.

In addition, the Bank has adopted an online electronic auction (e-Auction) system to support free and transparent competition. All bidders can follow the auction's progress.

#### + Outsourced Service Providers

The Bank has awarded outsourced service providers contracts for performing work for the Bank, which helps the Bank manage its operations, reduce its operating costs, improve its efficiency and increase the flexibility of its business operations. The Bank has established an outsourcing policy in accordance with principles set by regulatory authorities, to demonstrate clarity and transparency of criteria and direction, as well as related processes and practical guidelines, for selecting outsourced service providers. The outsourcing policy was approved by the Bank's Board of Directors and has been reviewed at least once a year or when there is an incident with significant impact. The Bank has communicated and enhanced understanding regarding the policy through a procurement handbook for departments within the Bank and has involved employees to properly and suitably put the policy into practice.

### Monitoring, Review, and Evaluation Processes

#### + Suppliers and Contractors

The Bank monitors, reviews and evaluates the performance of suppliers and contractors in various ways, such as conducting a survey on the satisfaction of relevant departments with their vendors, or by performing random checks on the quality of products and services provided by vendors that meet agreed terms and conditions. For contractors, the Bank has assigned its staff to monitor and examine their work both at an ongoing stage and at the point prior to delivery. If the suppliers and contractors fail to deliver on the set standards, the Bank will take measures as stated in the contracts.

#### + Outsourced Service Providers

The Bank requires departments using outsourced service providers to control, monitor, review and evaluate their performance every six months. They must also prepare a summary report on their use of outsourced service providers for the Outsourcing Committee at least once a year. In the event that an outsourced service provider fails to deliver on the set standards, the Bank will enforce measures as stated in the contract to an appropriate and fair degree, such as fines, reprimands or contract termination. The Bank will inform the service providers at fault of every measure taken, in writing.

### Performance Highlights

In 2018, the number of vendors and contractors of the Bank was 429. All were local vendors, of which 10 were new vendors. The Bank had 775 outsourced service providers, 472 in the country, and 303 from outside; of the total, 31 were new service providers.

Results of the evaluation of new suppliers and contractors according to sustainability criteria which cover social and environmental aspects for sustainable supply chain management in 2018 are as follows:

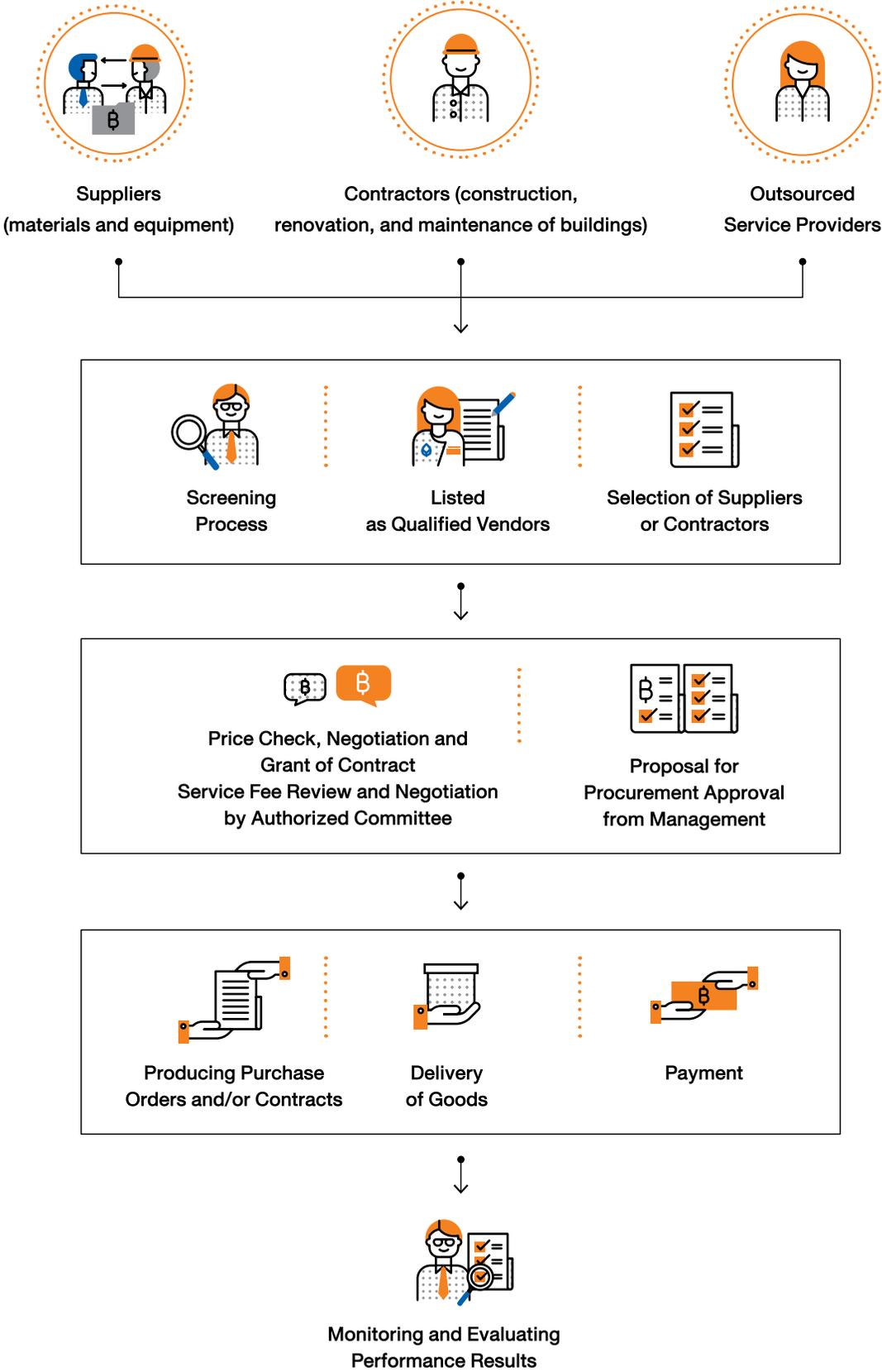
- The Bank's Procurement Unit evaluated two new vendors and both passed the evaluation
- The Bank's Premises Department evaluated eight new contractors and they all passed the evaluation.

The Bank is aware of the need for suppliers, contractors and outsourced service providers to refrain from violations of human and labor rights. Such violations also run counter to the concept of sustainable development. To make it clear that the Bank disagrees with and never intends to be involved with any activities violating human rights in its supply chain, the Bank has added a statement to the procurement contract as follows:

"While performing its duties under this contract, the Contractor ratifies that there will be no practices that violate human rights, including the rights of the Contractor's employees, and the rights of the Client's employees and customers. The Contractor shall strictly abide by relevant laws and regulations on human rights protection."



The Bank's Supply Chain



## + EMPLOYEE CENTRIC

Attracting, developing, and retaining capable employees  
so that they are able to cope with volatility and rapid changes





### + Training and Education

Empowering employees with knowledge and skills necessary for their work and for supporting the Bank's sustainable business growth



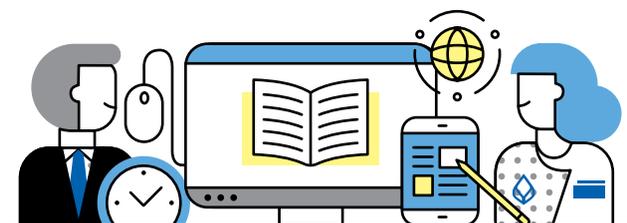
### + Employee Welfare and Security

Providing an appropriate work environment, fair remuneration, and comprehensive benefit packages, in order to assure job security for employees who are vital to the Bank

## + TRAINING AND EDUCATION



### Commitment



Developing employees so that they attain essential knowledge and expertise, systematic thinking, leadership, and the ability to smoothly adapt to changes

### 2018 Performance Highlights

70



**1**  
Continually organizing training for development of executives and staff



**2**  
Further improving the e-Learning system so that employees can learn anywhere, anytime



**3**  
Providing training with average training time of 30 hours per employee per year

### Materiality

Currently, the Bank is encountering inevitable digital disruption and its way of undertaking business needs to change to keep up with an evolving business landscape, new technology and changing customer behavior. Shifting the mindset of employees and the way they work as well as human resource management are vital factors for coping with such change. The Bank places importance on empowering employees with the knowledge and skills necessary for achieving future business growth by providing regular training and development for employees in every position in every department. The Bank also places importance on developing specialized technology skills in line with its digital banking direction for employees with high potential. This is to ensure the Bank's employees are quality personnel equipped with the skill sets, knowledge and expertise to cope with change and provide the foundation for sustainable growth of the Bank.

The Bank recognizes and places importance on the continual development of various skills for employees. The Bank sees employees as invaluable human capital and a vital factor for elevating the Bank’s capabilities. The Bank has therefore planned to further enhance the capabilities and skills of employees so that they become a brain bank, which is also helpful for their career advancement. In addition, employees are regarded as key representatives of the Bank who deliver products to truly satisfy customers’ needs.

**People Development Commitment**

The Bank oversees and follows up on the competency development of employees from their first day at work with the Bank with the aim of helping them advance to managerial level. The Bank offers employees a broad range of training courses that fit all levels and all functions; for example, the newcomer course, core course, specific course, leadership development program, and special courses designed to be aligned with the Bank’s policy and direction.

The Bank has set up an Executive Service unit to be responsible for competency development of employees at managerial level, and a Learning and Development unit responsible for competency development of operational employees. In addition, the Bank has a policy for nurturing high-potential employees to prepare them for future advancement to managerial level. The Management Development and Succession Planning unit is in charge of the development of this group.

.....  
**Management Approach**  
 .....

In 2018, the Bank increased its learning capability for competition in the digital age by embracing an online channel provided by e-Learning platform developer SkillLane to give employees another learning channel for learning anywhere, anytime at their convenience. This technology revolution makes learning faster and more accessible to employees throughout the organization. In addition, the Bank encourages employees with knowledge and experience in specific areas to join an internal trainer group to share their knowledge and techniques with new employees. This not only increases capabilities and bolsters the confidence of the new employees, but also develops a culture of respect and establishes good relationships between the trainees and trainers.

The Bank invited employees enrolling in every training course to evaluate the quality of both trainers and contents. Employees can easily evaluate them using the QR Code feature on their mobile phones. Courses for development of specific knowledge and skills for employees to apply to their jobs, such as credit processing, customer service officer, etc. require participating employees to sit and pass a test after the course to complete their training on the subject. Moreover, in 2018 the Bank improved the process for following up on the use of the knowledge and skills the employees acquired from the training in their actual work. To do this, the Learning and Development unit will send an online reflection form to supervisors and employees who have been trained to evaluate this aspect a few months after the employees complete the course.

In 2018, the Bank focused on developing employees to be financial advisors capable of providing advice and comprehensively meeting the financial needs of customers. The Bank has trained employees to provide them with the necessary knowledge and skills to give advice on and recommend insurance products and services useful to customers. The training program has trained more than 2,400 employees of the Bank.

.....  
**Performance Highlights**  
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**Professional Living through Agile Learning: Comprehensive Online Learning Channel**

These days, new technology, new knowledge, and new skills are emerging at a faster pace than ever before. The Bank’s employees have to apply new learning concepts to keep up with the rapid pace of change. The purpose of the “Professional Living through Agile Learning” project is to build a culture of Learning Agility for Bank employees through self-learning and a skills-building process on a digital learning platform in order to be ready for intensifying competition in the banking industry. The Bank has selected 900 employees from all functions to undergo online training on a digital learning platform that provides more than 400 courses. Participants can take courses and repeat the same courses for better understanding as often as they want. To promote learning in this project, the Bank has conferred recognition awards on participating employees with the highest training hours and number of courses, and to employees who review their lessons, learn constantly and share the knowledge earned with others the most.

### Transformative Leadership Project

Leadership is the key characteristic of the banking business. The Bank has initiated the Transformative Leadership Project to encourage managerial employees or team leaders to initiate or try new things given the environment they face and the resources they have, while building morale, enthusiasm, and commitment to make changes in the team in order to achieve desired goals. The project includes a variety of activities, such as training, workshops, presentation of projects designed to drive behavioral change in the team to achieve goals, coaching by experienced people, project monitoring, experience sharing, and giving feedback.

### Knowledge Day Forum: Cultivate Innovative Thinking Event

The Bank organized the “Knowledge Day Forum: Cultivate Innovative Thinking” event for managerial and operational employees from all areas of the Bank. Its purpose was to learn about the concept of creation and how to use innovation from experts and successful entrepreneurs, create awareness of

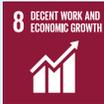
innovation, and to stimulate creative thinking and enthusiasm of employees in suggesting ways for improving working processes or creating new products and services. The event was held during September 13-14, 2018 at the Bank’s Head Office on Silom Road, with 1,365 participants. The Bank invited innovation experts and successful entrepreneurs to share their knowledge and experience. Participants also joined a gamification activity, a technique for learning by playing games.

### Sustainability 101 Training

The Bank organized training for 120 executives and staff to build awareness and understanding in sustainable development as well as in the Bank’s role in enhancing and supporting undertakings to uphold sustainable development goals set by the United Nations. Content from the training was further developed into an e-Learning curriculum so that it was widely accessible to employees.



# + EMPLOYEE WELFARE

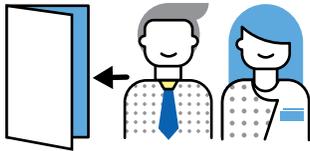


## Commitment



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

## 2018 Performance Highlights



Overall turnover rate in 2018 was **7.03** percent

73

## Materiality

Human resources are invaluable assets that must be well nurtured. The Bank always considers employees as a top priority and takes good care of employees with regards to remuneration, benefits, occupational health, and workplace safety to ensure work safety, good living standards, and life security of employees. The Bank provides suitable salaries and benefits for employees to maintain good quality of life and good health, and to ensure the safety of all employees as a gesture of appreciation for dedicating their physical, mental, and creative powers to working for the Bank. Taking good care of employees also gives them a sense of pride and boosts their morale, which results in their dedication and high performance. Caring for employees also leads to their affection for, and attachment to, the Bank which provides the basis for long-time service at the Bank.

In this Sustainability Report, information on employee welfare and safety covers both permanent contract employees and temporary contract employees, unless otherwise specified.

## Management Approach

The Bank takes care of employees in line with its remuneration management policy focusing on providing fair remuneration in accordance with employee performance, and at a competitive market rate. The Human Resource Division is responsible for setting the policy on remuneration and benefits for employees. The Bank reviews its remuneration and benefits structure on a yearly basis, and compares it with the industry norm based on the results of the Banking Remuneration and Benefits Survey. The information obtained from the review is used in considering how to improve remuneration and benefits in order to retain capable employees, motivate and encourage them to give their best-effort work, and also attract capable people to join the Bank. The Bank has a clear and fair system for determining salary and bonuses regardless of gender, nationality, and religion of employees. Salary and bonuses are based on individual performance and the Bank's performance results.

The Bank always adheres to the philosophy of a Self-Sufficiency Economy and therefore encourages employees to be self-reliant and lead sustainable lifestyles. The Bank has set up an employee provident fund to ensure they have enough savings for living after retirement. Members of the provident fund can choose an investment policy that suits their expected return on investment at their retirement with acceptable risk levels. Employees can change their investment policy twice a year during specified periods.

The Bank has a policy to help employees live good quality lives by offering various types of loans to suit their needs. The loans offered are for house or land purchases, house construction, house repairs and renovations, car purchases, children's education, household goods and other necessities, medical fees, higher education (for employees), and computer purchases.

The Bank provides employees with benefits under the principle of equality. The Bank has prescribed comprehensive, suitable, and sufficient benefits and set up a Welfare Committee to specifically oversee this matter. Some benefits of the Bank are set higher than the minimum standards specified by law. For example, the law requires employers to provide minimum sick leave of 30 days with full pay, while the Bank provides sick leave of 90 working days with full pay. For maternity leave, employees can take leave, before and after delivery, for 90 days in total, and there is no limit to the amount of maternity leave for employees throughout their tenure. For male employees, the Bank allows paternity leave for five days with full pay to take care of their wives after delivery date and during the first 15 days after delivery date to strengthen good relationships within the family.

The Bank provides additional benefits apart from those specified by law in order to lessen burdens and anxiety for employees; for example, an employee who has children is entitled to an allowance of Baht 600 per month for each of the first three children, until they reach their legal age or graduate with a Bachelor's degree. The Bank provides a gratuity benefit equal to the last 15 months' salary to an employee's family in case of death or disability of employees from a cause not related to work, under specified terms and conditions. In case of death or dismissal from work due to sickness or accident from a cause related to work resulting in the inability to work, the Bank provides a gratuity benefit equal to the last 30 months' salary, with specified terms and conditions, and children continue to receive the allowance as if the employee remained employed. In addition, the Bank provides a special allowance to employees working in high-risk areas in the southern most provinces, namely Pattani, Yala, Narathiwat, and Songkhla (Chana, Thepha, Nathawee, and Saba Yoi districts) in order to maintain their morale.

The Bank has initiated the “Friends Help Friends” Project, under which the Bank collects a small donation from members to help the family of a deceased member. For every deceased member, the Bank deducts Baht 10 from the salary of each living member and a lump sum will be given to the family of the deceased member to help lessen their financial concerns. Moreover, the Bank has established the Cremation Association of Bangkok Bank to allow members to help one another with the funeral and help the family of the deceased member.

Occupational safety and health in the workplace is another key area to which the Bank gives priority. The Bank has appointed Committees of Occupational Safety, Health, and Working Environment of the Workplace to oversee the security management of the Bank. The Bank evaluates risks and monitors safety issues in office buildings every month, as well as inspecting safety measures to identify unsafe working conditions and setting preventive and corrective measures. The Bank also follows up on the corrective actions every month.

The Bank has appointed committees at 33 branches and office buildings with 50 employees or more. A committee consists of at least five members (except committees at Head Office and Rama 3 Building, which consist of 11 members) including a chairman, members at managerial level, and members at operational level. A committee has a two-year term and is charged with the duties of monitoring safety issues in the branches or office buildings and reporting to the Bank.

## Health Care for Employees

In providing healthcare services for employees, the Bank adheres to three principles, which are remedy, prevention, and promotion of good health. The Bank provides a variety of healthcare services as follows:

- Permanent doctors or nurses to give medical treatment and advice to employees on working days at Health Care units on the fourth floor of Head Office, and the second floor at Rama 3 Building
- Annual physical check-ups and quadrivalent vaccines to employees to prevent influenza which would cause severe sickness and affect employees' ability to work
- Medical specialists such as cardiologists, endocrinologists, orthopedists, etc. to give specialized treatment to employees
- Reimbursement of medical or dental service expenses at a specified rate for employees needing treatment for sickness at a hospital
- Health-promoting recreational activities and provision of venues for exercise, and for practicing sport or competition
- Health education to employees, such as a lecture on neck, shoulder and back pain caused by work from Asst. Prof. Dr. Wisan Kantharatanakun, an expert in Rehabilitation Medicine at Samitivej Srinakarin Hospital; and a lecture on how to deal with stress from Dr. Patarawan Khankaew, a psychiatrist from Manarom Hospital Bangkok.

## Flexible Working Hours

Throughout 2018, the Bank focused on preparing itself for rapid changes in the banking industry as well digital transformation. Preparation began with attracting capable new-generation employees to the Bank, developing employee skills to be aligned with the changes in business operations, and providing work equipment and a work environment which enables employees to work anywhere, anytime, including working from home. The Bank also encourages employees to develop themselves by furthering their study outside working hours. Because this might impact their clock-in and clock-out times, the Bank allows employees to work flexible hours, meaning they can start and finish for a day at different times provided they have permission from an immediate superior. With this policy, employees are able to manage their work and personal schedules more effectively and achieve better work-life balance.

## Right of Employees to Join Labor Unions

The Bank is aware of and understands the importance of bilateralism, and is open to employees having the freedom to become a member of a labor union. At present, there are three labor unions at the Bank and all of them are steadily determined to protect the rights of employees. The two unions are the Bangkok Bank Workers Union, founded in 1980 with members at operational level; and the Bangkok Bank Managerial Officers Union, founded in 1996 with members at managerial level. The Bank is open to discussions and negotiations with the labor union representatives on work issues in order to prevent potential labor relations problems. The Bank was responsive to the demands and suggestions of the labor unions in the past year.

## Performance Highlights

### Employee Benefits

The Bank provides special loans in addition to normal loans for employees to help alleviate their financial concerns in times of need.

#### + Interest-free Loan for Children's Education

To support education of employees' children, especially those with moderate income, and to lessen their financial burden during the beginning of the school semester, the Bank provides an interest-free loan to pay the school fees of employees' children aged from two years and six months. In 2018, 621 employees took out the loan.

#### + Interest-free Loan to Alleviate the Impact of Disasters

Natural disasters occur frequently in Thailand and may cause damage to the properties of employees and result in unexpected expenses. Therefore, the Bank provides an interest-free loan for employees living in affected areas for repairs to damaged houses or properties. In 2018, 15 employees took out the loan.

#### + Loan for Settling Loans from Outside Lenders

The rising cost of living may force some employees to take out loans from outside lenders to close their financial gaps and, in some cases, run into unmanageable debt problems. Therefore, the Bank provides a low-interest loan to help employees solve their problems. To qualify for this loan, employees must not have used it before. In 2018, 253 employees took out the loan.

#### + Loan for Medical Expenses of Family Members

Having a sick family member would undoubtedly affect an employee's morale and performance. The Bank provides a loan for employees to pay the medical expenses of family members (father, mother, spouse, and children) admitted to hospital to help alleviate financial concerns. In 2018, 39 employees took out the loan.

### Occupational Health and Safety

#### + Training

The Bank constantly enhances employees’ knowledge of occupational health and safety. Examples include providing training on the Bank’s fire safety and security system to new recruits as part of their orientation so they understand the process and basic rules of work safety. The Bank also conducts firefighting and evacuation drills for employees at its Head Office Buildings and branches.

#### + Inspection of Workplace Environment

The Bank conducts workplace environmental inspections to measure noise levels and indoor air quality according to standards stipulated by Thai laws and internationally accepted standards, such as Singapore Standard SS 554:2009. In areas where problems have occurred, the Bank has taken corrective actions in various ways, such as cleaning the office floor, changing office equipment, and installing equipment to improve the environment, as well as consistently monitoring outcomes to ensure the workplace environment is safe and will not affect employees’ health.

### 2018 Performance Results

Nurturing employees with due care, provision of suitable and fair remuneration, giving comprehensive benefits, and ensuring occupational safety and health are essential for the Bank to retain capable people. In 2018, the average overall employee turnover rate was 7.03percent, lower than the target of not exceeding 10 percent. This is because the Bank is consistently developing various methods to ensure employees are happy at work and able to provide improved quality services to customers and build sustainability for the Bank.

Injury or sickness from work of Bank employees rarely occurs, reflecting the nature of work and the Bank’s good occupational health and safety management. In 2018, no cases of sickness or death from work were found. Only six employees were injured at work.

Turnover	2015	2016	2017	2018
Bank-wide	7.69%	7.15%	7.28%	7.03%



## + ETHICAL BANKING

Adhering to business ethics in undertaking the Bank's business and encouraging customers and trade partners throughout the business value chain to realize the importance of ethics and sustainable development





**+ Anti-corruption**

Tolerating no corruption of any form in any situation



**+ Effective Risk and Crisis Management**

Controlling and managing existing and potential risks to protect the image, reputation and sustainability of the Bank



**+ Building Sustainable Business Growth**

Offering expertise and resources to generate mutual growth for the Bank and its customers

## + ANTI-CORRUPTION



### Commitment



Maintaining stance as a financial institution with a steady focus on anti-corruption efforts

### 2018 Performance Highlights



1

Retaining status of a certified company from Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)



2

Training and educating employees about the Bank's anti-corruption undertaking via e-Learning channels

### Materiality

Corruption is considered a threat to the economy and society that adversely affects and restricts the development of the country as well as proving a risk to the banking business (details can be found on the Bank's website). Therefore, as a leading financial institution of Thailand, the Bank formulated and instituted a policy and guidelines on anti-corruption and corruption prevention to create clarity and confidence in the Bank's undertaking of its business with transparency and fairness in accordance with good corporate governance principles, which are the bedrock of business conduct and which support the Bank and society to grow alongside each other in a sustainable manner.

Stringent compliance with the policy and the guidelines for anti-corruption and corruption prevention will promote the good image and reputation of the Bank and inspire confidence among stakeholders, as well as generating business opportunities and satisfactory performance both in the short and long terms. Compliance also supports fair competition in alignment with the code of conduct and business ethics that the Bank adheres to and complies with. Furthermore, practicing anti-corruption and corruption prevention safeguards the Bank from key risks such as reputation risk, litigation risk, and the risk of paying fines or compensation for damage.

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**Anti-corruption Policy**  
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The Bank stipulated its anti-corruption policy with the intention that directors, executives and staff understand, realize, adhere to and abide by the anti-corruption policy as a requirement for having a good organizational culture. In addition, the Bank encourages its subsidiaries in the financial business group to adopt and apply this anti-corruption policy depending on the context of each subsidiary. The Bank prepared the anti-corruption policy in writing and publicized it on the Bank's website. The Bank explains, informs and communicates the anti-corruption practical measures with executives and staff at all levels via its website and internal communication channels. Violation and non-compliance will lead to penalties as stipulated.

The Bank established the Anti-Money Laundering and Combating the Financing of Terrorism Policy (AML/CFT) that requires all directors, executives, and staff to strictly conform to the policy as their duties and responsibilities. The objective of the policy is to set a direction and practical framework for the operations of the Bank, as well as those of overseas branches and subsidiaries in the financial business group, in taking action regarding anti-money laundering and combating the financing of terrorism. This is to ensure that the Bank has effective governing, examining, monitoring, and evaluating processes for anti-money laundering and combating the financing of terrorism.

.....  
**Management Approach**  
 .....

**Anti-corruption Guidelines**

To demonstrate its commitment to anti-corruption efforts and compliance, the Bank set forth clear and practical guidelines on anti-corruption and conducts an assessment on compliance with the anti-corruption policy on an annual basis using the compliance assessment checklist. Moreover, the Bank provides safe and accessible channels for whistleblowers who intend to expose information, file complaints or report dubious actions related to corruption, while employees can directly notify their executives or the head of compliance. The Bank has a policy to accept any whistleblowing with equality, transparency, attention and fairness to all parties. The investigation period will be appropriate while the whistleblowing will be kept confidential. Good-faith whistleblowers are protected from retaliation and harassment during and after the investigation. Additionally, the Bank also published the anti-corruption code of conduct as a practical guideline for employees to comply with the anti-corruption policy of the Bank.

.....  
 The Bank imposed the following anti-corruption policy:

- + The Bank prohibits directors, executives and staff from engaging in any act of corruption
  - + The Bank promotes values related to integrity and accountability in performing duties
  - + The Bank encourages all related parties to understand, realize and cooperate with anything that is beneficial to anti-corruption
  - + The Bank aspires to become a transparent and corruption-free organization without any involvement in corruption
  - + The Bank issued a guideline on anti-corruption that is consistent with the context and applicable laws
  - + The Bank will treat employees fairly and put in place a process to punish employees who engage in corruption or violation of, or non-compliance with, anti-corruption measures. To deliberate and take disciplinary actions against employees, the Bank will follow stipulated steps and procedures according to the anti-corruption policy.
- .....

Anti-corruption is considered a common duty and responsibility of all related parties. As a result, the Bank places significance on anti-corruption and intends to make earnest and concrete efforts on anti-corruption in the interest of shareholders, customers and other stakeholders as well as society and the country. In 2018, the Private Sector Collective Action Coalition Against Corruption Council (CAC) resolved to approve the Bank's membership of the Private Sector Collective Action Coalition Against Corruption.

### Management of Corruption Risk

To prevent and control corruption risk that may negatively impact its image and reputation, in 2018 the Bank put in place an effective corruption risk management process suitable for its current business context as follows:

1. Identification of corruption risks the Bank may be involved in through its operations or business activities
2. Assessment of risk and degree of impact
3. Determination of preventive and control measures specific to corruption risks that are consistent with the situations and business contexts of each unit. The first three steps are executed by unit executives and supervisors relevant to each corruption risk. All information will be collected and stored in a corruption risk database for further analysis and reference and the information is subject to periodical updates

4. Monitoring, managing and examining under the three lines of defense concept. The first line is that the business unit heads and the business unit compliance officers follow up, supervise, and examine the units for which they are responsible. Next, the risk management unit and compliance unit monitor and track corruption risk as the second line. For the third line, the audit and control unit examines and reports to responsible persons according to the chain of command.

### Whistleblowing Mechanism

The Bank has established whistleblowing channels for stakeholders to be able to file complaints directly to the Board of Directors. Stakeholders can report any trace of illegal acts, or violations of ethics and codes of conduct through contact channels provided by the Bank. The Bank has defined whistleblowing methods which include processes and channels for receiving and managing complaints from stakeholders, and protection of the rights of the whistleblower and related parties from any kind of unfair action or harassment. Interested persons can find more details on the Bank's website.

.....  
All stakeholders can contact the Bank regarding whistleblowing or complaints at:

Corporate Secretary or Compliance Unit  
333 Silom Road, Bang Rak, Bangkok 10500  
Or via the Bank's website by completing a Contact Form at  
<https://www.bangkokbank.com/en/Contact-Us>  
Telephone: 1333 or 0-2230-2888  
.....

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#### + Management of Corruption Risk



**1**  
**Identification of corruption risks**



**2**  
**Assessment of risks and degrees of impact**



**3**  
**Determination of preventive and control measures**



**4**  
**Monitoring, managing and examining results.**

## Whistleblowing and Whistleblower Protection Measures

The Bank welcomes whistleblowing with equality, transparency, attention and fairness to all parties. The Bank allows suitable duration for investigation while the whistleblowing will be kept confidential. Good faith whistleblowers are protected from harassment, punishment, and any negative impact. The Bank delegated the Compliance Unit to be the center that handles whistleblowing in case whistleblowers are internal persons of the Bank or its stakeholders.

### Whistleblowing Handling Procedures

The Compliance Unit will investigate whistleblowing cases carefully and properly by taking steps to gather, analyze and screen facts and information. In cases of severe or complex issues, the Compliance Unit may propose for the Audit and Control Division to examine and investigate the issues, or an ad hoc committee to consider them. The Compliance Unit may also propose the issues to the Audit Committee for consideration as seen necessary and appropriate.

#### + Measures for Actions and Reporting Guidelines

The Compliance Unit will follow up on and monitor whistleblowing cases found to be factual. The Compliance Unit will propose remedial or preventive measures to the Audit Committee for consideration. The whistleblowers will be informed of the results within one month after the case is resolved and necessary action taken.

## Performance Highlights

With regard to anti-corruption performance, there was no violation of or non-compliance with anti-corruption policy with significant impacts to the Bank in 2018. The Bank received 113 complaints, and the Bank completed investigations on 93 complaints. The completed cases can be categorized into 17 operational mistake cases, 25 fraud-related cases, and 51 cases were found to have arisen from customers' misunderstanding of the Bank's undertaking, and the Bank has cleared up these misperceptions. Regarding media reports about a case of embezzlement of a deposit in a customer's account at a branch in Uttaradit province, the Bank has compensated the customer for the full amount and has dismissed the employee committing the fraud and taken legal action against the person.

Moreover, the Bank developed an e-Learning curriculum on anti-corruption as an additional learning channel with the purpose of having information widely available to all employees and allowing them to access the knowledge more conveniently. This is considered an important foundation for the Bank to build an anti-corruption culture in the organization.

With regards to the Bank's collaboration with alliances, Bangkok Bank and other members of the Thai Banker's Association together issued the Banking Industry Code of Conduct that encourages member banks to conduct their businesses with honesty and adhere to three key principles: integrity, fairness and stakeholders' interests. To prove its strong commitment and adherence to the Banking Industry Code of Conduct, the Bank and other members of the Thai Banker's Association signed a joint declaration on a no-gift policy to promote clarity and transparency in undertaking business as well as good corporate governance.

The Bank is well-accepted by external parties as a financial institution playing an important role in supporting anti-corruption. The Bank has been listed as a certified company by Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since 2015, and in 2018 the Bank became a recertified company after the evaluation of membership renewal which is conducted every three years. In addition, the Bank's Compliance Unit was named an Outstanding Cooperative Unit by the Department of Special Investigations (DSI) for its continuous and constant utmost cooperation and support for the DSI's missions within society as a whole.

### Development of e-Learning Curriculum on Anti-corruption

The Bank has a strong commitment to promoting and supporting anti-corruption efforts through raising awareness and understanding of the importance of anti-corruption for the Bank's employees. In 2018, the Bank developed the anti-corruption curriculum to educate employees through e-Learning channels so that employees can gain comprehensive knowledge on anti-corruption with ease and maximum accessibility. Contents of this curriculum cover the anti-corruption policy, practical guidelines, roles and responsibilities of employees including whistleblowing procedures, supporting measures and penalties. Employees who attended this training must complete a test on their knowledge and understanding and they must pass the test with a minimum score of no less than 80 percent.

It is mandatory for all employees to pass the anti-corruption course. The Bank set a target for 50 percent of all employees to have passed this anti-corruption training during 2018-2019, and all employees by 2020.

In 2018, 301 employees began attending this e-Learning course on anti-corruption.

#### Employees Joining Anti-corruption Training on e-Learning Channel (December 3-31, 2018)

Level of Employee	Number
 Managerial	23
 Operational	278

#### Training for New Recruits

Level of Employee	Number
 Managerial	35
 Operational	1,260
<b>Total</b>	<b>1,295</b>



**NEW COURSE** การต่อต้านคอร์รัปชัน ANTI-CORRUPTION

งานกำกับดูแลร่วมกับบริหารการเรียนรู้เพื่อพัฒนาบุคลากร สายทรัพยากรบุคคล จัดทำบทเรียน Online เรื่อง "การต่อต้านคอร์รัปชัน" (Anti-Corruption)

**สิ่งที่จะได้รับจากการเรียนรู้**

- นโยบาย แนวทาง และการดำเนินการต่อต้านคอร์รัปชันของธนาคาร
- นโยบายและมาตรการเฉพาะเรื่อง
- หน้าที่และความรับผิดชอบ
- การติดต่อแจ้งข้อมูลและให้เบาะแส
- มาตรการสนับสนุนและการลงโทษ

**กำหนดการเรียนรู้และเข้าทดสอบ**  
ดูรายละเอียดได้ที่ BBL Connect คลิ๊กที่นี่

\*\*\*พนักงานธนาคารทุกท่านจำเป็นต้องศึกษาและทำความเข้าใจเพื่อการปฏิบัติงานที่ถูกต้องและเหมาะสม\*\*\*  
กรุณาเข้าทำแบบทดสอบภายในระยะเวลาที่กำหนด ซึ่งทางบริหารการเรียนรู้ จะส่งแค่แจ้งเตือนให้ทราบเป็นระยะ

สอบถามข้อมูลเพิ่มเติม  
ด้านหลักสูตร Ins. 0-2296-8230 | ด้านการใช้งานระบบ e-Learning Ins. 0-2296-8229

### Training on AML/CFT

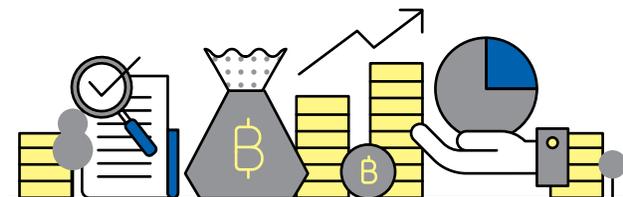
The Bank organized training on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) according to regulations and conditions imposed by the Anti-Money Laundering Office. Training assessment is required to make sure that executives and employees have sufficient knowledge and understanding of anti-money laundering and combating the financing of terrorism and can apply these to their work accurately and effectively. The Bank requires that employees undergo brush-up training on AML/CFT at least once every two years, or when there is a material change in regulations. In addition, for the recruitment of new executives and employees, the Bank requires background checks on criminal records and ensures that AML/CFT knowledge training for all new executives and employees is organized.

#### Brush-up Training for Existing Employees (every two years via e-Learning Channel)

Level of Employee	Number
 Managerial	1,414
 Operational	16,918
<b>Total</b>	<b>18,332</b>

## + RISK AND CRISIS MANAGEMENT

### Commitment



Managing risks and crises with an efficient, transparent, and prudent approach which covers all relevant major risks to achieve sustainable growth

### 2018 Performance Highlights



1

**Maintaining the capital adequacy ratio of the Bank’s financial business group at 17.96 percent, higher than the level required by the Bank of Thailand (as of December 31, 2018)**



2

**Organizing training on environmental, social and governance risks (ESG risks) related to banking business for relevant executives and staff**



3

**Working on drafting a plan related to the identification of ESG risk factor**

### Materiality

As a leading bank in Thailand and one of the leading financial institutions in the region, the Bank is conscious of maintaining its role as a financial services provider with sturdiness and stability in order to build confidence among all stakeholders, namely shareholders, customers, employees, counter-parties, creditors, society, communities and the environment. The Bank places significance on risk management as a basis for conducting the business of financial institutions which may help prevent or alleviate impacts or damage from various risk factors affecting the Bank’s business operations which may be passed on to the national economic system. The Bank maintains its capital adequacy ratio at a level higher than the regulatory level required by the authorities as well as being at a level sufficient and consistent with the size, complexity and nature of the business of the Bank. In addition, the Bank continuously develops its risk management framework to cover its financial business group and other dimensions beyond the financial dimension, namely the environment, society and good governance. This is to prepare the Bank for challenges from important changes in multiple external factors, such as the domestic and regional economy, fast-developing technology leading to changes in lifestyles and business conduct, and business development trends towards sustainable supply chain management.

## Management Approach

According to its risk management policy, the Bank specified risk appetite, set forth risk management guidelines and defined risk management processes, including identification of key risks that affect the Bank's business undertaking, assessment of each type of risk, risk monitoring and control within appropriate levels, and reporting of different types of risks to related parties so that they are able to manage or mitigate risks in a timely fashion with a structure based on the three lines of defense concept.

The Bank has set a framework for managing and governing major risks, including credit risk, market risk, operational risk, strategic risk, liquidity risk and information technology risk. Moreover, the Bank's consideration covers other risks through the internal capital adequacy assessment process, which is a forward-looking assessment process for significant risks to ensure that the Bank manages risks properly and efficiently, as well as maintaining a level of capital sufficient for undertaking business under normal scenarios and under stressed scenarios within the boundaries of the risk appetite. The purpose of risk management is to deliver appropriate returns for shareholders and build confidence among stakeholders, including customers, creditors and regulatory agencies.

## Risk Management Structure

The risk management structure of the Bank consists of the Board of Directors, which has the highest responsibility in overseeing all risks and formulating risk management policy for all kinds of risks, and the Risk Management Committee, which has duties of assisting the Board of Directors in supervising risk management to be in line with imposed policies through identification, review and monitoring of the status of various risks as well as evaluating the efficiency of risk management on a regular basis. The Risk Management Committee holds a meeting monthly to deliberate on relevant risk management matters. Lastly, the Bank also established committees to be responsible for managing specific types of risks, namely the Asset and Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC) to assist the Risk Management Committee with highly important risk management issues.

### Risk Management Organization



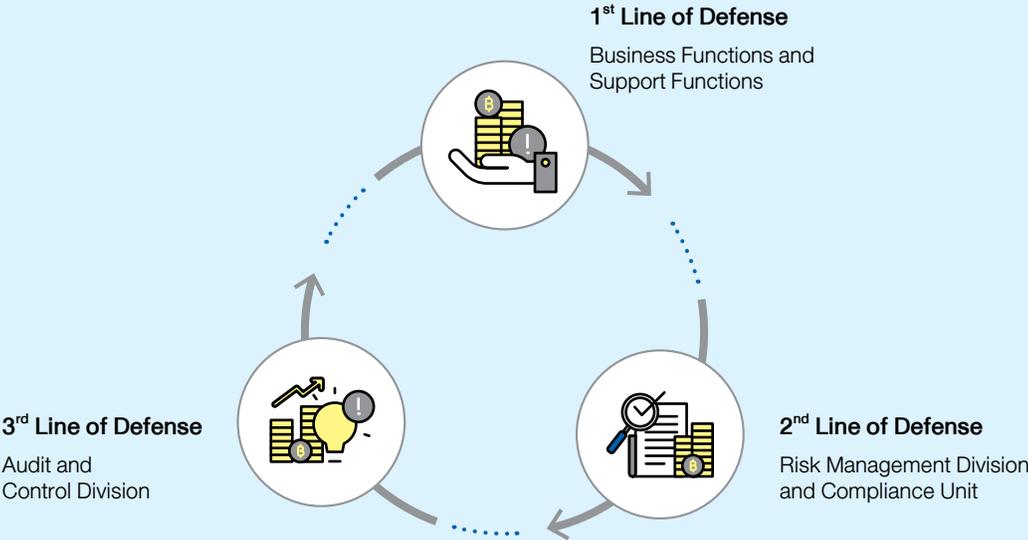
**Risk Management Principles**

The Bank adopted risk management principles to manage various risks within specified limits in order to undertake business to deliver a proper rate of return. The Bank set forth the risk management policy and the risk identification and assessment as well as conducting a review of suitability of the risk management policy and systems at least once a year or immediately in the case of significant changes. The Bank also carefully monitors and manages risks to be within acceptable levels according to its risk management guidelines. In addition, the Bank formulated a business continuity management policy that includes a business contingency plan in case of a crisis by considering the nature of the business, economic environment and the culture within the organization.

Moreover, the Bank assesses risks in its business operations and continuously takes actions to improve its management process in order to create a balance between performance and good risk management. The Bank conducts risk assessment annually covering five types of risks related to the Bank’s internal functions, namely strategic risk, credit risk, market risk, liquidity risk and operational risk. In addition, the Bank also assesses its financial risk given the capital position and revenue generating capability of the Bank. Findings and issues from the Bank’s risk assessment will be used to develop and improve its risk management.

**Three Lines of Defense**

The Bank adopted the three lines of defense concept for its risk management. For the first line of defense, business functions and support functions must have a good understanding of existing risks and are responsible for managing these risks to be within specified levels and consistent with the overall risk management policy approved by the Board of Directors. The second line of defense consists of the Risk Management Division which has duties and responsibilities in regularly measuring, monitoring and controlling risks, as well as the Compliance Unit which is responsible for ensuring that business is undertaken according to laws, regulations and regulatory requirements. Lastly, the Audit and Control Division forms the organization’s third line of defense. This independent internal control and audit function conducts reviews and audits of operations of business functions, support functions, the Risk Management Division and other units to ensure that the internal control systems are prudent, adequate and appropriate.



## Credit Risk Management

Since credit extension is the core business of commercial banks, credit risk is unavoidably a major risk for the Bank's business. On credit risk management, the Bank defined risk management structures and processes with a proper balance of power with the Credit Acceptance Unit in charge of assessing credit as proposed by business units and supervising credit extension to be in accordance with policies and credit underwriting standards, as well as having suitable credit structures. The Credit Acceptance Unit reviews the credit risk ratings of customers, promotes good credit culture, and systematic and credible credit extension processes. In addition, the Risk Asset Review Unit is responsible for auditing credit management and credit quality, evaluating the adequacy of loan loss reserves and compliance with policies, regulations and credit underwriting standards. In addition, the Bank determined credit policy principles to be a practical guideline for credit officers in managing credit to achieve a balance between business expansion and risk control within acceptable levels. Credit policy principles encompass consideration of social and environmental impacts as the Bank will neither grant credit facilities to businesses nor undertake transactions that are illegal such as smuggling, arms trading and drug trafficking, nor support credit extension to certain types of businesses that destroy ecosystems and the environment. For example, no credit will be extended to businesses that invade mangrove forest areas. With regard to credit consideration for labor-intensive businesses such as the textile business, the Bank also defined criteria for consideration additional to general credit underwriting standards such as certification of standards for production quality, environmental management, and labor management.

## Crisis Management

In managing risk from situations that may impact the Bank's business-as-usual, the Bank put in place a Business Continuity Management Policy approved by the Board of Directors as well as a Business Continuity Framework that covers crisis management. The Crisis Management Team, consisting of senior executives, takes charge during crises in giving directives for managing emergency situations in order to allow the Bank's business to run smoothly and continuously. The Crisis Management Team also reviews the business continuity plan routinely to ensure that the plan is comprehensive and effectively responds to potential threats and situations as well as conducting regular drills of the plan.

## Emerging Risk

The Bank inevitably encounters a variety of business challenges ranging from changes in the environment and regulatory requirements, economic and political uncertainties, to sudden technological advancements, whose potential impacts are difficult to forecast. This results in the need for the Bank to deliberate on emerging risks that may have an impact on its long-term business operations in order to prepare the Bank to effectively cope with challenges and manage the affected parts of its business. Emerging risks that the Bank must consider as impacting on its business are listed below.

### + International Economic Issues

The global economy is experiencing three emerging risk factors. (1) Uncertainties related to the trade policies of the United States and China which can cause fluctuations in financial markets and impede global trade and investment. Impacts on emerging markets in Asia might intensify if more trade barriers and measures are imposed which will further decelerate demand from China. (2) Capital flows might be affected as global financial markets tighten and high levels of debts in many countries put downward pressure on economic activities. (3) An unstable political situation in Europe would be an obstacle to the expansion of the global economy.

### + Labor Market Dynamics

Labor market situations are changing due to three driving forces. (1) Thailand becoming an aging society which may lead to labor shortage issues for the Bank. (2) Different work attitudes of employees that challenge the Bank's ability to attract and retain capable individuals to join and continue working for the Bank for a long period of time. (3) Technological development and changes in customer behavior that require the Bank's employees to have new skills and expertise. These factors raise concerns for the Bank about managing its human resources in ways that satisfy changing business formats and models. The Bank devised human resources plans for the short, medium and long terms that cover employee planning and people development so that the transition to the future business model of the Bank is smooth and seamless.



### + Cybersecurity

Rapid technology advances provide more convenience to people, create safe living environments, and result in fast and efficient business operations. At the same time, increasing use of technologies may cause damage and affect the confidence of customers, service providers, and stakeholders of the Bank. It also incurs both financial and operating costs for the Bank. The Bank therefore places importance on cybersecurity as well as processes for maintaining cybersecurity, which is essential for building its capability for dealing with rapid changes in both the business landscape and technologies. Having cybersecurity in place also helps maintain the Bank's flexibility for adapting to changing situations. Consequently, information has become an important asset which needs to be earnestly protected. Many countries have enforced laws and regulations to protect customers' personal information. In line with these developments, the Bank has implemented more measures to protect both customers' personal information and that of the Bank itself.

## Performance Highlights

### Internal Communication and Training to Raise Awareness of ESG Risks

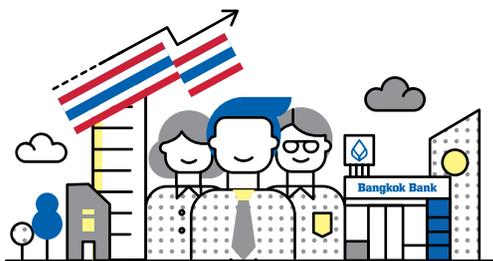
The Bank emphasizes encouraging executives and staff to recognize and understand the importance of sustainable development and the management of environmental, social and governance risks (ESG risks), which is a key component that drives the Bank towards sustainable banking. The Bank periodically organized activities that help develop society and the environment, and communicated internally with employees to acknowledge and/or to encourage participation in these activities on a regular basis.

In 2018, the Bank organized training on ESG risks related to the Bank's business operations under the topic "ESG Risks: Why they are important and how we can manage them" for executives to recognize and understand the importance of ESG risks so that they can apply the knowledge to relevant activities that can lead to the sustainable growth desired by the Bank. This training was attended by 35 executives from different functional areas of the Bank. The Bank plans to provide more training on ESG risks to cover all units within the Bank.

## + ECONOMIC PERFORMANCE



### Commitment



Delivering steadily growing performance results consistent with economic conditions, and taking part in sustainable economic and social development

### 2018 Performance Highlights



Achieving steadily growing performance results, with deposits, loans, and net profit as well as direct economic value generated growing at satisfactory levels, while allocating economic value gained from business operations of 0.4 percent of net operating income (not including interest expenses) to support the community, society and the environment

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### Materiality

The operations of commercial banks help generate economic growth and promote the stability of the country by attracting deposits and allocating capital to support investment and spending of the business and household sectors. When production, employment and the overall economy are expanding, the performance of the commercial banking system will grow in tandem.

Past economic and financial system development has resulted in greater complexity in conducting business in the financial sector. Regulatory agencies and related authorities tended to continually impose new regulations and standards. Therefore, continuous growth will enable the Bank to have adequate capital to comply with new regulatory requirements and standards as well as better handle potential risks and fluctuations in the future.

The Bank undertakes its business with a strong intention to deliver sustainable performance growth in alignment with Thailand's economic conditions and the expectations of all stakeholders as follows.

**Shareholders and Investors** In conducting its business, the Bank focuses on generating sustainable growth for its performance and meeting the expectations of shareholders and investors on both appropriate returns and the development of technology and innovation to support the business in the future.

**Customers** The Bank is dedicated to technology and innovation development and modernization of work systems to enhance operating efficiency and reduce the cost of services and product development, as well as delivering satisfaction and an excellent experience to customers.

**Employees** With continuously improving performance, employees will be provided with higher compensation and better career stability and advancement.

**Financial Creditors** Better performance ensures creditors that the Bank will fulfill its financial obligations and agreements with creditors.

**Communities, Society and Environment** Good performance allows the Bank to allocate capital to support activities that benefit society, community development and environmental preservation. Moreover, good performance means the Bank is better able to take proper and adequate action on climate change.

**Customer Experience** The Bank put its customers at the heart of its business in order to become a leader in creating and delivering excellent experience to customers and being the customer's main bank.

**Product and Solution Development** The Bank places emphasis on developing leading-edge solutions suitable for the ever-changing financial needs of both individual customers and customer segments.

**Distribution Channels** To improve work efficiency and service channel network development the Bank leverages the omni-channel network model using digital media, mobile phones and call centers.

**Risk, Pricing and Underwriting** In order to generate proper returns as well as maintain its leadership position in financial stability, the Bank intends to develop skills and expertise in risk management and pricing and underwriting that are consistent with associated risks.

.....  
**Management Approach**  
 .....

In order to achieve sustainable performance growth, the Bank adheres to its motto 'puan koo kit, mit koo baan' ( trusted partner and reliable close friend) to coexist alongside customers and Thai society for a long period of time. The Bank values its status as a trusted partner for customers in doing their businesses as well as valuing the honest, continuous and long-lasting relationship the Bank has built with its customers in order to help them attain financial stability and solid growth. The Bank also puts much effort into good governance, prudent risk management and its responsibilities to society and the environment, which are the foundation for stable and sustainable growth.

**Commitment to Business Undertaking**

The commitment of the Bank is "To be a bank which provides quality financial services in line with customers' requirements, and is well equipped with qualified human resources and world-class technology and working systems, while maintaining its status as a well-established international bank and a leading Asian bank, and a trusted partner and reliable close friend". The Bank devotes its capabilities and resources to developing core competencies in four areas listed below.

**Business Undertaking Guidelines**

The Bank provides a full range of financial services for both business and individual customers domestically and internationally. Its service channels range from its branch network and business centers to digital service channels. The Bank realizes that its broad customer base and long-term relationships are key factors contributing to the sustainable growth of the Bank and that these enable the Bank to expand its business together with addressing the growing financial needs of customers. Therefore, the Bank has set forth the following business undertaking guidelines in order to serve and support the different needs of each customer group with full force and speed as well as continuously delivering performance growth.

**+ Business Customers**

The Bank offers a wide variety of financial services to satisfy the needs of individual customers through both its nationwide branch network and digital channels. Advisory services for personal finance and asset management planning are also provided. In addition, the Bank emphasizes adopting advanced technology to develop cutting-edge financial products and services in order to extend services in the digital age and improve accessibility to financial services.

**+ Individual Customers**

The Bank offers a wide variety of financial services to satisfy the needs of individual customers through both its nationwide branch network and digital channels. Advisory services for personal finance and asset management planning are also provided. In addition, the Bank emphasizes adopting advanced technology to develop cutting-edge financial products and services in order to extend services in the digital age and improve accessibility to financial services.

**+ International Business Customers**

The Bank provides support for customers who are interested in expanding their businesses abroad as well as facilitating business network building and business matching. To assist international business customers, the Bank shares knowledge and expertise and offers consultation on trade and international investment to these customers, leveraging its extensive foreign branch network and knowledgeable and capable local staff. The Bank also organizes various activities to educate interested entrepreneurs on investment in foreign markets.

**+ Investment Banking Customers**

The Bank's Investment Banking Division cooperates with the Corporate Banking Division, Bualuang Securities Public Company Limited and BBL Asset Management Company Limited in offering innovations and a complete range of applicable financial services. The Bank plays an important role in funding for both the government and private sectors.

**Planning, Monitoring and Assessment**

The Bank has delegated the Corporate Planning Department to cooperate with other functions in monitoring, controlling and assessing business performance to ensure alignment with plans and overall policies previously set. Moreover, the Corporate Planning Department has a duty to collect and consolidate plans and initiatives from business functions and support functions to synthesize and prepare as an overall operating plan of the Bank and propose this plan to the Board of Directors for approval. The Bank monitors, manages and assesses operating performance

according to the plan on a quarterly basis. The Bank then analyzes the results and evaluates situations in order to make its operations more efficient and effective.

With regard to monitoring the progress of both business projects and social projects, the Bank put in place a tracking mechanism to monitor projects regularly through the Project Steering Committee with a senior executive as the chairman. To ensure that projects will be completed in a timely manner and achieve objectives, reporting on progress to different committees is undertaken routinely.

.....  
**Performance Highlights**  
 .....

In 2018, the Bank faced challenges on all fronts such as the volatility of both the Thai and global economies, intensifying competition in the financial business sector, abrupt technological changes and development, as well as behavioral changes of customers in using financial services. Despite the unfavorable backdrop, the Bank managed to deliver outstanding performance with a recorded net profit for the Bank totaling Baht 35.3 billion, equivalent to 7 percent growth from 2017. The Bank's loans rose by 4 percent while deposits rose slightly by 0.7 percent compared to the previous year. In addition, the economic value retained by the Bank increased by 13.5 percent from last year whereas the direct economic value generated rose by 7.8 percent. The economic value distributed – comprising operating cost, personnel expenses, payments to suppliers of capital (shareholders), taxes and duties paid to government, donations and social and environmental support – grew by 5.4 percent from 2017.

## Direct Economic Value Generated and Economic Value Distributed of the Bank

Unit: thousand Baht

Detail	Consolidated	The Bank
 <b>Income</b>	160,805,432	154,175,893
 <b>Operating Costs</b>	22,406,407	20,215,590
 <b>Personnel Expenses</b>	28,773,505	26,094,945
 <b>Payments to Suppliers of Capital</b>	41,874,380	39,972,701
 <b>Taxes and Duties Paid to Government</b>	21,518,262	19,811,290
 <b>Cash Donations and Social and Environmental Support</b>	617,665	604,290
 <b>Economic Value Retained</b>	45,615,213	47,477,077

## Note:

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

### Total Donations and Social and Environmental Support



- Expense Support for Social Interest

196,694 thousand Baht



- Donations for Public Charities / Public Interest

207,695 thousand Baht



- Support for Activities of Local Communities

43,102 thousand Baht



- Donations for Education / Sports and Scholarships

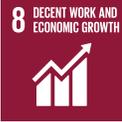
170,174 thousand Baht

The Bank believes that a strong community and society are essential factors which enable the Bank to generate good and sustainable performance results. The Bank invested in supporting the community, society, and environment at a total of Baht 604.3 million, consisting of donations for public charities and public interest, donations for education and sports, scholarships for external parties, support for activities of local communities, and expense support for social interest. The amount accounted for 0.4 percent of net operating income not including interest expenses.

## + SUSTAINABILITY PERFORMANCE

The United Nations set Sustainable Development Goals (SDGs) in 2015 comprises a collection of 17 global goals that cover social, economic and environmental development aspects. The Bank recognizes that its stakeholders and society have a high regard for sustainability and expect the Bank to participate in sustainable development efforts. The Bank adopted the United Nations Sustainable Development Goals in formulating business undertaking guidelines as reflected in the 12 materiality issues defined by the Bank as follows.

United Nations Sustainable Development Goals	The Bank's Materiality Issues	Actions/Initiatives of the Bank
 <p><b>Goal 1:</b> Zero poverty</p>	<ul style="list-style-type: none"> <li>• Community development</li> </ul>	<ul style="list-style-type: none"> <li>• Development of basic banking account for state welfare card holders or individuals aged 65 years and over</li> </ul>
 <p><b>Goal 3:</b> Good health and well-being for people</p>	<ul style="list-style-type: none"> <li>• Employee welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of healthcare service, knowledge of maintaining good health, and oversight of occupational health and safety in the workplace</li> </ul>
 <p><b>Goal 4:</b> Quality education</p>	<ul style="list-style-type: none"> <li>• Community development</li> </ul>	<ul style="list-style-type: none"> <li>• Training program offering basic business skills for high-school students in cooperation with Junior Achievement Thailand Foundation</li> </ul>

United Nations Sustainable Development Goals	The Bank's Materiality Issues	Actions/Initiatives of the Bank
 <p><b>Goal 6:</b> Clean water and sanitation</p>	<ul style="list-style-type: none"> <li>• Community development</li> <li>• Environmental impact mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• 'Improving Khlong Pipat' project to restore the Pipat community and the Lalaisap shopping market in Silom with the Utokapat Foundation under the Royal patronage of His Majesty the King Bhumibol Adulyadej</li> <li>• Recycling of waste water from the Rama 3 Building through waste water treatment</li> </ul>
 <p><b>Goal 7:</b> Affordable and clean energy</p>	<ul style="list-style-type: none"> <li>• Responsible lending</li> </ul>	<ul style="list-style-type: none"> <li>• Financial support for renewable energy businesses and energy conservation projects</li> </ul>
 <p><b>Goal 8:</b> Decent work and economic growth</p>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Training and education</li> <li>• Employee welfare</li> <li>• Responsible lending</li> </ul>	<ul style="list-style-type: none"> <li>• Good performance resulting in stable careers</li> <li>• Employee capability development to support career advancement and stability</li> <li>• Equitable and fair employment and oversight of occupational health and safety</li> <li>• Employment promotion through business lending</li> </ul>
 <p><b>Goal 9:</b> Industry, innovation and infrastructure</p>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Innovation and brand</li> <li>• Economic performance</li> <li>• Responsible lending</li> </ul>	<ul style="list-style-type: none"> <li>• Financial innovation creation for customer satisfaction</li> <li>• Service channel development to accommodate and address customers' needs</li> <li>• Support on development and application of technology through the Bangkok Bank InnoHub Accelerator</li> <li>• Providing financial support to infrastructure and industrial development</li> <li>• Financial support for Bangkok's electric train mass transit projects</li> </ul>

United Nations Sustainable Development Goals	The Bank's Materiality Issues	Actions/Initiatives of the Bank
 <p><b>Goal 10:</b> Reducing inequalities</p>	<ul style="list-style-type: none"> <li>• Innovation and brand</li> <li>• Community development</li> <li>• Responsible lending</li> </ul>	<ul style="list-style-type: none"> <li>• Extension of financial service accessibility through digital channels</li> <li>• Development of basic banking account</li> <li>• Credit program for small businesses</li> </ul>
 <p><b>Goal 12:</b> Responsible consumption and production</p>	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Environmental impact mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• Social and environmental impact conscious procurement</li> <li>• Procurement of materials and equipment with eco labelling</li> </ul>
 <p><b>Goal 13:</b> Climate action</p>	<ul style="list-style-type: none"> <li>• Responsible lending</li> <li>• Environmental impact mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• Financial support for renewable energy businesses and electric train mass transit projects</li> <li>• Participation in a voluntary carbon offsetting program</li> <li>• Building awareness on mitigation of impacts from climate change</li> </ul>
 <p><b>Goal 16:</b> Peace, justice and strong institutions</p>	<ul style="list-style-type: none"> <li>• Anti-corruption</li> <li>• Data protection and customer confidentiality</li> <li>• Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in anti-corruption programs and certification of membership from CAC</li> <li>• Compliance with high standards of information security and investments in information security technologies</li> <li>• Taking into account human rights and labor rights when selecting new vendors</li> </ul>

# + AWARDS AND ACHIEVEMENTS



+ Inclusion in the 2018 SET THSI Index



+ 2018 Thailand Sustainability Investment (THSI) Listing (three consecutive years)



+ 'Very Good' CG Scoring (4 stars) for 2018 Corporate Governance Report of Thai Listed Companies (CGR)



+ Inclusion in the MSCI AC ASEAN ESG Universal Index



+ Certificate from the Thai Institute of Directors (IOD) for 2018 Sustainability Report Award

## + PERFORMANCE DATA

### Economic Dimension

#### Direct Economic Value Generated and Distributed

(Unit: thousand Baht)

Description	CONSOLIDATED				THE BANK			
	2015	2016	2017	2018	2015	2016	2017	2018
Income	149,032,004	144,302,847	151,319,145	160,805,432	135,580,108	133,339,270	143,002,742	154,175,893
Operating costs	16,821,503	21,360,974	19,474,381	22,406,407	15,373,673	19,871,431	18,113,352	20,215,590
Personnel expenses	24,227,178	25,247,253	25,540,525	28,773,505	21,894,582	22,829,785	23,067,692	26,094,945
Payments to suppliers of capital	49,598,474	41,613,047	41,533,584	41,874,380	47,271,795	39,972,749	39,710,796	39,972,701
Taxes and duties paid to government	21,017,333	19,833,198	20,567,400	21,518,262	19,394,136	18,610,291	19,734,470	19,811,290
Cash donations and social and environmental support	441,544	509,413	575,750	617,665	422,770	494,127	558,454	604,290
- Cash donations for public charities and public interest	108,625	177,354	221,560	207,695	91,806	163,450	206,777	196,703
- Cash donations for education, sports and scholarships	137,703	137,908	147,362	170,174	136,763	137,226	146,209	169,105
- Support for community activities	35,089	34,898	37,176	43,102	34,907	34,772	36,932	42,866
- Expense support for societal interest	160,127	159,254	169,652	196,694	159,294	158,679	168,536	195,616
Economic Value Retained	36,925,972	35,738,962	43,627,505	45,615,213	31,223,152	31,560,887	41,817,978	47,477,077

Note: - Income consists of net operating income, excluding interest expenses.

- Operating costs consist of directors' remuneration, premises and equipment expenses and other expenses, excluding personnel expenses and expenses on donations and social and environmental support.
- Personnel expenses consist of all expenses paid to employees including benefits and welfare payments.
- Payments to suppliers of capital consist of dividends paid to shareholders and interest expenses.
- Taxes and duties paid to government consist of income tax, duties and contributions to the Financial Institutions Development Fund (FIDF).
- Donations and social and environmental support consist of donations for public charities or public interest, donations for education and sports, scholarships for external parties, support for activities of local communities, and expense support for social interests.

## Service Network Statistics

Description	Total number of branches	Number of new branches	Number of branches closed
2015	1,138	24	1
2016	1,157	20	1
2017	1,166	14	5
2018	1,161	2	7

## Customer Satisfaction Survey

Description	2015	2016	2017	2018
Branch service satisfaction (Total of 10 points)	9.23	9.32	9.32	9.33
Customer recommendation survey (Total of 10 points)				
Bangkok Bank recommendation score	- n.a.	- n.a.	7.22	7.21
- Branch recommendation score	- n.a.	- n.a.	7.74	7.76
- Mobile banking recommendation score	- n.a.	- n.a.	8.00	8.13

Note: All survey results above are based on a 95-percent statistical confidence level with a ±2-percent margin of error

## Social Dimension

Employees												
Description	2015			2016			2017			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total number of employees	8,448	16,670	25,118	8,287	16,535	24,822	7,941	15,861	23,802	7,674	15,380	23,054
Percentage of total employees	33.6	66.4	100.0	33.4	66.6	100.0	33.4	66.6	100.0	33.3	66.7	100.0
<b>Number of Employees by Location of Work</b>												
Head Office and Metropolitan area	5,401	11,033	16,434	5,264	10,776	16,040	5,025	10,105	15,130	4,916	9,863	14,779
Percentage of total employees	21.5	43.9	65.4	21.2	43.4	64.6	21.1	42.5	63.7	21.3	42.8	64.1
Head Office	3,910	5,589	9,499	3,782	5,387	9,169	3,618	5,038	8,656	3,580	5,051	8,631
Metropolitan area	1,491	5,444	6,935	1,482	5,389	6,871	1,407	5,067	6,474	1,336	4,812	6,148
Other provinces	3,047	5,637	8,684	3,023	5,759	8,782	2,916	5,756	8,672	2,758	5,517	8,275
Percentage of total employees	12.1	22.5	34.6	12.2	23.2	35.4	12.2	24.2	36.4	12.0	23.9	35.9
<b>Number of Employees by Type of Employment</b>												
Permanent contract employees	8,393	16,635	25,028	8,233	16,500	24,733	7,871	15,799	23,670	7,583	15,315	22,898
Percentage of total employees	33.5	66.2	99.6	33.2	66.5	99.6	33.1	66.3	99.4	32.9	66.4	99.3
Temporary contract employees	55	35	90	54	35	89	70	62	132	91	65	156
Percentage of total employees	0.2	0.1	0.4	0.2	0.1	0.4	0.3	0.3	0.6	0.4	0.3	0.7
<b>Number of Employees by Nationality</b>												
Thai nationality	25,069		24,771		23,747		23,000					
Percentage of total employees	99.8		99.8		99.8		99.8					
Other nationalities	49		51		55		54					
Percentage of total employees	0.2		0.2		0.2		0.2					

Note: Information refers to employees working in Thailand, not including employees working outside Thailand.

## Employees

Description	2015			2016			2017			2018		
	Male	Female	Total									
<b>Number of Employees by Age</b>												
<b>Top management</b>	<b>40</b>	<b>22</b>	<b>62</b>	<b>41</b>	<b>22</b>	<b>63</b>	<b>42</b>	<b>22</b>	<b>64</b>	<b>43</b>	<b>21</b>	<b>64</b>
Percentage of total employees	0.2	0.1	0.2	0.2	0.1	0.3	0.2	0.1	0.3	0.2	0.1	0.3
Age over 50	34	15	49	33	16	49	35	17	52	38	18	56
Percentage of total employees	0.1	0.1	0.2	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.1	0.2
Age 30-50	6	7	13	8	6	14	7	5	12	5	3	8
Percentage of total employees	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0
Age under 30	0	0	0	0	0	0	0	0	0	0	0	0
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Middle management</b>	<b>256</b>	<b>217</b>	<b>473</b>	<b>274</b>	<b>224</b>	<b>498</b>	<b>264</b>	<b>231</b>	<b>495</b>	<b>257</b>	<b>227</b>	<b>484</b>
Percentage of total employees	1.0	0.9	1.9	1.1	0.9	2.0	1.1	1.0	2.1	1.1	1.0	2.1
Age over 50	137	91	228	150	95	245	148	107	255	146	118	264
Percentage of total employees	0.5	0.4	0.9	0.6	0.4	1.0	0.6	0.4	1.1	0.6	0.5	1.1
Age 30-50	119	126	245	124	129	253	116	124	240	111	109	220
Percentage of total employees	0.5	0.5	1.0	0.5	0.5	1.0	0.5	0.5	1.0	0.5	0.5	1.0
Age under 30	0	0	0	0	0	0	0	0	0	0	0	0
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Low-level management</b>	<b>406</b>	<b>480</b>	<b>886</b>	<b>419</b>	<b>513</b>	<b>932</b>	<b>424</b>	<b>522</b>	<b>946</b>	<b>417</b>	<b>508</b>	<b>925</b>
Percentage of total employees	1.6	1.9	3.5	1.7	2.1	3.8	1.8	2.2	4.0	1.8	2.2	4.0
Age over 50	166	124	290	165	138	303	165	144	309	176	164	340
Percentage of total employees	0.7	0.5	1.2	0.7	0.6	1.2	0.7	0.6	1.3	0.8	0.7	1.5
Age 30-50	239	356	595	252	375	627	256	378	634	240	344	584
Percentage of total employees	1.0	1.4	2.4	1.0	1.5	2.5	1.1	1.6	2.7	1.0	1.5	2.5
Age under 30	1	0	1	2	0	2	3	0	3	1	0	1
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Employees												
Description	2015			2016			2017			2018		
	Male	Female	Total									
<b>Operational-level employees</b>	<b>7,691</b>	<b>15,916</b>	<b>23,607</b>	<b>7,499</b>	<b>15,741</b>	<b>23,240</b>	<b>7,141</b>	<b>15,024</b>	<b>22,165</b>	<b>6,866</b>	<b>14,559</b>	<b>21,425</b>
Percentage of total employees	30.6	63.4	94.0	30.2	63.4	93.6	30.0	63.1	93.1	29.8	63.2	92.9
Age over 50	2,179	1,914	4,093	2,212	1,928	4,140	2,252	2,010	4,262	2,303	2,140	4,443
Percentage of total employees	8.7	7.6	16.3	8.9	7.8	16.7	9.5	8.4	17.9	10.0	9.3	19.3
Age 30-50	3,515	6,007	9,522	3,405	6,302	9,707	3,261	6,544	9,805	3,094	6,929	10,023
Percentage of total employees	14.0	23.9	37.9	13.7	25.4	39.1	13.7	27.5	41.2	13.4	30.1	43.5
Age under 30	1,997	7,995	9,992	1,882	7,511	9,393	1,628	6,470	8,098	1,469	5,490	6,959
Percentage of total employees	8.0	31.8	39.8	7.6	30.3	37.8	6.8	27.2	34.0	6.4	23.8	30.2
<b>Temporary contract employees (management)</b>	<b>32</b>	<b>12</b>	<b>44</b>	<b>33</b>	<b>14</b>	<b>47</b>	<b>37</b>	<b>15</b>	<b>52</b>	<b>39</b>	<b>19</b>	<b>54</b>
Percentage of total employees	0.1	0.0	0.2	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.1	0.2
Age over 50	28	10	38	30	12	42	31	14	45	34	14	48
Percentage of total employees	0.1	0.0	0.2	0.1	0.0	0.2	0.1	0.1	0.2	0.1	0.1	0.2
Age 30-50	4	2	6	3	2	5	6	1	7	5	1	6
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Age under 30	0	0	0	0	0	0	0	0	0	0	0	0
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Temporary contract employees (operational)</b>	<b>23</b>	<b>23</b>	<b>46</b>	<b>21</b>	<b>21</b>	<b>42</b>	<b>33</b>	<b>47</b>	<b>80</b>	<b>52</b>	<b>50</b>	<b>102</b>
Percentage of total employees	0.1	0.1	0.2	0.1	0.1	0.2	0.1	0.2	0.3	0.2	0.2	0.4
Age over 50	4	9	13	5	4	9	7	2	9	8	3	11
Percentage of total employees	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Age 30-50	15	4	19	12	5	17	14	4	18	15	10	25
Percentage of total employees	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
Age under 30	4	10	14	4	12	16	12	41	53	29	37	66
Percentage of total employees	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.2	0.2	0.1	0.2	0.3

## New Employees (Permanent and Temporary)

Description	2015			2016			2017			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Total number of new employees</b>	<b>789</b>	<b>2,615</b>	<b>3,404</b>	<b>599</b>	<b>1,504</b>	<b>2,103</b>	<b>434</b>	<b>1,088</b>	<b>1,522</b>	<b>546</b>	<b>968</b>	<b>1,514</b>
Percentage of total employees	3.1	10.4	13.6	2.4	6.1	8.5	1.8	4.6	6.4	2.4	4.2	6.6
New permanent contract employees			3,318			2,020			1,364			1,316
New temporary contract employees			86			83			158			198
Expense for new employee recruitment per head (THB)			5,817			9,049			15,140			19,565
<b>Number of New Employees by Age</b>												
Age over 50	26	25	51	28	15	43	36	16	52	35	22	57
Percentage of total employees	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.1	0.2
Age 30-50	105	142	247	103	109	212	83	117	200	102	146	248
Percentage of total employees	0.4	0.6	1.0	0.4	0.4	0.9	0.3	0.5	0.8	0.4	0.6	1.1
Age under 30	658	2,448	3,106	468	1,380	1,848	315	955	1,270	409	800	1,209
Percentage of total employees	2.6	9.7	12.4	1.9	5.6	7.4	1.3	4.0	5.3	1.8	3.5	5.2
<b>Number of New Employees by Location of Work</b>												
Head Office and Metropolitan area	720	2,563	3,283	568	1,474	2,042	416	1,041	1,457	513	899	1,412
Percentage of total employees	2.9	10.2	13.1	2.3	5.9	8.2	1.75	4.4	6.1	2.2	3.9	6.1
Head Office	570	1,580	2,150	455	934	1,389	356	731	1,087	415	654	1,069
Metropolitan area	150	983	1,133	113	540	653	60	310	370	98	245	343
Other provinces	69	52	121	31	30	61	18	47	65	33	69	102
Percentage of total employees	0.3	0.2	0.5	0.1	0.1	0.2	0.1	0.2	0.3	0.1	0.3	0.4

Employee Terminations												
Description	2015			2016			2017			2018		
	Male	Female	Total									
Total Number of Employee Terminations			2,409			2,347			2,378			2,228
Total number of permanent contract employee terminations			2,324			2,263			2,263			2,058
Total number of temporary contract employee terminations			85			84			115			170
Percentage of total employees			9.6			9.5			10.0			9.7
<b>Type of Employee Termination</b>												
Total voluntary resignations	470	1,416	1,886	476	1,340	1,816	447	1,380	1,827	508	1,160	1,668
Voluntary resignations of permanent contract employees	467	1,408	1,875	472	1,331	1,803	441	1,357	1,798	500	1,115	1,615
Voluntary resignations of temporary contract employees	3	8	11	4	9	13	6	23	29	8	45	53
Percentage of total employees	1.9	5.6	7.5	1.9	5.4	7.3	1.9	5.8	7.7	2.2	5.0	7.2
<b>Voluntary Resignations by Age</b>												
Age over 50	98	373	471	18	26	44	59	196	255	31	25	56
Percentage of total employees	0.4	1.5	1.9	0.1	0.1	0.2	0.2	0.8	1.1	0.1	0.1	0.2
Age 30-50	104	189	293	115	259	374	111	255	366	169	360	529
Percentage of total employees	0.4	0.8	1.2	0.5	1.0	1.5	0.5	1.1	1.5	0.7	1.6	2.3
Age under 30	268	854	1,122	343	1,055	1,398	277	929	1,206	308	775	1,083
Percentage of total employees	1.1	3.4	4.5	1.4	4.3	5.6	1.2	3.9	5.1	1.3	3.4	4.7
<b>Voluntary Resignations by Location of Work</b>												
Head Office and Metropolitan area	351	1,073	1,424	387	980	1,367	328	997	1,325	400	812	1,212
Percentage of total employees	1.4	4.3	5.7	1.6	3.9	5.5	1.38	4.2	5.6	1.7	3.5	5.3
Head Office	219	467	686	271	451	722	213	464	677	261	405	666
Metropolitan area	132	606	738	116	529	645	115	533	648	139	407	546
Other provinces	119	343	462	89	360	449	119	383	502	108	348	456
Percentage of total employees	0.5	1.4	1.8	0.4	1.5	1.8	0.5	1.6	2.1	0.5	1.5	2.0

Note: Employee terminations include retirement, early retirement, deceased, did not fulfill probation conditions, declining contract, no show on start date, completing contract terms, voluntary resignation and all other termination circumstances.

**Maternity Leave or Parental Leave**

Description	2015			2016			2017			2018		
	Male	Female	Total									
Total number of employees eligible for maternity/parental leave	8,448	16,670	25,118	8,287	16,535	24,822	7,941	15,861	23,802	7,674	15,380	23,054
Percentage of total employees	33.6	66.4	100.0	33.4	66.6	100.0	33.4	66.6	100.0	33.3	66.7	100.0
Number of employees taking maternity/parental leave	-	-	-	-	-	-	98	524	622	73	547	620
Percentage of total employees	-	-	-	-	-	-	0.4	2.2	2.6	0.3	2.4	2.7
Number of employees returning to work after maternity/parental leave	-	-	-	-	-	-	93	499	592	73	541	614
Total number of employees taking maternity/parental leave in percentage of total employees	-	-	-	-	-	-	94.9	95.2	95.2	100.0	98.9	99.0
Percentage of total employees	-	-	-	-	-	-	0.4	2.1	2.5	0.3	2.3	2.7
Number of employees returning to work after maternity/parental leave and continuing working for the next 12 months	-	-	-	-	-	-	93	499	592	72	516	588
Percentage of total maternity/parental leave	-	-	-	-	-	-	94.9	95.2	95.2	98.6	94.3	94.8
Percentage of total employees	-	-	-	-	-	-	0.4	2.1	2.5	0.3	2.2	2.6
Percentage of retention of employees taking maternity/parental leave	-	-	-	-	-	-	94.9	95.2	95.2	100.0	98.9	99.0

## Employee Performance Evaluation and Compensation

Description	2015			2016			2017			2018		
	Male	Female	Total									
<b>Employee Performance Evaluation*</b>												
Total number of employees evaluated	8,393	16,635	25,028	8,233	16,500	24,733	7,871	15,799	23,670	7,583	15,315	22,898
Percentage of total employees		100.0			100.0			100.0			100.0	
<b>Employee Evaluation by Level*</b>												
Management (%)		100.0			100.0			100.0			100.0	
Operational (%)		100.0			100.0			100.0			100.0	
<b>Compensation Comparison for Male to Female Employees</b>												
Top management (average monthly compensation in THB)	1,218,908	686,295	952,602	1,130,076	713,723	921,900	1,212,050	762,905	987,477	1,291,991	834,948	1,063,469
Compensation ratio (male : female)		1 : 0.56			1 : 0.63			1 : 0.63			1 : 0.65	
Middle management (average monthly compensation in THB)	144,291	135,804	140,048	153,142	138,657	145,900	159,312	144,962	152,137	169,746	153,687	161,717
Compensation ratio (male : female)		1 : 0.94			1 : 0.91			1 : 0.91			1 : 0.91	
Operational staff and supervisors (average monthly compensation in THB)	43,150	34,811	38,981	42,830	34,468	38,649	44,250	36,149	40,200	46,070	37,895	41,983
Compensation ratio (male : female)		1 : 0.81			1 : 0.80			1 : 0.82			1 : 0.82	

Note: \* Employee performance evaluation is applied only to permanent contract employees, not including temporary contract employees.

Employee Training												
Description	2015			2016			2017			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Employee Training</b>												
Total number of employees taking training	6,279	14,218	20,497	3,392	9,145	12,537	7,759	9,006	16,765	6,138	14,343	20,481
Percentage of total employees	25.0	56.6	81.6	13.7	36.8	50.5	32.6	37.8	70.4	26.6	62.2	88.8
<b>Employees Taking Training by Level</b>												
Management	567	594	1,161	674	727	1,401	467	522	989	632	724	1,356
Operational	5,712	13,624	19,336	2,718	8,418	11,136	7,292	8,484	15,776	5,506	13,619	19,125
<b>Trained Employees by Location of Work*</b>												
Head Office										2,770	4,483	7,253
Metropolitan area	3,982	9,830	13,812	4,229	3,480	7,709	2,525	5,234	7,759	1,085	4,488	5,573
Other provinces	2,390	4,295	6,685	2,050	2,778	4,828	1,224	3,502	4,726	2,283	5,372	7,655
<b>Total training hours provided</b>			<b>3,134,200</b>			<b>743,227</b>			<b>615,420</b>	<b>169,453</b>	<b>532,599</b>	<b>702,052</b>
<b>Average training hours provided</b>			<b>125.2</b>			<b>30.1</b>			<b>26.0</b>	<b>22.00</b>	<b>35.00</b>	<b>30.45</b>
<b>Average training expenses per employee (THB)</b>			<b>2,522</b>			<b>2,547</b>			<b>7,821</b>			<b>4,136</b>

Note: \* During 2015-2017, the information on employees taking training from Head Office and Metropolitan area was not collected separately.

Occupational Health Issues												
Description	2015			2016			2017			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Occupational Health Issues</b>												
<b>Occupational Health Issues</b>												
Number of employees suffering from occupational health issues	0	0	0	0	0	0	0	0	0	0	0	0
Total occupational health issue rate per total working hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Injury Rate</b>												
Number of employees taking sick leave due to work-related injury	5	1	6	1	2	3	1	2	3	3	3	6
Total work injury rate per total working hours**	0.11	0.02	0.13	0.02	0.04	0.07	0.02	0.05	0.07	0.07	0.07	0.14
Number of employees suffering work injury without working hours lost	0	0	0	0	0	0	0	0	0	0	0	0
Total work injury rate per total working hours**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported number of employees injured from work	5	1	6	1	2	3	1	2	3	3	3	6
Total work injury rate per total working hours**	0.11	0.02	0.13	0.02	0.04	0.07	0.02	0.05	0.07	0.07	0.07	0.14
<b>Work-related Fatalities</b>												
Number of fatalities from work-related accidents	0	0	0	0	0	0	0	0	0	0	0	0
Percentage of total employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average employee leave days*	18.5 days			8.6 days			6.44 days			6.06 days		
Number of work days lost from non-work related sick leave	7 days – 3 months			10 days – 3 months			7 – 15 days			1 day – 4 months		

Note: \* Information on employee leave refers only to the Human Resource Division's staff. Bank-wide leave information is expected to be available after the 'self-service' leave application and approval system is implemented, expected by 2019.

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

## Environment Dimension

Description	Unit	2015	2016	2017	2018 <sup>1</sup>	2018 <sup>2</sup>
<b>Energy Consumption<sup>3</sup></b>						
Electricity	Megawatt-hours	34,730	37,312	33,925	32,744	116,978
Diesel fuel for emergency power generators and fire pumps	Liters	10,600	26,245	27,755	23,957	24,965
<b>Fuel for Vehicles Used in Operations<sup>4</sup></b>						
Diesel	Liters	129,380	148,709	136,921	123,331	126,598
Gasoline	Liters	1,117,914	1,097,478	1,042,587	1,007,182	4,328,083
<b>Business Travel<sup>5</sup></b>						
Air transportation	Kilometers	-	-	-	-	313,214
<b>Volume of GHG Emissions<sup>6</sup></b>						
Type 1 Green House Gas Emissions	Tons of carbon dioxide equivalent	4,030	3,712	4,039	3,427	12,189
Type 2 Green House Gas Emissions	Tons of carbon dioxide equivalent	20,189	21,720	19,748	19,061	68,093
Type 3 Green House Gas Emissions	Tons of carbon dioxide equivalent	584	597	517	573	1,473
<b>Water Consumption<sup>7</sup></b>						
Tap water	Cubic meters	355,587	423,575	370,683	363,532	640,738
<b>Use of Recycled Water<sup>8</sup></b>						
Recycled water used	Cubic meters	32,000	45,197	46,880	-	45,207
<b>Waste Disposal<sup>9</sup></b>						
General waste	Cubic meters	-	-	1,053	-	1,053
Used paper	Tons	-	-	506	-	510
Electronic equipment waste	Tons	-	-	70.06	-	98.13

- Note: 1. Baseline data covering the five Head Office buildings - Head Office, Trinity Building, Rama 3 Building, Building 3, and Saengthong Thani Tower.
2. Baseline data covering the five Head Office buildings and branches nationwide.
  3. Data calculated referring to meters of the Metropolitan Electricity Authority (MEA) or the Provincial Electricity Authority (PEA).
  4. Data retrieved from the Bank's fuel expense database.
  5. Data collection started in 2018.
  6. The Bank's GHG emissions reports can be classified into three scopes, which are:
    - Direct (Scope 1) emissions were calculated based on fuel consumption of back-up power generators, fire pumps, and vehicles used for day-to-day operations. The volumes of refrigerants leaked from air-conditioning systems and fire extinguisher chemicals were evaluated from purchasing orders, and the volumes of methane gas from septic tanks were evaluated from the number of employees of each building.
    - Indirect (Scope 2) emissions was calculated from electricity consumption of the Bank referring to the meters of the Metropolitan Electricity Authority and the Provincial Electricity Authority.
    - Other indirect (Scope 3) emissions were calculated from water consumption of the Bank referring to the meters of the Metropolitan Waterworks Authority and Provincial Waterworks Authority, and the paper used evaluated from the purchased volumes.
  7. Data calculated referring to meters of the Metropolitan Waterworks Authority and Provincial Waterworks Authority.
  8. Data calculated from quantity of water recycled from the activated sludge system, and used for watering trees and lawns surrounding the Rama 3 Building. Quantity of the recycled water, calculated from the total quantity of water consumption at Rama 3 Building deduced by the quantity of cooling water in air-conditioning system, was accounted represented approximately 7 percent of the Bank's water consumption nationwide.
  9. General Waste is divided into two types of wastes:
    - Non-hazardous waste volume was calculated from fees paid in lump sum to local government agencies for disposal of general waste collected from five Head Office buildings; Head Office, Trinity Building, Rama 3 Building, Building 3, and Saengthong Thani Tower, and the volume of waste paper, including used office paper and used cheques collected from branches nationwide, sent to paper recycling plants.
    - Hazardous waste volume was calculated from the volume of old electronic equipment sent to be recycled by an outside company with expertise in electronic waste disposal certified by international standards. The electronic waste comprises used and obsolete electronic equipment collected from the Bank's operations nationwide.

**Data boundary:**

- **Data of energy consumption, GHG emissions and water consumption:**
  - In 2015, data boundary covered three buildings; Head Office, Trinity Building, and Rama 3 Building.
  - In 2016- 2017, data boundary was extended to cover five Head Office Buildings; Head Office, Trinity Building, Rama 3 Building, Building 3 and Saengthong Thani Tower.
  - In 2018, data boundary was further extended from the five Head Office Buildings to cover all branches nationwide, excluding branches in rental spaces.
- **Data of vehicle fuel consumption:**
  - In 2016- 2017 data boundary covered five Head Office buildings; Head Office, Trinity Building, Rama 3 Building, Building 3 and Saengthong Thani Tower.
  - In 2018, data boundary was further extended from the five Head Office buildings to cover all branches nationwide, excluding branches in rental spaces.

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