

SYNERGY



FOR SUSTAINABILITY



Sustainability Report 2019
TMB Bank Public Company Limited



Make **THE** Difference



Vision

TMB inspires people to Make **THE** Difference



Mission

- > Empower **customers** to make the most of their lives
- > Deliver consistent performance to create sustainable value for **shareholders**
- > Transform organization into the best place to work for **employees** and provide opportunities and development that allow them to unlock their full potential to challenge status quo
- > Engage to create more value to the **society** while ensuring sustainability



Aspiration

To be the most advocated bank in Thailand










2019



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Message from our Chairman and Chief Executive Officer ➤



Over the years, “Make **THE** Difference” has been the philosophy that guides the way we think and the way we operate. This philosophy extends beyond the bank’s businesses as it also applies to how TMB plays a role in the development of its operating environment and the society at large. In line with this philosophy, we have adopted sustainability as one of the core principles that guide our strategic direction and day-to-day business practice. While sustainability continues to be an evolving topic, our core belief is that sustainability and business are intertwined rather than independent, and that sustainability must be upheld by all parts of the organization. At TMB, we practice sustainability in 4 key areas: business sustainability, corporate governance and business ethics, environmental sustainability and social sustainability.

Business Sustainability

We believe that sustainability starts with sustainable business model and sustainable business performance, without which, our ability to contribute to broader goals would only be short-lived. As such, we constantly challenge ourselves to rethink ways of doing business to sustain and enhance our ability to compete in the ever-changing market landscape.

The merger between TMB and Thanachart Bank in 2019 marks a significant milestone in the history of Thai banking industry and a big leap towards enhancing the long-term competitiveness of the two banks. In response to the rise of disruptive forces, TMB is now in an advantageous disposition to “Make **THE** Difference” for Thai consumers and corporations as it encompasses the complementary strengths of both banks, a doubling of asset size and an expanded customer base to 10 million. The Board of Directors, management and staff are diligently working together to integrate the two banks which is expected to be completed by 2021.

In addition, the Bank continues to focus on delivering superior proposition and addressing unmet needs and/or underserved segments through the leverage of digital technologies and relentless push to challenge status quo. With regard to the commercial segment, we have launched an agricultural supply chain solution aided by digital technologies to improve not only the financial performance of our clients, but also to promote sustainable business practice among their respective value chain partners. In line with our aim to be a leader in supply chain connectedness, we plan to extend the business model to other applicable industries and collaborate with strategic partners to further bring innovation into the products and services. Another notable product launch in 2019 was TMB Payroll Plus, a new all-in-one digital platform for SME owners that effectively manages employees’ salary payment and provides group health insurance with special rates and provident fund supervised by

experienced professionals for employees. We believe this product will help address the unmet needs among SMEs – hiring approximately 21 million workers across the country – which unlike their corporate counterparts, do not have the resources to provide these benefits to their employees in the past. Looking at the retail segment, we recognize the need to prepare for retirement as Thailand is transitioning toward an aging economy. To address this issue, one of our business priorities, in line with our deposit-led strategy, is to facilitate better spending and saving habit. As such, we have introduced new features in TMB TOUCH application like savings goal, savings alarm, and auto-saving features to customers for an effortless start to their saving habits. Similarly, TMB Smart Port was launched in collaboration with Amundi Asset Management on our TMB TOUCH platform whereby allowing mainstream customers to access to asset allocation and diversified investment plans, which were in the past exclusive only to private banking customers.

Environmental Sustainability

The Bank is cognizant of its ability to create significant environmental and social impacts through its role as a lender. Taking this into consideration, all of our lending activities comply to the Environmental and Social Responsibility (ESR) Policy which sets firm stance against industries with high environmental and social risks and impacts such as gambling, palm oil, nuclear power, etc. and also establishes guidelines for key environmental and social issues and specific industries as part of due diligence and decision making process. Subsequently, TMB actively promotes green lending which accounted for 2.5% of commercial lending in 2019 as well as other green products, namely the USD 60 million green bond by which TMB was the first Thai commercial bank to issue in 2018. Equally important, we closely monitor our resource consumption and constantly explore different methods to achieve higher eco-efficiency and mitigate waste from our business operations. This resulted in 16% decrease in overall utility usage at TMB Headquarters in 2019.

Social Sustainability

How we create value that extends beyond business returns matters to TMB. Under TMB Foundation, we contribute to the wider society through FAI-FAH programs, which advocate youth development and well-being as well as other sustainable development initiatives. In 2019, over 3,000 TMB volunteers were involved in 40 community development projects nationwide, benefiting over 150,000 youths across the country. In addition, the constituents of value creation to society also include facilitating financial literacy for Thai consumers. In 2019, TMB provided training to over 5,000 individuals and over 95% of our new hired employees in 2019 as a means to uplift the well-being of their financial health and ultimately the quality

of their lives. This in turn is expected to contribute to the sustainable growth of the Thai banking sector and the economy as a whole.

Concurrently, value creation would be impossible in the absence of employees. To TMB, employees are the greatest asset of the Bank and the sustainability of our business relies heavily on the sustainability of our workforce. Unequivocally, we are committed to providing employees with fair and equitable treatment, compensation and benefits, as well as opportunities to explore and develop professionally in career paths of their interests. TMB also values and respects human rights and diversity to such a degree that the Human Rights Policy; and Diversity and Inclusion Statement established in 2019. Above all, we aspire to become the employer of choice where our employees are tasked with purposeful work and empowered to “Make THE Difference” to themselves and their community.

Corporate Governance and Business Ethics

For TMB to successfully achieve business and sustainability goals and remain a trustworthy company for stakeholders, corporate governance and business ethics are required to be in place to ensure that business is operating smoothly and in accordance with the law. TMB values integrity and strictly adheres to the Bank’s business ethics. The principles are underpinned in the Code of Conduct; Anti-corruption and Bribery Policy; Anti-money Laundering Policy; Market Conduct; and Gift, Entertainment, Donation and Sponsorship Policy through which the Board of Directors and all employees must acknowledge and comply with accordingly. Trainings are provided for all employees throughout the year to boost awareness and ensure compliance.

Given the merger in 2019 with Thanachart Bank as mentioned previously, the Board structure and composition were reshaped to align with the new shareholding structure while safeguarding good corporate governance. As a result, the number of our independent directors increased from 4 to 6, which represents 43% of the Board members and hence far exceeds the requirement by the regulation. To further reinforce governance transparency in the rise of digital disruption, an IT Oversight Committee has been set up as the Board sub-committee to oversee strategy, management and operations, investment, and capacity development programs related to information technology, cybersecurity, and data privacy.

Make REAL Change for Thais

As a result of our strong commitment, the overall sustainability performance based on both national and global benchmarking, notably DJSI Corporate Sustainability Assessment (CSA), Fair Finance Thailand, and SET’s Thailand Sustainability Investment (THSI), has improved significantly in 2019. Even though a considerable amount of accomplishments were met, much of it merely represents what TMB has already been doing in this area up until now.

Looking ahead, TMB is committed to excel our potential beyond the minimum standard and position ourselves at the forefront of the sustainable development movement among Thai financial institutions. The Bank is committed to “Make **REAL** Change” that goes beyond business performance and to deliver better financial well-being among Thais. We firmly believe that this is the way we can responsibly and sustainably create positive impacts to all of our stakeholders.

Mr. Prasong Poontaneat
Chairman of the Board of Directors

Mr. Piti Tantakasem
Chief Executive Officer



TMB at a Glance

TMB Bank Public Company Limited (TMB) was founded in 1957 and operated within a limited scope of business in the beginning, aiming to provide financial services exclusively for military units and their personnel. Since then, TMB has expanded the scope of financial services, became a commercial bank in 1973, and was listed in the Stock Exchange of Thailand in 1983. Previously in 2004 and 2007, TMB went through merger transactions with DBS Thai Danu Bank and the Industrial Finance Corporation of Thailand, and ING Bank N.V. respectively.

In 2019, TMB successfully completed the merger between TMB and Thanachart Bank. The merged bank will double in size with approximately THB 1.9 trillion in assets, becoming the sixth largest commercial bank in Thailand serving 10 million customers. It also expands the business opportunities that will enable an even better customer experience and create value to all stakeholders. The share purchase transaction was completed on December 3, 2019 and the Entire Business Transfer (EBT) is expected to be completed in 2021.

Our Products and Services



Banking

TMB offers financial products and services, ranging from deposits, loans, investment products and bancassurance. As a customer centric organization, understanding customer's needs is one of TMB's key success factors. TMB business is organized into 3 key customer segments: commercial banking, SME banking and retail banking.

For more details of our banking products, refer to our website www.tmbbank.com



Insurance

TMB and FWD Life Insurance are business partners who jointly create innovative insurance products that meet the needs of TMB customers to enhance the stability and prosperity of customers' savings and give customers peace of mind to be able to live fully. Through strategic collaboration with FWD Life Insurance Public Company Limited, the Bank provides best-in-class life insurance products. For non-life insurance business, TMB offers insurance for loan collateral in association with non-life insurance companies. TMB also provides other non-life insurance products such as personal accident, health and motor insurance.



Investment Banking

The Bank provides aids and consultation to corporates in the area of fund raising, business development, and merger and acquisition transactions.



Asset Management

TMB has set a long-term policy to have an Open-Architecture (OA) platform which offers a wide variety of mutual fund products in order to match various client needs and risk-return profiles. In 2018, the Bank agreed to sell 65% stake in TMBAM for a partnership with Eastspring. Partnering with Eastspring is in line with the Bank's mutual fund Open Architecture strategy. It will also help enhance capabilities of TMBAM to provide TMB best-in-class products and uplifted services to better serve customers. In addition, the Bank has formed a partnership with Thanachart Fund as the 11th asset management, joining TMB Open Architecture platform and strengthening TMB's mutual fund service.

Strategy and Business

Brand Aspiration

TMB empowers customers to make the most of their lives

Our Brand

Make **THE** Difference

Rooted in core brand DNAs:

- **Challenge Status Quo** – Always challenge market norms to make things better for customers
- **Committed to Quality** – Pay attention to every detail to deliver the highest product and service quality to customers
- **Genuine** – Be transparent and put customers' best interests first
- **Simple and Easy** – Make banking easy for customers

How We Plan to Deliver – TMB Strategic Intent

Customer Centricity TMB places emphasis on the customer at a center of business operation by gathering and analysing customer's behaviour in order to develop financial products and services to meet their needs and provide better customer experience. Moreover, TMB also measures customer satisfactory to continuously improve the Bank's products and services.

Build Deposit and Transactional Banking Products Excellence TMB has used deposit-led strategy to differentiate customer value proposition in deposit products and transactional banking services. With this strategy, TMB can deepen relationship with customers and understand customers better which will result in TMB becomes main bank of customers.

Build Sustainable and Recurring Non-Interest Income TMB continued to emphasize on building sustainable non-interest income capability. Building non-interest income capability allows the Bank to effectively manage capital because of the minimal capital requirement compare to credit-related income, for example, bancassurance products and mutual fund products. Moreover, non-interest income will help ensure sustainable bottom line through business cycles. TMB applied business model of distributor and open architecture by searching for suitable business partners and best products to be on the Bank's shelf. This is to ensure the best offering to customers.

Continue Leading in Auto Loan and Lending Products After the merger, the Bank can leverage strength of TBANK's auto loan to further expand the business and fulfill customer's lending needs. With completed product suites, this enhances the ability to cope with the change in market environment and competition to maintain leadership position.

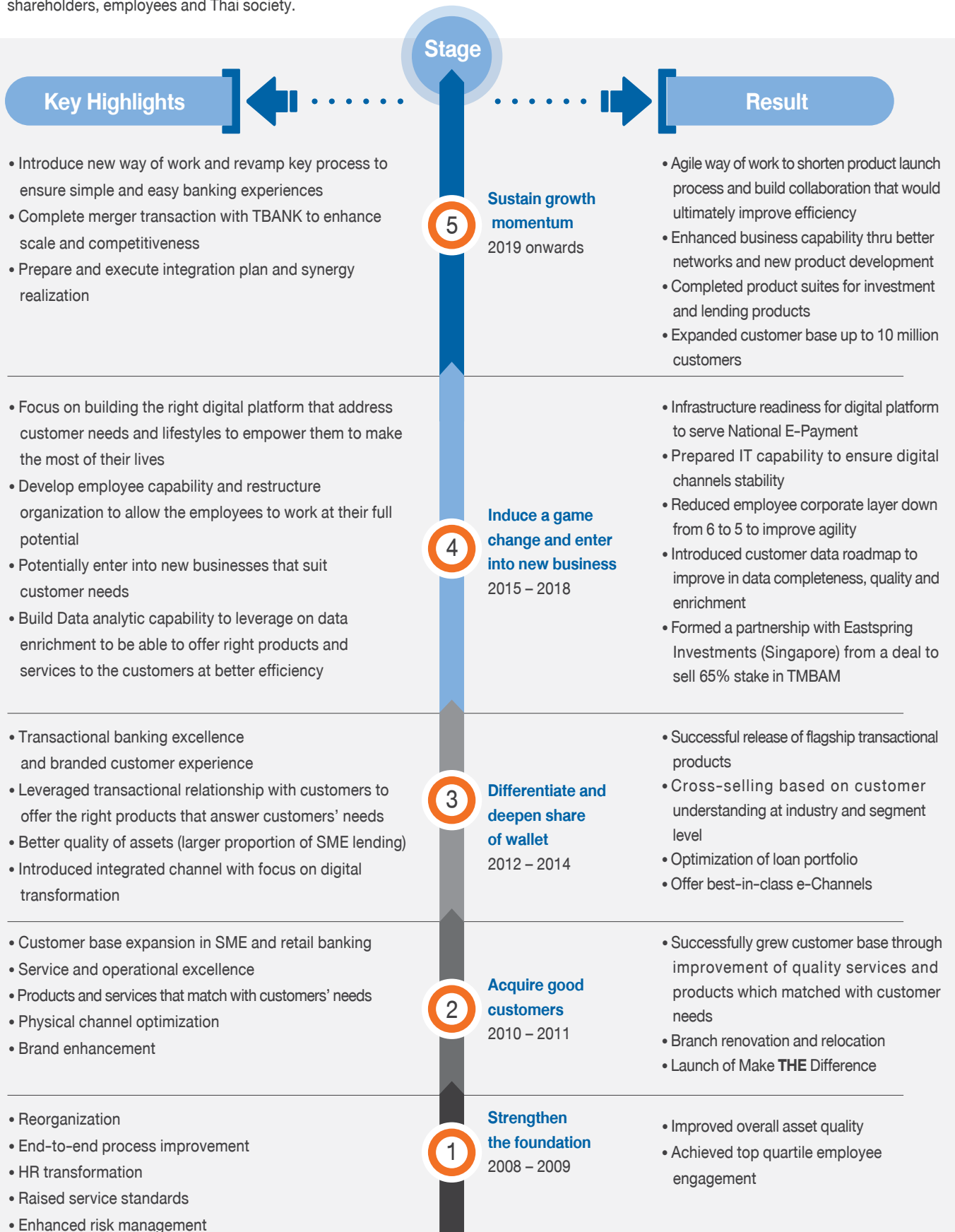
Optimise Capital Utilisation and Liquidity Management TMB is strongly committed to delivering the level of profit expected by investors and has set the target to earn same level ROE with top bank performers within the next 3-5 years. To achieve this, the Bank has focused on selectively growing balance sheet to generate incremental return.

Enhance Digital capability and Solutions The current financial transaction is continuously growing in the digital channel due to the shift in customer's behaviour and rapid technological development. To be prompt in these changes, TMB has continually invested in IT infrastructure, cyber security and customer data privacy system, as well as developed staff's competencies, corporate culture in alignment to the digital era and digitalized business processes to speed up product development cycle and enhance better customer experience.

Capture Synergy realization With the merger, these are 3 potential synergy areas that the Bank can capture and create opportunities to generate future Income – balance sheet synergies, Investment & cost synergy and Revenue synergy. The integration blueprint has been developed to ensure the synergy realization and smooth business transition.

TMB Accelerated Growth Journey

To deliver our strategic business model, the Bank followed a five-stage plan to transform TMB into a customer-centric and high-performance organization. The transformation program will affect every aspect of the Bank. It will enhance value for all stakeholders, including customers, shareholders, employees and Thai society.

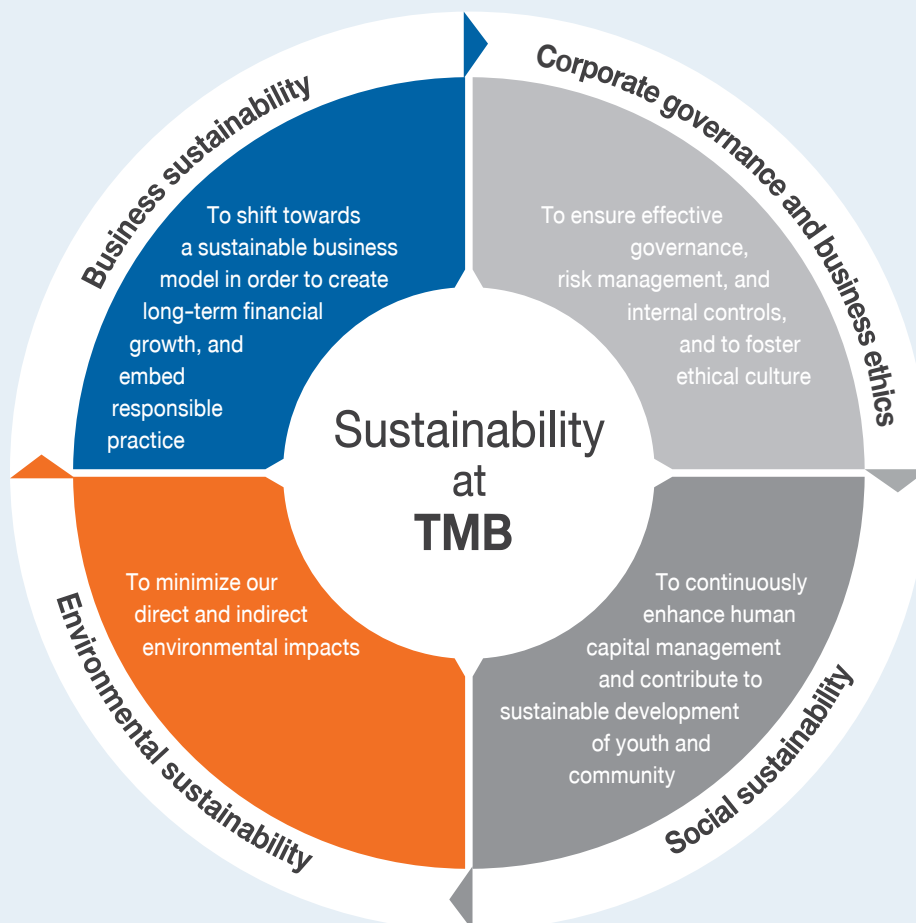




SUSTAINABILITY at TMB >

Our approach to sustainability is underpinned by our philosophy, “Make **THE** Difference”, to create comprehensive value that extends beyond our business to include corporate governance and business ethics, social, and environmental values. We strive to integrate sustainability into our business and to ensure that our strategic objectives would not only fulfill short-term goals, but also contribute to long-term sustainable growth. We are committed to conducting our business in a socially responsible and ethical manner, including, but not limited to, respecting the law, protecting human rights, nurturing the environment and giving back to our communities. This reflects our belief that thinking and acting sustainably can compel us to deliver excellent customer services and products, achieve superior long-term financial results, and ultimately position the bank for a strong future.

TMB Board of Directors appointed the Nomination, Remuneration and Corporate Governance Committee to oversee and ensure effectiveness of sustainability management; review sustainability strategy and direction that serve long-term objectives; and make sure our culture promotes environmental and social responsibility; and foster good governance and ethical business operations. The Bank’s long-term objective is to be the most advocated bank in Thailand that attains sustainable growth. Therefore, the sustainability Department was established to strategize sustainability direction, develop initiatives, and execute action plans together with relevant functions across the Bank.



TMB Sustainability Framework, which is in alignment with the Bank's vision, mission, and culture, was formulated in 2018 to enforce sustainability management within the organization. The Framework has also been embedded in our corporate strategy and business direction. Since then, TMB has initiated several sustainability programs to achieve our sustainability milestones. In 2019, TMB incorporated sustainability related indicators into corporate key performance indicators (KPIs) to drive our business towards sustainable growth, which include the following topics:

 2019 Key Performance Indicator	 2019 Target	 2019 Performance
Customer experience index for complaint handling	80%	59%
Regrettable loss	10%	11%
Data breach cases with customer impacts	0 case	0 case
Reduction of resource consumption (i.e., electricity, water and paper)	5% reduction compared to 2018	10% of electricity reduction 20% of water reduction 17% of paper reduction
Green loan portfolio	3.5%	2.5%
Good corporate governance and effectiveness of the Board	≥93% of corporate governance report score ≥94 % Board meeting attendance	93% of corporate governance report score 92% Board meeting attendance
Social impacts from corporate citizenship and philanthropy programs	4000 TMB volunteers 37 community projects 150,000 children's visits	3,276 TMB volunteers 40 community projects 155,738 children's visits
New employees to attend financial literacy program	100%	93%
DJSI score	60	62

Sustainability Rating

As sustainability benchmarks have increasingly become more prominent, TMB recognizes that performance assessments by sustainability research and rating agencies help us improve our strategies, policies, and performance. Our 2019 scores and rankings from key sustainability benchmarks show continuous improvement and progress towards sustainability.

Local benchmarking



FairFinance®
Thailand

TMB ranked the 1st place

among the nine Thai banks from the assessment of Fair Finance Thailand, which promotes sustainable banking in the financial sector.



ESG100
Environmental • Social • Governance

We continue to maintain this index inclusion, assessed by Thaipat Institute, identifying listed companies that have excellence environmental, social and governance performances.



THSI
THAILAND
SUSTAINABILITY
INVESTMENT 2019

For two consecutive years, TMB is a constituent company in Thailand Sustainability Index: THSI in the market capitalization category of 30,000–100,000 million baht.

International benchmarking



MSCI
ESG RATINGS
BBB

We have been rated by Morgan Stanley Capital International (MSCI), achieving a BBB rating with this index.



FTSE4Good

For the fourth year, we continue to be included in FTSE4Good index, recognizing companies with strong environmental, social and governance practices against globally recognized standards.

Point of Contact

Sustainability Department

TMB Bank Public Company Limited

Head Office, 3000 Phahonyothin Road, Chom Phon, Chatuchak, Bangkok 10900

Tel. 02-299-2350

Email: sustainability@tmbbank.com

2019 Highlights

Our engaged and motivated employees are the driving force behind the success of TMB

8,135
Total employees

401
Domestic branches
2 Oversea
branches

74%
of employees
are actively engaged

...providing exceptional products and services that enhance customer experience

Total operating
income
39,821
million Baht

NPS Score of **57**
CX Index
for complaint
handling of
59.87%

6
million
customers

...and giving back to our shareholders and wider society

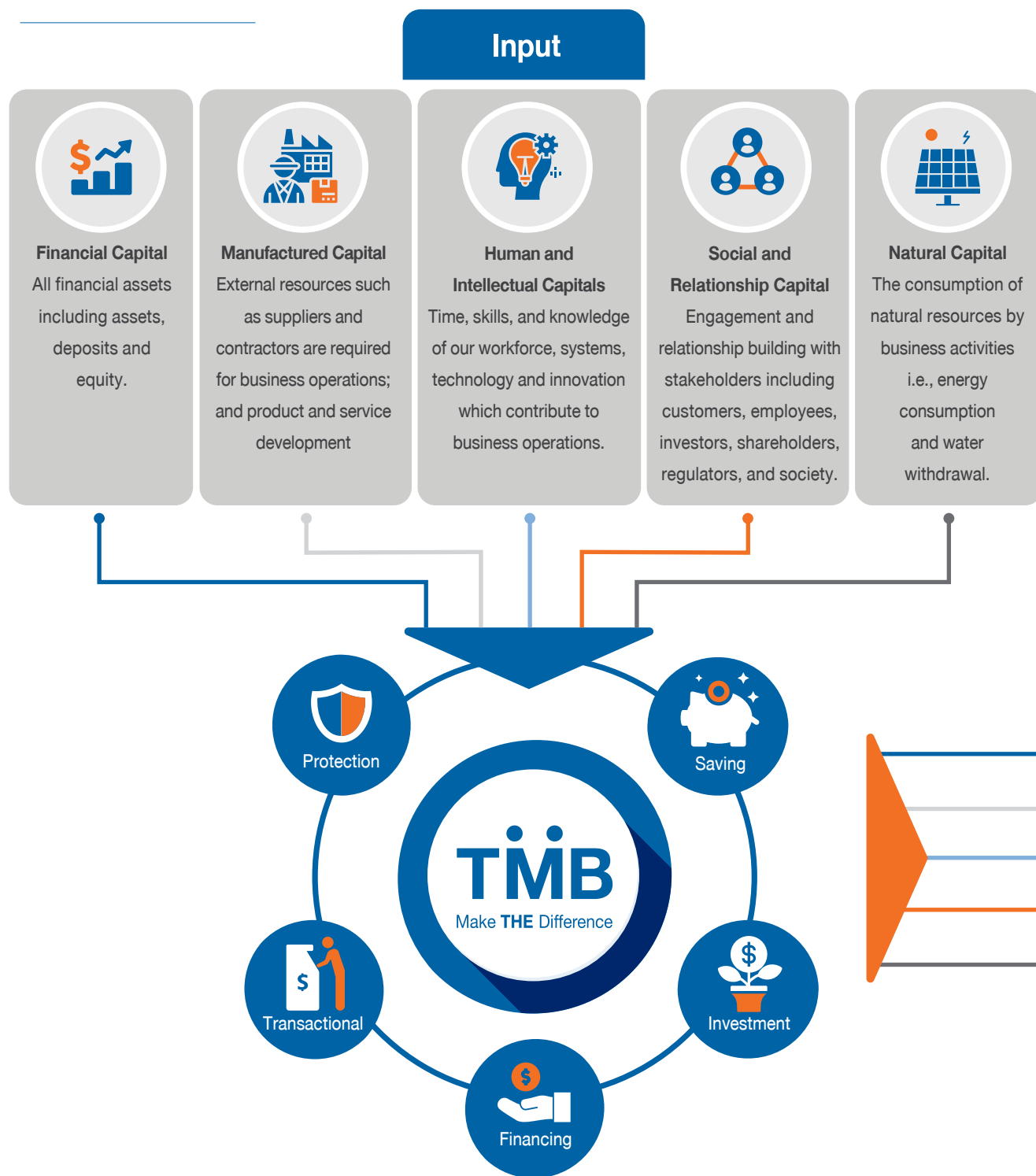
93,305
Shareholders

Dividend per share
increased by
16.7%*

(* Excluded special dividend given to
shareholders after the merger)

40
communities and
155,738
students
are benefited
from FAI-FAH
programs nationwide

TMB Value Creation



TMB inspires people to Make THE Difference by using our financial expertise to address the needs of our customers for their better financial well-being.

TMB strategic intents

Focus on customer centricity	Build deposit and transactional banking products excellence	Build sustainable and recurring non-interest income	Continue leading in auto loan and lending products	Optimize capital utilization and liquidity management	Enhance digital capability and solutions	Capture synergy realization
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Output



Financial Capital

- 39,821 million Baht of operating income
- 7,222 million Baht of net profit
- Return on equity: 6.5%



Manufactured Capital

- 33.4 million transactions at branches
- 97.2 million digital transactions
- 9.3 million ATM transactions



Human and Intellectual Capitals

- 9,629 million Baht of employee compensation and benefits
- Development programs such as TMB Hackathon and Objective and Key Results (OKR)
- Launch of new products and services such as TMB Smart Port, TMB Absolute, TMB Payroll Plus, and supply chain solutions



Social and Relationship Capital

- The Bank's NPS score: 57
- More than 5,000 university students received trainings on financial literacy
- 3,572 volunteers for 36,292 hours
- Community investment of 44.2 million Baht



Natural Capital

- GHG Scope 1 emissions of 754 tonnes of carbon dioxide equivalent
- GHG Scope 2 emissions of 32,969 tonnes of carbon dioxide equivalent
- GHG Scope 3 emissions from business travel 362 tonnes of carbon dioxide equivalent

Value to Stakeholders

As a financial institution, TMB creates financial values to both investors and employees through dividends and compensations while playing a significant role in stimulating the national economic growth and uplifting people's financial well-being through responsible, inclusive, and accessible products and services.

Our customers derive value from our products and services. As such, the Bank invests in digital technologies and IT infrastructure to provide a better financial experience for our customers so that they may experience a faster, more convenient, easily accessible, and inclusive services.

TMB provides trainings and career development programs for employees with the aim to promote career growth and opportunities within the bank. Such value creation in terms of human capital development is not only beneficial to employees, but also to shareholders, investors, and society as it creates a skilled and well-trained workforce.

The Bank engages with all stakeholders on a regular basis. Stakeholders' perspectives are taken into account and their concerns are addressed appropriately. We believe that having a robust relationship with our stakeholders will enable us to operate responsibly and deliver innovative need-based products and services to customers and society.

The Bank is continuously mitigating its direct environmental impacts and also its consumption of natural resources while complying with environmental regulations in order to alleviate the Bank's impact on climate change.



Identifying Topics Through Engagement >



TMB Sustainability Report 2019 is the first sustainability report published by TMB

This report was prepared in accordance to the Global Reporting Initiative (GRI) Standards, Core option. It is written based on material topics significant to TMB and our stakeholders in regards to economic, environmental and social dimensions. The report covers the period from January 1, 2019 to December 31, 2019.

The scope of reporting covers TMB Public Company Limited operating in Thailand and overseas, accounting for 92.06% of the total revenue. Economic and financial data are in line with the Annual Report 2019. In addition, the selected sustainability data was verified with a limited level of assurance by an external third party, refer to Assurance Statement in this report, while financial data was audited by an independent party in accordance with the Thai Financial Reporting Standards (TFSRs) and Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions. The financial audit report can be found in TMB Annual Report 2019.

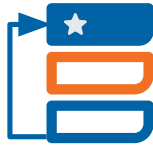
Materiality

A materiality assessment was conducted to identify and prioritize sustainability topics that are important to TMB and stakeholders in 2019. Following the 4 steps of materiality assessment, 12 material topics were identified.



1 Identification

Identify and examine sustainability topics that have potential impacts on TMB



2 Prioritization

Assess the significance of material topics based on risk assessment criteria, and inputs from relevant functions, top management and stakeholders



3 Validation

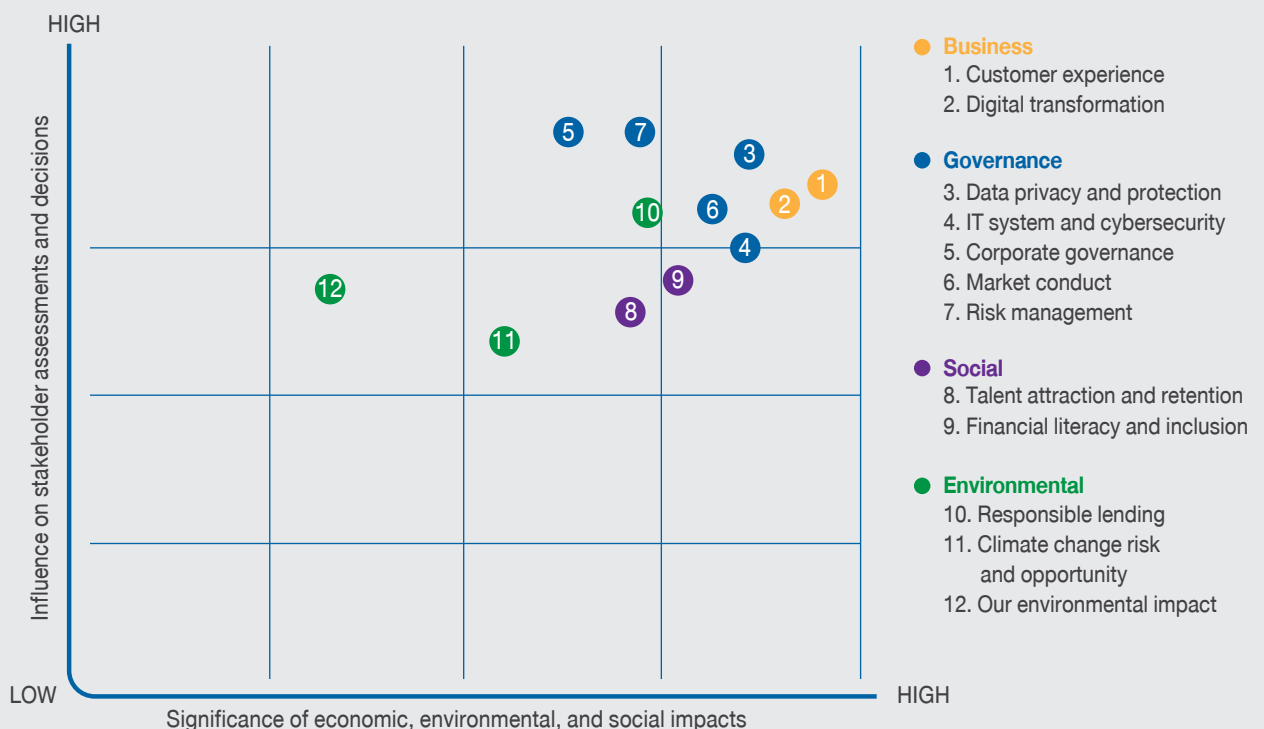
Review and approve material topics by top management and Board of Directors



4 Review

Regularly review the relevance and significance of material issues by engaging with internal and external stakeholders

Materiality Matrix 2019–2020





Changes in Material Topics

In 2019, TMB conducted materiality assessment where the material topics were reviewed and revised. The topic, ‘business partnership and industry collaboration’, was removed while the remaining topics were redefined and regrouped to reflect the changes in the industry and global trends, the Bank’s priorities, and stakeholders’ opinions.

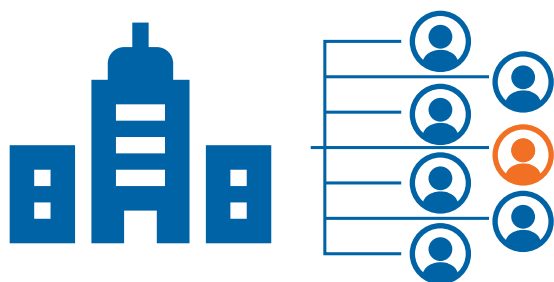
Stakeholder Engagement

TMB's stakeholders can be divided into 7 groups: shareholders, employees, customers, partners, competitors, regulators, and communities. The stakeholders are identified as those with material impacts to/from the bank's operations. TMB regularly engages with, and communicates to each stakeholder group on issues that are important to them. Their feedbacks are used as inputs for materiality assessment as well.

Stakeholders	Engagement Approach	Response to Stakeholders' Interests
 Shareholders	<ul style="list-style-type: none"> • Annual shareholder general meetings • Analyst meetings • Shareholder and investor roadshows • Quarterly reports • Seminars • Information disclosure via regulators' platforms • Enquiries submitted through TMB website • Investor Relations contact • Whistleblower and complaint channel 	<ul style="list-style-type: none"> • Customer data privacy, page 32 • Digital transformation, page 28 • Corporate governance, page 61 • Market conduct, page 34 • Talent attraction and retention, page 54 • Responsible lending, page 37
 Employees	<ul style="list-style-type: none"> • Communication with HR Business Partners • Employee engagement survey • Orientation for new employees • Town Halls • Regular emails and other online communication • Whistleblower and complaint channel 	<ul style="list-style-type: none"> • Talent attraction and retention, page 54
 Customers	<ul style="list-style-type: none"> • Branches • Relationship Managers • TMB Contact Center • Online digital platforms such as Facebook and TMB website • Activities and events with customers • Whistleblower and complaint channel 	<ul style="list-style-type: none"> • Customer experience, page 26 • Customer data privacy, page 32 • IT system and cybersecurity, page 66
 Partners	<ul style="list-style-type: none"> • Procurement channel • Whistleblower and complaint channel 	<ul style="list-style-type: none"> • Customer experience, page 26
 Competitors	<ul style="list-style-type: none"> • Banking industry activities, seminars, trainings, and events hosted by regulators and external parties • Whistleblower and complaint channel 	<ul style="list-style-type: none"> • Corporate governance, page 61 • Market conduct, page 34

Stakeholders	Engagement Approach	Response to Stakeholders' Interests
 Regulators	<ul style="list-style-type: none"> • Banking industry activities, seminars, trainings, and events hosted by regulators and external parties • Whistleblower and complaint channel 	<ul style="list-style-type: none"> • Corporate governance, page 61 • Market conduct, page 34 • Responsible lending, page 37
 Communities	<ul style="list-style-type: none"> • FAI-FAH Centers • Community Relations • Community surveys • Whistleblower and complaint channel 	<ul style="list-style-type: none"> • Financial literacy, page 45 • Financial inclusion, page 47

Key Topics Raised by Stakeholders in 2019



The following key topics were identified by selected representatives from each stakeholder group through survey questionnaire, engagement and interview with Sustainability Department.

Merger between TMB and Thanachart Bank

The merger between TMB and Thanachart Bank is considered one of the biggest and most prominent deals of the year in Thailand. Many stakeholders, especially regulators, investors, shareholders, employees, and customers have had concerns and questions regarding the process, benefits and outlook of the Bank. TMB actively engaged with each group of stakeholder in a timely manner to best respond to their concerns. As a result, the merger was completed in 2019 and TMB will continue to engage with these stakeholders regarding the integration of both parties that will bring added value to all stakeholders in the near future. For more information, refer to Investor Relations on our website.

Sustainable Finance

Sustainable finance has become increasingly important in Thailand. In 2019, TMB, together with the members of The Thai Bankers' Association, developed the Sustainable Banking Guidelines: Responsible Lending as a national standard for all Thai commercial banks to endorse and implement by the end of 2020. Regulators were actively involved in the development and promotion of the Guidelines to encourage banks to practice responsible lending. Nevertheless, TMB is prepared for sustainable finance as the Bank already has an Environmental and Social Responsibility Policy (ESR Policy) in place, which entails the Bank's commitment to provide responsible commercial lending by taking the environmental and social impacts into consideration. The ESR Policy also has sector specific guidelines and an exclusion list which include industries that are associated with high environmental and social risks in order to ensure that the Bank has comprehensively considered all of the risks and not just limited to financial aspects. For more information, refer to Responsible Lending in this report.

Financial Inclusion

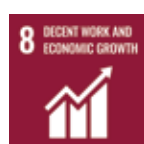
At the moment, financial inclusion is high on national priority. For TMB, financial inclusion not only contributes to economic growth but also gives opportunities for banks to expand their customer base and develop innovative products and services that truly reflect customers' needs. In addition, this issue will not progress forward without the promotion of financial literacy where TMB has played a key role. TMB aims to develop more products and services with strategic partners that promote financial inclusivity and financial well-being of people in Thailand. For more information, refer to Financial Inclusion in this report.

Contribution to UN Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS



TMB endorses equal access to finance and financial inclusivity in all walks of life because we believe in providing basic financial knowledge to the community to improve their standard of living and quality of life.



TMB sets target for sustainable business growth and also endorse and promotes human rights and fair treatment of employees.



TMB promotes food security and improved nutrition for students in rural areas by educating and supporting them on sustainable farming through FAI-FAH programs.



TMB prioritizes innovation by initiating the digital banking roadmap and digital platform to uphold the Bank's philosophy of "Make **THE** Difference" which is aimed at building creative, invaluable and distinct experience for customers and the environment.



TMB encourages Thais to eat healthier, exercise more and care for their health and well-being through our community development projects which helps communities from rural areas gain access to healthcare services.



TMB endorses social development through a cleaner, greener and more inclusive approach by offering green loans and community development projects.



TMB encourages quality education and learning opportunities by providing communities with educational programs and activities at the FAI-FAH learning center which allows youth to unlock their potential, express creativity and showcase their talents and self-development in art, music, sports and languages. Additionally, activities under FAI-FAH program also support education and sustainable social development.



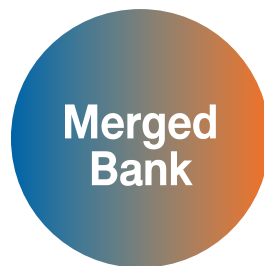
TMB continues to improve on its internal resource efficiency as well as mitigate climate change impacts by encouraging financial lending to organizations with renewable energy projects as a means to drive society towards becoming low-carbon society.



**DELIVERING FOR
OUR CUSTOMERS**



Synergy for Growth >



Mid-sized bank



6th largest bank
in Thailand



Mid-sized bank

6,000,000
customers



10,000,000
customers



4,000,000
customers

8,135
employees



19,432
employees



11,297
employees

401
branches



895
branches



494
branches

Leader in transactional
banking and
digital banking



Comprehensive product
suite for customer's
financial well-being



Leader in auto and retail
lending



In the midst of fast-changing technology disruption, the bank is constantly being challenged to rethink its business model and to push its proposition to the next level. As such, the merger between TMB and Thanachart Bank in 2019 marked a significant milestone towards building sustainable business model as it allows both banks to leapfrog their competitiveness against competition through complimentary strengths and economy of scale, which would otherwise take years to organically achieve. With doubling of size, the merged bank will be better equipped to “Make Real Change” to the expanded customer base of close to 10 million through a full suite of products and services as well as a larger investment pool to drive innovative digital solutions that address customers’ unmet needs. Also, the merged bank’s customers would benefit from greater convenience resulted from an increase in the number of touchpoints of the combined network. With larger and more diverse workforce, the merged bank will be able to render better services and customer experience across channels and ultimately uplift our customers’ financial well-being through need-based advisory as well as simple and easy-to-use tools that empower customers to make an optimal decision for themselves.

There is a long list of tasks to be completed until both banks merge as a single entity. To this end, the integration blueprint has been developed to ensure smooth transition towards the anticipated entire business transfer in mid 2021. From planning to action, we have started working on each build block of the integration blueprint. For example, we have aligned the new board and senior management team at both TMB and Thanachart Bank to ensure both entities operate under the same vision and business directions during this journey. Also as one of our top priorities, we have started synchronizing product offerings of both banks and rolled out co-location branches, whereby TMB and Thanachart touchpoints share the same location, to prepare for smooth and seamless migration of Thanachart Bank’s customers to TMB.

We believe the merger was critical for both banks in ensuring sustainable and defensible business in the long run. Moving forward, we will work for ONE DREAM which is to Make REAL Change to improve financial well-being for all Thais. We will work unitedly as ONE TEAM to drive the organization for our ONE GOAL, which is to be the most advocated bank.



Customer Experience >

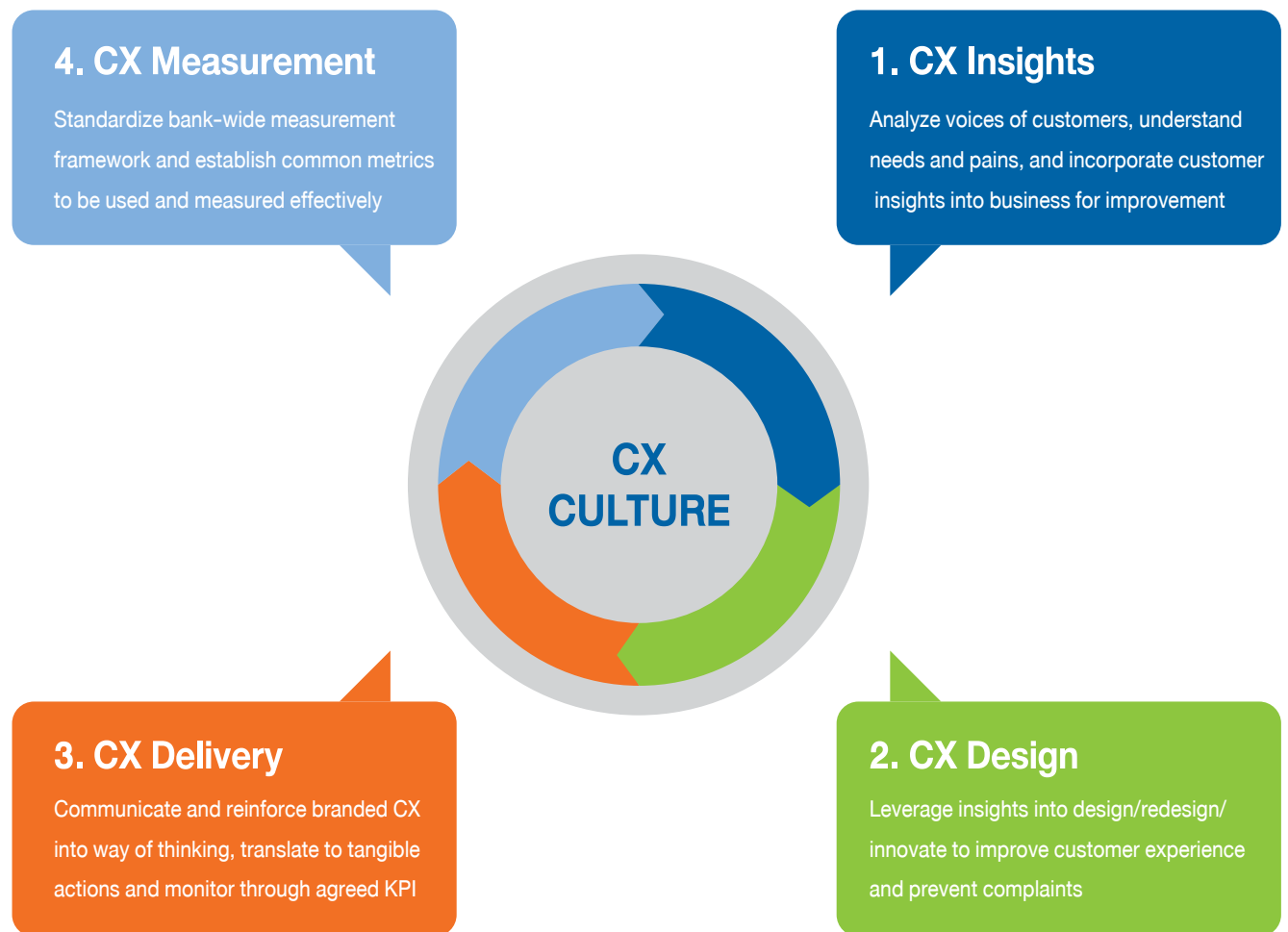


Customers are at the heart of our business at TMB. Engendering great customer experience through the Bank's philosophy of 'Get **MORE** with TMB' is invaluable in creating products and services that address the needs and expectations of customers. Through technology and innovation, the Bank is able to offer need-based products and services that revolves around the concept of giving customers a simpler and easier banking experience which congruously appeals to the majority of customers at large. Essentially, this allows TMB to leverage such opportunity to become the most advocated bank in Thailand.

Customer experience management, a key proponent for building long-term relationship and brand loyalty, allows the Bank to fundamentally comprehend the baseline service levels, our method of interaction with customers, and performance in our service chain. TMB measures customer experience performance in near-real-time across all 3 key touchpoints (branch, TMB Contact Center and mobile banking) with the Bank using top-down Net Promoter Score (NPS) and Customer Experience Index (CX Index). Customer journey and targeted experience are designed in accordance with individual customer needs and interests in which clear and concise measures are established to ensure that the Bank fulfills their needs accordingly. This proactive measure was adopted by TMB since 2017 as it enables the Bank to respond and remedy any transgressions in a timely manner. TMB also incorporated the CX Index for complaint handling into the 2019 corporate KPIs with a target of 80%. In 2019, the average CX Index for complaint handling was 59.87%.

Customer Satisfaction	2016	2017	2018	2019
TMB NPS Score	-	58	55	57

Customer Experience Model



In addition, to build customer experience culture in the organization, TMB established a rewards system for employees by using the TMB Blue Ribbon, a customer experience recognition program that records feedbacks from both customers and colleagues in order to determine which employees demonstrate the best efforts to 'Make **THE** Difference' and 'Get **MORE** with TMB'. In 2019, a total of 43 employees received the TMB Blue Ribbon Award.

By actively monitoring and managing grievances from customer complaints, TMB is able to continuously improve performance, products and services for our customers. As such, grievance channels have been established for all stakeholder groups, including customers, as a means to voice their opinions and file complaints. All cases are investigated and resolved by relevant functions in a timely manner. Consequently, issues such as mis-selling, misinformation, other grievances, and progress of resolution are disclosed and updated on our website quarterly.



The complaint volume in retail banking dropped by **6%** in 2019.



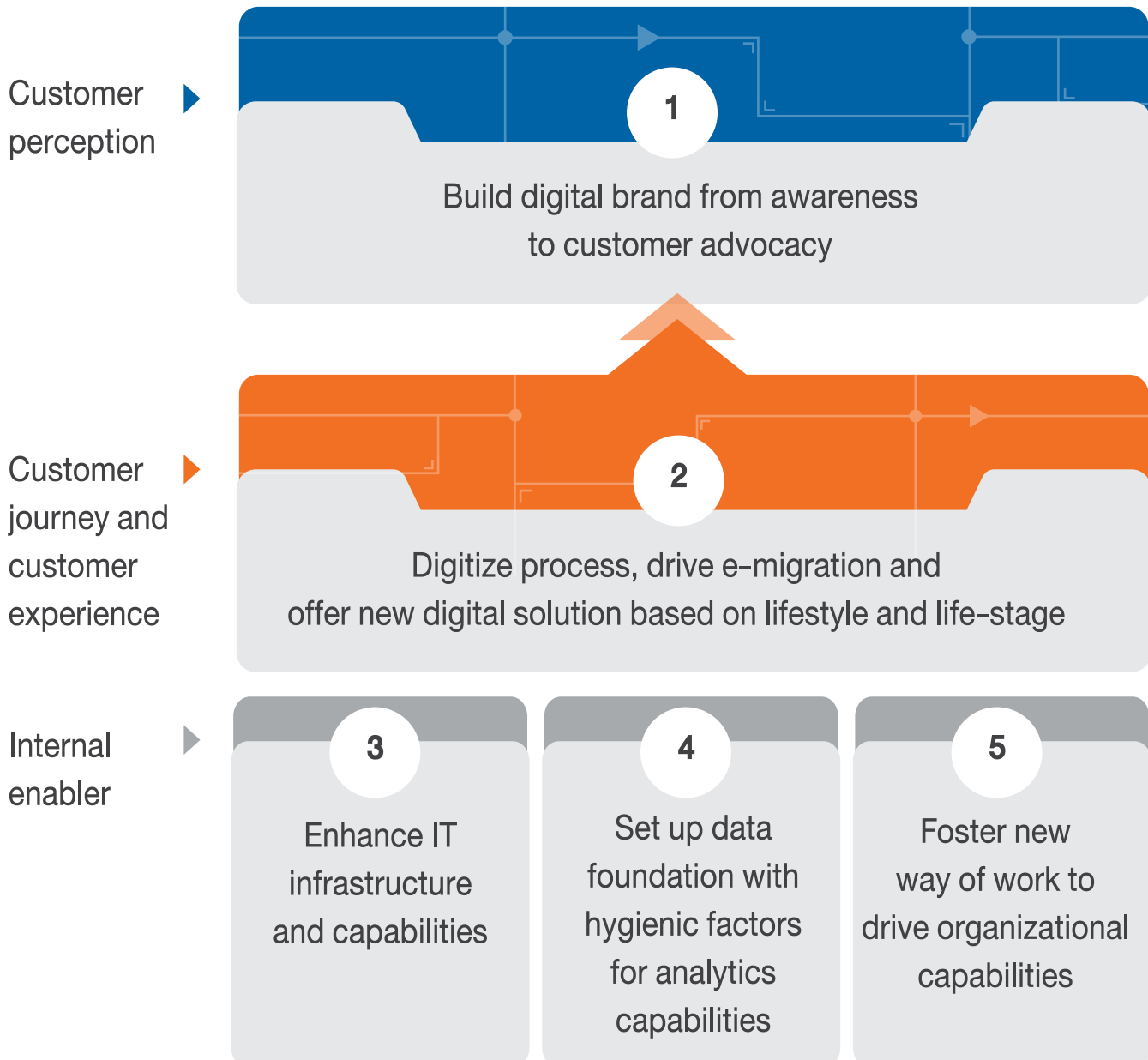
Number of complaints at moment of sales dropped significantly by **78%** in retail banking



Digital Transformation >

In the digital era where businesses can easily be disrupted, we believe digital transformation needs to be an integral part of the business strategy and operation. At TMB, we have established Digital Strategy Committee (DSC) to govern and oversee the digital strategy across functions and monitor execution progress. TMB defined the digital strategy along 5 key pillars.

Digital Strategy



Innovative Solution for Our Customers

Bringing digital and innovation solution to customers is part of TMB's digital strategy. TMB believes that digital technology and innovative solutions play a critical role in realizing the unmet needs of customers to such an extent that the Bank fosters the adoption of a customer-focused mindset and also encourages employees to acquire innovative solutions for enhanced customer experience. We invested significantly in digital channels and financial solutions enhancement, in addition to strengthening infrastructure fundamentals and data analytics, to promote the simplicity of financial accessibility and satisfaction through insightful customer behaviors along the customer journey, while better managing operating costs.

The implication of digital technology in the new digital banking experience constituted by TMB's customer-centric approach, focuses on empowering customers to securely and seamlessly improve their livelihood. TMB's innovation culture is epitomized by TMB HACKATHON introduced in 2018, which is an in-house innovation platform that promotes cross-functional collaboration for innovative solutions in order to keep up with today's fast-paced changes. Tangible results from TMB HACKATHON 2019 consist of Multi-currency Account, TMB SME Smart BIZ, and TMB Absolute, etc.



Multi-Currency Account

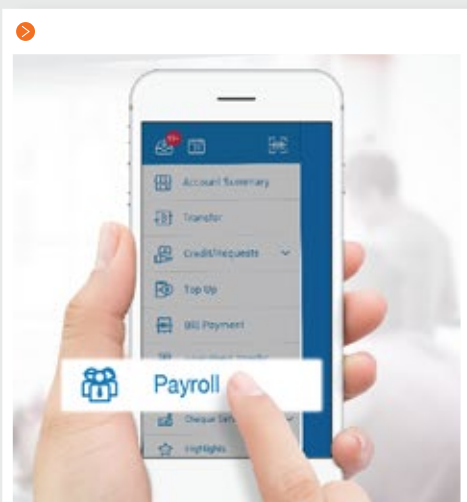
TMB's Multi-Currency Account for customers in the exporting industry was developed to address the difficulties that they face in effective account management. The Multi-Currency Account is designed to accommodate online currency transactions and conversions within the same account on TMB Business CLICK, where each transaction yields interest that is paid to customers. The currencies that are applicable for this type of account includes Thai Bath, US Dollars, Euro, Pound Sterling, Australian Dollar and the Japanese Yen.

TMB SME Smart BIZ

The limitation that most SMEs in the e-commerce industry often encounter when doing business is the access to microfinance. TMB SME Smart BIZ enables small business owners on the Lazada e-commerce platform, which is one of the largest online shopping platforms in Thailand and Southeast Asia, to gain access to digital lending. In order to determine the appropriate loan conditions for applicants, TMB uses data analytics to assist in the credit analysis process. The loan's primary objective is to provide financial opportunities for business owners in preparation of stocking inventories during sale seasons with credit limits starting at 15,000-500,000 Baht; and to improve business' liquidity with credit limits starting at 30,000-1,000,000 Baht. Essentially, not only does TMB SME Smart Biz facilitate small business owners to gain financial access but also strengthens their competitiveness when encountering the growing e-commerce market.

TMB ABSOLUTE Visa Signature

With TMB's comprehensive understanding of customers' trends and behaviors, TMB Absolute credit card was launched in 2019. This is Thailand's first credit card to waive a 2.5% overseas charge fee and offer outstanding rewards for online spending, reflecting customers' lifestyles and the growth of e-commerce. In comparison to foreign currency dealers, TMB Absolute offers a variety of benefits including competitive exchange rates, reward points for spending i.e. TMB Rewards Plus, online purchase protection, installment payment options, VISA payWave, and exclusive travel benefits. In addition to easily managing their credit cards on the TMB TOUCH application, TMB Absolute allows users to travel overseas without the constant worry of insufficient cash or foreign exchange risks.

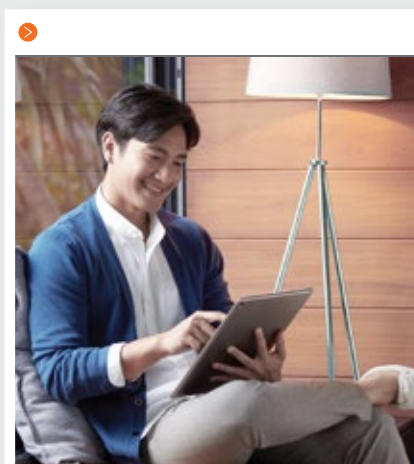


TMB SME Payroll Plus

Compared to larger businesses, SMEs are lacking the resources and tools for the effective implementation of human resource management such as payroll, employee compensation, and employee benefits systems. In response to this issue, TMB developed a new all-in-one digital platform for SME owners to effectively manage employee information; salary payment; as well as provide employees with group health insurance at special rates; and provident fund management services from experienced professionals. The TMB SME Payroll Plus will undoubtedly address the unmet needs of SMEs across the country facilitating access to these benefits for their employees.

TMB Smart Port

As the first full-service investment portfolio management of its kind in the Thai banking industry, TMB Smart Port was launched in 2019, reinforcing TMB's strength in open architecture. The new service, which was previously exclusive only to private banking customers, is now available for mainstream customers. TMB Smart Port's primary objective is to maximize the benefit of customer's investment preferences, while reducing and diversifying the risk of market volatility in collaboration with Amundi Asset Management; the largest asset management firm in Europe with experts who regularly monitor and manage customer portfolios. To this end, customers can now open new portfolios or purchase more securities by themselves via TMB TOUCH.



The continuous improvement of TMB's mobile banking applications is to ensure that the growing number of digital banking customers are managed in a secure and responsive manner. It is imperative for the Bank to establish digital banking platforms that are dedicated to each customer segment and their needs while promoting access to financial products and offering simple application processes.

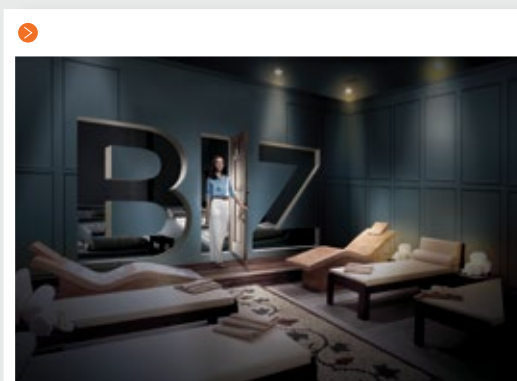
TMB TOUCH



TMB TOUCH, a mobile banking application that seamlessly provides one-stop banking service offering a wide range of products, is constantly being upgraded to enhance customer experience on our digital banking platform. In 2019, new features were updated into the application consisting of the following: create new savings account; set savings goal; utility bill payment via TMB credit card; life insurance purchase; self-service identity verification via TMB ID for activities conducted by our contact center; mobile e-notification of account movement and promotion; and create new portfolio for diverse funds that includes other Thai commercial banks and TMB Smart Port. These features are excellent for providing customers with a safe and secure access to digital banking and simultaneously promoting saving behaviors that will ultimately improve their financial well-being.

TMB BIZ TOUCH

TMB SME One Bank, the first mobile application for business accounts developed especially for SMEs, is used congruently with TMB BIZ TOUCH to conserve time and money as it offers customers with unlimited number of transactions for an unlimited amount of money without charging any additional fees. Reward points are also given upon the use of TMB SME One Bank business account for financial transaction via TMB BIZ TOUCH where customers could redeem it for cash or discounts, depending on their business preference.



TMB Business CLICK

TMB Business CLICK is one of TMB's digital banking platform that serves as a safe and secure real-time one-stop service for businesses to effortlessly manage transactions and credit line from anywhere around the globe at any time of day. This platform allows transactions to be executed from anywhere within the country or overseas without having to be physically present at the branch. TMB Business CLICK customers are able to acquire access to financial data of other companies on the same digital platform. Consequently, an electronic letter of guarantee (e-LG) is available on TMB Business CLICK to provide an end-to-end solution for customers that promptly issue and deliver LG to other customers or beneficiaries. This product assists customers to efficiently manage their own transactions and thus, allows them to focus on other aspects of their businesses.



Customer Data Privacy >

In this digital age, there is a massive amount of consumer data being generated, collected and shared rapidly in both structured and unstructured format such that data proliferation and exposure to cybersecurity risks have been magnified substantially. Considering the fact that customer data provides us meaningful insights into product innovation and development as we continue to address the needs of our customers, data privacy will remain TMB's top priority. TMB places great importance on security of our customers' personal data and is committed to protecting the privacy and confidentiality of customer's personal information in compliance with the Bank's data governance framework and relevant laws and regulations.

0

Customer data breaches with significant impacts in 2019

0

Substantiated complaints of customer privacy breaches from outside parties and regulators in 2019



TMB's data governance framework underpinned by ethical data practices comprises of three key rules:



Account for Data Security

Prevent loss and misuse (including access and disclosure) of any customer data from the point of data collection



Uphold Privacy

Ensure that customer privacy is respected when using customer data along the customer journey



Maximize customer's best interest

Uplift customer satisfaction without exploiting customer privacy

Financial institutions have been entrusted with vast amounts of data from customers for which traditional governance frameworks and risk mitigation strategies have proved insufficient. To that effect, data governance is necessary to handle and process data securely and effectively as it is imperative to establish an organization-wide governance structure. In view of this, TMB has instituted a proper data governance structure founded upon the three-tiered approach and regulated through the organizational structure with explicit roles and responsibilities. Consequently, this is steered by TMB's top management to ensure alignment across business operations through regular meetings. Most importantly, data governance is a fundamental constituent of security to which the Bank's intentions of instituting appropriate security measures are to detect, investigate, manage and deter potential security threats or suspicious activities. These measures consist of cybersecurity; role-based access control; inspection systems in the IT environment; monitoring reaction and containment efforts; and data breach handling procedures.

With TMB's approach to data privacy, the Bank's implementation of data privacy mechanism is to safeguard the use of customer data and ensure its compliance with regulatory and legal requirements. Notably, customers must give explicit consent for data use and are entitled to withdraw their consent at any point in time. As a result, TMB anticipates to introduce the revised letter of consent across all touchpoints, namely branches, mobile internet banking and online banking by 2020 in order to better standardize data collection and management. In tandem with customer's letter of consent, notices on data privacy and data protection management are provided to customers for transparency reasons which allow them to freely exercise their rights (withdraw consent, access and rectify personal data). The coverage of TMB's data privacy practices also extends to our supply chain where the supplier code of conduct and outsourcing policy incorporate data privacy requirements. Additionally, TMB applies a more stringent vendor selection criteria and requirement of signatures on the data management to prevent unauthorized access, disclosure or data breach.

Strengthening employee awareness on data privacy conduct through communication and education is undoubtedly an effective means to establish a strong presence of data privacy management in the Bank. In 2018, TMB trained employees on relevant risks related to data protection (e.g., role-based access control, data leakage). In 2019, TMB proceeded to make trainings mandatory for both existing and new hires particularly on topics concerning information risk management, safeguard against cyberattacks, social media, data leakage and data privacy.



94% of employees completing the training on Promotion Risk Awareness: Information Risk Management

With vast amount of data collected by the Bank as part of its daily operations, data quality is equally important to data governance and data privacy as it assesses whether the information can serve its purpose in a particular context. For this reason, TMB places emphasis on data quality (determined by its accuracy, timeliness, completeness, and reliability) and data traceability (employing metadata to facilitate full data visibility across different groups at a granular level). To this end, the system of checks and balances are in place as it warrants proper implementation of data management in accordance with internal regulations and full compliance with relevant laws and regulations; notably, Personal Data Protection Act B.E. 2562, Bank of Thailand's Market Conduct's minimum standards of data privacy, and Cyber Security Act B.E. 2562. This also includes nominating Data Protection Officer to advise and monitor bank-wide practices in an independent manner, while acting as the focal point for data protection supervisory authority on data privacy matters in order to successfully manage the quality of our data in a sustainable manner.



Market Conduct >

As a financial institution, we place utmost importance on market conduct which is fundamental to our business in building and fostering customers' trust and confidence in our bank. It is our responsibility to offer products and services transparently, fairly, and responsibly, as well as ensuring the safekeeping of customer information. By taking a customer-centric approach, we consider the benefits of our customers before the Bank. Hence, TMB is determined to serve our customers as follow:



1. Customers can trust the Bank to provide fair and sincere services



2. Customers shall receive appropriate and clear advice



3. Customers shall receive fair prices and accurate description of terms and conditions of our products and services



5. Customers shall understand their rights and obligations when using our services

4. Customers can conveniently access the Bank's services and receive appropriate customer service supports



In 2018, TMB established a Market Conduct policy, which aligns with the Bank of Thailand's guidelines for market conduct as a minimum standard. The policy is reviewed on an annual basis to ensure that our practices are always on par with industry standards. We also continuously improve our end-to-end sales and service process, a critical foundation of market conduct, to ensure that we operate with the customers' best interest in mind. The Bank's remuneration scheme for sales employees revolves around a score point system instead of sales targets which allows employees to score points with every product they sell. These points are then calculated as sale incentives and are rewarded systematically. The system has been revised to safeguard against forced or mis-selling to customers. As of November 2019, the letter of consent for information disclosure, which is part of product registration, has been separated into a standalone document so customers can now exercise their rights to choose whether or not to share their information for marketing purposes. We also revised our list of business partners who have access to customer information in order to reflect our business conviction and operations.



Effective communication and trainings for sales employees are crucial to ensure market conduct. In 2019, TMB organized class-room trainings on market conduct for our retail advisory and sale network employees across the country, as they are the main channel for product sales. The objective of this training was to educate employees on the following topics: the rules of product sales on mutual funds; bancassurance; non-life insurance; life insurance; unit linked insurance policy; the regulation of securities business; the code of conduct; and the guideline on anti-money laundering and counter-terrorism and proliferation of weapon of mass destruction financing. This training was a full day event led by two experts from TMB's Compliance Department. The total number of employees trained was 1,927 from 17 training sessions, covering 408 branches in 37 districts of 7 regions. Not only did the trainers train the employees, but also assisted in providing solutions to obstacles that employees face in different areas of business operations.

Concurrently, TMB emphasizes on the importance of providing customers with accurate and transparent information to our employees and expect them to strictly adhere to the Market Conduct policy and sales procedures. For effective implementation of both the policy and procedures, we provide tools such as sale scripts and work instructions to standardize the sales process so that our employees may be better at serving customers. The sale scripts are communicated to employees every morning and are reviewed on a weekly basis, specifically on Monday mornings to ensure that the context is applicable, appropriate, and comprehensive. Additionally, the work instructions list roles and responsibilities of sale employees as well as Do's and Don'ts when offering the products and services to customers.



MANAGING OUR ENVIRONMENTAL IMPACTS



Responsible Lending >

TMB has an Environmental and Social Responsibility (ESR) Policy to ensure that the Bank takes the environmental and social risks and impacts from financing activities into consideration. The Policy is applied to all lending application in commercial and SME segments. The policy clearly establishes procedures, environmental and social issues of concern, sector specific guidelines and exclusion list. All lending application must strictly adhere to the ESR Policy. If a case is found to have a medium or high environmental and/or social risk, it must be escalated to Credit Underwriting Committee or Credit Committee for review and approval.



Environmental and Social Screening and Decision-Making Process

TMB Environmental and Social Responsibility (ESR) Policy

Screening transactions >

Environmental and social due diligence >

Decision making process >

Monitoring >

Reporting

Environmental and social issues of concern

- Environmental issues
- Human and labor rights
- Land acquisition and involuntary resettlement
- Community health, safety and security
- Indigenous people
- Cultural heritage

Sector specific guideline

- Animal testing
- Defense/controversial weapons
- Fur
- Genetic engineering
- Forestry and plantations
- Natural resources and chemicals
- Production/trade in alcoholic beverages
- Production/trade in tobacco
- Production/trade in radioactive materials
- Production/trade in or use of unbounded asbestos fibers
- Drift net fishing

Exclusion list

- Gambling, casino and equivalent enterprises
- Nuclear energy
- Pornography
- Trade in wildlife and/or wildlife products
- Production or trade in any product or activity deemed illegal under Thai laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides / herbicides, ozone depleting substances, polychlorinated biphenyl (PCB), wildlife or products regulated under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Weapons and munitions *
- Alcoholic beverages, excluding beer and wine *
- Tobacco *
- Radioactive materials (excluding for the purchase of medical equipment, quality control equipment and any equipment where TMB considers the radioactive source to be trivial and / or adequately shielded)
- Unbounded asbestos fibers (excluding for the purchase and use of bounded asbestos cement sheeting where the asbestos content is less than 20%)
- Drift net fishing in the marine environment using nets in excess of 2.5 kilometers in length.
- Palm oil activity
- Production or activities involving harmful or exploitative forms of forced labour / harmful child labour
- Commercial logging operations for use in primary tropical moist forest
- Production or trade in wood or other forestry products other than from sustainably managed forests

Note: *This does not apply to clients who are not substantially involved in these activities. 'Not substantially involved' means that the activity concerned is ancillary to a client's primary operations.

ESR Questionnaires are used as part of the screening process



General questionnaire:

to assess the environmental and social risks in general

Number of new applications

342

Number of applications undergone annual review

616

Sector specific questionnaire:

to assess the environmental and social risks on specific industries listed in the sector specific guideline

Number of new applications

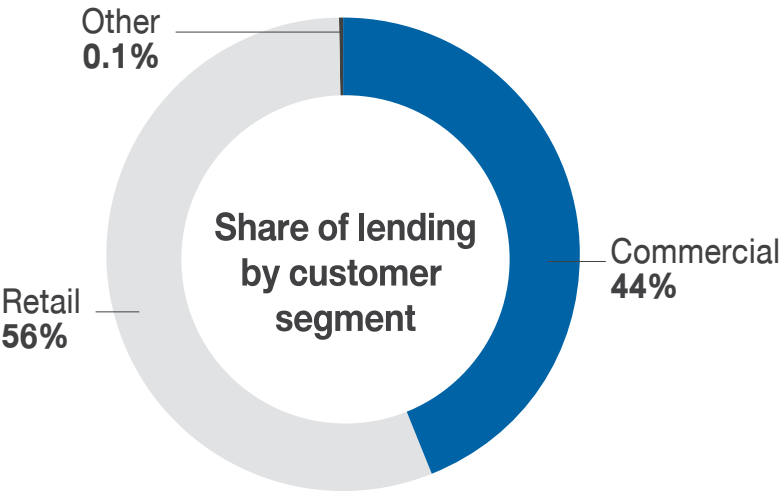
37

Number of applications undergone annual review

51



100%
of commercial
lending is
in line with
ESR Policy



TMB is one of the 15 Thai commercial banks that signed the MOU to commit to the Sustainable Banking Guidelines – Responsible Lending



The Sustainable Banking Guidelines – Responsible Lending was launched in 2019 by The Thai Bankers Association (TBA) as an initiative to advance sustainable banking practices in Thailand to be more environmentally and socially responsible. This initiative is geared towards the same direction as TMB’s corporate lending business practices since the launched of our ESR Policy in 2013.



Supply Chain Solution for Mitr Phol

As a result of a successful collaboration between TMB and Mitr Phol, the Bank has developed innovative supply chain solution that helps Mitr Phol efficiently manage its financing and supply chain to be in line with Mitr Phol Modern Farm concept which promotes the use of innovation and technology to enhance productivity, reduces cost of operation, and promotes responsible sugar cane farming practices. The collaboration helps both parties to simultaneously tackle financial inclusion, financial well-being, and climate change issues.

Digital Wallet and Green Cane Loan

TMB developed a digital supply chain finance solution and platform for Mitr Phol's farmers through Digital Wallet that connects Mitr Phol, farmers and their supply chain, such as suppliers and dealers, and enables farmers to gain access to cash and non-cash items necessary for cane farming activity (e.g., fertilizers, equipment, machinery). The lending of non-cash items was pioneered by Mitr Phol to ensure that farmers use proper tools and equipment for cane farming as these items support farmers to grow and harvest cane responsibly, improve productivity, reduce environmental problems by eliminating burning

of canes that contributes to climate change, and substitute chemical fertilizers with organic fertilizers. TMB also provided Green Cane Loan to Mitr Phol to facilitate fresh cane harvesting and reduce burned cane from farmers which aligns with Mitr Phol's modern farm concept. Mitr Phol has identified clear action plans and measurable targets to assess the eligibility of farmers to gain access to the Green Cane Loan such as percentage of fresh cane (unburnt cane) and number of farmers who adopted mechanical farming.

 **4,650**
Farmers

adopted our solution since the launch of this product in mid-2019 where these farmers also gained access to finance. In 2020, TMB expects over 8,000 farmers to use the digital wallet as the Bank plans to roll out digital wallet with Mitr Phol in the Northeastern Provinces such as Khon Kaen and Loei. The partnership with Mitr Phol reflects how TMB thrives to make the difference for our customers by being a true partner who supports not only financial strength, but also brings added value in terms of strengthening sustainable growth of customers' supply chain ecosystem. TMB aims to apply the same concept of supply chain solution to other business sectors and business partners where the Bank can offer all-in-one solution to solve issues and challenges in customers' supply chain and contribute to their sustainable growth.



Climate Change Risk and Opportunity >

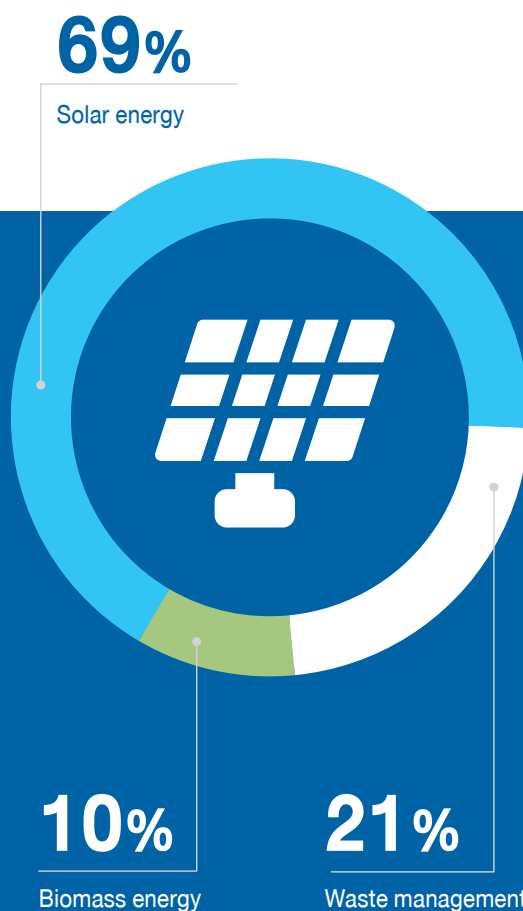
Climate change impacts for banking sector are from the indirect impacts of lending business. TMB anticipates a shift to low-carbon transition where we have defined green lending to include renewable energy and waste management. Both business sectors contribute to greenhouse gas emissions reduction. We have also established 2019 green loan target of 3.5% of the corporate lending. In 2020, TMB plans to expand the scope of green loan criteria into other areas that could strengthen the climate change mitigation and adaptation. Also, the Bank will review its lending portfolio to better manage climate change related risks and opportunities. For 2020, TMB has established the following targets: green loan setup of 750 million Baht for commercial segment, and 220 million Baht loan to SMEs whose businesses contribute to positive environmental and/or social impacts. In addition to the green loan, TMB also works to mitigate climate change with customers through supply chain solutions such as the Green Cane Loan with Mitr Phol and with business partners through issuance of green bond.



Share of green lending by type

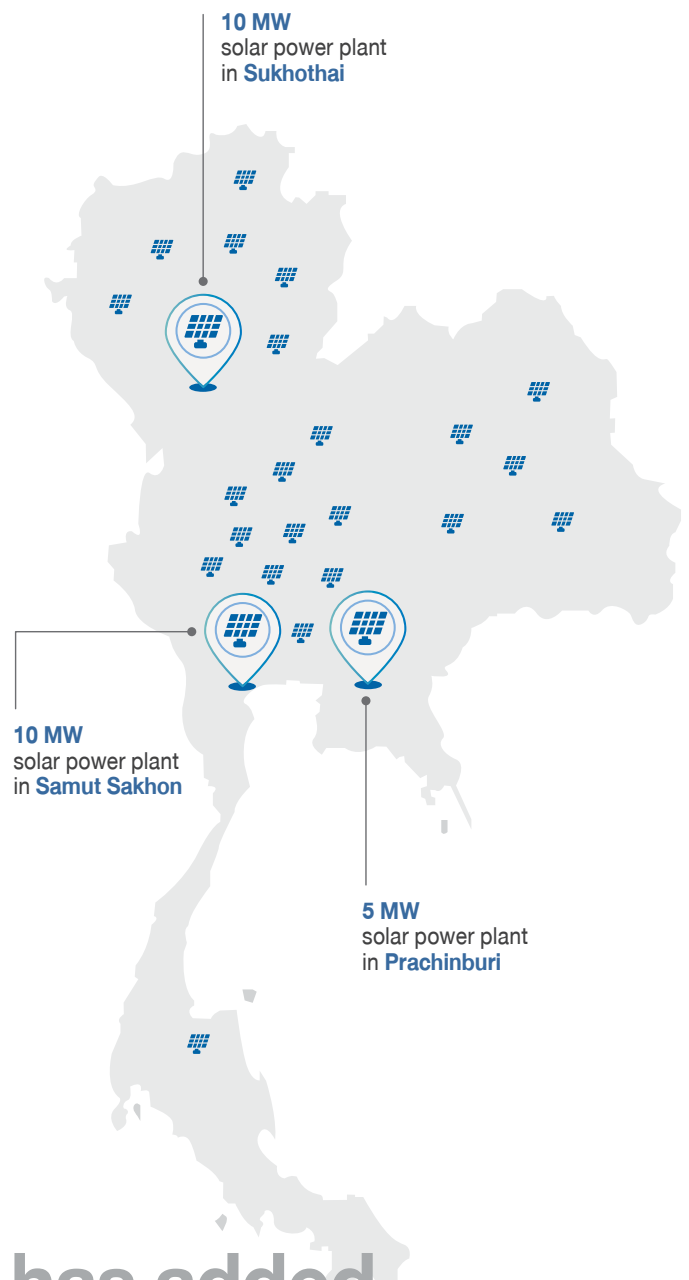


TMB's 2019
green loan was **2.5%**
of corporate lending



Lending in Solar Energy

Lending in solar energy is the largest proportion of our green loan. In 2019, TMB has added over 162 million Baht of new loan to solar energy projects. TMB strictly adheres to the ESR Policy and Credit Policy when reviewing and approving the lending applications and ensures that the clients also operate in line with our policies. Also, TMB strongly encourages clients to establish a comprehensive health, safety and environmental system to efficiently operate their projects. As a result, solar energy projects are operated as planned with no environmental or social issues raised from communities surrounding the sites. Such projects with outstanding overall performances are as follows; the 5 MW solar power plant in Prachinburi, Thailand equipped with green and environmentally friendly technology, where prior to the loan approval and disbursement, TMB coordinated with advisors to conduct due diligence and provide advice; the 10 MW solar power plant in Sukhothai, Thailand where TMB closely monitored since the construction phase; and the 10 MW solar power plant in Samut Sakhon, Thailand which showed consistency in terms of revenue and profit as planned, with a good track record of financial performance.

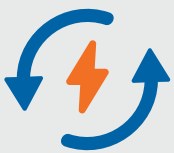


TMB has added
over 162 million Baht
of new loan
to solar energy projects
in 2019

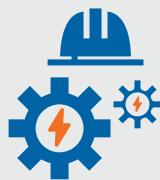
TMB is the first Thai commercial bank in Thailand to issue **Green Bond** in 2018



with the International Financial Corporation (IFC), a member of the World Bank Group, as a sole investor. The proceeds raised from 60 million USD (approximately 1,850 million Baht) green bond, with a 7-year tenor, is used exclusively to finance climate-friendly projects that contribute to sustainable development. The green bond was allocated to one renewable energy project where the fund was used to support 8 solar operations in Thailand with a total installed capacity of 91.7 MW. The project is estimated to avoid GHG emissions by 59,528 tonnes of carbon dioxide equivalent per year. TMB annually reports on our green bond impacts to the IFC. The green bond is one of the financial instruments which TMB uses to support the green market.



100%
of Green Bond
is disbursed in
renewable energy



Renewable
energy capacity
91.7 MW



Avoided GHG emissions
59,528
tonnes of carbon dioxide
equivalent per year



SDGs contribution





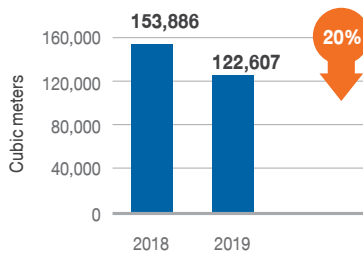
Our Environmental Impact >

TMB manages the environmental impacts that are caused by the Bank directly through the use of buildings, IT systems, and business travel whose emissions are largely generated indirectly through energy consumption and business travel. The Bank has process in place for collecting and reporting environmental indicators systematically by the Facility Management Function who oversees the environmental, safety and security aspects of the Bank's buildings and facilities.

TMB established 2019 target to reduce resources consumption i.e., electricity, water and paper by 5% compared to 2018 to improve our operational eco-efficiency. As a result of the electricity, water and paper reduction initiatives, TMB reduced electricity consumption by 10%, water consumption by 20% and paper usage by 17% at the Head Office, which accounted for cost savings of over 7.2 million Baht, compared to 2018.



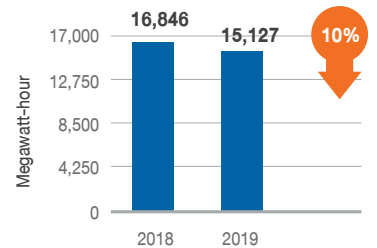
Water consumption



- Recalibrated faucets to consume water more efficiently



Energy consumption



- Replaced car-park lights with LED bulbs



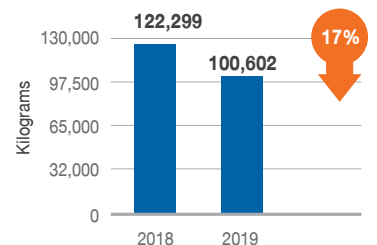
- Replaced fossil fuel cars with electric cars



- Improved efficiency of water cooling operation and air conditioners



Paper usage and disposal



- Digitalization of internal processes



- Recycled paper through Shred2Share initiative



In 2020, TMB expects the increase of resource consumption due to the integration of human resources between TMB and Thanachart Bank as a result of the merger in 2019. Nevertheless, TMB will monitor and establish controls to ensure that the consumption rate per employee will not increase.



**CONTRIBUTING
TO SOCIETY**



Financial Literacy >

TMB recognizes the importance of financial literacy as a fundamental knowledge that everyone should have

As a bank, it is our role to help raise awareness and educate people on this topic in order to increase people's capability to manage their finances and ultimately achieve improved financial well-being. Since 2017, the Bank identified financial literacy as one of the key components of sustainability. TMB believes that prior to providing financial services or actively engaging in financial literacy, our employees must firstly be competent. Hence, the TMB Financial Literacy Program was initiated to ensure the effectiveness of TMB's strategic focus on building a need-based proposition through advisory services in all customer segments. The program focuses on two areas: building internal competency of basic financial knowledge and understanding and contributing to industry-wide on financial literacy covering 4 main target groups namely employees, customers, community and regulators.

The first phase of the program has been initiated where financial literacy is aimed at building strong relationships and financial competencies for our clients. Appropriate activities and engagement approaches have been developed based on an understanding of the target group, different levels of maturity, and the ground rule of no commercial ties with cross-sells during engagement with the related parties.

To provide right services and products to our clients, our employees need to be financially literate. In 2019, another initiative of the TMB Financial Literacy Program is a mandatory financial literacy training for new employees, which is a part of TMB new employees' orientation. At the same time, internal trainings were developed to increase our employees' capability on financial literacy, attitude, and behavior. These trainings, for example, are in an e-learning format comprised of a short movie, with a set of quizzes and activities that lead to measurable actions. For next year, our branch employees will be trained to become FinFit champions to understand the needs of each customer and offer the right products and services fitting their needs. Moreover, TMB have started a pilot project, providing financial literacy workshops to employees of our corporate clients. This project aims to address clients' needs by offering financial services that make more impact and also build long-term relationship with our clients.



93%
of new hires completed
financial literacy training

We strongly believe that building knowledge on financial literacy and starting with the right financial habits such as saving, are the first step toward financial well-being. Hence, TMB TOUCH application has been upgraded to incorporate the Savings Goal and Savings Alarm features, encouraging and making things easier for our customers to start saving, and thus, creating a good habit.



Savings Alarm



Savings Goal
in TMB NO FIXED

Financial Literacy Initiatives

Financial Education Project for Military Personnel (FEP-MP)

This project is a 5-year collaboration project between TMB and The Ministry of Defense of Thailand with the objective to increase financial literacy awareness and the importance of personal financial planning and management. In 2019, the curriculum was endorsed and certified by the Faculty of Commerce and Accountancy, Chulalongkorn University. The university will also provide academic support in the future development of the curriculum. Moreover, **TMB trained 60 personnel to become trainers to train new generations of soldiers.**



TBA Financial Literacy Project (Kon Thai Yook Mhai Sai Jai Rueng Ngern)

TMB contributes to the banking industry by playing a leading role in the collaboration with 10 TBA members through the TBA Financial Literacy Project since 2018. **In 2019, the target was to train 10,000 students, in which TMB trained more than 5,000 students, and we expect to reach 10,000 students in 2020.** The training material focuses on financial planning in the next 10 years for first jobbers to build an understanding of daily expenses, the latte factor, savings and more.





Financial Inclusion >

With the rise of digital era, TMB utilizes advanced technologies to uplift banking infrastructure, improve operational efficiency, and innovate need-based products and services. TMB aims to provide equal, inclusive, and easy access to financial products and services to all our customers. In 2019, we launched a number of financial inclusive products and services for retail customers and small-sized businesses.

Financial Inclusion Initiatives

TMB Smart Port

TMB Smart Port is the first full service for investment portfolio management, specifically designed to adjust the investment portfolio according to market conditions. This new service offers widening wealth services to mainstream customers and to those who are interested in investing in funds and want to build their financial wealth, but do not know how to manage their portfolios and do not have time to watch the market.

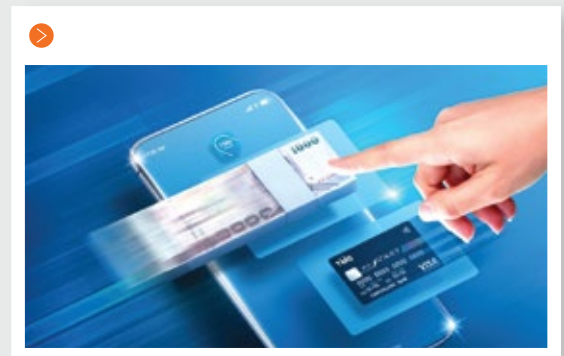


TMB Experience

TMB unveils “TMB Experience”, a new concept branch, offering engaging experience that combines digitization with a human touch to enable customers to enjoy discovering their real financial needs through an ‘Avatar’ identity creation and exploring products and services which can help them reach their financial goals. The aim is to allow customers to understand their own financial needs and objectives effectively with the assistance of both digitized tools and TMB branch personnel. Customers will not be forced to buy any products, but once they are ready to purchase, they will be offered the products and services on a need-based basis to ensure that they can get more benefits in accordance with **TMB Get MORE** proposition.

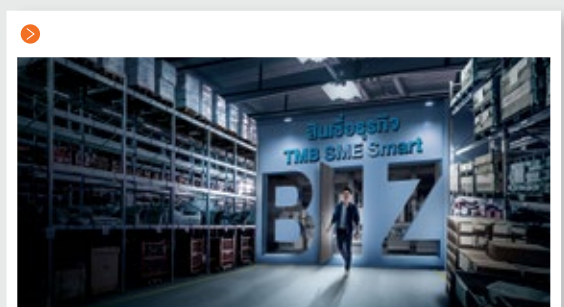
Instant Loan on TMB TOUCH

TMB launched instant loan on TMB TOUCH where customers can instantly, easily, and conveniently apply for loans or credit cards via TMB TOUCH with no documents required and approval decisions are made known to customers immediately.



TMB SME Smart BIZ for Online Business

TMB introduced two new unsecured loans for stock investment and to increase financial liquidity in collaboration with Lazada Thailand, an e-commerce platform, for online merchants. These products were developed to address the pain and needs of small-sized businesses, who struggle or do not have access to secure loans for their businesses. Securing loans require countless documents and time-consuming processes, which have been barriers for small-sized business. Therefore, they can now apply for loans with TMB as these loans have streamlined the whole process, making it accessible for the business to secure a loan.





Social Development >

Our brand philosophy, "Make **THE** Difference", is a guiding principle in everything we do from developing and providing the best products and services for customers to creating value for community and society. TMB contributes to the society via TMB Foundation that drives social contribution programs through FAI-FAH as its core corporate social responsibility program, which creates positive impacts to many lives and communities, and also inspires youth and community to make the difference for sustainable communities.

FAI-FAH's Strategic Objectives



Promotes youth development and well-being in Thailand



Promotes sustainable development initiatives for wider society



Contributes to philanthropic activities as a good corporate citizenship



'FAI' = The power inherent in every child
'FAH' = The power of giving inspired by TMB

FAI-FAH for YOUTH



Aiming to provide opportunities for youths aged 12 to 17 and encourage them to spend their free time productively through creative art activities and development of life skills, all free of charge.

FAI-FAH for COMMUNITY



TMB encourages our employees across the nation to engage and give back through FAI-FAH for COMMUNITY projects. Since 2014, TMB volunteers inspired more than 170 projects. In 2019, more than 3,000 employees nationwide volunteered to join 40 FAI-FAH for COMMUNITY projects covering 5 SDGs.



Moreover, TMB also partners with several organizations such as why i why Foundation, Yuvabadhana Foundation, Volunteerspirit Network and Puey Ungphakorn School of Development Studies, Thammasat University to drive sustainable community and youth development initiatives.

FAI-FAH for YOUTH

TMB supports youth development and well-being in Thailand where there are many underprivileged children whose dreams and potentials are being limited by their families' time and financial constraints. With the belief that everyone has the desire and power to improve oneself and the world, TMB commits to provide opportunities to unfortunate children, by offering a place where they can productively play, learn, develop skills and knowledge of their interests, and discover their potentials at FAI-FAH learning centers. In 2019, TMB established the fifth FAI-FAH learning centers in Samutprakarn province which is the first center outside of Bangkok.



New FAI-FAH Samutprakarn, the fifth Community Learning Center for Children

There are 16 art and life skills classes available for children in the community on both weekdays and weekends. Over 300 children have joined this center.



FAI-FAH Bridge, connecting FAI-FAH to students at targeted schools

The project aims to create a ripple effect of the FAI-FAH concept through the art and life skill to children in communities at targeted schools. In 2019, FAI-FAH Bridge project also collaborated with more than 70 schools. Over 150,000 kids have been inspired by FAI-FAH through FAI-FAH learning centers and FAI-FAH Bridge project.



The annual FAI-FAH ART FEST in 2019 at TMB Head Office under the concept of 'The Beauty of Ordinary Kids'



This event allowed children who participated in FAI-FAH learning centers opportunities to showcase their talents and art skills. Art pieces and products made by FAI-FAH's children were displayed for TMB employees and visitors who appreciate art and want to support children and the community. This is where children are able to utilize their skills acquired from FAI-FAH learning centers to give back to the society by being givers themselves. Approximately 200 children participated in 2019 and more than 80,000 Baht was raised from the auction of FAI-FAH children products where it was given to the TMB Foundation for charitable purposes.



FAI-FAH for COMMUNITY

**TMB encourages our employees
across the nation to engage
and give back to society through
FAI-FAH for community projects**

Since 2014, TMB volunteers inspired more than 170 projects. In 2019, more than 3,000 employees nationwide volunteered to join 40 FAI-FAH for community projects. These projects created a ripple effect in society by using the concept of Make **THE** Difference to communities in 2019.



TMB volunteers inspired
more than
170
projects

8 DECENT WORK AND ECONOMIC GROWTH



Poan Soong eco-tourism community, Nakhon Ratchasima

The growth of urbanization in Nakhon Ratchasima is on the rise, making Poan Soong villagers strive to preserve their land for agriculture as well as for the next generation. The village leader sees this as an opportunity to turn the village into an ecotourism spot where they can secure their land for the next generation and also create additional value for community residents. TMB volunteers, along with the Faculty of Fine Arts and Industrial Design, Rajamangala University of Technology Isan, helped create a photogenic landscape and also provided knowledge on how to manage community-based tourism such as pricing and service management. With the support from TMB volunteers and partners, Poan Soong community residents could offer bicycle tours with homestay services where tourists can visit local farms and coconut gardens. The Poan Soong village leader and their residents also helped disperse the concept of eco-tourism in order to expand tourist attractions into nearby villages so that they can help other villagers keep their land for the next generation.



4 QUALITY EDUCATION



Learning space for the special-needs children at Chonprathansongkroh School, Bangkok

There are approximately 1,000 students at Chonprathansongkroh School, 10% of which are children with intellectual disabilities from underprivileged families. To help these children and their parents, TMB volunteers organized trainings led by special education teachers for pioneer teachers and parents on caring and raising children with intellectual disabilities. The workshop comprises of activities such as painting mandalas and making homemade playdough where parents spend quality time with their children in which these activities could also improve the children's focus and concentration. Moreover, TMB volunteers designed and transformed an empty space into a learning garden for children with intellectual disabilities. The garden provided students a learning space to develop their sensing skills. The school reports that children with intellectual disabilities at the Chonprathansongkroh School could now join classes with other students after the introduction of TMB's learning space and workshop.





Smart Trash/Waste Disposal at Department of Army Transportation, Saphandaeng District, Bangkok

The Department of Army Transportation at Saphandaeng District in Bangkok, houses approximately 500 households where there has been an increasing problem with the amount of waste and is taking a toll on the neighborhood. The resident leaders in that area, together with TMB volunteers, alleviated the problem by introducing them to a trash bank model to turn useless garbage into meaningful assets. The trash bank offered money opportunities for residents, since the majority of those 500 households come from low-income junior soldier families, to collect recyclable trash including paper, plastic bottles, glass bottles and sell them to the trash bank. The trash bank not only offers benefits in terms of extra income for those residential households but also a clean and healthy neighborhood. The trash bank model from Saphandaeng Center has also been applied by other Centers of the Department of Army Transportation.



TMB has also been supporting the Cardiac Children Foundation of Thailand 'TMB | ING PARKRUN'

TMB has also been supporting the Cardiac Children Foundation of Thailand since 2014 by hosting annual mini-marathon charity events called 'TMB | ING PARKRUN'. For TMB | ING PARKRUN 2019, more than 10,000 runners participated in the Virtual Park Run and over 10 million Baht was raised to support 297 children in the care of Cardiac Children Foundation that are in need of financial assistance for treatments. This program is one of the most successful programs which proves that everyone can Make **THE** Difference.



**VALUING
OUR PEOPLE**



Talent Attraction and Retention

The banking sector has become increasingly competitive and faces many business disruptions from other industries, requiring high-potential talents to drive performance. TMB acknowledges that our employees are the greatest asset of the Bank, and recognizes the need to maintain, develop and attract talents to continuously grow and thrive in this ever-changing business landscape. This, in turn, enhances the capacity of the bank to stay competitive, relevant, and resilient. One of our missions is to transform the organization into the best place to work for employees and to provide opportunities for development

that will allow them to unlock their potential to challenge the status quo. It is our recruitment approach, as a performance-driven organization, to focus on recruiting candidates who are experienced and are high performers that show potential to be talents. In 2019, TMB Stock Retention program for employees was approved and will be effective in 2020. This program offers stock as a long-term and competitive incentive with the aim to retain and motivate employees who are dedicated to drive performance and create added value to the bank.

Employee Turnover	2016	2017	2018	2019	2019 Target
Regrettable loss* (%)	10.7	12.7	12.3	11.0	10.0

* Number of employees with high performance who voluntary resign as % of average total employees during the same period.

Furthermore, internal mobility is encouraged and promoted to our employees as we recognize the importance of career growth and opportunity. As our employees advance in their career paths, we want to provide the right opportunities so that they can thrive with their potential and capacity as well as to grow with the Bank. In 2019, there were 1,419 employees who rotated to new positions, which was 42.3% of vacant positions.

TMB recognizes the importance of employee engagement as the main indicator for building a strong workplace. Employee engagement

survey is conducted regularly to measure the effectiveness of the Bank's initiatives and to measure three elements namely loyalty, contribution and advocacy, among employees. These are the fundamental drivers of high-performance organization. In 2019, TMB did not conduct an employee engagement survey bank wide, but instead conducted an employee survey to understand factors that impact employee experience within TMB and to understand how these factors are valued by different groups of employees, in order to develop more targeted initiatives, which enhances employee experiences and employee engagement.

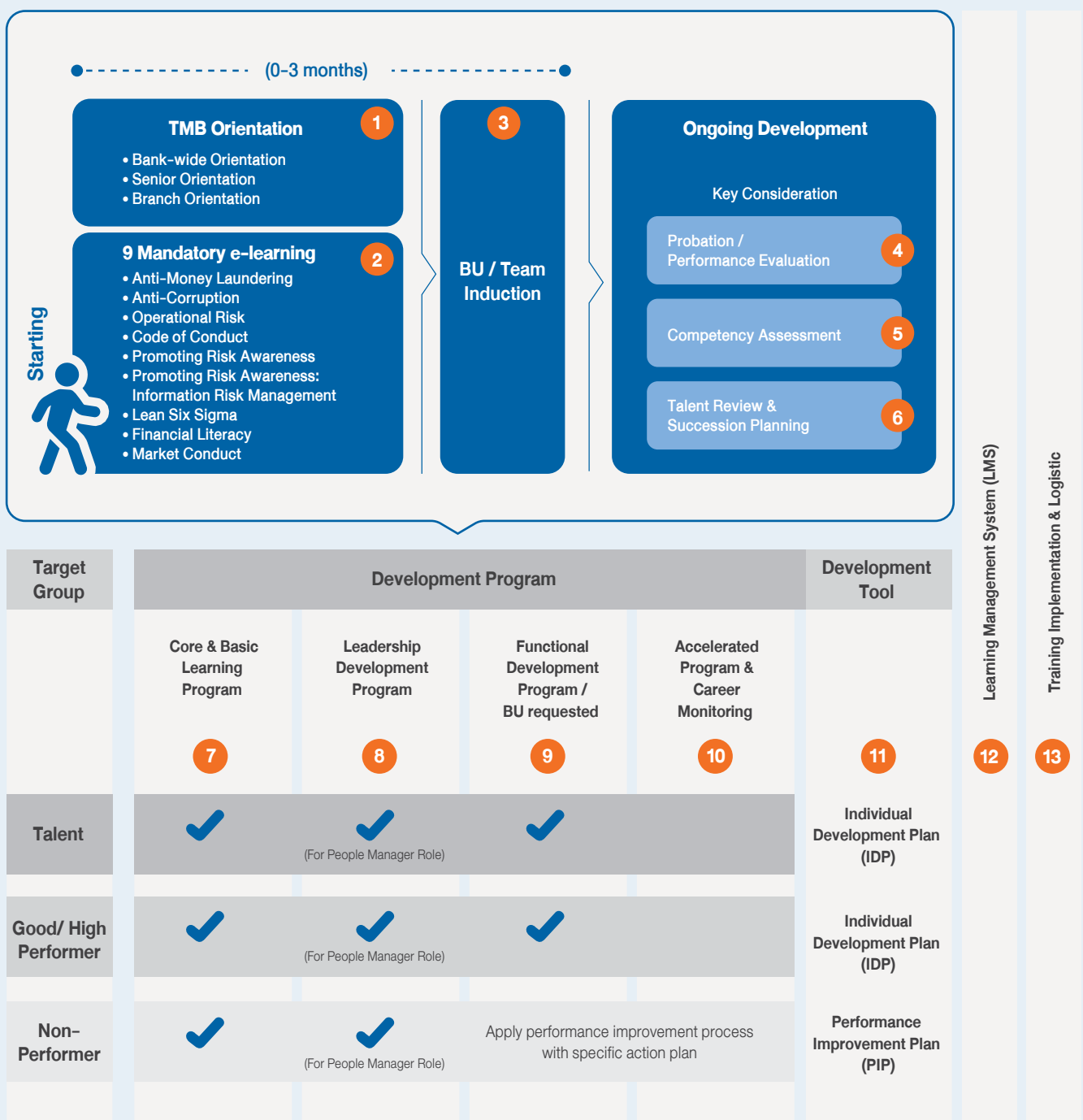
Employee Engagement	2016	2017	2018	2019
Overall employee engagement (%)	82.8	83.8	-	74.0



Learning and Development

As our employees are the driving force in our business, we invest in our people to develop and improve their capability to lead change, challenge status quo, and strive in their career paths. TMB has a learning and development framework and roadmap for all employees that would support not only the growth of the Bank, but also personal skills and development.

Learning and Development Overview



In 2019, TMB improved the learning and development concept to emphasize on applicable, behavioral change and business impact (i.e., Kirkpatrick Model's level 2-4), and blended learning journey with digital solutions. TMB also updated the functional training roadmap with clear curriculum and development programs, established Leadership Development Program for senior management, and continuously improved existing programs.

There are two key employee development programs: talent development program and leadership development program. Employees, who demonstrate high performance and potential to thrive within the organization, are selected to be talents. These talents are then enrolled in the talent development program, which focuses on the preparation and development of employees to become TMB future leaders for key positions within the bank. On the other hand, the leadership program has been designed to align with the expected roles and responsibilities for people managers to be able to handle all the challenges associated in this area. The curriculum aims to build the right mindset and equip them with the right skillset and appropriate tools.



TMB HACKATHON 2019

Since 2018, TMB has been applying the concept of hackathon, a common method of work among technology startups to create new innovative solutions in a limited timeline. TMB HACKATHON 2018 has led to the successful addition of new features in TMB ALL FREE and the launch of multi-currency accounts. TMB HACKATHON 2019 delivered several tangible solutions including the TMB ABSOLUTE, one of the first credit cards that exempts 2.5% charge on foreign currency purchases and offers TMB Rewards Plus Points and other attractive benefits for customers.

For TMB, hackathon is an exercise that not only creates innovative products, but also embraces innovation culture, builds employee engagement, and develops a deeper understanding of employees to see the whole value chain of product development.

Objective and Key Results (OKR)

TMB is among the first Thai Banks to apply the Objective and Key Results (OKR) framework for defining clear goals and outcomes for top management. The OKR promotes the alignment on mission-critical objectives across organization, establishment of clear connection between 'what' and 'how', and fostering of disruptive thinking over incrementalism. In 2019, over 40 top management participated in OKR pilot workshop to define and share their OKR on a quarterly basis. The defined OKRs and its quarter-end results were shared within the organization leading to more collaboration across different business functions towards the same goal. Moving forward, TMB will continue to apply lessons-learned from 2019 implementation and further scale-up throughout the organization.



Talent Development Program

In 2019, TMB improved the talent development program to accelerate the readiness of our talents to become change agents for TMB's future. Our talents can choose between two tracks for their career paths: corporate leadership and professional leadership. The corporate leadership track is designed to broaden knowledge and skillsets in order to expand potential for wider career path across the organization, while the professional leadership track is to deepen the knowledge and skillsets for a more specialized career path.

Employee Training	2016	2017	2018	2019	2019 Target
Average training hours (hours per person per year)	32	27	38	35	40



Equality and Diversity >

TMB values individual differences and is committed to treating employees fairly and with respect. TMB's human resources policies and procedures are in alignment with the international standards to fully respect the rights of our employees, to ensure fair and equitable pay in the workplace with zero tolerance on gender-based discrimination, harassment, and violence, and to promote diversity and inclusion as TMB's culture to create equal opportunities, and recognize the rights of employees to freedom of association. At the Bank, we foster strong relationships with labor unions through good communication to ensure the well-being of employees. We also invite unions to discuss with us, and inform them of any changes that occur. In addition, the Welfare Committee is established to ensure fair treatment and protection of employees' benefits through bi-annual meetings, at a minimum. The current committee's employee representative is at 100%, where they meet with the HR function every 6 months to discuss issues regarding employees' rights, benefits, and concerns. After the discussions, HR reports the key summary to the management committee for further decisions and actions. Currently, the Bank's labour union consists of three groups; Thai Military Workers Union, Thai Military Employee Labour Union and Thai Military Bank Labour Union.



In 2019, TMB has defined Human Rights Policy that is in line with the Universal Declaration of Human Rights, UN Global Compact Principles, UN Guiding Principles for Business and Human Rights, and International Labour Organization. Respecting human rights is an integral part of TMB's responsibilities, the Bank acknowledges that our business as a financial intermediary can potentially impact human rights.

TMB also established a Diversity and Inclusion Statement which was approved by the Board of Directors,

stating the following commitment: "At TMB, we recognize the importance of diverse and inclusive workforce and value individual differences. We believe such diversity is a critical enabler towards long-term sustainable growth in the ever-changing business landscape we operate in. We embrace differences in age, gender, sexual orientation, ethnicity, nationality, religions, beliefs, cultures, and socio-economic background as these qualities contribute to creativity, innovation, and better connection with diverse customer groups and the society at large. As such, we are committed to nurture an inclusive workplace culture whereby all individuals, irrespective of who they are or what their background is, can grow and thrive.

Our commitment to diversity and inclusion applies to both board and employee levels and extends across TMB financial group. Diversity is incorporated into our board nomination and selection process to ensure a strategically diverse composition of directors, enabling effective supervision and guidance for the Bank. Equally important, we continue to build such commitment into our human resources management – including but not limited to recruitment process, equal employment opportunities, fair compensation, and inclusive working environment – to reassure our staffs that they can be themselves and voice different perspectives at work. This way, we believe, will allow our people to individually operate at their full potential and as a result, collectively as TMB to continue to challenge status quo and make the difference."



Health and Well-being >

TMB aims to build a safe and engaged working environment not only to attract new employees but also build healthy, engaged and motivated workforce. TMB realizes that restricted working hours did not help nor enhance our employees' performance. We believe that flexibility of working hours can improve employees' productivity and creativity. Hence, TMB no longer uses the time-stamp system to track clock-in and clock-out time of our staff since 2017.

In addition, we also recognize that the health and well-being of our employees comes from a balance between their personal and professional commitments. As our employees are our greatest asset, we want to strengthen employees' welfare. In 2019, TMB increased maternity leave from 90 days to 98 days, giving more time for expectant and new mothers to take care of themselves and newborns. Moreover, we wanted to cater to the need of new mothers, so a lactation room was built at the headquarter to provide a safe and comfortable space for them.

In 2019, TMB continued to provide health and well-being initiatives for our employees as follows:



Annual health check

We continuously improve health programs to address the needs of our employees that are suitable for each group age and gender instead of employee level. The health checkup is also designed based on job functions with risk exposure.



Well-Being Day

This year, TMB organized the Well-Being Day in conjunction with the annual health check that lasted for 3 days at TMB Head Office with three main themes for each day: clean food, office syndrome, and anti-aging. There were several activities provided for employees in this event including morning exercise, yoga for office syndrome, and Thai massage. There were also more than 200 health and well-being products offered at this event such as healthy food and drinks, and natural based household products.



Influenza vaccination

Towards the end of 2019, there was a spread of seasonal influenza and influenza type A so TMB organized a medical team to provide influenza vaccinations for employees.



Kilo-D

During the annual health check, TMB also held a running competition for employees called the Kilo-D event. The objectives of this activity were to encourage our employees to exercise by either walking or running and to also build employee engagement. Employees could participate in this activity individually or in a team with a maximum of 5 people, and whichever team accumulated the most distance within a 2 month period wins the competition.



Life after retirement program

Doctors are invited to educate retiring employees on how to live and maintain a healthy life in retirement as it is another of life's milestone.

Employee Absenteeism	2016	2017	2018	2019	2019 Target
Absentee rate (%)	0.56	0.54	0.48	0.52	0.50

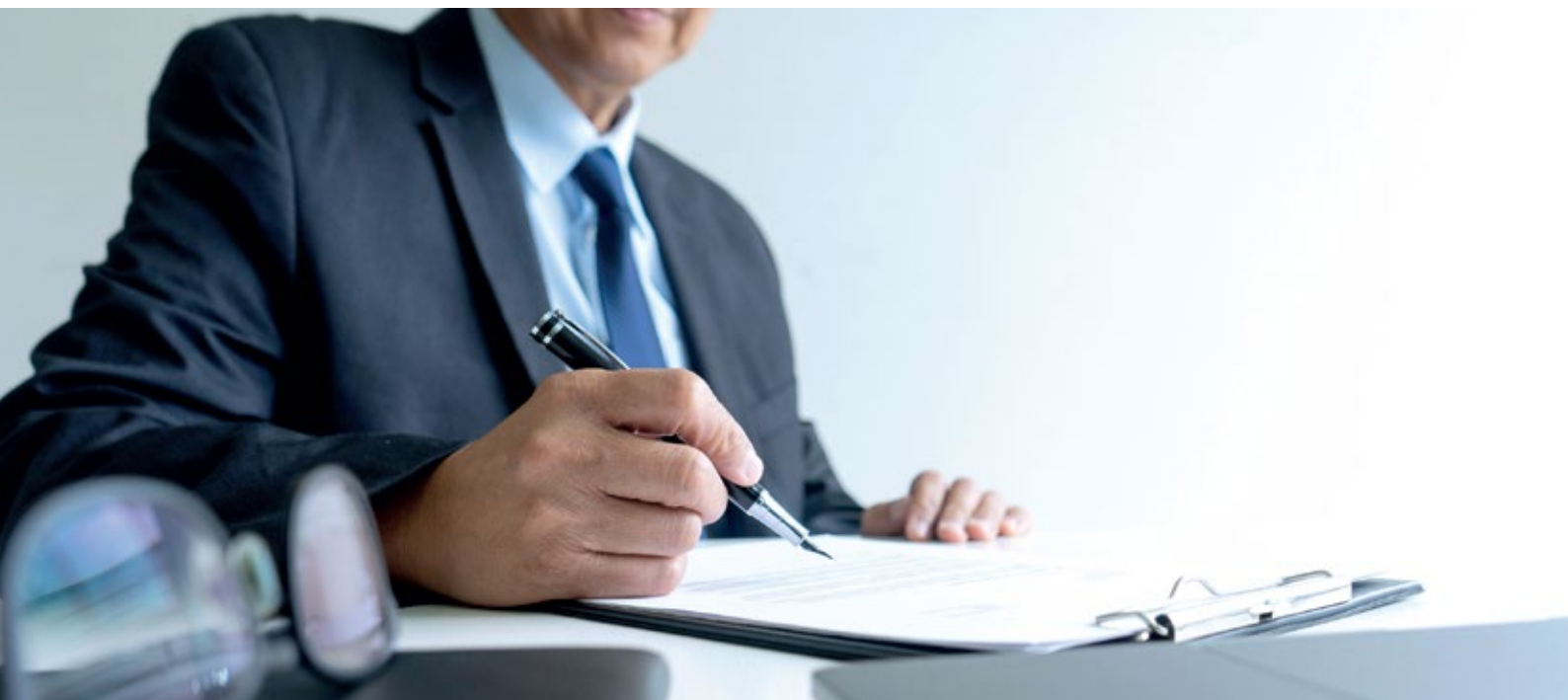


FOSTERING GOOD GOVERNANCE



Corporate Governance

Corporate governance for TMB is not only about regulations and compliance, but also an underlying force for sustained competitive advantage and effective corporate culture that fosters trust as well as customer and shareholder value.



Board of Directors

Strong governance is underpinned by a strong board of directors. TMB's Board of Directors has oversight of the company's management and business activities in line with the interest of the Bank and shareholders. The Board complies with the Corporate Governance Policy, scope and responsibilities of the Board and requirements by all regulators in Thailand such as the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), Bank of Thailand (BOT), Office of Insurance Commission (OIC), etc. The sub-committees at the board level include the Nomination, Remuneration and Corporate Governance Committee, Audit Committee, Risk Oversight Committee, Credit Committee and Board of Executive Directors Committee. In addition, the Bank also set up an IT Oversight Committee in 2019 to oversee strategy, management and operations, investment, and capacity development programs for workforce related to information technology.

TMB is aware of the value of a diverse board composition in terms of gender, skills, experience and background for a robust governance in which the Bank established a Diversity and Inclusion Statement in 2019 that applies to both board and employee levels. The selection, nomination, and performance assessment of the Board are led by the Nomination, Remuneration and Corporate Governance Committee. The board performance assessment is conducted annually, including self-assessment and cross assessment to reflect their performance efficiency. Each year the Board establishes a training plan to expand their knowledge related to their directorship; for example, training sessions on emerging sustainability related topics such as sustainable banking, cyber resilience leadership, digital transformation, and data privacy were provided to board members in addition to training courses provided by Thai Institute of Directors and other external parties.

For more information on TMB Board of Directors and corporate governance, refer to Annual Report 2019.

Business Ethics

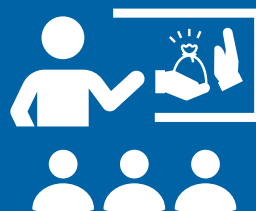
TMB values integrity and adheres to the Bank's business ethics. The principles are underpinned in the Code of Conduct, Anti-corruption and Bribery Policy, Anti-money Laundering Policy, Market Conduct, and Gift, Entertainment, and Donation Policy that Board of Directors and all employees must acknowledge and comply accordingly. In 2019, the Code of Conduct has been revised and communicated to all employees in the form of training and internal communication. It is the responsibility of all directors and employees to adhere to these principles and any potential violations or suspected wrong doing against principles must be reported to TMB through various reporting channels. For example, the Bank has zero tolerance to fraud in which there is a Fraud Investigation Process System (FIPS) in place as a platform for reporting, investigating and solving fraud related incidents. TMB also has a Whistleblower Policy, aiming to promote good corporate governance, high standards of ethical conduct, as well as integrity and reputation of the Bank. TMB encourages employees and other stakeholders to give notice to the Bank of any honest and factual issues involving compromise or violation of ethical norms, legal or regulatory provisions.

In 2019, there were a total of 271 allegations of improper behavior or breaches of the Code of Conduct investigated. 195 allegations were substantiated while 22 allegations were unsubstantiated. As a consequence, 25 employees were terminated. The remaining 54 allegations are pending for investigation in 2020.



97%

of total employees
completed
Code of Conduct
training in 2019



97%

of total employees
completed anti-corruption
training in 2019



Risk Management >

Effective risk management requires clear and robust risk governance. Our risk and control structure is based on the 'three lines of defense' governance model ensuring proper checks and balances. The Board of Directors holds ultimate responsibility of bank-wide risk management. For effective risk oversight, a sub-committee, Risk Oversight Committee (ROC), has been delegated by the Board of Directors to review and oversee the management of all risks across the Bank. ROC is authorized to approve certain parts of the Bank's risk management strategies, policies, frameworks and standards, as well as aggregate risk tolerance and risk concentration levels. In addition, there are sub-committees under the ROC to manage and oversee various key aspects of risk management including Risk Policy Committee, Bank Non-Financial Risk Committee, Asset and Liability Management Committee, Portfolio Monitoring Committee and Financial Markets Control Committee. Our risk governance and management structure is independent of the business units where the Bank has an Audit Committee, internal control and internal audit to ensure effectiveness of business operation. For risk management at the operational level, business units are responsible for managing risks within their responsible portfolio under the supervision of the Chief Risk Officer (CRO) who directly reports to the Chief Executive Officer (CEO).

For more detail of risk governance and management, refer to Annual Report 2019.

Risk Governance Structure



*Also report directly to Audit Committee

The Bank has risk policies, minimum standards, and procedures in place to ensure alignment across the organization, as well as to define requirements that are binding to all functions and business units. These documents are reviewed and updated on a regular basis to reflect changes in requirements, markets, products and practices.



Promoting Risk Awareness

TMB builds its risk culture by encouraging employees to participate in the risk management process and conducting risk related training for employees where the courses are tailored to fit with the context of risks that are relevant to each function and employee level. TMB also offers risk related training to the Board of Directors and also to the non-executive directors, which includes cyber resilience leadership, IFRS9 implication and implementation readiness, and inside information and data privacy. Some of the trainings are mandatory for all employees such as training on information risk and how to safeguard from malware, phishing, social media, and data leakage and data privacy.

Emerging Risks

Digital disruption

While innovation and digitization provide financial institutions with new growth opportunities, banks can be impacted by the lack of preparation for new technologies and financial innovation. The implications and risks that come with digital finance and innovation also include information security and financial fraud, to name a few. These innovations can significantly disrupt the entire value chain of traditional financial business and the bank's business model, products and services. Thus, TMB implemented the Digital Transformation program consisting of the development of digital branding, agile organization, IT infrastructure, data analytics, and searching for right digital partnership in order to enhance competitive advantage by keeping up with the pace of a digital driven era. TMB proactively analyzes and identifies potential risks and opportunities associated with the innovation of digital and fintech and new technologies such as big data and machine learning to find effective countermeasures that better serve value added solutions to our customers.



Cybercrime



Cybercrime remains as a threat to individuals, corporations in general, and to financial institutions as well. Banks are expecting to be impacted by these attacks more frequently and intensely worldwide, affecting reputation, stakeholders' trust, and license to operate.

In 2019, TMB continues to develop its cybercrime resilience by establishing policies and minimum standards related to IT security and resilience, data leakage prevention and cybersecurity. In addition, the Board of Directors also oversees the information security/cyber security strategy and effectiveness of the implementation. TMB also actively engages with regulators and collaborates with financial industry to strengthen cybercrime resilience.

Climate change

TMB recognizes that the environmental risks from climate change could result in indirect financial risks. Financing to irresponsible borrowers will not only be a significant source of immediate reputational risk but will also undermine long-term sustainability in both asset value and profitability of the Bank. TMB believes that banks play an important role in addressing climate-change issues and facilitating the transition to a low-carbon economy through financial products and services. TMB integrated the Environmental and Social Responsibility (ESR) policy into the approval process of all credit and commercial loans. This is to ensure that the Bank pays extra attention to the responsibilities that arise from environmental impacts. In addition, TMB is the first Thai commercial bank to issue Green Bond with International Financial Corporate (IFC) to exclusively finance climate projects, particularly renewable energy and energy efficiency, which is in line with TMB's green lending expansion plan.



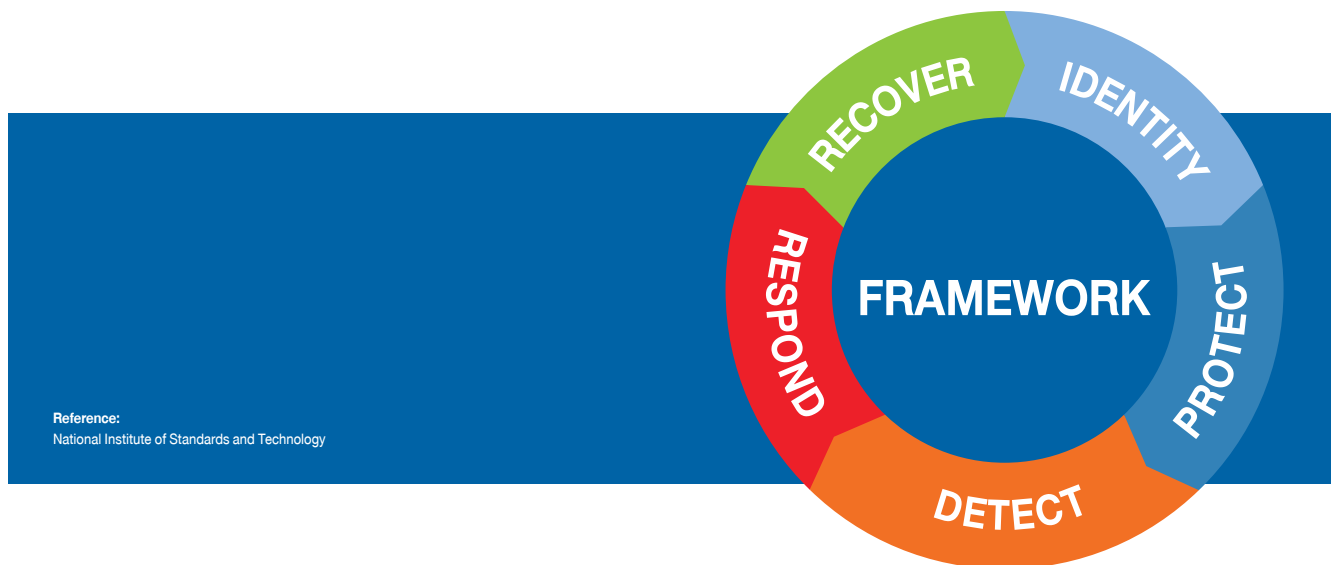


IT System and Cybersecurity >

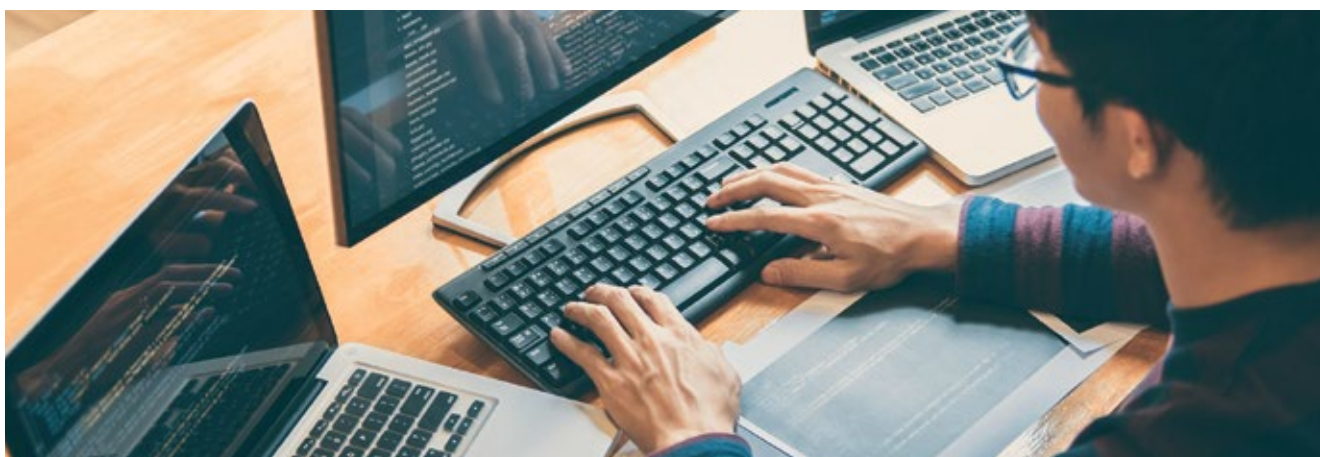
With the increased complexity and connectivity of our critical infrastructure as an effort to shift toward digital transformation, TMB places the utmost importance on IT system and cybersecurity to ensure stability and security of our systems and operations, and to mitigate cybersecurity risks that could result in financial and reputational losses. IT system and cybersecurity are the foundation of the Bank's infrastructure that secure and maintain our customers' trust and confidence.

TMB has a clear management structure with dedicated governing board and management committees for information technology and information security. For a board-level committee, IT Oversight Committee oversees and monitors the Bank's IT operations and information security management to effectively facilitate the Bank's strategy. There are two management-level committees to strategize, provide directions, and drive performance of IT system and information security, including cybersecurity. Project Investment Committee supervises sufficient IT infrastructure, management, capacity, and implementation, while IT Non-Financial Risk Committee manages information security and cybersecurity management to ensure maximum safekeeping of our systems and operations. To make sure our practice complies with our policies and standards, the audit function audits the cyber security performance and give recommendations for further improvement.

The IT infrastructure and system are the backbone of the Bank. It is also constantly being checked, updated, and maintained to ensure its functionality and effectiveness. On an annual basis, we conduct business continuity plans (BCP) to test incident management and target recovery time from potential disruptions that may occur. In 2019, two BCPs were conducted, achieving the targets required. We continuously improve the stability of our technology systems to withstand potential threats so that they are available to service our customers. Hence, TMB established a new minimum standard called the IT Resilience Minimum Standard, which aims to ensure that the Bank's IT system is designed and implemented in such a way that they are not affected by disruptions.



TMB has systems in place to protect against, detect, and respond to cyber-attacks. Our cybersecurity framework is adopted from the National Institute of Standards and Technology (NIST), which consists of five key components; identify, protect, detect, respond, and recover, with layers of security networks to ensure maximum protection. We regularly monitor our performance to make sure that we comply with the framework and issue quarterly reports to the board-level committee. Moreover, we conduct incident response test annually to test our security system, understand our lacking areas, and further enhance it. In 2019, we conducted three internal incident response tests, participated in a sector incident response test, and completed a cybersecurity drill.



To strengthen our cyber-attacks preventative measures, TMB established two minimum standards; Cybersecurity and Resilience Minimum Standard and IT Security Monitoring Minimum Standard in 2019. Cybersecurity and Resilience Minimum Standard aims to ensure active and passive monitoring of cybersecurity and resilience and that they are conducted effectively in a timely manner. This was an effort in preparation for current and future cyber threats, including unprecedented, unpredictable and unexpected cyber threats. IT Security Monitoring Minimum Standard's purpose is to outline the control requirements related to IT security monitoring activities, which are comprised of technical state compliance monitoring, vulnerability scanning, penetration testing, secure code review and security event monitoring.



**0 data
breach case**

**with no significant impacts
to customers in 2019**

Building our people's capacity in this area is as crucial as strengthening our infrastructures.

TMB has developed e-learning on cybersecurity to create awareness and understanding, and also educate employees on how to prevent cyber-attack and cyber-threats. In 2019, it was mandatory for all employees to complete trainings on information risk awareness and management. The aim was to raise awareness on informational risks and how to safeguard from cyber threats such as malware, phishing, and social media. Our Board of Directors also received a cybersecurity awareness training by an external expert. The training covered key principles of cybersecurity and cyber-risk management, security landscape, globalization of cybercrime, data breach statistics, and different types of cyber threats.



Sustainability Performance

Environmental Data	Unit	2016	2017	2018	2019	
					Head Office	Other
Greenhouse gas emissions						
Total GHG emissions	Tonnes CO ₂ equivalent	25,703	24,500	23,165	9,667	24,420
GHG Scope 1	Tonnes CO ₂ equivalent	332	290	257	691	63
GHG Scope 2	Tonnes CO ₂ equivalent	25,286	24,089	22,602	8,805	24,164
GHG Scope 3	Tonnes CO ₂ equivalent	85	121	306	170	192
Energy consumption						
Total energy consumption	Megawatt-hour	44,304	42,098	39,407	15,957	41,512
Fuel	Megawatt-hour	865	715	579	830	0
Electricity	Megawatt-hour	43,439	41,383	38,828	15,127	41,512
Water consumption						
Total water consumption	Cubic meters	106,253	150,775	153,802	122,607	84,907
Waste generation						
Total waste generation	Tonnes	102	94	84	112	-
Recycled waste	Tonnes	102	94	84	112	-
General waste	Tonnes	-	-	-	-	-
Paper usage						
Total paper usage	Tonnes	-	-	274	101	187
Business travel						
Total car business travel by	Kilometers	-	-	330	30,319	-

Remark:

- GHG emissions:
 - Direct GHG emissions (Scope 1): Sources include energy consumption, purchase of fire extinguisher/fire hydrants, methane emissions from septic tank, and refrigerants (R134a, R407c, R141b, and R22).
 - Indirect GHG emissions (Scope 2): Sources include electricity consumption.
 - Other GHG emissions (Scope 3): Sources include employee business travel by car, and purchase goods and services such as paper and water.
 - Global Warming Potential (GWP) for methane and refrigerants from the Greenhouse Gas Protocol (Fifth Assessment Report: AR5); Emission Factors (EF) from Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) version 2019.
- Energy consumption: Scope 1 energy consumption covers fuel for both stationary combustion (i.e. diesel for generators and fire pumps) and mobile combustion (i.e. Bank's vehicles for executives and vans). Electricity data is collected from the Head Office, call center and branches where the electricity bills and payments are directly managed by the Facility Management Department.
- Water consumption: Water consumption data is collected from the Head Office, call center and branches where the water bills and payments are directly managed by the Facility Management Department.
- Waste generation: TMB started collecting general waste data during 2019 at the Head Office. The data is expected to be reported starting in 2020.
- Paper usage: The amount of paper usage in the operation is tracked from the purchase. Paper usage data is collected from the Head Office, call center and branches where the paper bills and payments are directly managed by the Facility Management Department.
- Business travel: Business travel by car for staff managed by third party.

Human Resources Data	Unit	2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Employees									
Total employees	Persons	8,980		8,547		8,373		8,135	
	Persons	2,657	6,323	2,505	6,042	2,413	5,960	2,351	5,784
Employee by type of contract									
Permanent employee	Persons	2,657	6,323	2,505	6,041	2,412	5,959	2,349	5,784
Contract employee	Persons	0	0	0	1	1	1	2	0
Employee by age group									
< 30 years old	Persons	451	2,147	452	2,057	462	2,164	433	1,977
30-50 years old	Persons	1,704	3,672	1,545	3,495	1,454	3,308	1,318	3,184
> 50 years old	Persons	502	504	508	490	497	488	600	623
Employee by Chiefs									
Chief Executive Officer	Persons	-	-	-	-	-	-	205	268
Chief Financial Officer	Persons	-	-	-	-	-	-	31	141
Chief Risk Officer	Persons	-	-	-	-	-	-	144	266
Chief Operating Officer	Persons	-	-	-	-	-	-	618	644
Chief Wholesale Banking Officer	Persons	-	-	-	-	-	-	267	448
Chief Retail Banking Officer	Persons	-	-	-	-	-	-	906	3,704
Chief SME Banking Officer	Persons	-	-	-	-	-	-	180	313
Employee by location									
Thailand	Persons	2,653	6,320	2,501	6,039	2,409	5,957	2,347	5,781
Overseas	Persons	4	3	4	3	4	3	4	3
New employees									
Total new employees	Persons	2,302		2,201		2,785		1,934	
	Persons	516	1,786	555	1,646	688	2,097	533	1,401
New employees by age group									
Under 30 years old	Persons	201	1,008	308	1,111	331	1,489	255	876
30-50 years old	Persons	307	765	246	526	350	597	274	515
Over 50 years old	Persons	8	13	1	1,9	7	11	4	10
New employees by location									
Thailand	Persons	516	1,786	555	1,646	688	2,097	533	1,401
Overseas	Persons	0	0	0	0	0	0	0	0

Human Resources Data	Unit	2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Employee turnover									
Total employee turnover	Persons	2,592		2,634		2,959		2,171	
	Persons	673	1,919	709	1,925	799	2,160	596	1,575
Total employee turnover rate	Percentage	28.86		30.82		35.34		26.69	
Voluntary employee turnover	Persons	2,317		2,310		2,530		1,926	
	Persons	582	1,735	599	1,711	615	1,915	505	1,421
Voluntary employee turnover rate	Percentage	25.80		27.03		30.22		23.68	
Employee turnover by age group									
Under 30 years old	Persons	231	999	243	950	250	1,128	215	804
30-50 years old	Persons	336	830	371	879	422	912	314	697
Over 50 years old	Persons	103	93	95	96	127	120	67	74
Employee turnover by location									
Thailand	Persons	673	1,919	709	1,925	799	2,160	596	1,575
Overseas	Persons	0	0	0	0	0	0	0	0
Employee training									
Average training	Hours per person	32		27		38		35	
	Hours per person	24	35	24	29	26	41	27	38
Top management	Hours per person	38	37	24	28	14	11	15	12
Middle management	Hours per person	35	35	27	33	32	39	31	36
Operating and staff level	Hours per person	22	35	23	29	26	42	27	38
Gender diversity									
Female share of total workforce	%	70.41		70.69		71.18		71.10	
Females in management positions	%	56.98		56.45		57.78		60.36	
Females in junior management positions	%	58.44		57.95		59.71		62.12	
Females in top management positions	%	32.73		35.48		31.15		35.09	
Females in management position in revenue generating functions	%	57.59		56.95		59.42		63.80	

Human Resources Data	Unit	2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Employee engagement									
Actively engaged employees	% of actively engaged employees	50.00		54.00		-		-	
		52.00	50.00	55.00	52.00	-	-	-	-
Actively engaged employee coverage	% of total employees	97.40		98.10		-		-	
Employee engagement	%	82.80		83.80		-		74.00	
		83.00	82.60	83.80	83.60	-	-	-	-
Employee engagement coverage	% of total employees	97.40		98.10		-		36.16	
Health and safety									
Absentee rate	%	0.56		0.54		0.48		0.52	
Fatality	Cases	-		0		0		0	

Remark:

1. The objective of 2019 employee engagement was to understand employees' engagement to the bank in preparation for the merger.

2. Absentee: Absentee rate measures actual absentee lost days, expressed as a percentage of total work days.


3. Fatality: Work-related injury resulted in fatality.

Social Data	Unit	2016		2017		2018		2019	
Cash contribution	Baht	47,572,047		50,996,748		150,342,289		330,265,600	
Charitable donation	Baht	9,984,047		10,466,534		9,484,047		9,185,000	
	% of cash contribution	20.99		20.52		6.31		2.78	
Community investment	Baht	27,500,000		30,300,000		28,500,000		44,200,000	
	% of cash contribution	57.81		59.42		18.96		13.38	
Commercial initiatives	Baht	10,088,000		10,230,214		112,358,242		276,880,600	
	% of cash contribution	21.21		20.06		74.73		83.84	
Employee volunteering during paid working hours	Baht	9,491,923		11,487,241		11,835,706		12,539,179	
	Hours	32,552		37,349		36,420		36,292	
Management overheads	Baht	7,538,704		9,373,884		12,255,102		4,743,271	







GRI Content Index

General disclosures		
Disclosure number	Disclosure title	Page reference/remarks
102-1	Name of the organization	9
102-2	Activities, brands, products, and services	9-10
102-3	Location of headquarters	14, 18
102-4	Location of operations	15, 18
102-5	Ownership and legal form	9
102-6	Markets served	15, 18
102-7	Scale of the organization	15, 17
102-8	Information on employees and other workers	15, 69
102-9	Supply chain	Not reported
102-10	Significant changes to the organization and its supply chain	Not reported
102-11	Precautionary Principle or approach	29-31, 63-64
102-12	External initiatives	22
102-13	Membership of associations	https://www.tmbbank.com/sustainability/governance/contribution-to-associations.html
102-14	Statement from senior decision-maker	7-8
102-16	Values, principles, standards, and norms of behavior	2
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Topic-specific disclosures				
Material topics	Disclosure number	Disclosure title	Page reference/ remarks	SDGs
Customer experience: Ensure that customers' needs and expectations are met through need-based products and services, and to deliver value and improved customer experiences	GRI 103-1	Explanation of the material topic and its boundary	18, 26	  
	GRI 103-2	Management approach and its components	26-27	
	GRI 103-3	Evaluation of the management approach	26-27	
Digital transformation: Transform our business by utilizing digital technologies to offer our customers value-added products and services	GRI 103-1	Explanation of the material topic and its boundary	18, 28	
	GRI 103-2	Management approach and its components	28	
	GRI 103-3	Evaluation of the management approach	29-31	
Data privacy and protection: Protect customer privacy and other confidential information from unauthorized access while ensuring appropriate safeguards are in place to prevent unauthorized disclosure or breach of data	GRI 103-1	Explanation of the material topic and its boundary	18, 32	
	GRI 103-2	Management approach and its components	32-33	
	GRI 103-3	Evaluation of the management approach	32	
	GRI 418	Customer privacy	32-33	
IT system and cybersecurity: Secure the stability of IT systems and platforms, and risks from cyberthreats and cyberattacks	GRI 103-1	Explanation of the material topic and its boundary	18, 66	
	GRI 103-2	Management approach and its components	66-67	
	GRI 103-3	Evaluation of the management approach	66-67	
Corporate governance: Appropriate governance framework in place to ensure accountability, fairness, and transparency of the Bank for long-term interests of stakeholders	GRI 103-1	Explanation of the material topic and its boundary	18, 61-62	
	GRI 103-2	Management approach and its components	61-62	
	GRI 103-3	Evaluation of the management approach	62	
Market conduct: Measures to ensure compliance to laws that govern the Bank to ethically serve customers	GRI 103-1	Explanation of the material topic and its boundary	18, 34	
	GRI 103-2	Management approach and its components	34-35	
	GRI 103-3	Evaluation of the management approach	35, 62	
	GRI 205	Anti-corruption	62	
	GRI 417	Marketing and labeling	62	

Topic-specific disclosures				
Material topics	Disclosure number	Disclosure title	Page reference/ remarks	SDGs
Risk management: Effective risk and crisis management in place for long-term financial planning and organizational flexibility	GRI 103-1	Explanation of the material topic and its boundary	18, 63	
	GRI 103-2	Management approach and its components	63-64	
	GRI 103-3	Evaluation of the management approach	64-65	
Talent attraction and retention: Attract and retain talents through competitive compensations and benefits in order to drive the Bank's business growth in the long-term	GRI 103-1	Explanation of the material topic and its boundary	18, 54-59	   
	GRI 103-2	Management approach and its components	54-59	
	GRI 103-3	Evaluation of the management approach	54-59	
	GRI 401	Employment	54, 59, 69-70	
	GRI 404	Training and education	55-57	
Financial literacy and inclusion: Promote access to financial education, products, and services for customers and the society to enhance their financial security and wealth	GRI 103-1	Explanation of the material topic and its boundary	18, 45, 47	    
	GRI 103-2	Management approach and its components	45-47	
	GRI 103-3	Evaluation of the management approach	45-47	
	GRI 413	Local communities	49-52	
Responsible lending: Responsible lending to clients by taking into consideration environmental, social, and governance risks	GRI 103-1	Explanation of the material topic and its boundary	18, 37	      
	GRI 103-2	Management approach and its components	37-38	
	GRI 103-3	Evaluation of the management approach	37-39	
	GRI 305	Emissions	42	
	G4 FS6	Percentage of the portfolio for business lines	37-39	
	G4 FS8	Monetary value of products and services designed to deliver a specific environmental benefit	42	

Topic-specific disclosures				
Material topics	Disclosure number	Disclosure title	Page reference/ remarks	SDGs
Climate change risk and opportunity: Manage business risks and opportunities associated with climate change including influencing our clients to become aware and manage their climate related risks	GRI 103-1	Explanation of the material topic and its boundary	18, 40	 
	GRI 103-2	Management approach and its components	40-42	
	GRI 103-3	Evaluation of the management approach	40-42	
	GRI 305	Emissions	42	
Our environmental impact: Manage the Bank's own environmental impacts	GRI 103-1	Explanation of the material topic and its boundary	18, 43	 
	GRI 103-2	Management approach and its components	43	
	GRI 103-3	Evaluation of the management approach	43	
	GRI 302	Energy	43, 66	
	GRI 303	Water and effluents	43, 66	
	GRI 305	Emissions	43, 66	
	GRI 306	Effluents and waste	66	



Assurance Statement



EY Corporate Services Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท อีวาย คอร์ปอเรท เซอร์วิส จำกัด
ชั้น 33 อาคารเลกเรจาดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ตู้ ป.ณ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

Independent Limited Assurance Report to the Directors of TMB Bank Public Company Limited

Our Conclusion:

TMB Bank Public Company Limited ("TMB") engaged EY Corporate Services Limited ("EY" or "we") to undertake a 'limited assurance' engagement, hereafter referred to as a 'review', on selected subject matters (the "Subject Matters") included in TMB's 2019 Sustainability Report (the "Sustainability Report") for the year ended 31 December 2019.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matters were not prepared and presented fairly, in all material respects, in accordance with the reporting criteria defined below.

Subject Matters

Our limited assurance engagement covers the following Subject Matters:

Subject Matters	Scope	Report page
<ul style="list-style-type: none"> Energy consumption (MWh) Water consumption (m³) Direct (scope 1) greenhouse gas emissions (tCO₂e) Indirect (scope 2) greenhouse gas emissions (tCO₂e) Business travel (kilometre) 	TMB Head Office only	68
<ul style="list-style-type: none"> New employee hires Absentee rate Employee turnover rate Average training hours 	TMB	69 - 71

Reporting Criteria

In preparing the Subject Matters, TMB applied the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and the criteria disclosed in the Sustainability Report (page 68 and 71).

EY approach to conduct the review

We performed our review in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (the "Standard"). This Standard requires that we plan and perform our review to form the conclusion. The extent of our review depends on our professional judgment and our assessment of the engagement risk.

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures performed depend on our judgment including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Summary of review procedures performed

We designed our procedures in order to state whether anything has come to our attention to suggest that the Subject Matters detailed above have not been reported in accordance with the reporting criteria cited earlier. In order to form our conclusion, we undertook the steps below:



- ▶ Conducted interviews with personnel to understand the business and reporting process
- ▶ Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matters during the reporting period
- ▶ Conducted limited assurance procedures over the Subject Matters, including:
 - ▶ Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the reporting criteria
 - ▶ Undertook analytical review procedures to support the reasonableness of the data
 - ▶ Identified and testing assumptions supporting calculations
 - ▶ Tested, on a sample basis, underlying source information to check the accuracy of the data

Key responsibilities

EY's responsibility and independence

Our responsibility is to form a conclusion on TMB's preparation of the Subject Matters based on our review.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

TMB's responsibility

TMB's management is responsible for the collection, preparation, presentation and implementation of the Subject Matters in accordance with the Reporting Criteria; and for implementing appropriate risk management, internal controls and maintaining of records in respect of the Subject Matters so that it is free from material misstatement, whether due to fraud or error; and making estimates that are reasonable.

Limitation

Inherent limitation exists in all assurance engagements due to the selective testing of the information being examined. And it is possible that fraud, errors or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

Other Matters

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the Sustainability Report.

The maintenance and integrity of TMB's website is the responsibility of TMB's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the selected Subject Matters and related disclosures, the Sustainability Report or to our independent limited assurance report that may have occurred since the initial date of presentation on the TMB's website.

Use of our Assurance Report

This Report has been prepared in accordance with our engagement terms agreed with TMB, and solely for the Directors of TMB for the purpose of reporting the Subject Matters in the Sustainability Report. To the fullest extent permitted by law, we do not accept or assume any responsibility for any reliance on this assurance report to any persons other than the Directors of TMB, or for any purpose other than that for which it was prepared.

Wilaiporn Ittiwiroon
Partner
EY Corporate Services Limited

Bangkok, Thailand
31 March 2020

A member firm of Ernst & Young Global Limited

TMB Bank Public Company Limited

3000 Phahon Yothin Road, Chom Phon, Chatuchak, Bangkok 10900

Reg No./TAX ID No. 0107537000017

Tel. 0-2299-1111, [TMBbank.com](https://www.tmbbank.com)