

Sustainability Report 2020

TMB Bank Public Company Limited

TMB

For Your Better **Financial Well-being**





Make **REAL** Change

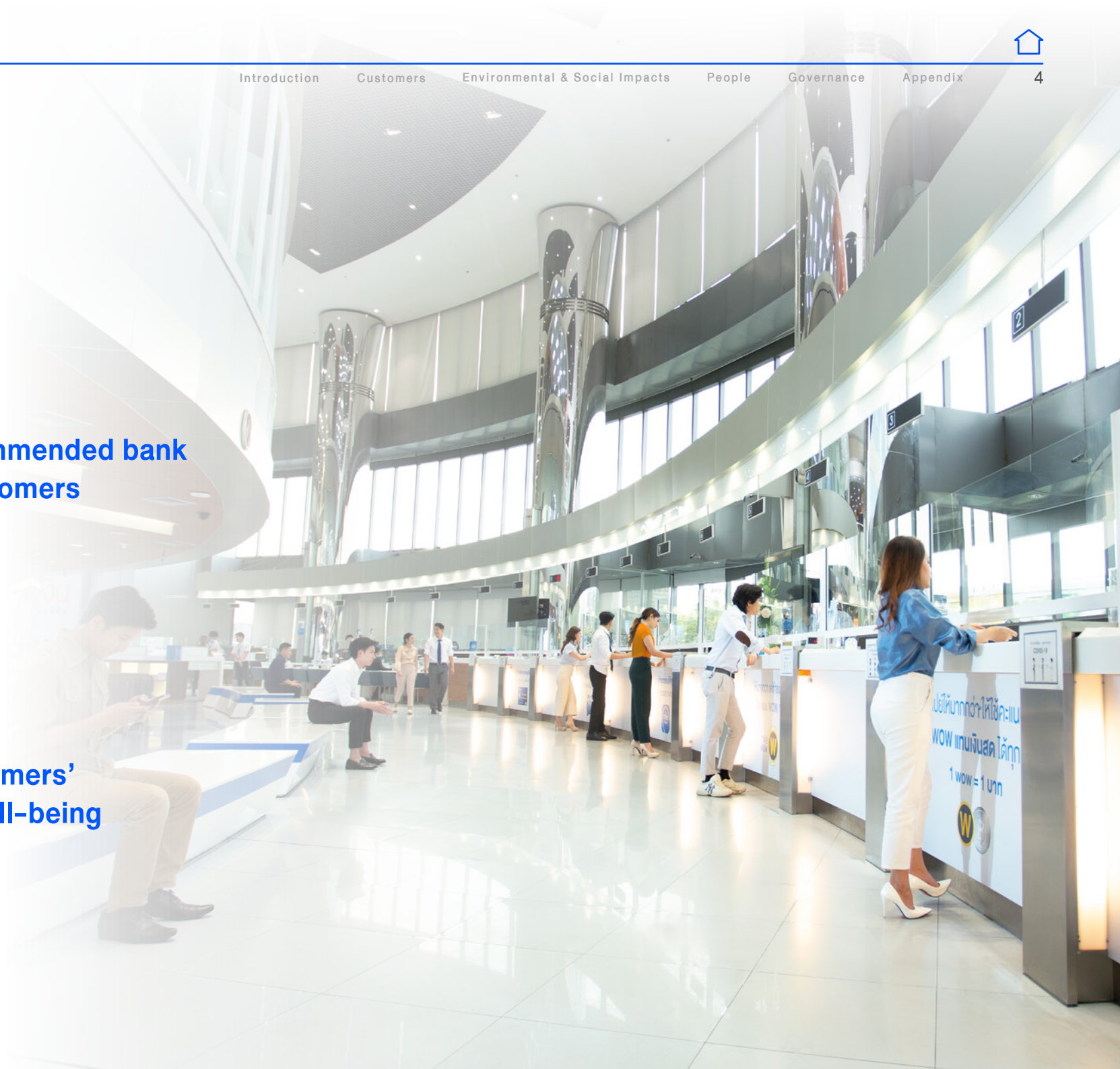
เปลี่ยน...เพื่อให้ชีวิตคุณดีขึ้น

Vision

To become the recommended bank of choice by our customers

Mission

To improve our customers' life-long financial well-being





Make
REAL
Change

เปลี่ยน...เพื่อชีวิตคุณดีขึ้น

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MESSAGE FROM OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER

After successful financial closing of the TMB–Thanachart merger transaction last year, the year 2020 saw initial realization of synergies and the integration proceeding as planned, despite the COVID–19 pandemic and all the limitations it brought. The pandemic had a devastating impact on livelihoods, crippled the global economy, and spread unlike anything we have seen in recent history. During this time, we strived to ensure business continuity and support our customers who have been affected by the pandemic as well as the economy at large. In parallel, we went through internal realignment of the two banks’ operating models, as part of our integration exercise, to ensure the two banks are ready to operate as one legal entity by mid–2021. Equally important, we tried our best to live up to our social responsibility through various safety measures to protect our customers and employees from COVID–19 virus and to prevent further spread of the pandemic.

It has been a time of significant change for us, during which we have combined two mid–sized banks to become the sixth largest bank in Thailand by asset size. The merger between TMB and Thanachart allowed us to leapfrog our competitors by strengthening our business model to become more sustainable and competitive. We achieved this during

a time of fast–changing technological disruption and a pandemic crisis by harnessing our complementary strengths and economies of scale. Doubling in size and resources make us better equipped to “Make REAL Change” to a newly expanded customer base of 10 million through a comprehensive suite of products and services, an increased number of touchpoints of the combined network, and a larger investment pool that will help us drive innovative digital solutions to address unmet customers’ needs. Ultimately, this reconfirms our belief that the merger was critical in ensuring a sustainable and defensible business model in the long run.

In 2020, integration was of utmost importance for the merged bank. Despite the COVID–19 crisis, the integration has remained a priority, with the Board of Directors, management and employees all working together diligently to ensure that it is progressing according to plan in preparation for the Entire Business Transfer in July 2021. In line with our integration plan, we have accelerated the realization of synergies in a number of ways – from pursuing balance sheet optimization, capitalizing on economies of scale to achieve higher cost efficiency, and enhancing digital capabilities while rationalizing the overlapping branch networks.



During the COVID-19 crisis, we, as a bank, also have a responsibility to help our customers overcome the financial difficulties they face. At the onset of the pandemics, our immediate attention was directed to supporting customers by providing debt relief programs consisting of two phases. Both phases were comprised of measures designed to alleviate financial hardship in the form of repayment deferrals of both principal and/or interest payments, the reduction of interest, extension of installment periods, and soft loan facilities. Our programs have helped more than 750,000 customers across all segments, which is equivalent to approximately 40% of our total lending portfolio. By the end of 2020, most of our customers had resumed normal payments and exited the program, leaving only 15% remaining in the program.

The pandemic has only confirmed our belief that the financial journey of all our customers should be transformed for the better. Our mission for the merged bank is to improve customer's financial well-being, to allow them to comfortably meet their current commitments and to have financial resilience for the future. To deliver on this commitment, we have defined four foundational pillars for financial well-being – mindful spending and maximized savings, healthy borrowing, investing for the future, and sufficient protection. Internally, these pillars underpin the way we work and are embedded in how we design new products and services. Externally, they represent a long-term journey for us to uplift financial literacy among millions of Thai consumers, equip them with appropriate uses of financial tools and ultimately transform their mindsets and behaviors towards prudent financial management.

As lending is an important part of the business, it is our responsibility to assess the ramifications of unsustainable activities that are linked to

environmental and social risks and will, over time, threaten socioeconomic and financial systems. Our Environmental and Social Responsibility Policy has been updated to strengthen and establish a clear objective and more stringent guidelines for indirect environmental and social risk assessments and impacts from our banking activities. Key elements of this updated policy include five sector specific guidelines (Defense/ weapons, Alcoholic beverages, Tobacco, Natural resources/energy/ chemicals, and Radioactive materials,) and an exclusion list of 27 business activities that pose high risk to the environment and society. The bank has also committed to no longer financing coal-fired power plants due to climate change.

Moreover, we continue to offer customers of all segment sustainable financial solutions to meet customers' needs where we integrate environmental, social and governance factors in our product and services. We also proactively engage with clients to support them in reducing negative impacts and improving their businesses to become more sustainable. This builds long-term partnerships and creates win-win solutions that benefit customers, the environment and society without compromising the bank's bottom line. For instance, TMB ALL FREE offers free protection including basic accidents and life insurance with just a minimum saving of 5,000 Baht. This product addresses a gap in the society where 9 out of 10 Thais do not have protection, a necessity for life stability. Another product is TMB Smart Port, a full-service investment portfolio management. A service which was previously exclusive only to private banking customers, is now available for mainstream customers. The primary objective is to promote smart investment and financial inclusion. Moreover, SME loans with positive social impacts – valued at over 319 million Baht, compared to a target

of 220 million Baht – have been approved to allow doctors to either establish or upgrade 126 medical clinics in 47 Provinces across Thailand. This has allowed people in remote areas to have access to medical services. The bank also expanded green financing by providing 1.5 billion Baht of long-term project financing to a renewable electricity firm. The deal represents one of our key transactions in renewable energy and one of the largest C&I deals in the ASEAN region in 2020.

Through a continuous effort, our overall sustainability performance based on both national and global benchmarking has continued to improve. The bank has retained first place in the Fair Finance Thailand ranking for two consecutive years, a proof that we are leading Thai financial institutions towards sustainable banking, while we have been selected to be in SET's Thailand Sustainability Investment (THSI) for three consecutive years.

Lastly, we are extremely proud of our employees, who have shown the utmost dedication, risen up to support our customers and the broader community amid the pandemic. While it has been a challenging and arduous year, we all demonstrated perseverance and unity. As we go forward on this path of sustainable banking and become the recommended bank of choice, it is imperative for us to always strive to deliver the best-deal personalized solutions relevant to customers' life stage or event to uplift the customers' financial well-being and ultimately become their trusted advisor. Above all, we are committed to making REAL Changes and continuing to do better by all our stakeholders to truly create long-term value for a sustainable future.



ABOUT TMB

Founded in 1957, TMB Bank Public Company Limited (TMB) initially had limited scope as a bank exclusively serving military units and their personnel. Since then, it has expanded its financial services, becoming a commercial bank in 1973 and being listed on the Stock Exchange of Thailand in 1983. TMB has also been through several mergers, including with DBS Thai Danu Bank and the Industrial Finance Corporation of Thailand in 2004, ING Bank N.V. in 2007, and Thanachart Bank in 2019. The recent merger has made TMB the sixth largest commercial bank in Thailand by asset size. Today, we provide a full range of banking services and platforms to our retail and commercial customers.

Our Products and Services

TMB's financial products and services include deposits, loans, investment products and bancassurance. As a customer-centric organization, understanding customers' needs is a key factor in our success. TMB business is organized into two key customer segments: commercial banking and retail banking.



Commercial Banking Group

Deposit	<ul style="list-style-type: none"> • Business accounts (TMB One Bank)
Loan	<ul style="list-style-type: none"> • Working capital • Supply chain solutions • Letter of guarantee • Special funding program for SME (TMB SME Smart Biz)
Payment and collection	<ul style="list-style-type: none"> • Payment service • Collection service • Liquidity management
International trade	<ul style="list-style-type: none"> • International trade finance service • Capital market risk management
Insurance	<ul style="list-style-type: none"> • Bancassurance & Business Protection
Others	<ul style="list-style-type: none"> • Corporate card • Agency service • Investment banking



Retail Banking Group

Deposit	<ul style="list-style-type: none"> • Transactional account (All Free) • Savings account (No Fixed)
Loan	<ul style="list-style-type: none"> • Personal loan • Home loan • Auto loan • Credit card loan
Mutual fund	<ul style="list-style-type: none"> • TMB Open Architecture
Insurance	<ul style="list-style-type: none"> • Savings towards future securities • Life and health protection • Properties protection
Wealth banking	<ul style="list-style-type: none"> • Wealth banking • Superior banking

TMB Open Architecture

TMB is the first Thai bank to offer an open architecture platform to all customers. The bank has set a long-term strategy to use this open-architecture platform to offer a wide variety of mutual fund products that match various client needs and risk-return profiles. In 2020, TMB had 11 strong partnerships with leading asset management companies, both domestic and international, including TMB Asset Management Co., Ltd., UOB Asset Management (Thailand) Co., Ltd., Aberdeen Asset Management Co., Ltd., CIMB-Principal Co., Ltd., Manulife Asset Management Co., Ltd., TISCO Asset Management Co., Ltd., One Asset Management Co., Ltd., Kasikorn Asset Management Co., Ltd., Krungsri Asset Management Co., Ltd., Krung Thai Asset Management Co., Ltd., and Thanachart Asset Management Co., Ltd. These enable TMB to offer a broad range of products and asset classes that suit the different risk profiles of our customers.

TMB recently entered into a strategic bancassurance partnership with Prudential Life Assurance (Thailand) Public Company Limited (“Prudential Thailand”), a subsidiary of Prudential plc, for an initial term of 15 years. Taking effect from Jan 1, 2021, the partnership will provide Prudential’s leading health and wealth solutions to the entire network of the merged entity under TMB. The remaining term of the bancassurance contract with FWD Life Insurance, the bank’s previous bancassurance partner, will be entirely transferred to Prudential Thailand on 31 December 2020. FWD will continue to honor its obligations and to service customers who have bought FWD insurance policies through TMB for the remainder of their policy terms.

For the non-life insurance sector, 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.












STRATEGY AND BUSINESS

Strategic Intent

The bank has formulated seven strategic intents that will drive TMB to achieve targets in line with the bank's vision and strategy over the next five years.

 <p>1</p> <p>Customer Centricity</p>	<p>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. TMB will continue to support our customers in need of help from the impact of the COVID-19.</p>	 <p>4</p> <p>Continue Leading in Auto Loan and Lending Products</p>	<p>After the merger, the Bank has leveraged the strength of TBANK's auto loan which equipped with available personnel, car dealer network, and brand's strength to further expand the business and to cater customer's needs. For example, the offering of TBANK's auto loans to TMB's customers. With comprehensive financial product offerings and services, it enhances the Bank's ability to cope with the change in market environment and competition, and to maintain its leadership position in auto lending.</p>
 <p>2</p> <p>Build Deposit and Transactional Banking Products Excellence</p>	<p>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 becoming main bank of customers.</p>	 <p>5</p> <p>Optimize Capital Utilization and Liquidity Management</p>	<p>TMB is strongly committed to delivering the level of profit expected by investors and has set the target to earn same level of ROE with top bank performers within the next 3-5 years. To achieve this, the Bank continues to put our focus on selectively growing balance sheet to generate incremental return.</p>
 <p>3</p> <p>Build Sustainable and Recurring Non-Interest Income</p>	<p>TMB continued to emphasis 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 product to be available on the Bank's shelf. This is to ensure the best offering which cater to variety needs of our customers.</p>	 <p>6</p> <p>Enhance Digital Capability and Solutions</p>	<p>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 developing staff's competencies, corporate culture in alignment to the digital era and digitalizing business processes to speed up product development cycle and enhance better customer experience.</p>
		 <p>7</p> <p>Capture Synergy Realization</p>	<p>After the merger, the Bank has realized benefits from Balance sheet synergy, investment & cost synergy and Revenue synergy. The integration plan has been progressing and is on track for smooth business transition at EBT in July 2021.</p>



SUSTAINABILITY AT TMB

We strive to integrate sustainability into our business and to ensure that our strategic objectives do not only fulfil short-term goals, but also contribute to long-term sustainable growth. Overseeing sustainability management and its effectiveness across the organization is the Nomination, Remuneration and Corporate Governance Committee and Chief Executive Committee. At the working level, the Sustainability Department works with relevant functions to raise sustainable practices above standards and improve awareness among bank staff across four key areas: business sustainability, environmental sustainability, social sustainability, and corporate governance and business ethics.



In 2020, TMB incorporated sustainability-related key performance indicators (KPIs) into corporate KPIs to drive our business towards sustainable growth.

Sustainability KPIs

2020 Key Performance Indicator	2020 Target	2020 Performance
Good corporate governance and effectiveness of the Board	≥ 93.0% of corporate governance report score	92.0% of corporate governance report score
Approval of customers' requests for the debt relief program who are impacted by COVID-19	≥ 90.0%	98.5%
Data breach cases with customer impacts	0 case	0 case
Customer experience index for complaint handling	80.0% for retail and commercial customers	Retail 74.9%, Commercial 80.5%
Regrettable loss	< 10.0%	7.9%
Positions filled by internal redeployment	> 90.0%	90.7%
Amount of SE loans with positive environmental and social impacts	200 million Baht	319 million Baht
Green loan setup	750 million Baht	2,540 million Baht
Energy and water intensity reduction	5.0% reduction from 2019	Energy intensity reduction by 30.5% and water intensity reduction by 29.7% from 2019*

Remark:

* The significant decrease in resources consumption was mainly due to the work-from-home policy introduced in response to COVID-19

Sustainability Ratings

Sustainability Ratings	2019	2020
S&P Corporate Sustainability Assessment (S&P CSA) (score)	62	-
MSCI ESG Ratings	BBB	A
Fair Finance Thailand (ranking)	1 st	1 st
FTSE4Good Index	Inclusion	Inclusion
Thailand Sustainability Investment (THSI)	Inclusion	Inclusion
ESG100 by Thaipat Institute	Inclusion	Inclusion



Point of Contact

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Reporting Platforms

Website www.tmbbank.com/sustainability

Annual Report 2020



TMB Creates Sustainable Value Throughout Our Value Chain

8,838

total employees



733

domestic branches, **114** of which are co-location branches

> 4,372

TMB and Thanachart Bank's ATM/ADM kiosks across the country



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

Total operating income

68,791

million Baht

Net profit

10,112

million Baht

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

NPS Score of **61**

Customer experience index for complaint handling **74.9%**

and **80.5%** for retail and commercial customers respectively

10

million customers

107,406

shareholders
As of July 2020

Dividend **0.045** Baht per share

ROE **5.1%**

EPS **0.1049** Baht

30

communities and over

27,000

people
benefited from FAI-FAH
community projects nationwide

TMB Value Creation

Input >

Financial Capital

All financial assets including assets, deposits and equity.

Manufactured Capital

External resources such as suppliers and contractors are required for business operations; and product and service development.

Human and Intellectual Capital

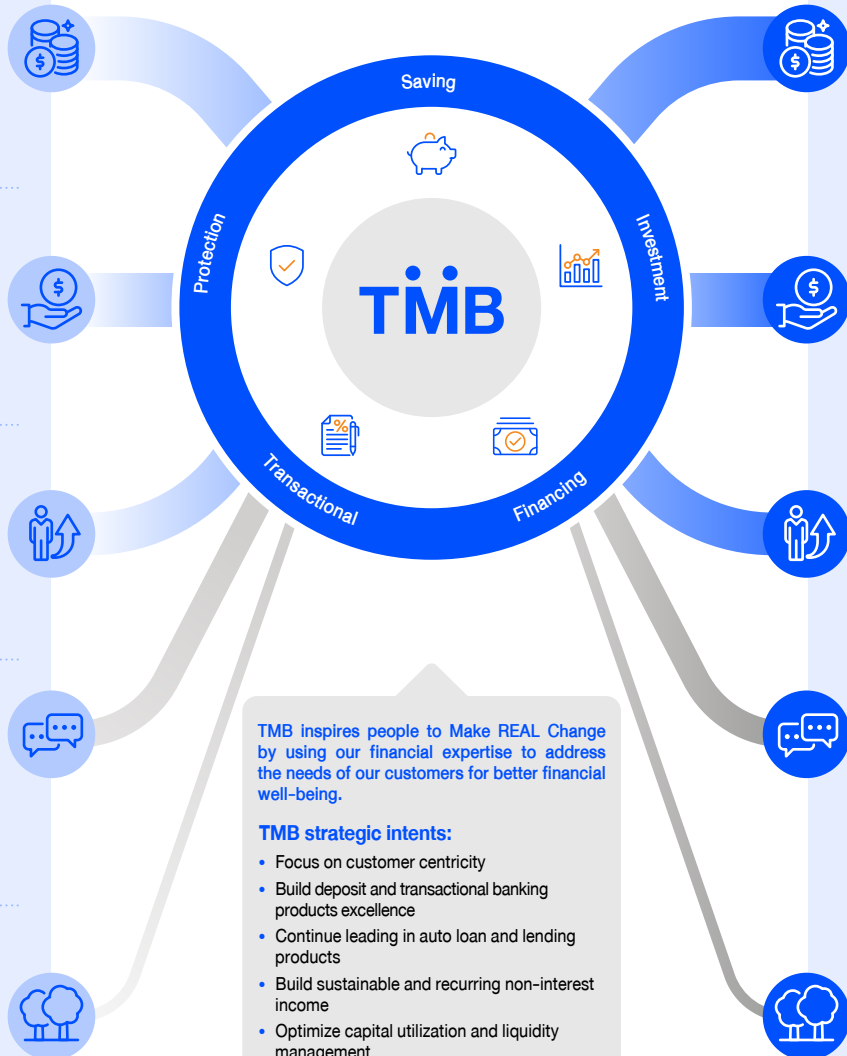
Time, skills and knowledge of our workforce; systems; technology; and innovation which contribute to business operations.

Social and Relationship Capital

Engagement and relationship building with stakeholders including customers, employees, investors, shareholders, regulators, and society.

Natural Capital

The consumption of natural resources by business activities, i.e., energy consumption and water withdrawal.



> Output

Financial Capital

- 68,791 million Baht of operating income
- 10,112 million Baht of net profit
- Return on equity: 5.1%

Manufactured Capital

- 98.0% of transfer service via TOUCH
- 25.0% increase in TOUCH active users compared to 2019
- 99.9% uptime of systems for key customer touchpoint applications
- Zero data breach cases with customer impacts

Human and Intellectual Capital

- 8,576 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 Business ONE, Payroll Plus, Cash Your Car, etc.

Social and Relationship Capital

- The Bank's NPS score: 61
- 2,573 volunteers for 23,224 hours
- Community investment of 31 million Baht

Natural Capital

- GHG Scope 1 emissions: 1,177 tonnes of carbon dioxide equivalent
- GHG Scope 2 emissions: 15,409 tonnes of carbon dioxide equivalent
- GHG Scope 3 emissions from business travel: 266 tonnes of carbon dioxide equivalent

> Value to Stakeholders

As a financial institution, TMB creates financial value for both investors and employees through dividends and compensation while playing a significant role in stimulating 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 experience faster, more convenient, easily accessible, and inclusive service.

TMB provides training and career development programs for employees with the aim of promoting 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.

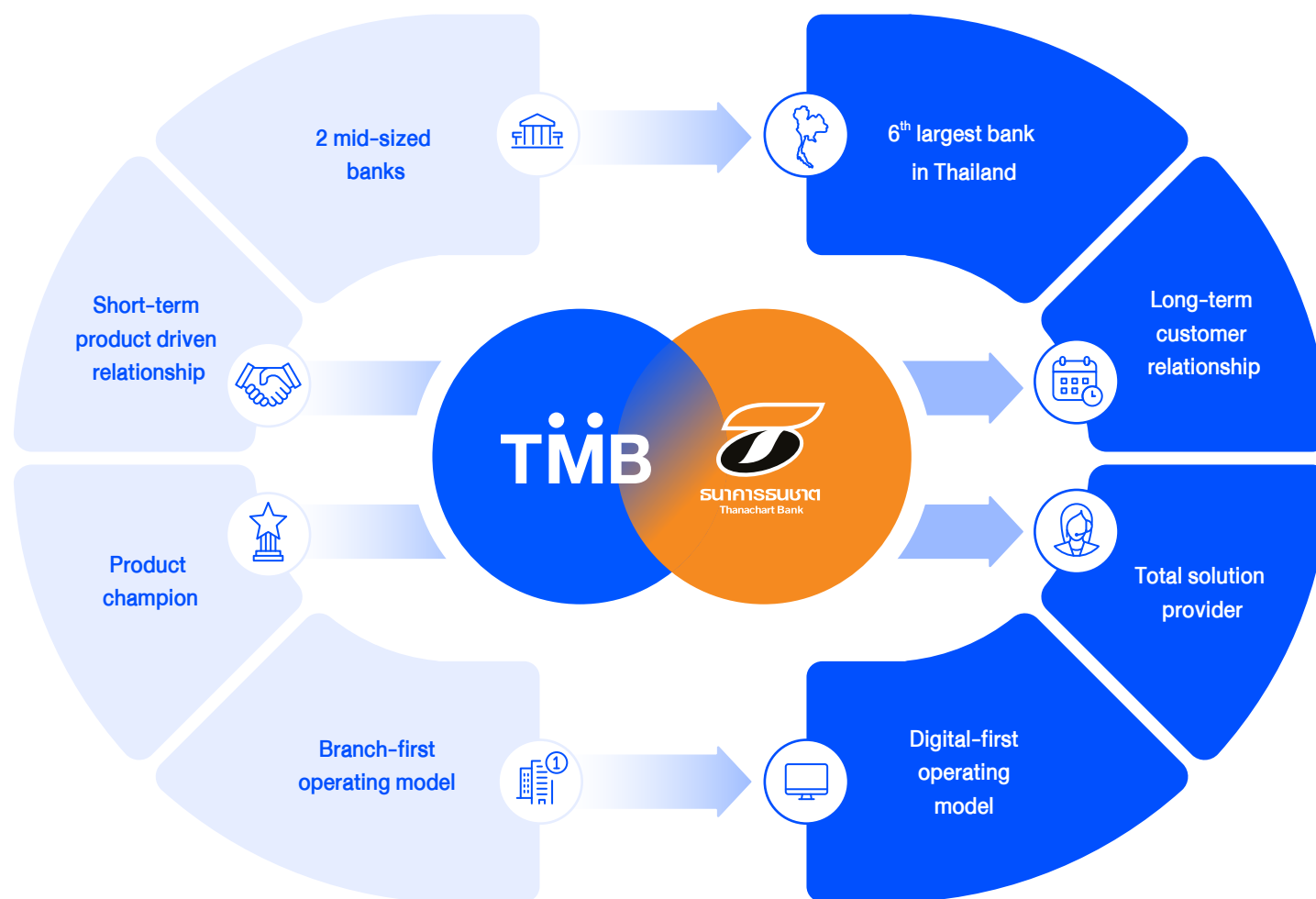
The bank engages with all stakeholders on a regular basis. Stakeholders' perspectives are taken into account and their concerns addressed appropriately. We believe that having a robust relationship with our stakeholders will enable us to operate responsibly and deliver innovative need-based products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

INTEGRATION

TMB and TBANK are committed to synergizing our banking so that our customers have access to personalized solutions suitable for any stage or event in their lives, while enjoying a better customer experience through digital banking and higher branch coverage. The integrated organization will epitomize a new definition of banking and lead the Thai banking industry by enabling customers to have better financial well-being. In 2020, the integration proceeded as planned, and by July 2021 the Entire Business Transfer (EBT) is expected to be completed.

Through the integration, the merged bank is expected to transform itself to leap the full benefit of scale and enlarged quality customer base enabled by the merger. The merger strengthened our position in the industry from 2 mid-sized banks to become 6th largest bank by asset size with a comprehensive suite of products. With complimentary positioning of TMB and Thanachart Bank, our retail banking is significantly enhanced to 4th largest bank with the market share of 15%, where our key products remain in strong positions; 28% of share in auto loan, 18% of share in deposit, and 12% of share in mortgage. Building on our strengths, we focus on capturing customer relationship, driving digital solutions, and tapping into underpenetrated customers.





> ONE DREAM ONE TEAM ONE GOAL

For successful execution of the integration, it was critical to set strategic directions and align them across both banks. Since January, a new set of c-suite executives and a governing board of directors for the merged bank have been established. Soon after, the top management conducted a process of management on the ground, travelled across the country to communicate directly to both TMB and TBANK employees on the merged bank's strategic directions, mission, values and culture. They shared 'One Dream', an aspiration to deliver better financial well-being to Thai people through a strong 'One Team', as well as a target, 'One Goal, of becoming the recommended bank of choice by our customer. These sessions were successfully completed just before the COVID-19 outbreak occurred.

Employee well-being is a key element of the integration plan because employees – the driving force of the business – are the most valuable asset of both banks.

As the bank is committed to treating every employee equally, all HR policies, such as compensation, benefits and recruitment, have been aligned in preparation for employee transfer, to ensure the fair treatment and selection of both banks' employees for the new bank. Shortly after the introduction of the c-suite, a new organizational structure for the merged bank was defined where all positions were identified and vacancies forecast. Then came a selection process where the bank fairly and effectively evaluated all employees for new positions and matched the right skills and competencies to each position with equitable pay, thereby increasing the potential for the new bank. This process successfully organized all employees within the new structure of the merged bank. Throughout the year, employee transfers have been conducted phase by phase, starting with senior management and key positions. As of 2020, 1,840 employees have been transferred to the merged bank.





Customer onboarding is undoubtedly of paramount importance for the integration, as we want to ensure the smoothest possible transition of customers to the merged bank with the goal of retaining all our customers. Through the integration plan, we have been accelerating synergy value through digital capabilities, serving and aiding the transition of the newly expanded customer base of 10 million to the new bank.

Since the beginning of the year, the co-location of branches jointly operated by TMB and TBANK has officially been launched to serve customers of both banks, serving customers in transition and facilitating the bank merger. As of 2020, there were 114 co-locations nationwide. By year's end, products and services of both banks were available for customers in all co-location branches, offering a comprehensive suite of products and services to address every need and stage of life.



Moreover, both bank's digital platforms have been connected seamlessly, providing more accessibility and convenience for customers. Using the TMB TOUCH and ATMs of both banks, customers can now access the card-less withdrawal functions and make bill payments for the following TBANK products: auto loans, car insurance, home loans, personal loans, credit cards, and debit cards. Our customers can access both TMB and TBANK's 4,372 ATM/ADM kiosks across the country to deposit, withdraw or transfer money with no fees charged. Other changes including, but not limited to, Thanachart Funds are now available and can be purchased on TMB TOUCH, while small enterprises can complete loan bookings on TMB TOUCH.



CUSTOMERS

Customers are at the heart of our business at TMB. Great customer experience through the Bank's philosophy of 'Get MORE with TMB' is embedded in all development of new products and services.



RESPONDING TO COVID-19

As the COVID-19 pandemic has had an unprecedented impact on all of us, TMB Bank has primarily focused on the well-being of our customers, employees and broader communities by providing support wherever possible.

Customers

As banking is an essential service, our employees have worked tirelessly to support customers throughout the pandemic. The bank introduced debt relief programs to support customers of all segments through various measures in response to Bank of Thailand and government policies. Our support during COVID-19 consisted of two phases, both comprising measures designed to alleviate financial hardship in the form of repayment deferral of both principal and interest payments, reduction of interest, extension of installment periods, and soft loan facilities. In the first phase, the bank established a debt moratorium for both retail and commercial customers. For retail customers, we suspended both principal and interest payments for three months, reduced minimum payments, and extended the installment period up to 60 months. For commercial clients, we deferred both principal and interest payments by up to six months and provided soft loans to support liquidity for business continuity to reduce the impact of unemployment.

In the second phase, the bank extended a debt moratorium and launched additional measures to continuously support affected customers. For retail customers, we offered additional measures such as a 6-month grace period for principal payment (only interest payable), a reduction of installments by extending tenures, a lowering of monthly installments to 50% for 6 months, and the provision of debt advisory services. Additionally, portfolio management fees for TMB Smart Port and front-end fees for all funds under management of TMBAM and TFUND were waived. For commercial clients, we offered debt restructuring programs tailored to different needs and profiles, such as risk level and payment ability, new loans to support liquidity problems, and business advisory services such as financial discipline, non-core asset diversion, and M&A. By the end of 2020, approximately 15% of the total loan portfolio was under the relief program, a significant drop

from approximately 40% in June 2020, while both the retail and commercial segments experienced significant reductions to 9%, from 45% in June, and to 25%, from 38% in June, respectively. Although the majority of our customers resuming their normal payments after the debt relief programs had ended was a positive sign, we continued to support customers through our debt restructuring in order to provide suitable financial relief tailored to individual circumstances.

98%



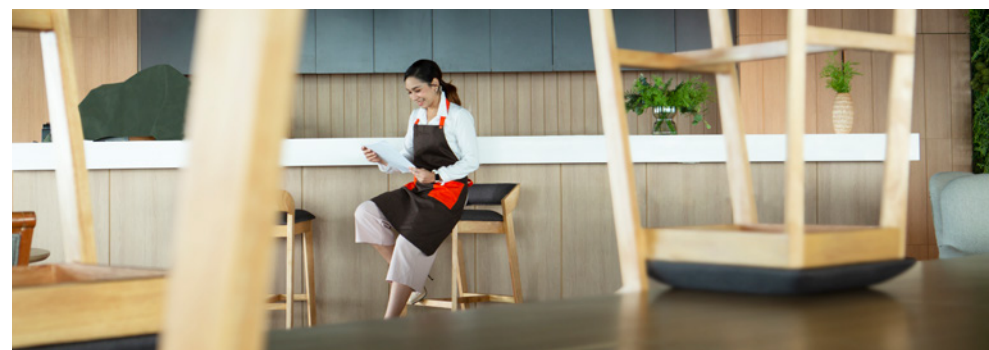
approval of customers' requests for debt relief

More than

750,000



customers utilized the debt relief program



Employees

Our priority through the crisis has been to protect our employees while remaining open for business in order to support customers, communities and the economy. We introduced several measures to protect the health and well-being of our employees. Where possible, we implemented remote working. We also split locations to reduce workplace density, lessening the risk of spreading the virus while maintaining business continuity. We provided online tools, working protocols and guidelines, as well as regular weekly updates on COVID-19 from the top management, to ensure a smooth and effective transition during this unforeseen business disruption. During lockdown, we rolled out FUN FUN MONDAY – a mental well-being initiative with weekly activities – to build a stronger sense of community, support employees working from home and keep them engaged during this difficult time. Due to the uncertainty and severity of COVID-19, the bank also extended health insurance for the virus to employees and their immediate families, providing them with extra protection and peace of mind

and reducing fear and anxiety. Furthermore, we stepped up the cleaning and disinfection of all locations, set up thermal scans for screening at office buildings and temperature checks at branches, installed protective screens at counters, supplied alcohol sanitizers and provided masks for all employees. During lockdown, transportation was also provided to branch employees to avoid the use of public transportation for their work commute.

During the rapidly changing situation, some business units experienced a surge in workload that exceeded their capacity. In response, we adjusted our operating plans and reallocated employees to support and facilitate customer demand in a timely manner. As a result, a number of employees with more flexibility were diverted to support high demand functions, especially the contact center. Due to a spike in customer demand for assistance via online channels, we had to quickly train and temporary relocate 110 employees to support contact center addressing their needs.

Communities

In addition, the bank has launched several initiatives and campaigns during the COVID-19 crisis to help communities through its FAI-FAH and PunBoon Platform. At the peak of the pandemic, the 'Volunteer from Home' campaign was launched to provide DIY face shields to frontline medical workers. The campaign enlisted volunteers, both employees and members of the public, to make face shields, resulting in a total of 8,000 pieces being successfully delivered to frontline workers in eight targeted hospitals. The bank also raised funds, donated by employees and the public, to support Pranangklae Hospital's installation of a Modular Screening Unit, worth two million Baht. To support affected communities, a FAI-FAH Sharing Center was launched with the goal of helping more than 1,500 unprivileged children gain access to free learning tools, so they could utilize their time at home more productively. Furthermore, the Punboon Fight COVID-19 campaign, leveraged under our PunBoon Platform, helped more than 10 foundations and hospitals by raising funds totaling 20 million Baht.



8,000 

DIY face shields delivered to 8 targeted hospitals

2 million Baht
raised for installation
of a Modular Screening
Unit at Pranangklae
Hospital campaign

20 million Baht
in donations raised by
the Punboon Fight
COVID-19 campaign

FINANCIAL WELL-BEING

Hitting the highest level for 17 years, and expected to rise further, household debt has become a national crisis. Due to this alarming trend, TMB Bank set out a new mission in 2020 to redefine Thailand's financial landscape and to create financial well-being for Thai people. We believe better day-to-day financial health is fundamental to achieving life's goals. The unprecedented COVID-19 crisis has only confirmed our belief that customers' financial journey needs to be transformed so that they can comfortably meet their current commitments and enjoy financial resilience for the future. Recognizing the importance of our role and the responsibility we have to our customers, we saw a need to change the way we serve them. Instead of adopting the traditional role of a financial facilitator, we aim to become a trusted advisor by building a long-term relationship and focusing on creating value for customers through the provision of life-long financial solutions that improve their financial well-being. In a shift from a product-led approach to a solution-led approach, we now focus on providing personalized financial solutions, catering to different needs at every moment and stage of life. To deliver on this commitment, the bank defines financial well-being using four fundamental pillars.

To help customers reach financial well-being, these four pillars underpin the way we work and are embedded into our product and service development and management. Differentiating us from other banks is our focus on quality products and holistic solutions for customers, rather than quantity, so that we can truly benefit them by uplifting their financial well-being. Hence, we continue to innovate new products and services and improve existing ones to incentivize better financial behaviors such as spending management, long-term saving habits, loan repayment discipline, risk-based long-term investments, and securing protections. Moreover, our products are designed to complement each other so that they can be tailored to personalized financial solutions addressing the needs of sub-segments through all stages of life.



Mindful Spending & Maximizing Savings

Mindful spending consists of lifestyle-based money management, creating awareness of how spending supports life goals and needs. Being disciplined about saving creates a financial foundation and security that provides a safety net in case of future emergencies.



Investing for the Future

Smart investing with appropriate asset allocation using risk profiles is the crucial next step for managing savings in preparation for the future and life-long stability.



Healthy Borrowing

Borrowing only when necessary using the appropriate loans and suitable tools ensures a right balance between today's needs and future liabilities. The ability to pay back in full and on time to avoid additional interest is crucial.



Sufficient Protection

Having appropriate protection ensures financial stability and enables the mitigation of loss for you and your family.

TMB ALL FREE

Since its launch in 2014, the TMB ALL FREE, a transactional account, has been continuously improved to add value and address customers' needs, allowing more freedom in terms of financial management, reducing costs and providing necessary protections. Since 2017, customers have been able to withdraw, transfer, pay bills and top-up nationwide using every banks' ATMs. These services are free of charge for an unlimited number of transactions. Recently, the bank also removed the 2.5% currency exchange fee when using the card overseas, and introduced free insurance for online shopping. Moreover, customers with a minimum saving of 5,000 Baht are also eligible for free basic accident and life insurance protection – no fees or registration are required. Accident insurance is covered up to 3,000 Baht per accident while life insurance coverage is 20 times the deposit, up to a value of 3 million Baht. In 2020, we upgraded our accident insurance to allow for an unlimited number of accidents claims without having to pay the medical expenses upfront. Lastly, we launched the TMB ALL FREE Digital, which offers the same benefits as TMB ALL FREE, but charges zero fees. This Digital account is designed to fulfil the lifestyles of new generations while simultaneously helping them make the first important step towards financial well-being.

Cash Your Car

The toll of both rising household debt and the economic impact of the pandemic will be long-lasting. In an effort to intervene before the long-term effects can further damage the financial situation of the Thai people, the Bank launched Cash Your Car (CYC): the debt consolidation program to combine debts accumulated from credit cards, cars and personal loans into a single low-interest rate loan that uses the customer's car as collateral. This program addresses the struggles faced by customers with multiple high-interest rate debts to manage, especially those who have suffered a loss of income but still have the same amount of debt to repay. The goal of this program is to simplify repayments for customers by consolidating all debts with the bank, as well as from other banks, into one account that they can keep track of. There is only one annual fee to pay, and one fixed repayment date to worry about. Offering a fixed end-date for the loan which customers can work towards, CYC empowers them to better budget their finances and work towards a more sensible – and shorter – payback plan.



Payroll Plus

Since its launch in 2019, TMB Payroll Plus – an all-in-one digital platform – continues to support SME and corporate customers by effectively managing employees' salary payments and offering all-in-one employee care (provident fund, group insurance and human resource management program). In October 2020, we launched a pilot program of Payroll Plus, a newly-improved version that focuses on supporting the employees of SME owners so they can achieve greater financial well-being.

This pilot program was designed to incentivize better financial behavior and habits across four key areas: tax deductions, investment trials and discipline, healthy borrowing, and sufficient protection for the individual and family. This pilot program covered 22 companies, reaching more than 20,000 employees. Due to the success of the program, we aim to scale it up with a view to covering all payroll customers by 2021.

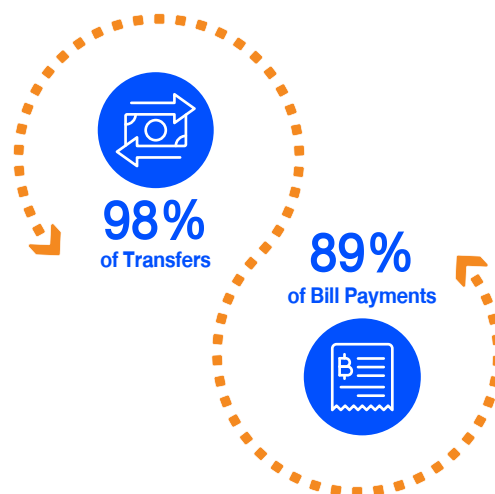


DIGITALIZATION

Never before has the banking industry been faced with so many competitive challenges from disruptive forces. Continuing the same conventional practices will put us and the rest of the industry on an unsustainable path. While the shift is fundamental, we already have most of the building blocks in place to put customer's financial well-being at the heart of a new strategy. Technological advancements have been the engine of banking sector transformation and have turbocharged access to digital financial services. The COVID-19 pandemic, meanwhile, has brought a heightened awareness of the critical importance of ensuring our digital services are accessible, useful and usable by all.

In addition to using digital capabilities to accelerate synergies for the merged bank (see Integration chapter), the bank has rolled out a "Digital First" operating model to drive digital adoption while pursuing continuous improvements of the omni-channel customer journey and experience.

The Proportion of Retail Services Completed over TMB TOUCH:



25%

increase in TMB TOUCH active users



39%

of customers opened
TMB Smart Port
via TMB TOUCH



66%

of customers opened
individual mutual fund
via TMB TOUCH

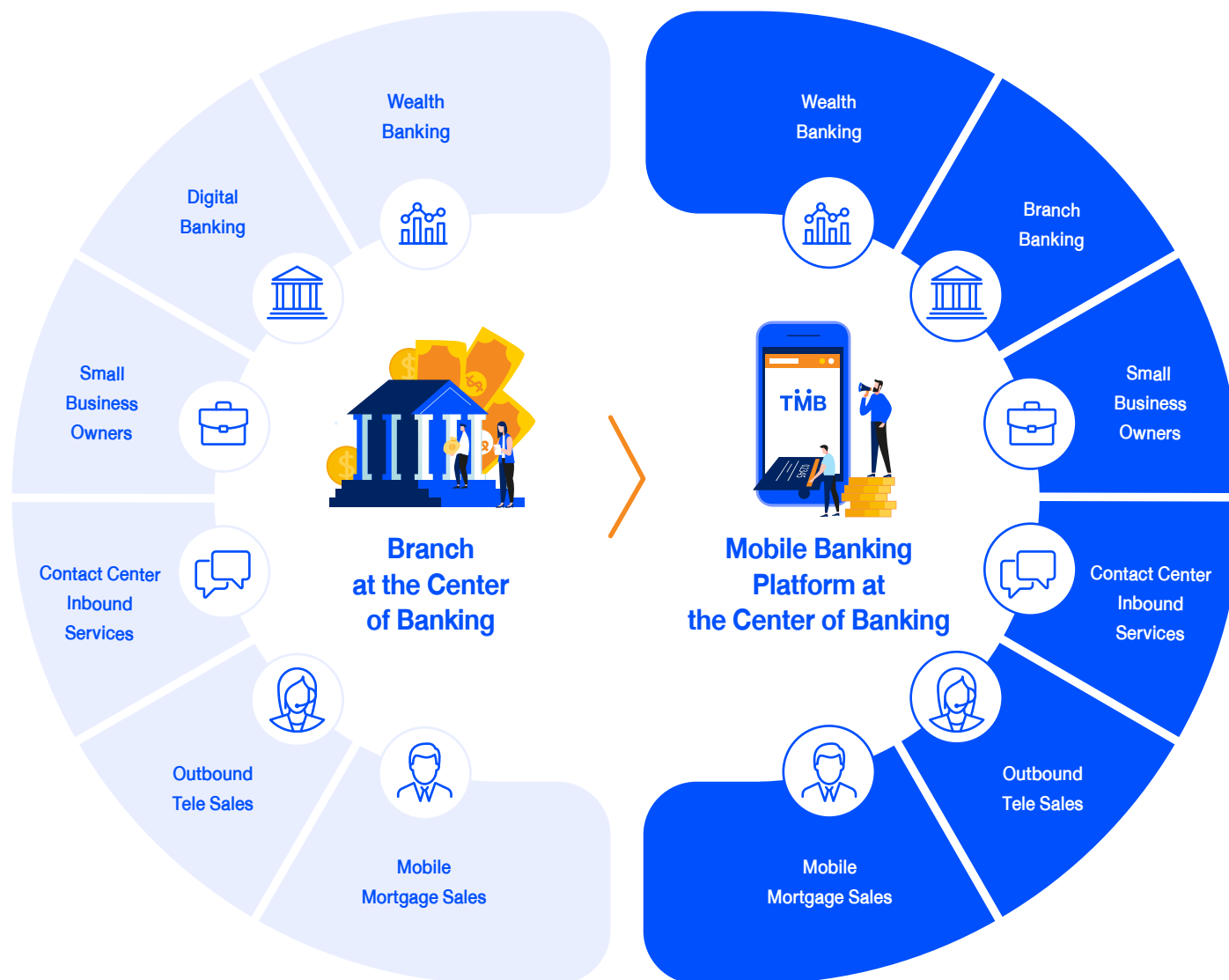
TMB TOUCH received rating of

4.1 in App Store



'Digital-First' Operating Model

The Digital First model is based upon our goal of delivering better customer experience by putting digital at the center of TMB Bank's omni-channel offerings. To achieve it, we have changed the way we work, both within the organization and in terms of our in-branch service. Internally, we have moved toward a decentralized platform of innovation that fosters a more rapid launch of new solutions across the bank. In our branches in 2020, we leveraged digital technology to enhance the offline experience and to ultimately onboard offline customers to online. For example, instead of using typical paperwork we began servicing branch-first customers via highly secured tablets or navigated them to TMB TOUCH, in order to familiarize them with our digital platform and to make their experience more convenient, faster and easier. In some pilot branches, floor managers can now help customers waiting in line with their transactions via ATM or TMB TOUCH.



COVID-19 Relief Initiatives

Through our proactive efforts to respond to COVID-19, the bank delivered numerous initiatives via digital channels to help customers experiencing financial hardship. For example, the bank maximized all online channels, making sure customers have access to our services and support. Customers could find information and seek support on COVID-19 debt relief measures, as well as self-service registration for debt relief programs, via the bank's website and Line application. To alleviate customers' financial hardship, the bank waived transaction fees for tax payments via digital channels such as the e-payment channel of the Revenue Department, ATMs, mobile banking (TMB TOUCH, Thanachart Connect, and Thanachart iNet) and internet banking (BIZ TOUCH, TMB Business CLICK, Thanachart iBiz). This fee waiver has been extended until 31 December 2021. Furthermore, we leveraged our PunBoon Platform to help more than 10 foundations and hospitals raise funds, totaling 20 million Baht, during the COVID-19 crisis as part of the Punboon Fight COVID-19 campaign.

Innovative Digital Solutions

Leveraging our banking expertise and technological advancements, we are focused on improving the experience and financial well-being of our customers by continuously innovating new digital solutions and improving existing ones. In 2020, Our TMB TOUCH application is constantly updated to provide a seamless experience. Its new design features make it simpler, faster and easier to use, with a more intuitive navigation and homepage offering more convenience. With the newly launched TMB ALL FREE Digital, our customers are provided with a digital version of a debit card via TMB TOUCH, addressing the rapid consumer shift towards a cashless society, especially in light of the pandemic. Furthermore, the bank launched two new digital banking solutions, TMB Business One and TMB Smart Shop, to uplift customers' businesses.

Business One

TMB Business One is not just another internet banking app, but rather a digital business management platform integrated with digital tools that efficiently helps manage both finances and operations. This application differs from others due to three highlights: One Platform, One Control, and One Command. One Platform is a one-stop solution allowing customers to complete transactions, such as domestic or overseas transfers, payments and new loan applications via any electronic device. One Control enables customers to simply monitor cashflow in real-time. As well as providing full visibility of their cashflow, it proactively alerts them about any irregular activities, analyzes cash flow projections and gives recommendations for the future. It also offers personalized menus tailored to each user's needs within the organization via overview dashboards. One Command seamlessly combines both financial and non-financial solutions while Business One connects other applications such as HR management to help customers efficiently manage their human resources and payrolls.

TMB Smart Shop


TMB Smart Shop is a business management application designed to make it easier for SMEs to manage their financials and inventory – a smart choice for managing business better. The application allows money to be received easily via QR Code or all banking applications, provides real-time in-app notification upon every successful payment, informs the user of all sales transactions, and offers access to insightful online sales performance reports.



CUSTOMER EXPERIENCE

As we strive to become the recommended bank of choice, customer experience is of paramount importance. Customers remain at the heart of our business and core values, and the bank is committed to delivering them the best and most seamless experience, both online and offline.

To understand our performance on customer satisfaction, the Bank uses top-down Net Promoter Score (NPS) to measure the willingness of customers to recommend us to others and to gauge customer's overall satisfaction with the bank. Given the COVID-19 crisis in 2020, the whole industry performance dropped, including ours. Despite the pandemic, we were able to attain the 3rd ranking out of 7, achieving our aspiration of being in the top 3 banks in the industry. Although we did not meet our top-down NPS target, which was set and based on last year's performance and circumstance prior to the COVID-19 crisis, we outperformed the industry. We are determined to continuously improve our performance to ensure excellent customer experience and become the recommended bank of choice by our customer.

					Target 2020
	Customer Satisfaction	2017	2018	2019	2020
	Net Promoter Score (NPS)	58	54	57	61

A key challenge in 2020 was the onboarding of TMB and Thanachart customers to the merged bank. As mentioned in the Integration chapter, co-location branches are a key enabler in this transition. Since the launch we have regularly monitored and tracked the performance of all co-locations via monthly reporting to a dedicated management committee that oversees customer service and experience. Using NPS as an indicator to measure the performance of co-location branches, 62.3% was achieved, meeting the performance target of 60%. While some locations achieved an impressive NPS, other locations needed additional support to boost their service quality. We believe there is always room for improvement, and we continue to listen to customer and employee feedbacks, to interview branch managers, and to conduct mystery shopping visits with a view to better understanding root causes and working with all value chains to find best practices. In response, we are improving existing gaps in

our service culture, such as the service standard across all channels, the key customer journey, KPI adjustment, and measurement tracking.

The bank also focused on improving complaint management in 2020. We genuinely believe that complaint management is an essential component of customer service, as it provides valuable insights and helps us better understand the performance of our products and services with a view to improving customer satisfaction. In 2020, we set a target of 80% for customer experience index in complaint handling. Through continuous efforts to improve customer experience, the retail performance attained 75% while the commercial performance achieved 81%, meeting the target.

In preparation for the merged bank with a new customer base of 10 million people, we have revamped our existing complaint handling management in order to make the end-to-end process more robust and effective. Through this on-going implementation we have begun to see improvements in key measurements such as the abandonment rate, which is when customers hang up prematurely before an agent can answer their questions or address their concerns, and service-level agreements (SLA), which is the speed of turnaround in resolving customer complaints. Our abandonment rate in 2020 was 4%, achieving the performance target of 5%, while our SLA performance was 72%, drastically improved comparing to 64% in 2019, though not meeting the target of 80%. These figures show how we have continued to improve and uplift our overall service to better serve customers.



In 2020 the bank refined its roles and responsibilities by introducing a three lines of defense structure for complaint handling and assigning dedicated functions to ensure their implementation.

The 3 Lines of Defense for Complaint Handling Management



The front line handles simple cases which can be resolved at first point of contact



The first line of defense handles cases that are more complex, require more information, skills and authorization



The second line of defense handles cases with a high level of dissatisfaction or severe service failure, such as fraud, data breach or regulatory issues

Registering complaints in the system is a critical component of complaint handling, as it provides data that helps track performance and generate analysis reports, forms part of a customer feedback loop that reduces the number of complaints. During the revamp, we also systemized the complaint registration procedure by adding new criteria to increase efficiency in addressing customer issues. These new criteria helped our employees to efficiently screen different types of complaints, register them in the system, and process them in accordance

with protocols. With the newly refined criteria, we are also better able to determine what constitutes a complaint and what does not.

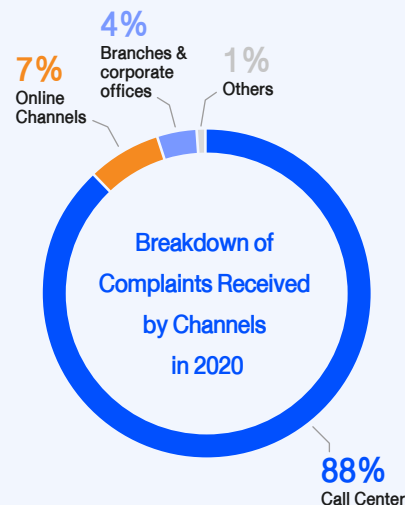
In addition, the bank also implemented a Complaint Menu in the TMB Smart Queue at 400 branches, including TMB standalones and co-location branches. This function enabled branch employees to systematically track and log complaints received through branch channels into the customer relationship management system, as well as

improve the in-branch customer experience. Through this new approach customers using the Complaint Queue would be directed to the next available counter, both high and low counters. After the initial launch we tested out the approach and found that it was inconvenient for high counters due to the high influx of traffic. Therefore, we have fine-tuned the approach so that now only low counters assist customers in the Complaint Queue.

To offer better customer service and complaint handling, the bank has changed its strategy for marketing campaign promotion. Instead of targeting customers all at once, each marketing campaign will now be promoted in phases to prevent the massive influx of traffic they generate. This is helping us optimize our manpower and control the quality of our service.



As of 2020, the number of complaints reduced by ▼ **5%** based from 2019 performance.



Main issues of complaints were:

- Technical issues with ATM/CDM
- Incomplete information given to customers (not the case of market conduct)
- Products such as savings & deposits

List of institutions/bodies that customers have registered complaints to both direct or indirect:

- Bank of Thailand
- Office of The Consumer Protection Board
- Office of Insurance commission



ENVIRONMENTAL & SOCIAL IMPACTS

To ensure that we meet the needs of our clients without compromising the environment or society, the bank adheres to the principles of sustainable finance – looks beyond financial values to ensure that environmental, social and governance (ESG) risks are managed and mitigated. Through our lending business, FAI-FAH program and TMB Foundation, we aspire to Make REAL Change to society by promoting positive values.



RESPONSIBLE LENDING

We promote responsible and sustainable financing by assessing clients' long-term environmental, social and governance impacts. Doing this increases our clients' understanding of the bank's standards and positions while onboarding them in terms of the ESG issues specific to their industry.

Following the launch of The Thai Bankers Association's Sustainable Banking Guidelines – Responsible Lending in 2019, our Environmental and Social Responsibility (ESR) Policy has been updated significantly so that it not only aligns with national guidelines, but also adheres to internationally accepted guidelines, frameworks and standards that enhance our lending criteria and promote sustainable businesses. These inputs are necessary for the bank as we look to shape and finance a sustainable future in which we meet society's changing needs and demands, as well as global commitments such as the Sustainable Development Goals and the Paris Agreement. The revised ESR Policy better reflects our role to facilitate and finance responsibly for the benefit of society and environment by establishing clear objectives and guidelines for assessing environmental and social risks and impacts from our lending activities. Depending on the risk level of the credit application, the endorsement will be required from different parties including Relationship Manager (RM), ESR Officer, Commercial Credit Risk Management, Credit Underwriting Committee, and Credit Committee.



Exclusion list includes
27 business activities

Specific guidance for **5** sectors



- Alcoholic beverages



- Defense/weapons



- Radioactive materials



- Tobacco



- Natural resources, energy, and chemicals



100%

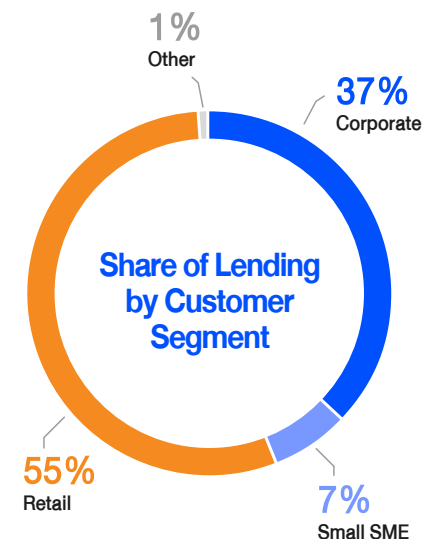
of commercial lending
is in line with ESR policy



The bank will not finance
any new coal-fired power
plant projects



The bank will exit from
the tobacco industry by 2023*



General questionnaire

New Applications

1,300

Applications That Underwent Annual Review

3,169

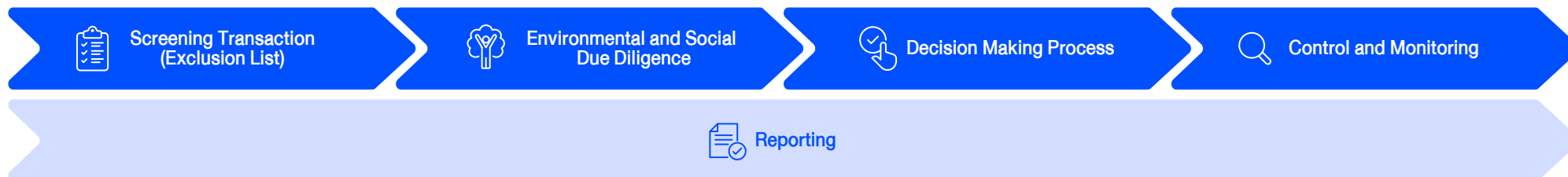
Sector specific questionnaire

86

411

* This does not apply to the entire tobacco value chain, specifically parties that are not fully dedicated to tobacco (i.e., retailers that sell tobacco products, or companies engaged in transportation and packaging)

Environmental and Social Responsibility (ESR) Policy



Exclusion list

Animal welfare

- Trade in wildlife and/or wildlife products
- Production or trade in any product or activity deemed illegal conventions and agreements, or subject to international bans, such as wildlife or products regulated under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), IUCN Red List
- Animal testing for cosmetic purposes
- Fur farms, the manufacturing or trading of fur products
- Production and processing of Angora wool NEW
- Support of any type of animal fights for entertainment NEW
- Shark finning and shark fin products NEW
- Commercial whaling NEW

Coal mining

- Activities related to coal mining, exploration (project finance) NEW

Controversial weapons

- Controversial weapons (anti-personnel landmines, cluster weapons, biological or chemical weapons, depleted uranium or plutonium weapons, and nuclear weapons) or Key Components thereof
- Arms and weapons to countries listed in UN/EU Embargo NEW

Energy

- Nuclear energy
- Oil sand NEW
- Coal-fired power plants (project finance) NEW

Fisheries

- Drift net fishing in the marine using nets in excess of 2.5 km. in length
- Use of dynamite or poison related to catch of fish or shellfish NEW

Forest

- Commercial logging operations for use in primary tropical forest
- Production or trade in wood or other forestry products other than from sustainably managed forests
- Own land that is suspected to be located inside or overlapped with a national protected area Deforestation and/or burning of tropical rain forest NEW

Gambling

- Gambling, casinos and equivalent enterprises

Genetic engineering

- The development of genetic engineering or genetic modification on humans
- The development of genetic engineering or genetic modification on plants and animals which harmful to humankind or used immorally

Materials

- Production or trade in any product/activity deemed illegal under Thai laws 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, PCB.
- Production or trade in or use of unbounded asbestos fibers. asbestos fibers. This does not apply to the purchase and use of bounded asbestos cement sheeting where the asbestos content is less than 20%.

Pornography

- Pornography, prostitution and adult entertainment

Protected areas

- Activities resulting in conversion or degradation of protected areas or critical habitats i.e. UNESCO World Heritage Sites Protected areas, Wetlands registered by the Ramsar Convention, High Conservation Value Forest (HCVF) NEW

Environmental and social issues of concerns

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

Sector specific guidelines

- Defense / weapons
- Natural resources, energy and chemicals
- Production/trade in alcoholic beverages
- Production/trade in tobacco
- Production/trade in radioactive materials



SUSTAINABLE FINANCE

More than simply a financial facilitator and service provider, the bank plays a proactive role in supporting clients who are looking to develop sustainable business models. These models create benefits both for clients and society without compromising the bank's bottom line. The bank offers ESG lending to customers in the form of green loans that promote financing to solar energy, biomass energy and waste management projects, as well as sustainability-linked loans with interest rates tied to the borrower's sustainability performance, which is measured based on social or environmental criteria. Predetermined sustainability-related goals are set and companies that achieve these goals earn benefits such as reduced interest rates.



Green loans set up in 2020 totaled

2,540
million Baht,

compared to 2020 target of

750
million Baht



690
million Baht

of new credit facilities to a total of

25_{MW}

of renewable energy projects in 2020

Green loan

TMB provided 690 million Baht of credit facilities to support Impact Solar Limited, one of Thailand's leading solar rooftop solution providers, to construct and operate a 25MW solar-rooftop electricity system at Saha Phathana Industrial Park. This marked one of the first industrial-sized rooftop projects in Thailand.

The solar power projects developed and operated by Impact Solar Limited provide commercial and industrial

(C&I) off takers access to clean and reliable power at a significant discount to grid prices, improve reliability against grid interruptions, and allow customers to focus on core activities while meeting their carbon emissions reduction and sustainability targets. Given the increasing power requirements of customers and the high cost-saving potential these solar solutions offer, the market is expected to grow dynamically over the coming years.

In addition, TMB further expanded green financing by providing 1.5 billion Baht of long-term green project finance to renewable electricity producer Constant Energy. The funding will be deployed to further expand Constant Energy's sizeable portfolio of solar energy projects for leading C&I clients in Thailand. The deal represents one of our flagship transactions in renewable energy and one of the largest C&I deals in the ASEAN region in 2020.

Sustainability-Linked Loan



107

million Baht

in sustainability-linked
loans to Mitr Phol

To add value to the long-term partnership with Mitr Phol, the bank issued a sustainability-linked loan to Mitr Phol in 2020. The interest expense charged to Mitr Phol under this loan is tied to Mitr Phol's performance at green cane harvesting without burning. Burning of sugar cane is a global issue for the sugar cane industry that produces greenhouse gas and pollution, impacting the health and safety of people. In addition to the regulations and penalties enforced by the regulators, the bank is helping drive sustainable sugar cane production by introducing a sustainability-linked loan for Mitr Phol as positive reinforcement. The collaboration helps both parties to simultaneously tackle financial inclusion, financial well-being and climate change issues.

SME Loan with Positive E&S Impacts

The bank has issued over 318 million Baht of SME loans with positive environmental and social impacts. The proceeds are used to support doctors (e.g., general practitioners, dentists and vets, etc.) seeking financial support for the establishing or upgrading of 126 medical clinics and services for local communities in 47 Provinces across Thailand. For a large proportion of Thai society, the high cost of private hospitals and insufficient public healthcare resources limit their access to affordable medical services. In response, the bank wants to eliminate the financial challenges that doctors in rural areas are facing, so that they can successfully establish practices that serve their communities.



126

medical clinics in

47

Provinces

across Thailand have been established/
upgraded from SME loans with positive
environmental and social impacts.



Commercial Loan with Positive E&S Impacts



1,650

million Baht

for the construction of
plastic recycling plant

TMB supports PTT Global Chemical Public Company Limited (GC) 1,650 million Baht of commercial loan for the construction of plastic recycling plant for high-quality recycling plastic resins, namely rPET and rHDPE, in 2020 which will commence commercial production in 2021. The project supports GC's long-term objective to optimize the use of resources, reduce waste generation, and reduce impacts to the environment according to GC Circular Living concept. The project is also in line with TMB's sustainable finance strategy where the bank actively promotes lending that creates positive impacts to the environment and society.

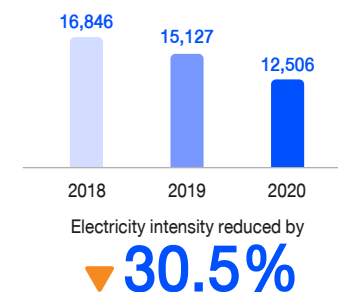


OUR ENVIRONMENTAL IMPACTS

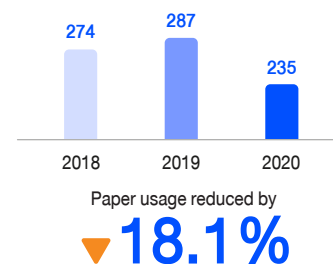


To manage our direct environmental impacts, TMB has set annual reduction targets for resource consumption and put initiatives in place to continuously improve environmental and safety performance. In 2020, the bank reduced electricity intensity by 30.5% and water intensity by 29.7% at the Head Office, achieving the annual target: a 5.0% reduction from 2019, accounting for cost savings of over 10.6 million Baht compared to the previous year. In addition, paper usage in 2020 decreased by 14.2% from 2019. This significant decrease in resource consumption was mainly due to the work from home policy introduced in response to COVID-19; nevertheless, improved chiller system management and water saving initiatives also contributed to the reductions achieved in 2020.

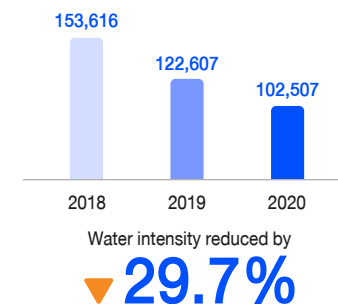
Electricity Consumption (Head Office) (MWh)



Paper Usage (Tonnes)



Water Consumption (Head Office) (Cubic meters)





SOCIAL DEVELOPMENT

The merger of TMB and Thanachart Bank brings great opportunities to make real changes to society in line with our philosophy. Together, we can continue to empower and positively contribute to society through the FAI-FAH program.

30 FAI-FAH community projects with over

27,000

beneficiaries



>50,000 kids

visits to FAI-FAH Learning Centers

2,360 TMB Thanachart
volunteers

participated in FAI-FAH Community Projects

FAI-FAH for Youth

TMB Thanachart continues to support underprivileged children through 5 FAI-FAH Learning Centers, which are inspirational hubs where children gain free art and life skills and discover their potential. In 2020, due to the COVID-19 crisis in Q2-Q3, approximately 80% of art and life skill classes were moved from offline to online to ensure the continuity of learning and meaningful bonding between FAI-FAH kids and teachers together with FAI-FAH staff.

On Wednesdays and Fridays in June, FAI-FAH Learning Centers in Samut Prakan and Pracha Uthit were temporarily transformed into Sharing Centers, the objective being to inspire kids to utilize their free time at home in a more productive way during the COVID-19 crisis. Approximately 100 community kids per day visited and picked up learning materials for free to use at home. The program has inspired children to make good use of their free time during the long school holidays and reduced the financial burden on families.

FAI-FAH ART FEST 2020



The theme for the annual FAI-FAH Art Fest in 2020, 'Help Kids Make REAL Change', aligned with our new philosophy. The key purpose of this annual activity was to celebrate the 'Make REAL Change' spirits of FAI-FAH kids at 5 learning centers and to inspire and engage TMB Thanachart volunteers and the public. Art pieces and products made by local children and communities were for sale at the event. Approximately 250 children participated in this art festival event, and over 150,000 Baht was raised for charity by the selling of their art pieces and products.

2 ZERO
HUNGER



3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



8 DECENT WORK AND
ECONOMIC GROWTH



11 SUSTAINABLE CITIES
AND COMMUNITIES



FAI-FAH for Community

Under the theme of ONE Volunteer Spirit, TMB Thanachart encourages our employees all over the country to engage and give back to society through FAI-FAH community projects. In total, 30 community projects have engaged with more than 2,000 TMB Thanachart Volunteers to bring real change to communities. Key examples include:

Chai Toong Salted Duck Eggs in Sampanta Village, Prachinburi

The project aims to help people in Sampanta village in Prachinburi Province, most of them rice farmers, gain income outside of the rice-growing season. With the objective of upscaling the project and achieving better efficiency and outcomes, TMB Thanachart volunteers have lent a helping hand and educated villagers about how to make systematic improvements to the production process, selling and marketing, and packaging and design. These improvements will add value to the products and increase revenues for the villagers. Over 50 villagers participated, and gained an average monthly revenue of approximately 3,000 Baht per month in total. Currently the villagers are improving their duck farms so that they don't have to rely on eggs from outside of the village. New salted duck eggs products, such as salted duck egg chili paste, have also been launched to expand revenue streams.

Organic Shampoo by the Pak Phoom Jai Community, Bangkok

Pak Phoom Jai is one of many Bangkok communities in crisis due to the COVID-19 situation. The key challenge faced by this community, where approximately 120 families are suffering, is the limited ability to develop sustainable products that will help lift incomes during the crisis. TMB Thanachart volunteers helped the residents in terms of identifying potential products, developing products, and accounting and marketing. Their organic shampoo product under the brand 'Proud', which means Pak Phoom Jai in Thai, has been successfully launched with positive results. In 2020, the community made revenue of over 100,000 Baht within 2 months of launching the product. This is additional income for this community.

The Basket – Organic Vegetables from Farm to Table, Bangkok

The Basket is a social entrepreneur project set up to help farmers in Phetchaburi and Chachoengsao Provinces. The key challenges The Basket team faces are developing systematic accounting systems and online marketing channels. TMB Thanachart volunteers use their financial and marketing skills to offer coaching and support. As a result, The Basket has expanded its customer base as more customers subscribe to the products on a weekly and monthly basis. In 2020, The Basket's fan page grew by 20% from 2019. In the future, The Basket aims to add more customers via its online platform and support more farmers seeking fair prices for their organic products.

Additionally, TMB Thanachart has continued with several strong key CSR programs in 2020, including:

TMB and Thanachart's Royal Kathin Robe Presentation, Nakhon Sawan

In 2020, the bank was graciously bestowed by His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua the honor of offering the Royal Kathin Robes to monks who have completed a three-month rain retreat at a royal temple, Wat Woranat Banphot in Nakhon Sawan Province. Thanachart Bank was granted the presentation of Royal Kathin Robes for the 14th consecutive year. This year marked a special occasion as clients, business partners and the general public of the two banks collectively donated 17.8 million Baht to Wat Woranat Banphot. The temple set aside this donation for the Sataban Saengsawang Foundation, under the patronage of Her Royal Highness Princess Soamsawali Krom Muen Suddhanarinatha, to fund the construction of new school buildings for children with special needs worth 5 million Baht, and the procurement of ventilators worth 2.2 million Baht for Sawanpracharak Hospital in Nakhon Sawan and Buddhachinaraj Phitsanulok Hospital in Phitsanulok.

The Annual Thai Red Cross Fair 2020

Due to the exceptional circumstances of the COVID-19 pandemic, the Thai Red Cross Fair 2020 was held online. The bank helped raise funds to support this good cause by selling 200,000 Thai Red Cross lottery tickets via the two banks' distribution channels and donating 6.5 million Baht. This made TMB the fifth largest corporate donor to the Thai Red Cross Society's activities for many years in a row. TMB and Thanachart offered a series of rewards to participants in the Thai Red Cross lottery 2020.



PEOPLE

Through its corporate culture, the bank aims to build a future-ready and skillful workforce, as well as a diverse and inclusive workplace. Known as 'I CARE', this corporate culture demonstrates our way of working – how we put customers at the center of everything we do as we strive to be the best.

OUR EMPLOYEES

Integrated Workforce

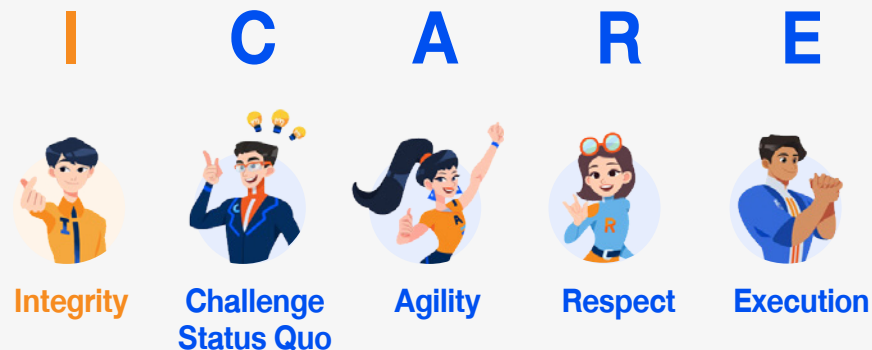
Workforce integration is one of the key topics of our integration plan – vital to a smooth business transition and future growth. The bank has conducted workforce planning whereby all positions have been identified and evaluated for productivity, competency and forecasted vacancies.

In 2020, the bank established a new organizational culture, I CARE, that establishes a new way of work that will be critical to successful integration without putting the value of synergies at risk. Carefully defined by top management, I CARE reflects the beliefs, core values, strategies and strengths of both banks. The new culture impacts our decision-making, leadership and agility, and our ability to effectively execute integration, innovation and teamwork.

Mergers can create organizational anxiety about the future, as they bring significant change to companies and staff. If left unanticipated, these changes can challenge successful integration. Transformation is therefore very important for the merged bank, helping to onboard staff from both banks on the new business direction and culture going forward. Change also brings with it an opportunity to create inclusive working environments and overcome the challenges entailed in providing differentiated products and better services to customers. The management were actively involved with the transformation and communicated with their team members regarding the integration, the impacts with regards to their roles and responsibilities, and any questions or concerns.



I CARE CULTURE



- Honest
- Transparent
- Open-minded

- Ask why not
- Keep exploring
- Always progressing

- Always improving
- Adapt to change
- Dare to try new things

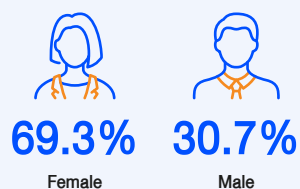
- Collaborate to win
- Find solution
- Act professional

- Attention to detail
- Be accountable
- Committed to excellence

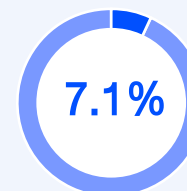
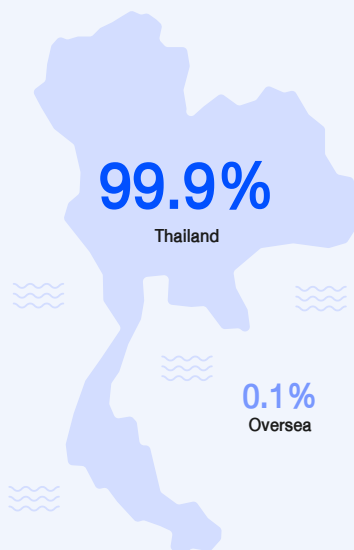


A total of **8,838** employees

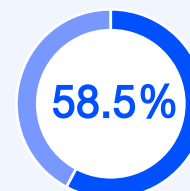
By Gender



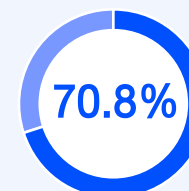
By Location



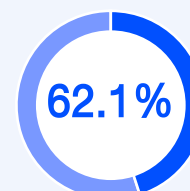
Women in Board



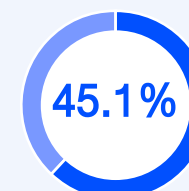
Women in Management Level



Women in Non-Management Level



Women in Revenue Generating Functions



Women in STEM (science, technology, engineering, and mathematics) related functions



90.7%

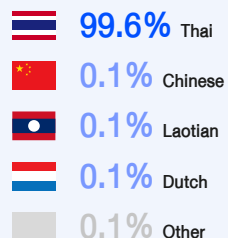
Employee Filled in Open Positions



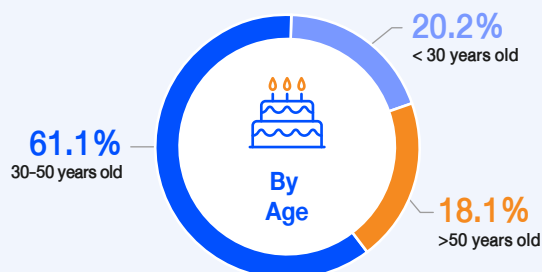
1.5%

New Hire Rate

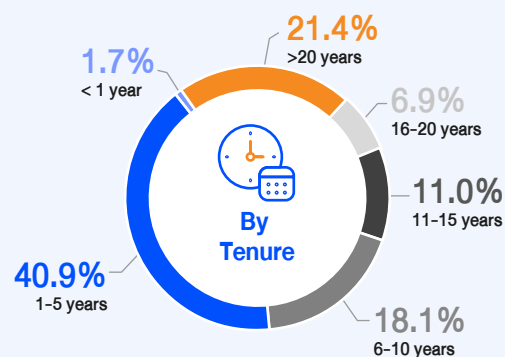
By Nationalities



By Age



By Tenure



Diversity

A diverse workforce not only enhances corporate governance, but also enables us to better understand and reflect different perspectives and elements of modern society. Such skills are increasingly critical to business success. The bank monitors efforts to maintain a well-balanced and inclusive workforce – a commitment expressed in our Diversity and Inclusion

Statement. Employees with talent and potential are given equal opportunity to grow in leadership roles, without gender discrimination. In 2020, the bank participated in Bloomberg's Gender Equality Index (GEI) assessment, which is conducted using criteria that mainly focuses on how a company demonstrates its commitment to gender equality through policy development and reporting.



9.0/10

People managers gave an average score of 9.0 out of 10 when asked how ready they feel to lead their teams for change

8.4/10

People managers gave an average score of 8.40 out of 10 when asked how ready their teams are for change

9.0/10

People managers gave an average score of 9.0 out of 10 when asked how ready they feel to embrace change

Competency Development

Competency-based development has been designed for different employee levels to build core and leadership competency. For junior management employees, collaborative mindset development will be a key focus, as it is essential for bringing people from different cultures and ways of work together efficiently and collaboratively to achieve common goals. For management level, the focus will be: 1) instilling a collaborative change mindset

in pursuit of tangible outcomes and shaping the team so they adapt to change; and 2) accelerating change among leadership so that the future vision can be cascaded to staff and create a diverse and inclusive environment. Launched in 2020, the program began with the development of junior management employees, which is expected to be completed in 2021 with an estimated target group of 3,000 employees.



	2017	2018	2019	2020	Target 2020
Average training hours (hours per person per year)	27	38	35	18	40

TMB HACKATHON 2020

TMB HACKATHON, an annual innovation contest, fosters cross-functional collaboration among employees from different backgrounds to create innovative solutions for customers. The process also enables participants to better understand customers' problems, ideate solutions and develop prototypes within a timeframe of two days. The theme for the 2020 contest was enhancing financial well-being and end-to-end delivery to customers. A total of 99 employees participated in the contest, which led to successful product launches and initiatives, including

an initiative that allows customers to consolidate all their debt via a car-for-cash lending scheme with the bank. This enables customers to holistically manage their debts. In addition, this scheme also encourages customers to pay on time by providing them with incentives in terms of discounts or savings. Such approaches promote good debt management and repayment behavior, putting customers on a path towards financial well-being. More initiatives are in development and will be launched in 2021.



“I’m interested in data analytics because I think that in the future almost every industry is going to shift to digital and data will be more important, so it would be great if I can enter this field at an early stage. The rotation program is very helpful. It gives me an opportunity to explore new career paths.”

Mr. Chudech Naddahirun
Senior Data Scientist Associate - Data Analytics COE

Successor Development

The bank also has a succession plan whereby we look at filling top management positions that will be vacated due to retirements in the coming years. To ensure a smooth transition for the successors and business continuity, the bank has identified critical positions and successor profiles. The readiness of potential candidates that have been identified will be assessed against the essential criteria, and later they will participate in our successor development program so that they can develop their skills accordingly.

Exploring New Career Paths

The bank has identified two functions with competency gaps: information security and data analytics. In line with global trends, these two areas are very important for the bank’s future, so we are preparing our workforce to be equipped with the necessary knowledge and skills. In this regard, the bank has conducted sharing sessions open to all employees so they could learn about the scope of such work, challenges, necessary skills, opportunities for career growth and experiences of those working in these fields. Going forwards, training modules, tools and methodologies will be developed and rolled out in 2021 for those looking for a change in career path.



“At TMB, data analytics is a change catalyst for every business unit. As customer centricity becomes a key business enabler, leveraging data for better customer understanding helps us deliver the right product to the right person at the right time. It helps us serve customer not only in the short-term, but to offer them long-term, sustainable financial well-being.”

Meanwhile, to successfully scale up bank-wide data analytics, our key driving force is the employee. We value and invest in our people to develop and improve their data analytics capability. Last year, TMB Analytics collaborated with the HR-initiated Data Analytics Career Day for internal talent. We recruited and incubated data talent from different backgrounds, e.g. IT, commercial/retail credit products. We believe that this talent will lead to a successful business that makes the right decisions and takes the correct paths.”

Mr. Naris Sathapholdeja
Head of TMB Analytics

Employee Well-being

The bank takes care of our employees' health and well-being in order to maintain a healthy and mindful workforce that helps advance the business. Safety measures are in place to ensure a safe environment for employees, customers and visitors. To build employee awareness, foster health and a culture of well-being, the bank regularly promotes health, safety and well-being initiatives via our internal communication channels.



COVID-19 insurance coverage for coronavirus treatment and medical expenses for all employees and their immediate families



2 new health clinics established at our office buildings to take care of our employees



Annual health check-up for all employees



Periodic check-up on working environments and conditions



	2017	2018	2019	2020	Target 2020
Absentee rate (%)	0.54	0.48	0.52	0.58	1.00
Regrettable loss (%)	12.70	12.30	11.00	7.90	10.00



In 2020, TMB's Head Office building received BSA Building Safety Award 2020 Diamond Level assessed by the Building Inspectors Association, as the bank demonstrated safety governance and processes as well as safety measures in case of emergencies and COVID-19.



GOVERNANCE

Our governance is based on policies and practices that ensure accountability, fairness and transparency. With good corporate governance, risk management and internal control, the bank is more resilient and prepared for new challenges that could otherwise damage our reputation and stakeholders' trust, or slow down our progress in achieving our aspirations and long-term targets. It allows the bank to operate effectively and sustainably, which consequently helps create more value for our shareholders.



CORPORATE GOVERNANCE AND BUSINESS ETHICS

Corporate Governance

The bank's Board of Directors directs the affairs of the corporation and is committed to sound principles of corporate governance. The Board plays an integral role in our governance and strategic directions. With diverse qualities in terms of experience, skills, knowledge and gender, the Board serves as a strategic governing body that constantly challenges our leadership team to evolve and guides the bank towards sustainable growth in line with the interest of the bank and its shareholders. The Board oversees important elements for the sustainable growth of the organization together with 6 sub-committees, including the Nomination, Remuneration and Corporate Governance Committee, Credit Committee, Risk Oversight Committee, IT Oversight Committee, Audit Committee, and Board of Executive Directors Committee. The Board is also provided with training sessions that are in accordance with the organization's business direction and goals. The training plan for the Board in 2020 includes IT resilience and personal data protection, in addition to training courses provided by the Thai Institute of Directors and other qualified external parties.

For more information on the Board of Directors and corporate governance, refer to the Annual Report 2020.

Business Ethics

To put client interests first, and create a foundation of integrity and trust, the bank adheres to the highest ethical and professional principles. The bank's Code of Conduct establishes how we conduct our day-to-day business activities to meet all legal, ethical and economic obligations.

The bank has zero-tolerance to fraud and corruption and puts in place control measures, ranging from policies to processes and mechanisms, to prevent and mitigate unethical behavior. On an annual basis the bank promotes business ethics through training and internal communications for our employees, enabling them to refresh their understanding in terms of our Code of Conduct and anti-corruption and anti-money laundering policies. The bank has complaint reporting and whistleblower channels through which any stakeholders, not just our customers and employees, can inform us of possible breaches to our Code of Conduct.

Visit the bank's website for more details of business ethics related policies.

Business Ethics Training Participation Rates (% of employee target completed the training)



Code of Conduct

100%



Anti-corruption

100%



Anti-money
Laundering

100%



Type

Cases

Internal Fraud

7

Mis-conduct

3

Mis-process

4

No wrongdoing

9

Investigation in progress

40

In 2020, there were a total of 63 allegations of improper behavior or breaches of the Code of Conduct. The remaining 40 allegations are pending further investigation in 2021.



RISK MANAGEMENT

COVID-19 has challenged the financial, operational and commercial resilience of businesses around the world. As the prolonged impact and uncertainty of the outbreak lingers, the bank needs to adopt a precautionary approach in all aspects of its operations. Since the outbreak, the bank has deployed a business continuity plan, adjusted the way we work in order to protect the health and safety of employees and customers. Despite this change in operating model, the bank still ensures that the products and services provided to our clients remain uncompromised. The bank has issued several protocols and frameworks to ensure that all COVID-19 related risks, such as working from home, facility and

branch safety measures, and IT and information leakages, are safely managed and controlled. In the long term, the bank will continue to monitor the risks and impacts triggered by the pandemic.

Our rigorous and comprehensive risk governance and risk management policies are well established. Across the bank our risk management governance is independent of business operations, and operates in accordance with a 3 lines of defense model that enhances our risk controls and ensures proper checks and balances. For more information on risk management, including risk governance and risk management policy, visit our website.



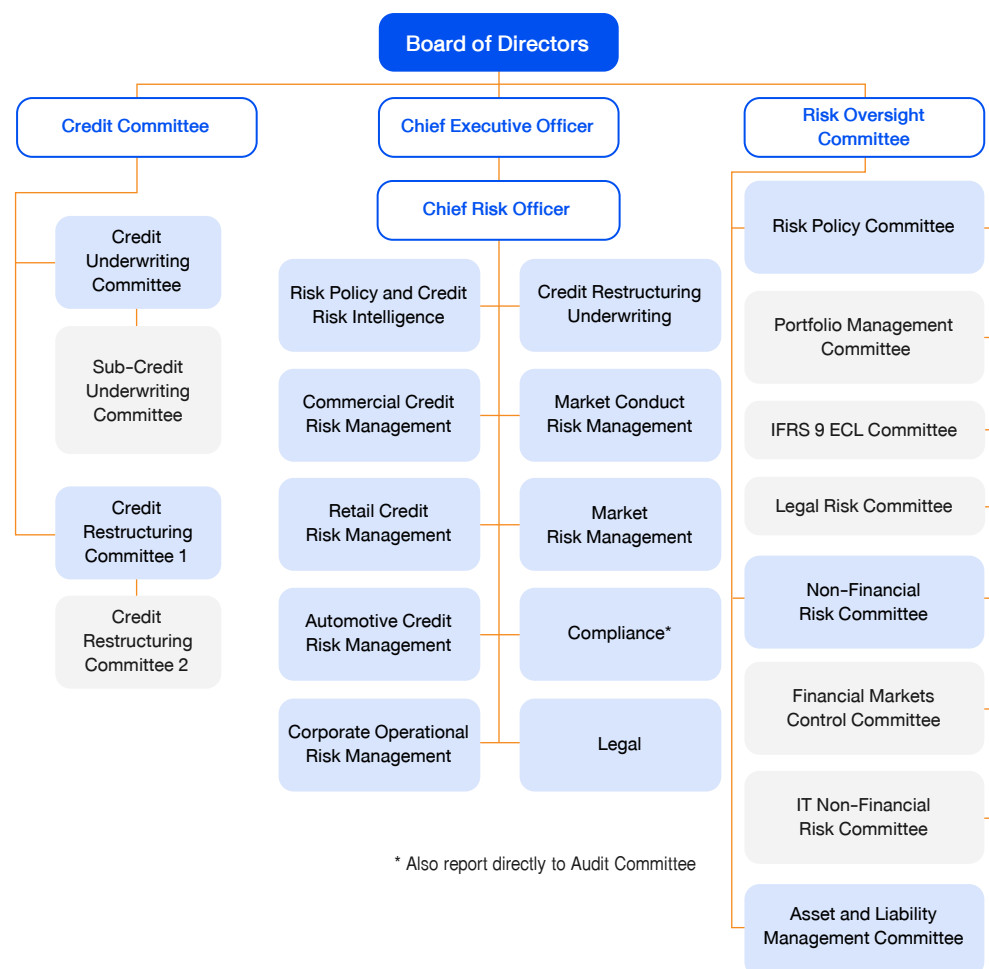
100%

of employees completed online risk awareness training covering topics such as data privacy and cyber security.



The Board of Directors participated in risk related training on topics such as cyber security and privacy, and security awareness.

TMB Risk Governance Structure



Emerging Risks

Integration

Integration inevitably brings with it significant changes to many aspects of business. Shifts in the direction of businesses and ways of working can cause unease and confusion among workforces. The bank, therefore, needs to focus on the smooth transition and integration of employees as much as the business aspects. During 2020, the bank aligned the policies and procedures of the two banks, established a new corporate culture called 'I CARE' that changes the way we work, and captured quick win synergies.

This integration proceeded as planned despite the disruptions caused by COVID-19 and is expected to be completed by July 2021 (EBT: entire business transfer). The bank has put in place key measures and a medium-term strategic direction to ensure business growth during the post-EBT/COVID-19 recovery, with a view to becoming the recommended bank of choice by our customers.

Cyber resilience

Cybercrime is evolving rapidly and is now an everyday challenge for the finance industry. In addition, cyber criminals see crisis events such as COVID-19 as an opportunity to launch more attacks in a variety of forms, with email, web and SMS phishing being the top threats. To overcome these, we operate a 3 lines of defense model that ensures robust oversight of our cyber security capabilities and priorities. The bank invests in IT infrastructure in a variety of forms to establish a reliable system and technical controls to help prevent, detect and react to these threats. Also, the bank extensively shares and collaborates with the cyber threat intelligence community to combat attacks. The bank also has a framework for remote working (working from home) and regularly communicates with employees and customers to build awareness about cyber security during the pandemic.

Technological innovations

While innovation and digitization provide financial institutions with new growth opportunities, banks can be impacted by a lack of preparation for new technologies and financial innovation. New players such as startups, fintech, neobanks and neoinsurers are contributing to a new competitive landscape that in turn is generating fresh ways of collaborating and encouraging further innovations. Moreover, despite the many advancements in terms of technological innovations, regulatory frameworks and guidance are still much needed both to prevent ethical dilemmas and to verify the effectiveness of these models.

The bank is moving towards a digital centric approach through the implementation of a Digital Transformation program. This encompasses the development of digital branding, agile organization, IT infrastructure and data analytics, as well as the search for suitable digital partnerships that will enhance competitive advantage by keeping up with the rapid pace of the digital era. TMB proactively analyzes and identifies the potential risks and opportunities of technological innovations, such as machine learning, that can help us to better serve value-added solutions to our customers and identify risky customers.

Financial stability

Black swan events such as the COVID-19 pandemic can have a huge impact on businesses across the world. To withstand such events, the bank must have financial resilience to operate without business disruption despite the economic strains. Since the 2008 financial crisis, the bank has maintained strong liquidity and capital so that it can operate as normal and absorb volatility and unexpected events in the near term. Going forward, the bank must prepare and closely monitor its readiness for black swan events to face the dual challenges of sustaining the flow of finance and preserving financial resilience. At the same time, the bank will continue to assist customers in need of help while navigating moral hazards and managing the overall asset quality of the bank.

MARKET CONDUCT

Market conduct is vitally important to our business, fundamental to building and fostering customer trust and confidence in the bank. It is also key to achieving our vision of becoming the recommended bank of choice and our mission to improve financial well-being. In accordance with our Market Conduct policy, which is subject to annual review and approval by the Board of Directors, the bank has been proactively driving its implementation and continuous improvement.

Throughout 2020, the top management, especially the Chief Executive Officer (CEO), President, Chief Retail Banking Officer (CRBO), Chief Commercial Banking Officer (CCBO) and Chief Automotive Lending Officer (CALO), continuously promoted good market conduct practices. Their key message encouraged our employees to ensure fair dealing by offering products and services suitable for customers transparently, fairly, and responsibly. To raise awareness and understanding of the bank's intention and commitment in this regard, this message was relayed to all employees through internal communications such as our Quarterly Leadership Meeting, bank-wide emails, intranet, educational videos, and posters in branches and headquarters.



With a view to improving sale quality and preventing potential mis-selling, we have also revised our incentive scheme so that it now balances financial and non-financial KPIs. These revised KPIs are customer-focused, encouraging employees to serve more as financial advisors than sales people. Empowering our employees to become trusted advisors, the sales process has been revised to improve the quality of sales and services. For the pre-sale process, the bank provided tools and trainings for our frontline employees to upskill and equip them with the relevant knowledge and competencies via employee development programs. At the same time, we proactively train our employees to become certified with licenses appropriate to their roles and responsibilities. Moreover, the bank continued to communicate and raise awareness through educational emails, videos and Microsoft Team meetings on market conduct do's and don'ts.

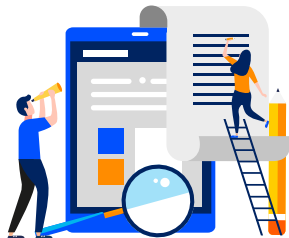
For the sales process, a 5-step process was implemented to ensure a standardized service across the bank.

The 5 Step Sales Process



Relate

Introduce yourself and show your professional licenses



Discover

Enquire with customers about their needs, objectives and concerns



Advise

Present suitable solutions that address each customer's needs by transparently, fairly and responsibly informing them of product details and all relevant terms and conditions



Commit

Review which products customers are interested in and proceed with transactions transparently, fairly and responsibly. Also inform customers of the bank's channels for getting more information or making complaints



Thank you

Show appreciation to the customer

To ensure our processes are properly implemented, the bank has monitoring tools in place. The two methods used are mystery shopping and quality control call backs. Mystery shopping is conducted at all branches throughout the year, for a total of 2 rounds, while quality control call backs to customers are performed on the day after they purchased either our mutual fund or bancassurance products. These risk-based approaches ensure our market conduct meets our standards while preventing mis-selling. To deal with complaints of mis-selling,

the bank has established a dedicated team, Market Conduct Investigation, to oversee this matter. This team is responsible for conducting fact finding, investigations and analysis with relevant parties in order to identify the root causes of complaints and to develop corrective and preventive actions that will eliminate any problems and prevent recurrences. In 2020, there were a total of 161 mis-selling cases – 15% lower than the previous year. All 161 cases have been addressed, resolved and closed.





DATA PRIVACY AND CYBERSECURITY

As we fast-tracked the digitalization of our business in 2020, data privacy and cybersecurity became a critical and major concern. The COVID-19 crisis has accelerated digital adaptation, shifted customer behavior from offline to online and forced companies to switch to work from home policies. Weak data privacy protection on digital platforms can result in significant financial losses, business disruption, loss of customer trust, regulation penalties, and reputational damage. To avoid these issues, we have raised the bar on data privacy and protection, especially in mobile banking, to ensure the stability and security of our systems. As a result, our services are always available to our customers, maintaining their trust and confidence in the bank in line with information security principles, or the CIA Triad (Confidentiality, Integrity and Availability).



0

Customer data breaches with significant impacts



0

Substantiated complaints of customer privacy breaches



0

Substantiated complaints of customer privacy breaches from regulators



100%

of employees completed PDPA Series 1 – PDPA Introduction



Data Privacy

In May 2020 the bank issued a Data Governance Policy. In compliance with the Data Privacy Module of the Personal Data Protection Act (PDPA) B.E. 2562, this policy safeguards the use of customer data and ensures compliance with regulatory and legal requirements. It also defines clear roles and responsibilities regarding data management, data privacy and data security. The policy applies to all employees of the bank as well as its subsidiaries and third parties. The bank's highest governing body, the Board of Directors, is responsible for the internal control and effective implementation of the policy. In addition, the three lines of defense model has been incorporated into the data governance structure to ensure checks and balances. As securely managing and safeguarding our customer's personal data is of pivotal importance to our business, data security is embedded into our risk management. Therefore, the bank has zero tolerance towards any violations. Should there be any breaches within the organization, cases are pursued in line with our disciplinary regulations and action and punishment procedures.

Additionally, three key new roles – Data Protection Officer (DPO), Bank-Wide Data Executive (BDE), Data Executive (DE) – have been established by each business unit to ensure bank-wide implementation of the policy in compliance with the PDPA and relevant laws, i.e. the Computer Crime Act. Another checks and balances mechanism is our internal audit – an independent function of the bank responsible for auditing business

processes and procedures to ensure effective policy. To ensure transparency and that customers are informed of their rights, the privacy policy is publicly available on the bank's website (www.tmbbank.com/en/policy). Moreover, the bank has set up a direct channel for inquiries about the collection, use and disclosure of personal data, and the rights of customers. Customers can contact the bank through DPO@tmbbank.com or Contact Center 1558.

Raising awareness and understanding among employees about data privacy and our Data Governance Policy is vital, and efforts are ongoing to ensure they understand the importance of this issue. In 2020 there was a mandatory training course that introduced PDPA to all employees – both existing and new – to ensure they are fully aware of its contents and implications. In 2020 100% of employees completed the training.



Cybersecurity

TMB has a clear management structure, complete with dedicated governing boards and management committees supervising information security and cybersecurity. The Board of Directors have ultimate responsibility for the bank's direction and strategy but have delegated the IT Oversight Committee to oversee and monitor the bank's IT operations and information security management. A management-level committee, the IT Non-Financial Risk Committee oversees and manages IT risk management, including cybersecurity risks, IT availability, and significant IT incidents, across the bank to ensure safekeeping of our systems and operations. At the executive management level, the Chief Technology and Operating Officer is responsible for overseeing information security management within the company. To make sure our practices comply with our policies and standards, the audit function reviews cyber security performance and recommends further improvements.

The pandemic has created new challenges and forced us to adopt a new work-from-home operating model. This transition has led to a greater focus on cybersecurity due to the higher exposure to cyber risks and attacks. In response to this business disruption, the bank has promptly developed work from home and Virtual Private Network (VPN) frameworks, protocols and procedures. These enable employees working remotely to ensure business continuity while maintaining the security and confidentiality of our systems.

Furthermore, the IT and Information Security teams have collaborated with a third party, the Thailand Banking Sector Computer Emergency Response Team (TB-CERT), to actively track the activities of over 130 threat groups and understand as much as possible about each as a preventative measure. At the same time, the bank has raised the security standards with intensive monitoring and stringent preventative measures on data leakage and cyberattacks, especially phishing scams, which was the top cyberattack during the COVID-19 crisis. Monitoring reports were given on a daily basis directly to the Chief Executive Officer and Chief Technology and Operation Officer. In order to prevent potential security risks, bank-wide communication on the topic was crucial to notify and inform all employees of both potential threats and the protocols for how to identify and manage them.

To prepare for integration an information security system blueprint was created in 2020 and is expected to be implemented in 2021-2023. The key focus of the 2020 integration plan is on the synergy of information security standards and controls, on merging the infrastructure systems of the two banks and on consolidating databases. The system integration has been prepared to support customer migration of both banks to the merged bank through co-location branches, TMB/TBANK ATMs, and the digital capabilities of TMB TOUCH. Our mobile banking security is in alignment with the Bank of Thailand's Guiding Principles for Mobile Banking Security, and we are continuously raising our security levels so that we can maintain the trust of customers.



ABOUT THIS REPORT

Each year, TMB publishes a Sustainability Report in order to present our views, performance, opportunities and challenges in relation to our business and the issues that matter most to our stakeholders from an economic, environmental and social dimension. This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards (Core option). The report covers the period from January 1, 2020 to December 31, 2020.

The scope of reporting covers TMB Public Company Limited operating in Thailand and overseas, accounting for 100% of total revenue. 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). Economic and financial data are in line with the TMB Annual Report 2020, for which financial statements were audited by an independent party in accordance with the Thai Financial Reporting Standards (TFRS) and Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions.

The Sustainability Report 2020 focuses on integration execution following the successful merger transaction between TMB Bank and Thanachart Bank in 2019. This report highlights how the bank has made efforts to integrate the two banks together seamlessly and efficiently, synergizing growth. In addition, the report also summarizes our initiatives to help our stakeholders throughout the year during the global COVID-19 crisis. These actions and initiatives span from the health and safety of customers to debt relief programs to assist those effected by COVID-19, and the well-being of employees.

Materiality

The bank conducts a materiality assessment every two years, or when significant events or circumstances demand that we identify and prioritize those topics that matter to the bank and its stakeholders.

Identification



Identify and examine sustainability topics that have potential impacts on TMB

Prioritization



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

Validation



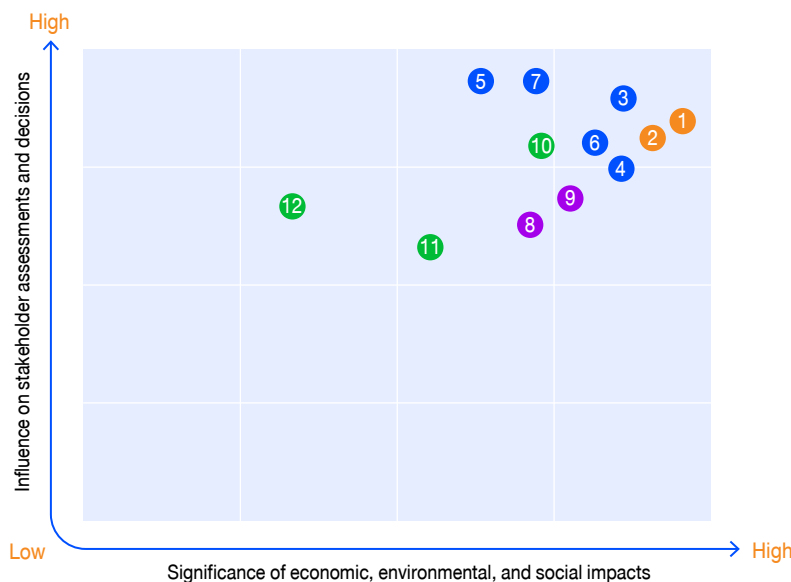
Review and approve material topics by top management and Board of Directors

Review



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

Materiality Matrix 2019-2020



Business

1. Customer experience
2. Digital transformation

Governance

3. Data privacy and protection
4. IT system and cybersecurity
5. Corporate governance
6. Market conduct
7. Risk management

Social

8. Talent attraction and retention
9. Financial literacy and inclusion




Environmental





10. Responsible lending
11. Climate change risk and opportunity
12. Our environmental impact

Stakeholder Engagement

The bank regularly engages with and communicates to our stakeholders consisting of seven groups:

shareholders, employees, customers, partners, competitors, regulators, and communities.

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 TBM website • Investor Relations contact • Whistleblower and complaint channel 	<ul style="list-style-type: none"> • Responding to COVID-19, page 19-20 • Integrated Workforce, page 37 • Digitalization, page 23-25 • Corporate Governance & Business Ethics, page 43 • Market Conduct, page 46-47 • Responsible Lending, page 29-30
 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"> • People, page 36-41
 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"> • Responding to COVID-19, page 19-20 • Financial Well-being, page 21-22 • Customer Experience, page 26-27 • Data Privacy & Cybersecurity, page 48-49

Stakeholders	Engagement Approach	Response to Stakeholders' Interests
 Partners	<ul style="list-style-type: none"> • Procurement channel • Whistleblower and complaint channel 	<ul style="list-style-type: none"> • Customer Experience, page 26-27
 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 & Business Ethics, page 43 • Market Conduct, page 46-47
 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 & Business Ethics, page 43 • Market Conduct, page 46-47 • Responsible Lending, page 29-30
 Communities	<ul style="list-style-type: none"> • FAI-FAH Centers • Community Relations • Community surveys • Whistleblower and complaint channel 	<ul style="list-style-type: none"> • Social Development, page 34-35

Key Topics Raised by Stakeholders in 2020

The following key topics were raised by our stakeholders, whose inputs were gathered from various engagement approaches throughout the reporting year.



Integration between TMB and Thanachart Bank

Integration is the bank's top priority and it is being executed according to a plan that will reap the full potential and accelerate synergy value. Despite the unexpected COVID-19 crisis, the bank has progressed and delivered actions as planned. In terms of product and service readiness, 114 co-location branches have been established to promptly and seamlessly serve our joint customers. We have adjusted our processes and systems to easily onboard customers seamlessly. These include, but are not limited to, cross-transactions at both TMB and Thanachart ATMs, including Thanachart Funds on TMB TOUCH.

Creating a new culture for the merged bank is also at the heart of the integration – one of the key enablers that will contribute to its success. Introduced in 2020, I-CARE culture consists of core values that distinctively define our beliefs and behaviors. Moreover, to optimize office space and operational cost savings, the bank managed our facilities by merging nearby branches and consolidating office locations. Over 1,840 Thanachart Bank staff have already transferred to the merged bank. For more information, refer to **Integration** in this report.

Challenges of Responding to COVID-19

The pandemic COVID-19 has put businesses around the world under significant financial stress. With financial resiliency, the bank has maintained strong liquidity and capital over requirements, enabling us to withstand the uncertainty ahead. The bank has implemented control frameworks and measures to ensure that the business runs without disruptions or compromising the health and safety of our customers and employees. Employees are promptly informed of relevant protocols and guidance for safety and business continuity.

The bank closely monitors our lending portfolio and, in addition to the Bank of Thailand's financial relief measures, promptly provides support to customers impacted by the pandemic. Over 700,000 customers from both corporate and retail segments have participated in our debt relief program. In addition, the bank has helped communities through FAI-FAH's initiatives and, under the Punboon Fight COVID-19 campaign, served as a platform to help more than 10 foundations and hospitals raise funds during COVID-19. For more information, refer to **Responding to COVID-19** in this report.

Sustainable Finance

Following the signing of a MOU committing to the Sustainable Banking Guidelines – Responsible Lending, the bank has adopted the guidelines and updated our Environmental and Social Responsibility Policy (ESR Policy) accordingly. The revision of ESR Policy has led to 27 business areas that are prohibited under the Exclusion List due to their controversial impact on the environment and society. Examples of new commitments under the ESR Policy include a target to exit from the tobacco industry by 2023, and to stop financing coal-related projects (i.e., coal-fired power plants, coal mining and exploration). For more information, refer to **Responsible Lending** in this report.

Contribution to UN Sustainable Development Goals

	<p>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.</p>		<p>TMB sets target for sustainable business growth and endorses and promotes human rights and the fair treatment of employees.</p>
	<p>TMB promotes food security and improved nutrition for students in rural areas by educating and supporting them on sustainable farming through FAI-FAH programs.</p>		<p>TMB prioritizes innovation by initiating the digital banking roadmap and digital platform to uphold the bank's philosophy of 'Make REAL Change', which is aimed at building a creative, invaluable and distinct experience for the benefit of customers and the environment.</p>
	<p>TMB encourages Thais to eat healthier, exercise more and care for their health and well-being through our community development projects, which help communities from rural areas gain access to healthcare services.</p>		<p>TMB endorses social development through a cleaner, greener and more inclusive approach by offering green loans and community development projects.</p>
	<p>TMB encourages quality education and learning opportunities by providing communities with educational programs and activities at the FAI-FAH learning center. Here, youth can unlock their potential, express creativity and showcase their talents and self-development in art, music, sports and languages. Additionally, activities under the FAI-FAH program also support education and sustainable social development.</p>		<p>As a means to encouraging a low-carbon society, TMB continues to improve its internal resource efficiency as well as mitigate climate change impacts by encouraging financial lending to organizations with renewable energy projects.</p>



SUSTAINABILITY PERFORMANCE

Economic Data	Unit	2020	
		Consolidated	TMB (Bank only)
Total operating income	Thousand Baht	68,791,457	44,057,531
Total other operating expenses	Thousand Baht	31,622,513	17,559,898
Net profit	Thousand Baht	10,112,182	12,854,573
Total assets	Thousand Baht	1,808,331,830	1,205,404,461
Total liabilities	Thousand Baht	1,603,582,105	1,001,951,952
Total equity	Thousand Baht	204,749,725	203,452,509

Remark:

- For more details, see Financial Statements in TMB Annual Report 2020.

Environmental Data	Unit	2017	2018	2019		2020	
				Headquarters	Other	Headquarters	Other
Greenhouse gas emissions							
Total GHG emissions	tonnes CO ₂ eq.	21,097	19,972	8,423	21,007	7,456	9,396
GHG Scope 1	tonnes CO ₂ eq.	290	257	691	63	1,113	63
GHG Scope 2	tonnes CO ₂ eq.	20,687	19,410	7,562	20,752	6,252	9,157
GHG Scope 3	tonnes CO ₂ eq.	120	305	170	192	91	175
Energy consumption							
Total energy consumption	MWh	42,098	39,407	15,957	41,512	13,207	18,318
Fuel	MWh	715	579	830	NA	701	NA
Electricity	MWh	41,383	38,828	15,127	41,512	12,506	18,318
Water consumption							
Total water consumption	m ³	150,775	153,802	122,607	84,907	102,507	78,934

Environmental Data	Unit	2017	2018	2019		2020	
				Headquarters	Other	Headquarters	Other
Waste generation							
Total waste generation	tonnes	94	84	112	NA	206	NA
Recycled waste	tonnes	94	84	112	NA	67	NA
General waste	tonnes	NA	NA	NA	NA	139	NA
Paper usage							
Total paper usage	tonnes	NA	274	101	187	66	169
Business travel							
Business travel by TMB's fleet vehicles	tonnes CO ₂ eq.	159	139	191	NA	167	NA
Business travel by external party	km	NA	466	30,319	NA	50,722	NA

Remarks:

- GHG emissions:
 - Direct GHG emissions (Scope 1): Sources in 2020 include fuel consumption, methane emissions from septic tank, and refrigerants (R134a, R141b, and R22).
 - Indirect GHG emissions (Scope 2): Sources in 2020 include electricity consumption.
 - Other GHG emissions (Scope 3): Sources include employee business travel by car managed by third party, and purchase goods and services such as paper and water. GHG saving from recycled paper managed by 3rd party is accounted in GHG Scope 3 emissions in 2020.
 - Restatement: GHG emissions Scope 1, 2, and 3 have been recalculated in line with the latest 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 2021.
- 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 Headquarters, 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 Headquarters, 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 Headquarters. Recycled waste comprises only paper waste sent for recycling. Paper waste is collected by a third-party service provider and the weight of paper recycled is provided in the paper shredding report.
- Paper usage: The amount of paper usage in the operation is tracked from the purchase. Paper usage data is collected from the Headquarters, call center and branches where the paper bills and payments are directly managed by the Facility Management Department.
- Business travel: The GHG emissions from TMB's fleet vehicle is calculated based on the amount of fuel consumed (litres) multiplied by the emission factor (kg CO₂e/litre). The emission factor is based on Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) version 2021. The distance of business travel using external party transportation is derived from travel reports provided by the external party transportation provider.
- NR means not reported; NA means not available.

Employee Data	Unit	2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
Employees									
Total employees	Persons	8,547		8,373		8,135		8,838	
		2,505	6,042	2,413	5,960	2,351	5,784	2,709	6,129
Employee by type of contract									
Permanent employee	Persons	2,505	6,041	2,412	5,959	2,349	5,784	2,707	6,129
Contract employee	Persons	0	1	1	1	2	0	2	0
Employee by employment type									
Full time	Persons	NR		NR		NR		2,709	6,129
Part time	Persons	NR		NR		NR		0	0
Temporary	Persons	NR		NR		NR		0	0
Employee by age group									
< 30 years old	Persons	452	2,057	462	2,164	433	1,977	298	1,484
30-50 years old	Persons	1,545	3,495	1,454	3,308	1,318	3,184	1,609	3,788
> 50 years old	Persons	508	490	497	488	600	623	802	857
Employee by location									
Thailand	Persons	2,501	6,039	2,409	5,957	2,347	5,781	2,706	6,126
Head office	Persons	NR	NR	NR	NR	1,415	2,084	1,642	2,530
Branches and other office buildings	Persons	NR	NR	NR	NR	932	3,697	1,064	3,596
Overseas	Persons	4	3	4	3	4	3	3	3
Employee by tenure									
< 1 year	Persons	NR	NR	NR	NR	NR	NR	34	117
1-3 years	Persons	NR	NR	NR	NR	NR	NR	660	1,788
4-5 years	Persons	NR	NR	NR	NR	NR	NR	316	852
6-10 years	Persons	NR	NR	NR	NR	NR	NR	400	1,196
11-15 years	Persons	NR	NR	NR	NR	NR	NR	280	689
16-20 years	Persons	NR	NR	NR	NR	NR	NR	213	399
>21 years	Persons	NR	NR	NR	NR	NR	NR	806	1,088

Employee Data	Unit	2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
Employee by nationalities									
Thai	Persons	NR	NR	NR	NR	NR	NR	2,690	6,115
Chinese	Persons	NR	NR	NR	NR	NR	NR	4	9
Laotian	Persons	NR	NR	NR	NR	NR	NR	2	3
Dutch	Persons	NR	NR	NR	NR	NR	NR	4	1
Others	Persons	NR	NR	NR	NR	NR	NR	9	1
New employees									
Total new employees	Persons	2,201		2,785		1,934		129	
	Persons	555	1,646	688	2,097	533	1,401	28	101
New hire rate	%	25.8		33.3		23.8		1.5	
Average hiring costs per new FTE	Baht per person	3,384		3,123		4,071		4,627	
New employees by age group									
< 30 years old	Persons	308	1,111	331	1,489	255	876	13	63
30-50 years old	Persons	246	526	350	597	274	515	13	34
> 50 years old	Persons	1	9	7	11	4	10	2	4
New employees by location									
Thailand	Persons	555	1,646	688	2,097	533	1,401	28	101
Overseas	Persons	0	0	0	0	0	0	0	0
Employee turnover									
Total employee turnover	Persons	2,634		2,959		2,171		1,259	
	Persons	709	1,925	799	2,160	596	1,575	400	859
Turnover rate	%	30.8		35.3		26.7		14.2	
Voluntary employee turnover	Persons	2,310		2,530		1,926		934	
	Persons	599	1,711	615	1,915	505	1,421	254	680
Voluntary employee turnover rate	%	27.0		30.2		23.7		10.6	
Regrettable loss rate	%	12.7		12.3		11.0		7.9	

Employee Data	Unit	2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
Employee turnover by age group									
< 30 years old	Persons	243	950	250	1,128	215	804	92	356
30-50 years old	Persons	371	879	422	912	314	697	172	353
> 50 years old	Persons	95	96	127	120	67	74	136	150
Employee turnover by location									
Thailand	Persons	709	1,925	799	2,160	596	1,575	399	859
Overseas	Persons	0	0	0	0	0	0	1	0
Employee training									
Average training	Hours per person	27		38		35		15	
	Hours per person	24	29	26	41	27	38	12	16
Top management	Hours per person	24	28	14	11	15	12	4	5
Middle management	Hours per person	27	33	32	39	31	36	12	7
Junior management	Hours per person	NR	NR	NR	NR	NR	NR	17	23
Non-management	Hours per person	23	29	26	42	27	38	11	15
Average amount spent per FTE on training and development	Baht per person	NR		NR		NR		6,306	
Employee filled in open position	% of open positions	23.0		19.0		42.3		90.7	
Gender diversity									
Females share of total workforce	%	70.7		71.2		71.1		69.3	
Females in Board	%	0.0		8.0		0.0		7.1	
Females in management positions	%	56.5		57.8		60.4		58.5	
Females in top management positions	%	14.3		28.6		33.3		36.4	

Employee Data	Unit	2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
Females in middle management positions	%	37.0		31.5		35.3		32.4	
Females in junior management positions	%	57.9		59.7		62.1		60.6	
Females in management position in revenue generating functions	%	56.9		59.4		63.8		62.1	
Females in STEM related functions	%	NR		NR		NR		44.0	
Females in non-management positions	%	70.0		71.0		71.0		70.8	
Pay equity									
Equal pay – Ratio of average basic salary of women and men									
Top management	Female : Male	NR		NR		NR		0.86 : 1.00	
Management		NR		NR		NR		0.77 : 1.00	
Non-Management		NR		NR		NR		0.75 : 1.00	
Equal pay – Ratio of average basic salary and bonus of women and men									
Top management	Female : Male	NR		NR		NR		0.86 : 1.00	
Management		NR		NR		NR		0.71 : 1.00	
Non-Management		NR		NR		NR		0.70 : 1.00	
Gender pay gap									
Mean gender salary gap	% difference between female and male employees	NR		NR		NR		29.0	
Median gender salary gap		NR		NR		NR		35.0	
Mean bonus gap		NR		NR		NR		3.0	
Median bonus gap		NR		NR		NR		1.0	

Employee Data	Unit	2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
Employee engagement									
Actively engaged employees	% of actively engaged employees	54.0		NA		NA		NA	
		55.0	52.0	NA	NA	NA	NA	NA	NA
Actively engaged employee coverage	% of total employees	98.1		NA		NA		NA	
Employee engagement	%	83.8		NA		74		NA	
		83.8	83.6	NA	NA	NA	NA	NA	NA
Employee engagement coverage	% of total employees	98.1		NA		36.2		NA	
Parental leave									
Employees accessing parental leave	Persons	NR		NR		NR		183	
	Persons	NR	NR	NR	NR	NR	NR	0	183
Rate of return from parental leave	%	NR		NR		NR		100	
	%	NR		NR		NR		0	100
Occupational health and safety									
Absentee rate	%	0.5		0.5		0.5		0.6	
Fatality	Cases	0		0		0		0	

Remarks:

- The bank plans to conduct company-wide employee engagement after EBT in 2021.
- STEM (science, technology, engineering, mathematics) related functions are functions which require basic education in science, technology, engineering, mathematics.
- Gender pay gap: Mean and median gender salary gap is the difference between the mean and median monthly salary of male full-pay relevant employees, excluding top and middle management and that of female full-pay relevant employees, excluding top and middle management. Mean and median bonus gap is the difference between the mean and median bonus pay paid to male relevant employees who are eligible for bonus and that paid to female relevant employees who are eligible for bonus. The coverage for mean and median bonus gap is 100% of total employees who are eligible for bonus while the coverage of mean and median salary gap is 99.0% of total employees (excluding top and middle management).
- Absentee: Absentee rate measures actual absentee lost days, expressed as a percentage of total workdays. Absentee rate target is 1.0%.
- Fatality: Work-related injury resulted in fatality.
- NR means not reported; NA means not available.

Social Data	Unit	2017	2018	2019	2020
Total contribution	Baht	50,996,748	150,342,289	330,265,600	253,456,392
Charitable donation	Baht	10,466,534	9,484,047	9,185,000	8,998,242
	%	20.5	6.3	2.8	3.6
Community investment	Baht	30,300,000	28,500,000	44,200,000	31,000,000
	%	59.4	19.0	13.4	12.2
Commercial initiatives	Baht	10,230,214	112,358,242	276,880,600	213,458,150
	%	20.1	74.7	83.8	84.2
Employee volunteering during paid working hours	Baht	11,487,241	11,835,706	12,539,179	9,502,718
	Hours	37,349	36,420	36,292	23,224
Management overheads	Baht	9,373,884	12,255,102	11,643,680 *	15,740,669

Remarks:

- TMB has no in-kind giving
- * Restatement



GRI CONTENT INDEX





GRI Standard	Disclosure	Page reference/ remarks
GRI 101: Foundation 2016	Reporting principles	50
	Using the GRI Standards for sustainability reporting	50
	Making claims related to the use of the GRI Standards	50
General disclosures		
GRI 102: General disclosures 2016	102-1 Name of the organization	8
	102-2 Activities, brands, products, and services	8-9
	102-3 Location of headquarters	12
	102-4 Location of operations	13
	102-5 Ownership and legal form	8
	102-6 Markets served	8-9
	102-7 Scale of the organization	54-55
	102-8 Information on employees and other workers	55
	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	44
	102-12 External initiatives	30, 53
	102-13 Membership of associations	https://www.tmbbank.com/sustainability/governance/contribution-to-associations.html
	102-14 Statement from senior decision-maker	6-7
	102-16 Values, principles, standards, and norms of behavior	37

GRI Standard	Disclosure	Page reference/ remarks
102-18	Governance structure	https://www.tmbbank.com/about/org_structure
102-40	List of stakeholder groups	51
102-41	Collective bargaining agreements	https://www.tmbbank.com/en/sustainability/social/our-people.html
102-42	Identifying and selecting stakeholders	51
102-43	Approach to stakeholder engagement	51
102-44	Key topics and concerns raised	51-52
102-45	Entities included in the consolidated financial statements	https://media.tmbbank.com/uploads/ir_fininfo_annual/file/media/301_file_en.pdf
102-46	Defining report content and topic Boundaries	50
102-47	List of material topics	50
102-48	Restatements of information	54, 57
102-49	Changes in reporting	50
102-50	Reporting period	50
102-51	Date of most recent report	50
102-52	Reporting cycle	50
102-53	Contact point for questions regarding the report	12
102-54	Claims of reporting in accordance with the GRI Standards	50
102-55	GRI content index	58-61
102-56	External assurance	62-63





GRI Standard	Disclosure	Page reference/ remarks	SDGs
Topic-specific and financial services (FS) disclosures			
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: Management approach 2016	GRI 103-1	Explanation of the material topic and its boundary	18-27, 50
	GRI 103-2	Management approach and its components	18-27
	GRI 103-3	Evaluation of the management approach	18-27
Digital transformation: Transform our business by utilizing digital technologies to offer our customers value-added products and services			
GRI 103: Management approach 2016	GRI 103-1	Explanation of the material topic and its boundary	23-25, 50
	GRI 103-2	Management approach and its components	23-25
	GRI 103-3	Evaluation of the management approach	23-25
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: Management approach 2016	GRI 103-1	Explanation of the material topic and its boundary	48-50
	GRI 103-2	Management approach and its components	48-49
	GRI 103-3	Evaluation of the management approach	48-49
GRI 418: Customer privacy 2016	GRI 418-1	Substantiated complaints concerning breaches of customers privacy and losses of customer data	48



GRI Standard	Disclosure	Page reference/ remarks	SDGs
IT system and cybersecurity: Secure the stability of IT systems and platforms, and risks from cyberthreats and cyberattacks			
GRI 103: Management approach 2016	GRI 103-1	Explanation of the material topic and its boundary	48-50
	GRI 103-2	Management approach and its components	48-49
	GRI 103-3	Evaluation of the management approach	48-49
Corporate governance: Appropriate governance framework in place to ensure accountability, fairness, and transparency of the bank for long-term interests of stakeholders			
GRI 103: Management approach 2016	GRI 103-1	Explanation of the material topic and its boundary	42-43, 50
	GRI 103-2	Management approach and its components	42-43
	GRI 103-3	Evaluation of the management approach	42-43
Market conduct: Measures to ensure compliance to laws that govern the bank to ethically serve customers			
GRI 103: Management approach 2016	GRI 103-1	Explanation of the material topic and its boundary	46-47, 50
	GRI 103-2	Management approach and its components	46-47
	GRI 103-3	Evaluation of the management approach	46-47
GRI 205: Anti-corruption 2016	GRI 205-2	Communication and training about anti-corruption policies and procedures	43, 46

GRI Standard	Disclosure		Page reference/ remarks	SDGs
Risk management: Effective risk and crisis management in place for long-term financial planning and organizational flexibility				
GRI 103: Management approach 2016	GRI 103-1	Explanation of the material topic and its boundary	44-45, 50	
	GRI 103-2	Management approach and its components	44-45	
	GRI 103-3	Evaluation of the management approach	44-45	
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: Management approach 2016	GRI 103-1	Explanation of the material topic and its boundary	36-41, 50	
	GRI 103-2	Management approach and its components	36-41	
	GRI 103-3	Evaluation of the management approach	36-41	
GRI 401: Employment 2016	GRI 401-1	New employee hires and employee turnover	55-56	
	GRI 401-3	Parental leave	56	
GRI 404: Training and education 2016	GRI 404-1	Average hours of training per year per employee	56	  
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	39-40	
GRI 405: Diversity and equal opportunity 2016	GRI 405-1	Diversity of governance bodies and employees	56	
	GRI 405-2	Ratio of basic salary and remuneration of women to men	56	
GRI 403: Occupational health and safety 2018	GRI 403-6	Promotion of worker health	41	
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	20	

GRI Standard	Disclosure	Page reference/ remarks	SDGs
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: Management approach 2016	GRI 103-1 Explanation of the material topic and its boundary	21-22, 50	
	GRI 103-2 Management approach and its components	21-22	
	GRI 103-3 Evaluation of the management approach	21-22	
Local communities	FS14 Initiatives to improve access to financial services for disadvantaged people	19, 22, 25	
Responsible lending: Responsible lending to clients by taking into consideration environmental, social, and governance risks			
GRI 103: Management approach 2016	GRI 103-1 Explanation of the material topic and its boundary	28-32, 50	
	GRI 103-2 Management approach and its components	28-32	
	GRI 103-3 Evaluation of the management approach	28-32	
Product portfolio	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	31-32	
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	32	

GRI Standard	Disclosure	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: Management approach 2016	GRI 103-1 Explanation of the material topic and its boundary	31-32, 50	 
	GRI 103-2 Management approach and its components	31-32	
	GRI 103-3 Evaluation of the management approach	31-32	
GRI 201: Economic performance 2016	GRI 201-2 Financial implications and other risks and opportunities due to climate change	31-32	
Our environmental impact: Manage the bank's own environmental impacts			
GRI 103: Management approach 2016	GRI 103-1 Explanation of the material topic and its boundary	33, 50	 
	GRI 103-2 Management approach and its components	33	
	GRI 103-3 Evaluation of the management approach	33	

GRI Standard	Disclosure	Page reference/ remarks	SDGs
GRI 302: Energy 2016	GRI 302-1 Energy consumption within the organization	54	
	GRI 302-4 Reduction of energy consumption	54	
GRI 303: Water and effluents 2018	GRI 303-5 Water consumption	54	
GRI 305: Emissions 2016	GRI 305-1 Direct (Scope 1) GHG emissions	54	
	GRI 305-2 Energy indirect (Scope 2) GHG emissions	54	
	GRI 305-3 Other indirect (Scope 3) GHG emissions	54	
GRI 306: Effluents and waste 2016	GRI 306-2 Waste by type and disposal method	54	



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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 2020 Sustainability Report (the "Sustainability Report") for the year ended 31 December 2020.

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 by TMB's fleet vehicles (tCO₂e) • Business travel by external party (kilometre) • Paper shredding (tonnes) 	TMB Head Office only	54
<ul style="list-style-type: none"> • New employee hires • Absentee rate • Employee turnover rate • Average training hours • Ratio of average basic salary and bonus of women to men 	TMB	55 - 57

Other than as described in the above table which sets out scope of our engagement, we did not perform assurance procedures on the remaining information included in the Sustainability Report, and accordingly we do not express a conclusion on the information.

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 50, 54 and 57).

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. A limited assurance engagement consists of making enquiries primarily of persons responsible for preparing the Subject Matters and related information and applying analytical and other appropriate procedures. 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 the evidence we have obtained.

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 - Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, 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 Attiwiroon
Partner
EY Corporate Services Limited

Bangkok, Thailand
14 May 2021

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E-Book Sustainability Report