



**BANKING INDUSTRY  
CODE OF CONDUCT  
2016**



## INTRODUCTION

The Thai Bankers' Association, in collaboration with member banks, jointly determines the strategic plan for Thai banking industry for the period of five years. This is a part of effort to build foundation, strengthen Thai commercial banks, and ensure that the standard of Thai commercial banks meets the international level.

The Code of Conduct for banking industry is considered as one of five strategic approaches which all member banks place importance on. As a result, the working team revises the previous version of code of conduct, which has long been served as ethical guideline, to ensure that its content is in alignment with changing environment. Additionally, the Code of Conduct aims to support member banks to undertake their businesses with integrity, sustain the balance between turnover and impact against shareholders and customers, as well as adhere to sustainable business practice by taking social and environmental impact into account.

In a bid to promote and maintain dignity and accountability of members banks committed to serving customers and the public as well as contribute to sustainable economic growth of the country, this Code of Conduct is served as supplementary guideline in addition to laws, regulations, and operating guidelines related to the member banks.

The objective of this Code of Conduct is not to substitute for laws, regulations, or notification of relevant regulatory authorities.

In case of conflict between this Code of Conduct and regulations stipulated by regulatory authority, member banks shall comply with the regulation which is deemed stricter.

Working Team  
December  
2016

## WORKING TEAM

### CEO Sponsor:

President, Krung Thai Bank Public Company Limited  
Mr. Vorapak Tanyawong (8 November 2012 - 7 November 2016)  
Mr. Payong Srivanich (8 November 2016 - Present)

### Working Team:

1. Bangkok Bank Public Company Limited
2. Krung Thai Bank Public Company Limited
3. Bank of Ayudhya Public Company Limited
4. Kasikornbank Public Company Limited
5. Kiatnakin Bank Public Company Limited
6. CIMB Thai Bank Public Company Limited
7. TMB Bank Public Company Limited
8. TISCO Bank Public Company Limited
9. The Thai Credit Retail Bank Public Company Limited
10. The Siam Commercial Bank Public Company Limited
11. Thanachart Bank Public Company Limited
12. United Overseas Bank (Thai) Public Company Limited
13. Land and Houses Bank Public Company Limited
14. Standard Chartered Bank (Thai) Public Company Limited
15. Industrial and Commercial Bank Of China (Thai) Public Company Limited



▲ Integrity

▲ Fairness

▲ Stakeholders

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## DEFINITION

<b>Code of Conduct</b>	Code of Conduct for commercial banks being members of the Thai Bankers' Association
<b>Bank</b>	Members of Thai Bankers' Association
<b>Association</b>	Thai Bankers' Association
<b>Employees</b>	Employees / Workers of the bank

## 1. CODE OF CONDUCT

The bank shall exercise supervision to ensure that employees conform to this Code of Conduct as follows:-

1. Employees shall perform operation with integrity and adhere to ethical standard. Also, operations shall be in accordance with laws, regulations of regulatory authorities, relevant regulations, Anti-Corruption Policy, as well as Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) in a strict manner.
2. Employees shall safeguard against risk or refrain from undertaking any action possibly leading to conflict of interest.
3. Employees shall perform tasks in a professional manner by exhibiting expertise and competency as well as exercising prudence during operations.
4. Employees shall maintain confidentiality and must not misuse inside information which is deemed confidential for one's own or other's benefit.



## 2. ROLES OF DIRECTORS AND EXECUTIVES

Directors and executives of the bank shall be responsible for performing operations under the moral and ethical framework in order to promote good governance in every organizational level. Details of which are defined as follows:-

1. Directors and executives shall adhere to integrity, fairness, ethical standard, and responsibility. They shall exercise prudence and thoroughness during operations and supervise various operating process for the benefit of entire organization and stakeholders under guideline and principle of Business Judgment Rule by taking the incidents encountered by an organization or occurred after any activity into account.
2. Directors and executives are playing crucial roles in establishing good governance to enhance confidence among shareholders, customers, regulatory authorities, and all stakeholders for the optimum benefit of banking industry and the country. Additionally, the directors and executives shall determine the written policy on good governance and prepare the Code of Conduct which is to be communicated to all employees and executives for practical and effective implementation.
3. Directors are obliged to conform to the principle of good governance, act as coordinator between stakeholders and management functions by specifying various policies in relation to business undertaking and operation, and ensure that good governance is put in place. Moreover, they shall exercise supervision over operations of executives of the bank and management function to be consistent with determined policy for effectiveness and efficiency.



## 2. ROLES OF DIRECTORS AND EXECUTIVES

4. The bank's operations shall be in line with law, regulation, standard protocols, various practices stipulated by government authorities, and criteria in many aspects. Therefore, the directors, as representatives of shareholders, shall formulate policies which are implemented by the management functions to ensure efficient and effective practicality. Furthermore, the directors are responsible for arranging efficient internal control to ensure the bank's operations are in accordance with laws, regulations, and rules in a strict manner.
5. Directors shall oversee and ensure that the bank establish policy and effective risk management system to handle significant risks. Also, they shall exercise supervision to ensure that the risk management committee can perform their duties in a complete and professional manner and being independent from business units. Additionally, the managements of the bank must acknowledge all possible risks, protect the bank benefits, and manage the level of risk impact to be acceptable under effective risk management.
6. Any financial transaction executed by the directors and managements shall be appropriate or the characteristic of such financial transaction shall be categorized as normal commercial transactions. Transaction executed by the directors and managements must be similar to that of an individual who does not have any relation where the objective of such transaction is to gain benefits for the organization. Any action which leads to or possibly leads to a conflict of interest shall be avoided. However, in the event of conflict of interest, the resolution shall be reached in a fair and swift manner.



### 3. SERVICE STANDARD

The bank is required to instill confidence among all customers and stakeholders by ensuring that these service standards be defined:-

1. Overall operation shall be well-managed to ensure that customers and stakeholders receive good service.
2. Good governance system shall be put in place to ensure that services are in line with criteria stipulated by relevant regulatory authorities.
3. Management and internal control system shall be controlled in a thorough manner in order to safeguard against error during service.
4. Risk management system shall be put in place and consistent with business undertakings to ensure that the bank can handle possible risks in a proper manner.

#### 4. EMPLOYEES AND WORKING ENVIRONMENT

The bank shall provide facilities to support operations of employees to ensure effectiveness as follows:-

1. Safe working environment shall be provided and ready to serve customers.
2. All employees shall be treated fairly and respectfully.
3. All employees shall be offered opportunities to develop skills or chances to attend training courses on a regular basis.
4. Remuneration shall be paid to employees in a fair manner by taking performance appraisal results into account.
5. Personal information of employees shall be treated as confidential and the said information shall not be misused.
6. In the event where operation is subject to investigation, the bank shall exercise supervision to ensure fairness by having employees cooperate with both internal and external regulatory authorities.
7. All employees shall be treated equally regardless of gender, nationality, age, religion, and disability.
8. The bank shall oversee operations to ensure that there are no verbal and physical offences which may threaten human dignity in workplace.
9. Whistleblowing channels shall be established in a proper manner.



## 5. COMMITMENT TO CUSTOMERS

The bank shall place importance on and treat customers in a fair manner as follows:-

1. Products and services shall match and be suitable with customer's need and ability.
2. Information of the bank's products and services shall be disclosed and such information shall cover relevant conditions and associated risks. Furthermore, service and interest rate shall be correct and updated in order to ensure that customers understand and have sufficient information which can support their decision. Advertisement and communication shall be carried out in a clear and transparent manner to prevent any misunderstanding.
3. Customer's information shall be protected and treated as confidential; except for the receipt of consent from the customer or in the case where the bank is required to comply with laws.
4. There shall be a process to receive complaints and all customers' complaints shall be appropriately managed.
5. Relationship with customers shall be maintained in a sustainable manner without accepting bribe and/or benefits from gifts, or assets or organizing any form of entertainment which deliberately aims to facilitate convenience for customers in an improper manner.

## 6. CONFLICT OF INTEREST

The bank shall arrange for measures to manage conflict of interest as follows:-

### **Prevention against utilization of inside information**

1. Measure to control security trading shall be arranged and the accounts for security trading belonged to directors, managements, employees, and relevant persons who may possibly access to inside information shall be determined. This is to prevent misusing of information by utilizing position, duty, or responsibility for one's own or others' benefit.
2. Place of operations shall be segregated. Preventive measure of information leakage between departments shall be established by splitting functions which could encounter a conflict of interest.

### **Transactions with related party and related transactions**

1. Transactions between the bank and director, executive, major shareholder, and relevant person shall not have any characteristic similar to transferring of benefits of the bank to relevant persons.
2. An employee with stakeholding or being a person associated with any transaction shall not involve in consideration process of such transaction in order to ensure that all decision makings are for the bank's benefits.
3. Regulations regarding related transactions and consideration process shall be specified in a thorough manner for the bank and its stakeholder's benefit.



## 6. CONFLICT OF INTEREST

### Accepting gifts, entertainment, or other benefits

1. Accepting/giving of gift, entertainment, or any other benefits shall be for the purpose of strengthening business relationship. In this regard, those actions shall be performed in a prudence, thorough, and reasonable manner. Anything of value i.e. gift, entertainment, or benefit shall be appropriate and in accordance with occasion and tradition.
2. Any type of bribery is prohibited. The bank shall neither offer nor receive any returns, both directly and indirectly, from customers, private or government organizations, or third party in a bid to dominate over the decision or influence relevant officers to gain improper advantage.

## 7. INFORMATION MANAGEMENT

The bank shall put in place appropriate information management as follows:-

### **Information Management**

1. Customer's and the bank's information shall be protected, retained, and treated as confidential and shall not be disclosed. Customer's information shall be collected, maintained, and utilized in a proper manner.
2. Customer's and the bank's information shall not be disclosed; except for receiving consent from the customer or for the purpose of compliance with relevant laws.

### **Communication**

Communication, official statement, or provision of information related to the bank, the bank's information, and customer shall be correct and appropriate. Also, communication and statement addressed in the presence of press representatives shall be performed by an officer assigned by the bank only.



## 8. GOVERNANCE

The bank is obliged to conduct business in a manner that is in accordance with applicable laws, policies, and regulations of the bank by adhering to practices of governance as follows:-

1. The bank shall ensure that its employees have complete understanding about laws and acknowledge the risk in case of failure to comply with various regulations which may impact business undertaking, image and reputation of the bank, and duty of the employee.
2. Supervisory function shall be established to oversee operations in line with laws and regulations. In this regard, the aforesaid functions shall be independent from the bank's management while workforce and resource shall be allocated to such function in a sufficient manner.
3. The bank shall exercise supervision to review operations in line with criteria stipulated by supervisory functions related to the bank's policy and regulations. In this regard, management practice, corrective guideline, and preventive measure shall be established under legal framework, good governance principle, policy, and regulations of the bank.
4. Disciplinary action shall be taken against those who failed to comply with applicable laws according to level of impact and nature of such misconduct based on fairness and without discrimination.
5. The bank shall arrange for whistleblowing channels for suspicious action about integrity or failure to comply with laws and relevant regulations.



## 9. COMMERCIAL COMPETITION AND SETTLEMENT OF CONFLICT

In order to ensure smooth and sustainable operations of the bank, these practices shall be conducted:-

1. The bank shall freely operate business and fairly compete with other commercial banks without having any mutual agreement to set up selling/buying price or service conditions which are unfair to customers.
2. The bank shall offer products and services which are beneficial and worthwhile for customers. Also, the bank shall have customer chosen service freely by refraining from interfering customer's decision when they turn to other banks.
3. The bank must not criticize competitors or conduct any action to establish monopoly or cut or restrict competition in the market.
4. In case of conflict, the bank shall have appropriate settlement process in place.

