ทีเอ็มบีธนชาต
TMBThanachart

Fixed Income Presentation
FY2022 Financial Performance

2 February 2023

TTB Recap and highlight

Journey update

Completed merger transaction

2019

Auto lending Leader
+
Top performing deposit franchise

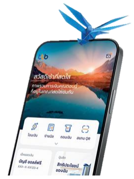
TMB + ธนาคารธนชาต Thanachart Bank

Merger of 2 banks becoming one D-SIB

2020

2021

Successful entire business transfer



2022

Launch new digital platform

Strategic initiatives

"Smooth business transition and remained conservative during the pandemic"

- Post-merger Synergy realization
- Covid-19 pandemic and relief measure
- Quality loan growth and 7-scheme principle-based relief schemes

"Unlocked post-merger potentials and prepare against headwinds "

- Preparing Balance sheet ahead of interest rate hike
- Digital transformation
- Revamping business & sales model and group restructuring
- Funding and capital management

TTB current profile

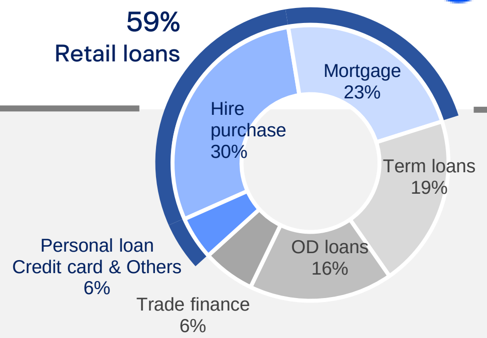
Well-mix loan portfolio towards retail space

59%
retail loan

Loan structure shifted towards retail loan compared to 39% of retail loans before merger

High-yield retail loan focus

Gain more fair share in consumer lending segment driven by our new subsidiary, ttb consumer



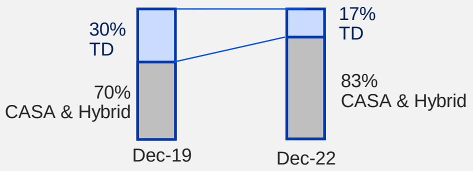
Well-managed funding cost thru balance sheet optimization

17%
term deposit

Change in deposit mix by reducing high-cost time deposit proportion from 30% before merger

-54 bps
Cost of Deposit

Quick-win synergy from post-merger resulting in cost of deposit drop prior pre-funding strategy vs. industry's 38 bps drop



Prepare balance sheet ahead of interest rate uptrend since 4Q21

+3 bps
Cost of Deposit

Lessened effect from interest rate hike on COD vs. 5 big banks COD rose 10 bps on average (3Q22 vs 4Q22)

1.4 years
Avg bond duration

shortened bond duration and rolled down with Floating Rate Bonds to ensure well-managed investment portfolio during int. rate rise cycle

70%
of assets

can repriced within 1 years

Well-controlled asset quality

138 bps
Credit cost

in 4Q22 significantly dropped from the covid-19 peak level in 4Q20 at 238 bps

2.73%
stage 3 ratio

Among the lowest compared to the industry

12%
modified loans

Modified loans over total loans shrank from 40% at the covid-19 peak level with limited portion of deep restructuring

Sound liquidity and strong capital position

184%
LCR*

LCR in 4Q22 which well above minimum requirement

16.3%
Tier1

In 4Q22 vs 14.6% after merger and well-above BOT min. requirement for D-SIBs banks

20.0%
CAR

in 4Q22 vs 18.9% after merger and top tier among the industry

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* Preliminary data. Official LCR as of Dec-22 will be reported to BOT end of Jan-23

Performance FY2022

Executive summary

Looking back on the time since merger— starting in 2019 from the idea of combining 2 banks' complementary strengths — it is a clear pathway for the Merged Bank to scale up and to deliver stakeholders' value in a sustainable way. To this end, we have carried on pursuing our strategic milestones to unlock merger synergies. Concurrently, we have successfully preserved our strong financial position and withstood the unprecedented pandemic and economic headwinds, thanks to our conservative direction. As a result, we started off 2022 with a good shape for resuming growth and here are deliverables.

☐ **Synergy realization:** overachieved balance sheet and cost synergies while revamping group structure (ttb consumer), business model and digitalizing operating model to reinforcing revenue stream and ramp up revenue synergy.

☐ **Quality loan growth:** leveraged post-merger strengths and maintained leading position in HP and Mortgage markets with target to gain higher share in consumer loan arena to enhance yields.

☐ **Balance sheet preparation for interest rate hike:** prepared our balance sheet ahead of changing interest cycle through long-term TD pre-fund strategy and asset-liability portfolio optimization aspiring for efficient funding cost going forward.

☐ **Well-contained asset quality:** maintained prudent risk management and monitoring scheme to ensure sufficient risk buffer.

☐ **Solid capital position:** allowed us to drive organic growth, enhance capital management (AT1 partial buy back) and increase shareholders' value (Dividend and TTB-W1).

2022 Outcomes

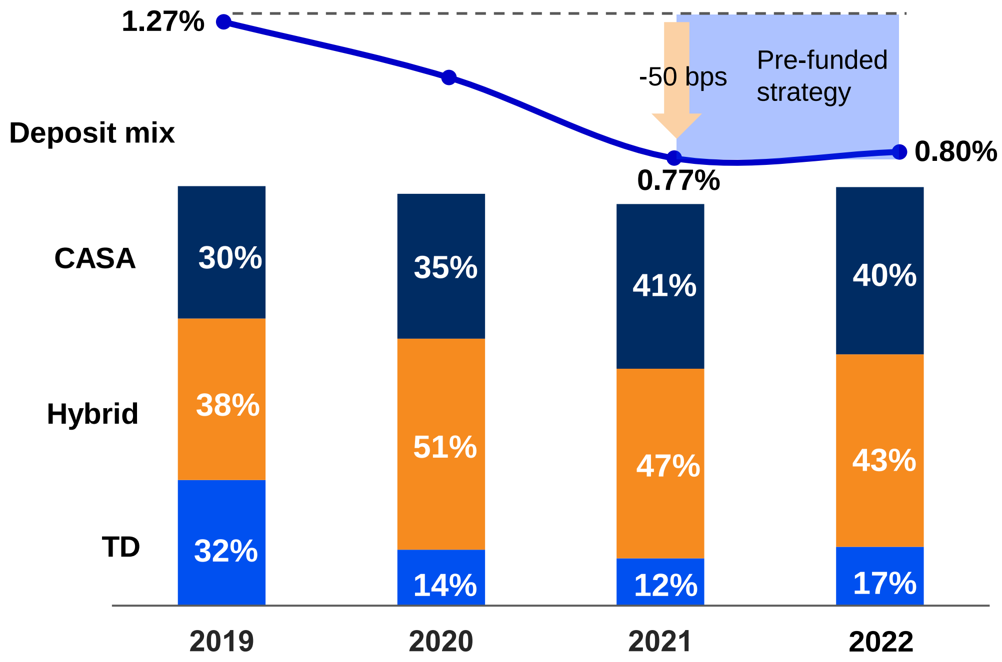
2022 Targets		2022 Actual	
Loan Growth	**Approx. +2%**	**+0.4% YTD**	TTB's loan growth slightly increased by 0.4% YTD as growth in retail loans almost offset by commercial loan repayment (-5.7% YTD). Zooming in retail loans which our targeted area, it grew as plan, led by HP (4.3% YTD) and mortgage lending (3.2% YTD). TTB continues to maintain leading position in these markets. Consumer loans also expanded, backed by group restructuring initiatives on ttb consumer and will be a positive factor for loan yields going forward. TTB's strategy is to rebalance loan mix towards retail loans and enhance loan yield.
Deposit Growth	**Approx. +3%**	**+4.5% YTD**	Growth in deposit was mainly from our pre-fund strategy. Since 4Q21, TTB continued to acquire Time deposit through Up and Up, a 24-month time deposit with a step-up interest rate to store term funding for our HP port and to lock in low-cost deposit in the preparation for rising rate cycle.
NIM	**Stable** 2.97% in 2021, 3.06% excluded PPA	**2.95%** 3.01% excluded PPA	The pre-fund strategy although put pressure on NIM during 1H22, we started to see turning point in 3Q22 as a result of our well-prepared B/S position for rising rate environment. We expect the continuity of NIM improvement in 2023 from enhancement in assets yield and rising rate cycle , offsetting with an increase in FIDF normalization.
Non-NII / Total Assets	**0.80%-0.90%**	**0.79%**	Despite unfavorable investment market that continued to affect MF fees, other key fee engines such as bancassurance and commercial fees showed an improving momentum. The AT repurchase transaction also contributed to higher non-NII. As part of our capital management initiative to improve equity holder value, we took market opportunity to partially buy back AT1 and recognized gains from repurchase price in 2H22.
C/I Ratio	**45%-47%** from 2021 of 48% or 46% excluded PPA	**45%** 43.9% excluded PPA	A strong decline in recurrent expense was underpinned by cost saving synergies from post-merger position. With such synergy and our cost discipline, we could achieve 2022 C/I target, despite ongoing investment as per our digital transformation plan. We target to improve C/I further and aim for low 40s in the next 3 year.
Stage 3 Ratio	**≤ 3.2%** 2.81% in 2021	**2.7%**	Stage 3 ratio was well-controlled and on a declining trend since its peak at 2.98% during Covid-19 crisis in 3Q20 and after the expiry of debt-relief program. This is a result of our prudent and conservative risk management we quickly adapted since the beginning of the pandemic. We also ensure that our NPL resolution is efficient with an aim to keep our B/S clean as well as to preserve NPL values.
Credit Cost	**140-160 bps** 157 bps in 2021	**133 bps**	Risk cost ended at 133 bps, below guidance. Such a level is based on forward-looking approach which includes reserve and conservatism related to Covid-19 and economic uncertainty. LLR or NPL coverage ratio increased to 138%, a sufficient level for our portfolio, of which more than half is collateral-based.

Well-Prepared Position
for a Rising Rate Environment

Well-managed B/S composition in preparation of interest rate trend

Funding Strategy

Cost of deposit (Included DPA)

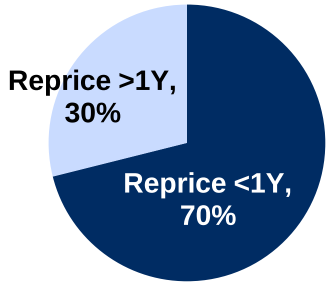


Well deposit mix reflected the Bank's funding strategy at each stage

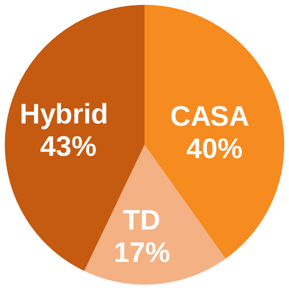
- With post-merger optimization balance sheet direction, we have optimized deposit structure by reducing high-cost TD from 32% to 12% in 2021, achieving lower funding cost (-50 bps).
- Since 4Q21, the Bank has pre-funded long term deposit TD to prepare B/S ahead of the interest rate hike. There would be pressure on NIM in short term but would help sustain margin once loan growth picks up.

Flexible Asset-Liability Portfolio

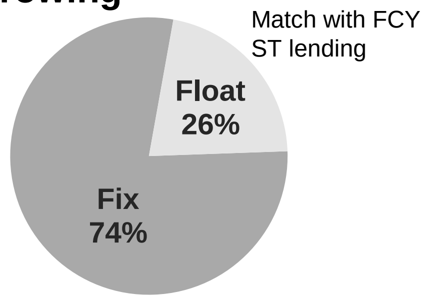
Earning asset



Deposit



Borrowing



The Bank will benefit from interest rate hike due to well-positioned asset-liability portfolio

Assets

Majority of assets can be repriced quickly

- **70%** of earning assets could reprice within 1 year.
- Shortening investment duration.

Liabilities

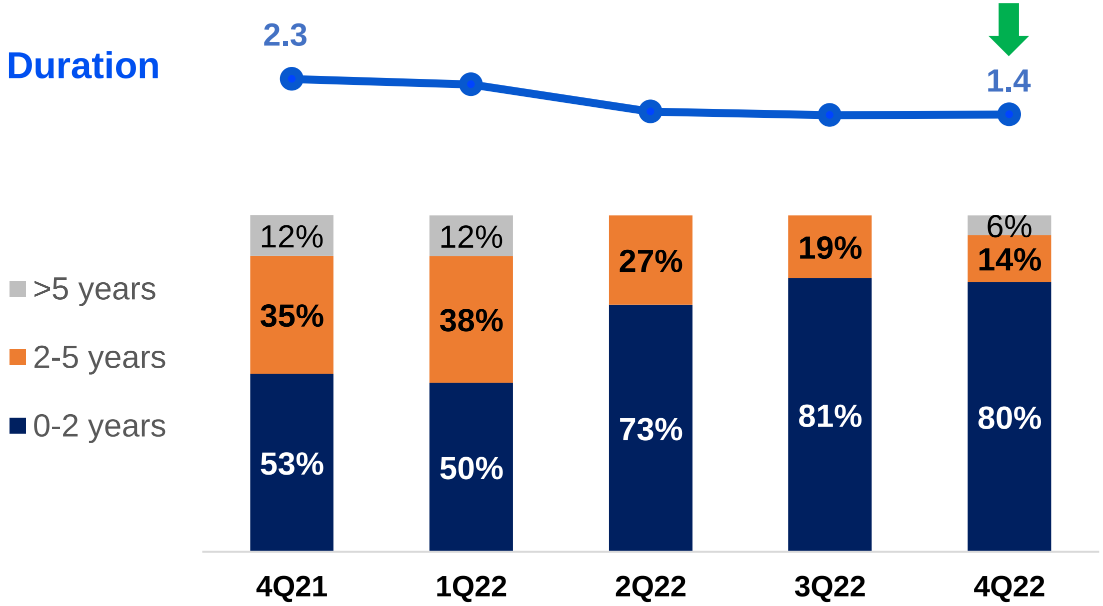
- **100%** of deposit is linked with Admin Rate, allowing the Bank to manage on rate adjustment.
- **TD** has been accelerated on acquisition in preparation for the rate rising trend, with **47%** growth YTD.

- **74%** of total borrowings is fixed rate, no impact from market rate increase.
- **70%** of floating rate borrowings is used for FCY short-term lending. Therefore, the interest rate impact is offset.

Well-managed B/S composition in preparation of interest rate trend

Priority is to minimize the negative Mark-to-Market impact during a rising rate cycle under proper market risk guidelines

THB Government in Investment Portfolio



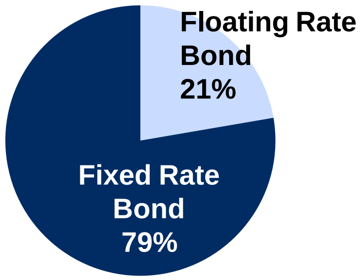
Managed Short Duration during 2022: We managed to stay in Short Duration since 3Q21 to minimize negative impact from expected Interest Rate Rising cycle through:

- Replacing Bond roll down with Floating Rate Bonds and Short-Term Foreign Currencies Government Bonds to improve total Portfolio Return.
- HtC&S portfolio duration was shortened from 2.3 years in 4Q21 to 1.4 years in 4Q22 where 80% of the total investment stays within 2 years.

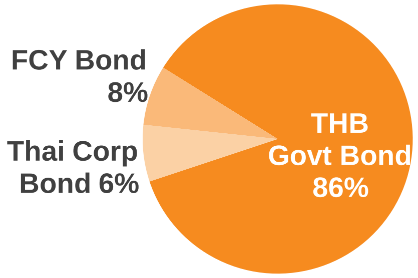
Remark: Long-term bonds (>5 years) have been transferred to Hold to Collect (HtC) Portfolio as per the Bank's new Business Model in 2Q22.

Investment Portfolio Breakdown

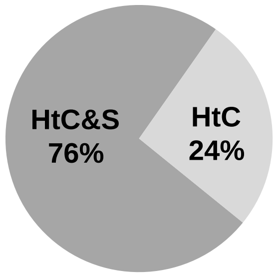
Data as of Dec-22



- **Manage to minimize impact from rising rate through Floating Rate Bond Investment:** Floating rate bond portion is 21% of HtC&S portfolio.



- **Return Enhancement from Thai corporate bonds and FCY bonds with rating of AA- and above:** THB Corp and FCY Bond portion is 14% of HtC&S portfolio.



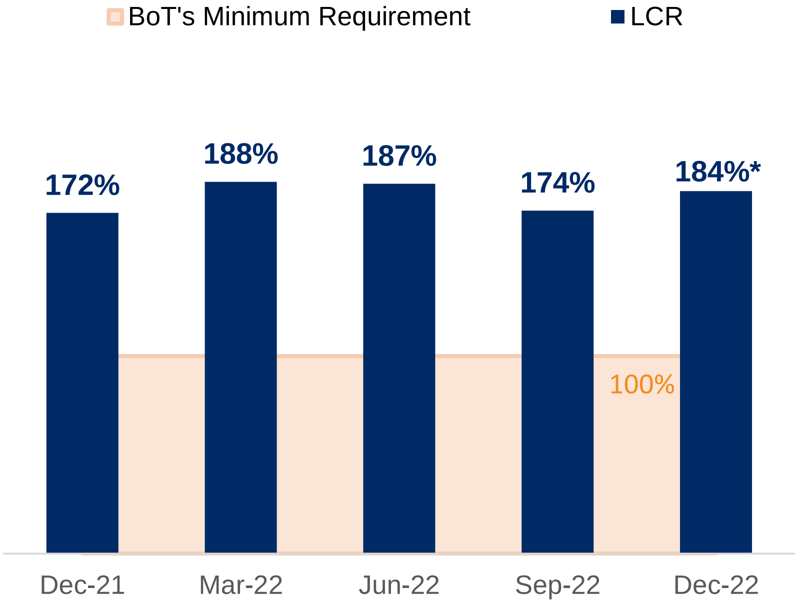
- **The Amortized Cost Portfolio (HtC):** Following new business model to support long-term liquidity management, HtC portfolio accounts for 24% of total Bank's investment with duration = 6.9 years at end of 2022.

HtC&S : Hold to Collect and Sell
HtC : Hold to Collect

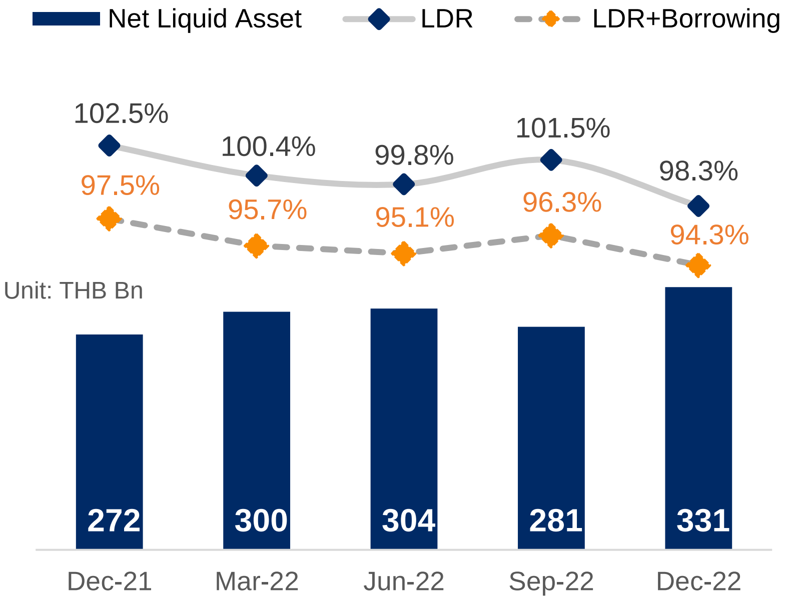
Sound Capital and Liquidity Position

Robust liquidity position with high LCR and top tier capital ratios among D-SIBs

LCR Ratio

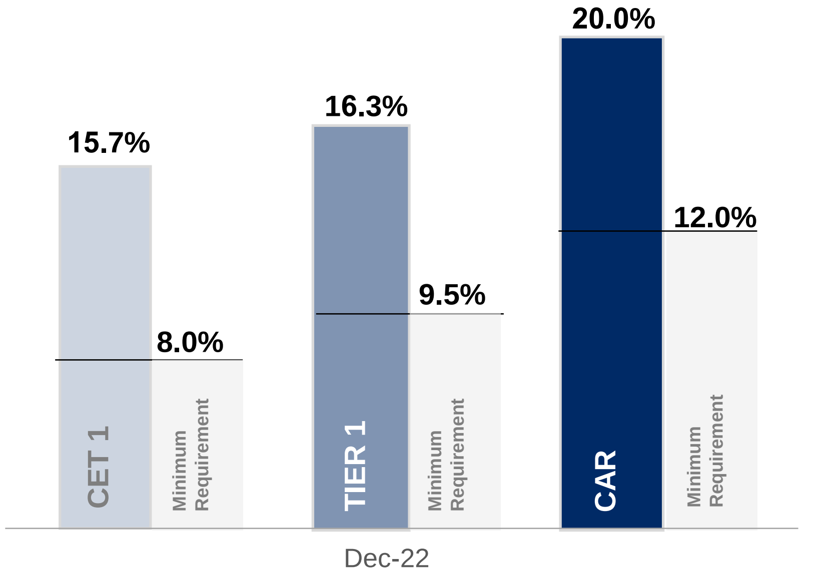


LDR + Borrowings



Net Liquid Asset Definition:
Cash + Interbank Asset + Investment - Interbank liab.

Capital Ratios

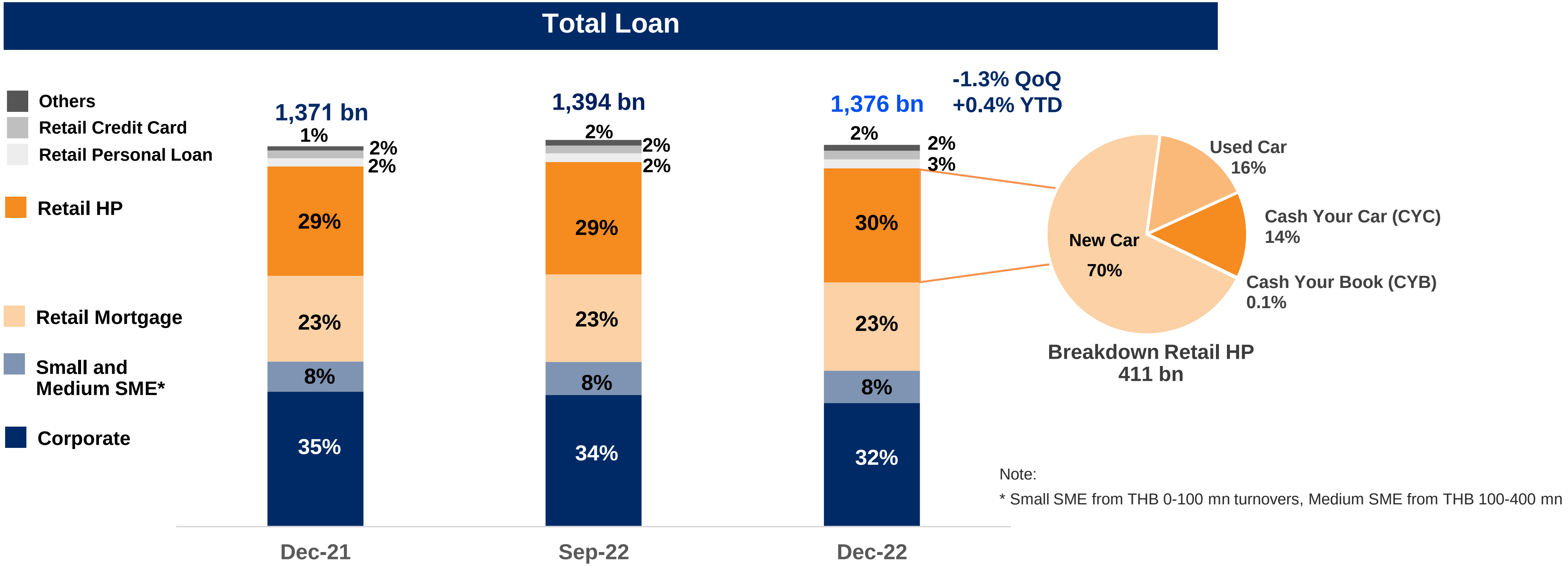


Note: Preliminary numbers

- Top priority has always ensured strong funding and healthy liquidity position. In the preparation for rising rate environment, the Bank pre-funded balance sheets in order to efficiently manage deposit cost in the rising rate cycle as well as to have a stable funding source and maintain high liquidity position, indicated by high level of LCR which is well above the BOT's minimum requirement at 100%.
- Our LDR+Borrowings ratio also reflectes our highly-liquid position and well-diversified funding.
- As of Dec-22, capital buffer remains robust with the 3rd highest CAR among peers*

Note: * Preliminary data. Official LCR as of Dec-22 will be reported to BOT end of Jan-23
Ranking based on 3Q22 performance

Loan mix optimization towards retail lending for better loan yield

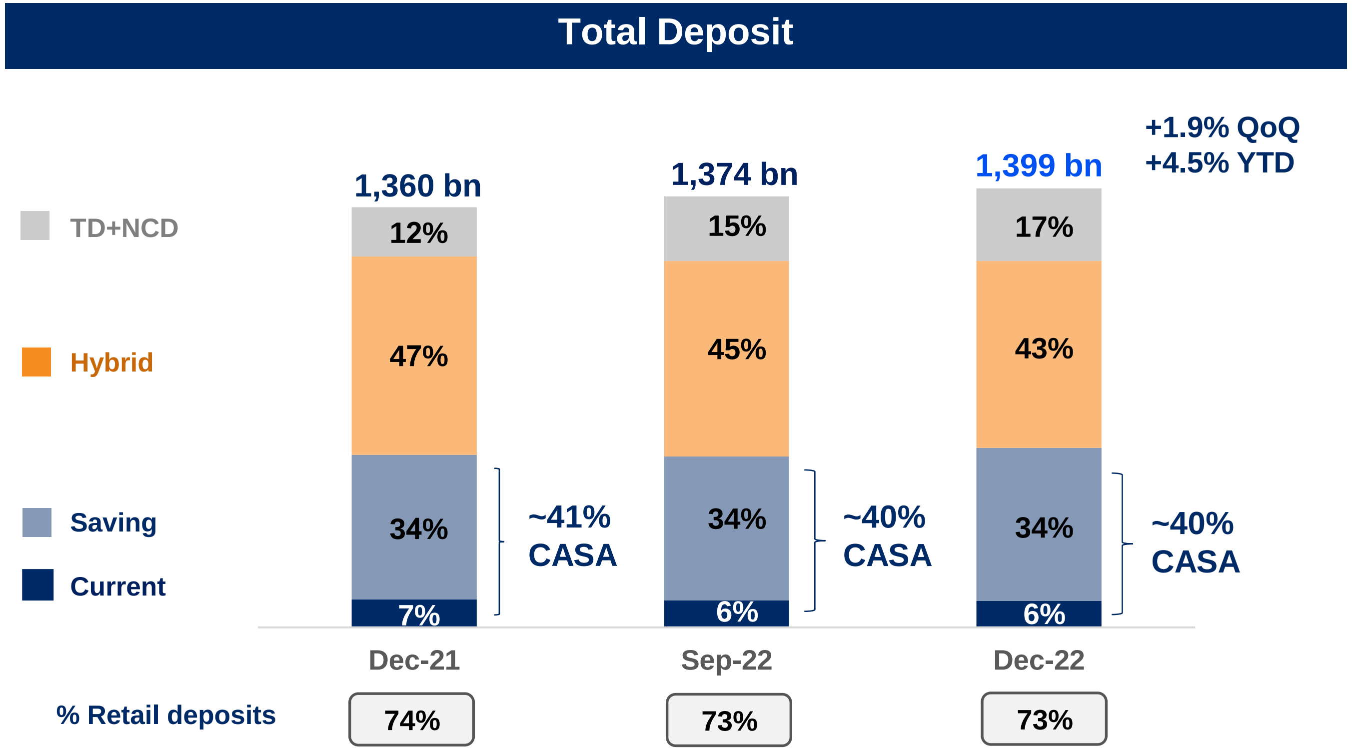


Note:

* Small SME from THB 0-100 mn turnovers, Medium SME from THB 100-400 mn

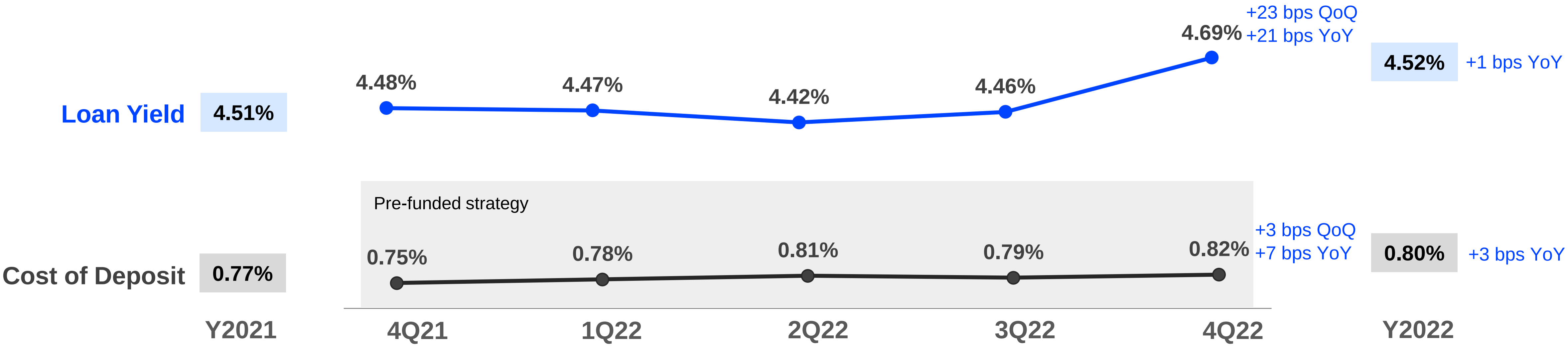
- Quality loan growth remained our key strategy in 2022. Therefore, loan resumption was selective and focused more on retail loans as we planned to enhance yields by shifting a portfolio mix toward retail segments.
- 2022 loan expansion came as planned. Retail segment grew by +5.0% YTD, driven by post-merger's strengths and revamped group structure. Car loan and home loan were our target areas and we could grow the portfolios by +4.3% and +3.2%, respectively. Growth in consumer lending products such as personal loans (+8.4% YTD) and credit card (+15.7% YTD) was boosted by "ttb consumer", our new subsidiary.
- Commercial loan, on the other hand, declined by -5.7% YTD due mainly to corporate loan repayment which was a result of our short-term tactics. In 1H22, we strategically parked excess liquidity from pre-funding deposit strategy in commercial loans before redeploying for retail loan growth in 2H22. And we remained conservative on SME portfolio and continued to de-risk the port.
- For QoQ momentum, loans grew from retail products; HP +1.5% QoQ, mortgage +0.7% QoQ, personal loan +4.5% QoQ and credit card +13.2% QoQ. The corporate loan and SME declined -6.3% QoQ and -3.7% QoQ in line with our SME de-risking strategy.

Strategically building strong deposit franchise amid rate hike cycle



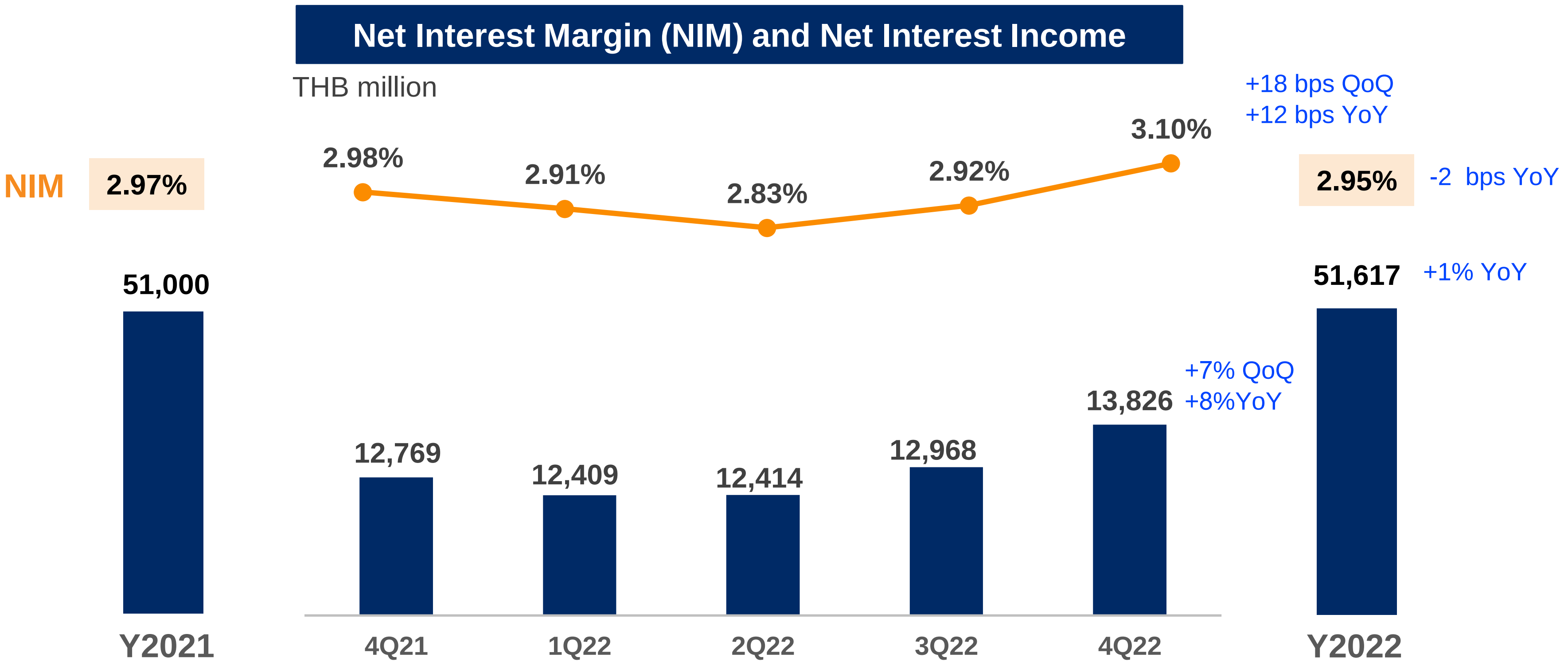
- Key deposit strategy in 2022 was to prepare our deposit structure ahead of rising rate environment.
- Since 4Q21, we started to build term-funding base and strategically shifted a growth driver from our flagship Hybrid deposits toward time deposit. Key objective is to build and secure term-funding base for future loan growth at lower cost before rate hikes.
- “Up and Up” is our tactical time deposit (TD) product for this strategy. Its 6-month step up interest rate features is attractive for customers while for the Bank this feature is superior than traditional time deposits in terms of deposit cost optimization.
- Overall, we could grow time deposit by 46.8% in 2022. The portion of time deposit rose from 12% in 2021 to 17% of total deposit while low-cost CASA at 40%. Our flagship transactional deposit “All Free” continued to grow by +4.8%. The decline in Hybrid deposit was due partly to the outflow to Up and Up.
- Moving into 2023, we will continue grow deposit franchise through our flagship products and build new ecosystem that would help we penetrate more new-to-bank customers and use TTB as their main bank.

Starting to see a payoff from pre-fund strategy after a short-term impact on NII



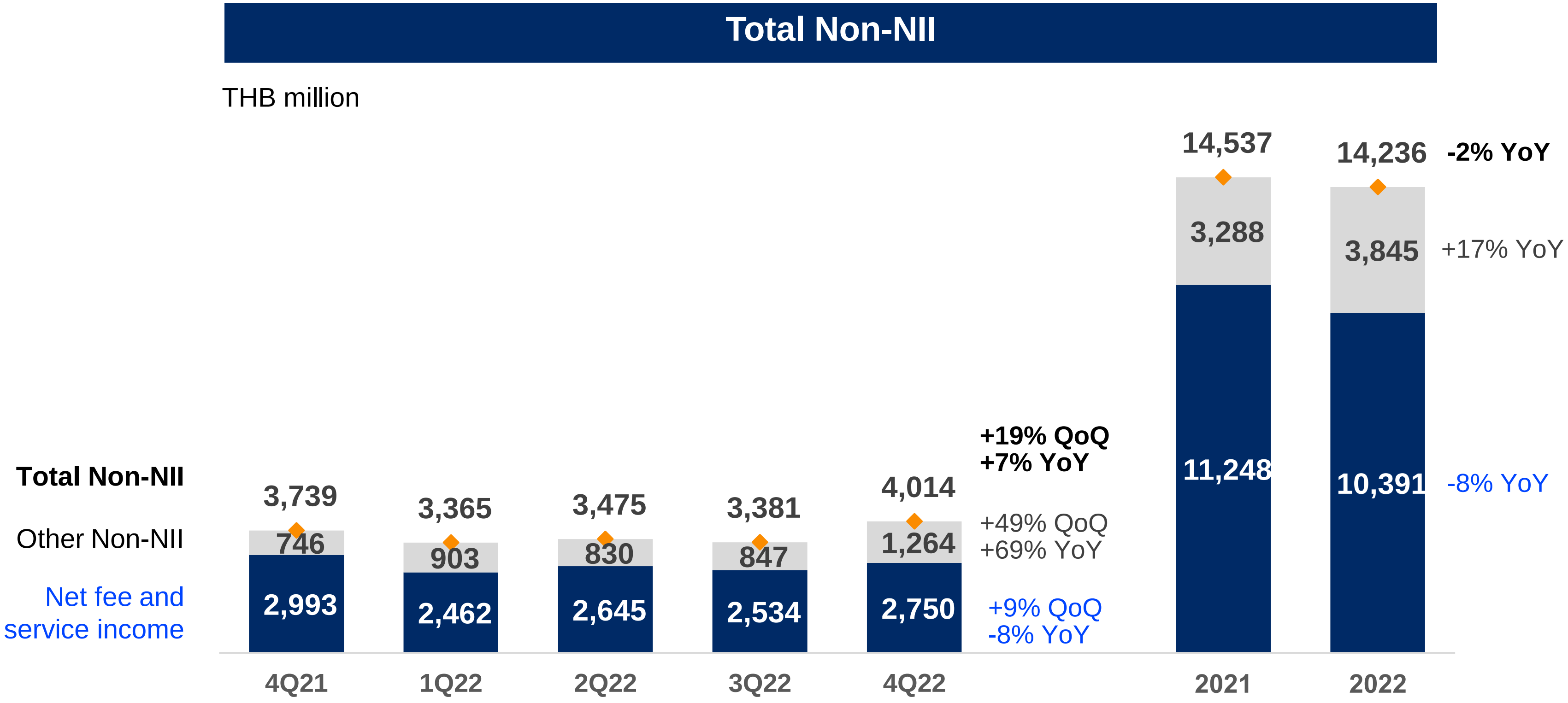
- During low-rate environment, TTB took initiatives to pre-position our B/S ahead of rising rate environment.
- Since 4Q21, we have strategically acquired Up and Up time deposit, a 24-month Time Deposit with 6-month step up interest feature, to build and lock in term funding base.
- Although this strategy put pressure on deposit cost, it started to pay off when entering into rising rate cycle. In 2022, TTB could grow deposit by 4.5% and cost of deposit rose by 3 bps YoY.
- Loan yield started to improve in 2H22 after we successfully redeployed funding from low-yield corporate lending to higher yield areas of HP and mortgage to maintain our market share as well as consumer lending especially in Cash Your Car (CYC), credit card and personal loans. As a result of such a strategy, yield improved significantly during 4Q22.
- Our strategy to grow in HP and mortgage as well as our strategy to increase retail high yield loans would be supportive factors for loan yield recovery for year 2023.

NIM and NII showing positive momentum, driven by strategic B/S initiatives



- Apart from deposit and loan strategy, we've shortened investment portfolio to minimize the negative impact of mark-to-market loss during rate hike cycle. We also increased floating rate bond investment portion and that allows the Bank to have flexible repricing opportunity. This reflected our flexible and effective B/S management.
- As a result of B/S initiatives, NIM continued to improve +18 bps QoQ from in 3Q22. Key drivers were yield on loans (+24 bps QoQ), followed by yield on interbank and money market (+43 bps QoQ) and yield on investment (+10 bps QoQ)

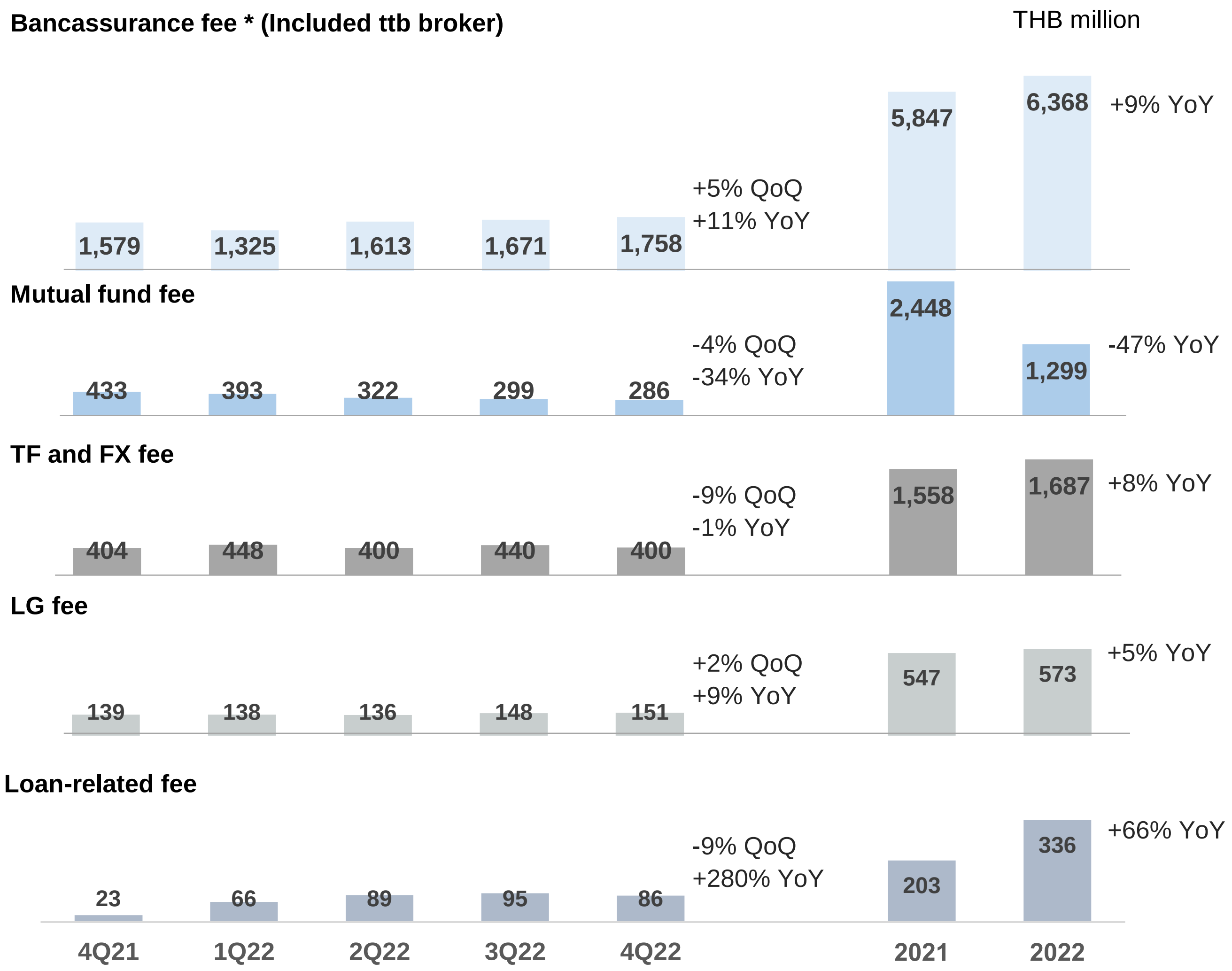
Win-win solution in repurchasing AT1 with gain and capital utilization



- During Sep-Nov 22, the Bank initiated AT1 repurchase transaction of approx. US$154 mn, equivalent to 38.6% of total AT1 outstanding. Key objective is to enhance equity holder value. Back in 2019, the purpose of AT1 issuance was to close potential fund-raising gap. Now that the Bank successfully completed merger transaction and has robust capitals, Hybrid Tier 1 is no longer needed. With this action, the Bank recognized gains of THB 65 mn in 3Q22 and THB 463 mn in 4Q22.
- Net fee income improved QoQ driven mainly by auto-bancassurance and credit card fee, but fee from mutual fund business was slowdown as unfavorable market situation still affected customers' investment appetite.
- Details of strategy Non-NII are in the following page.

Better performing YoY for most strategic fee products, except MF fee

Breakdown Strategic Non-NII Products



- 2022 strategic fee engines improved YoY, boosted by BA fee and other strategic commercial fees.
- However, MF fees remained a challenge and still suffered from weak market sentiment and is the key reason of YoY drop in net fee income while other fee engines showed recovery trend.

  Retail fees: Bancassurance maintained good momentum on the back of foundation upgrade, changing service model, offering variety product mix. Auto-bancassurance also showed good traction in 4Q22 during Motor Expo in November.

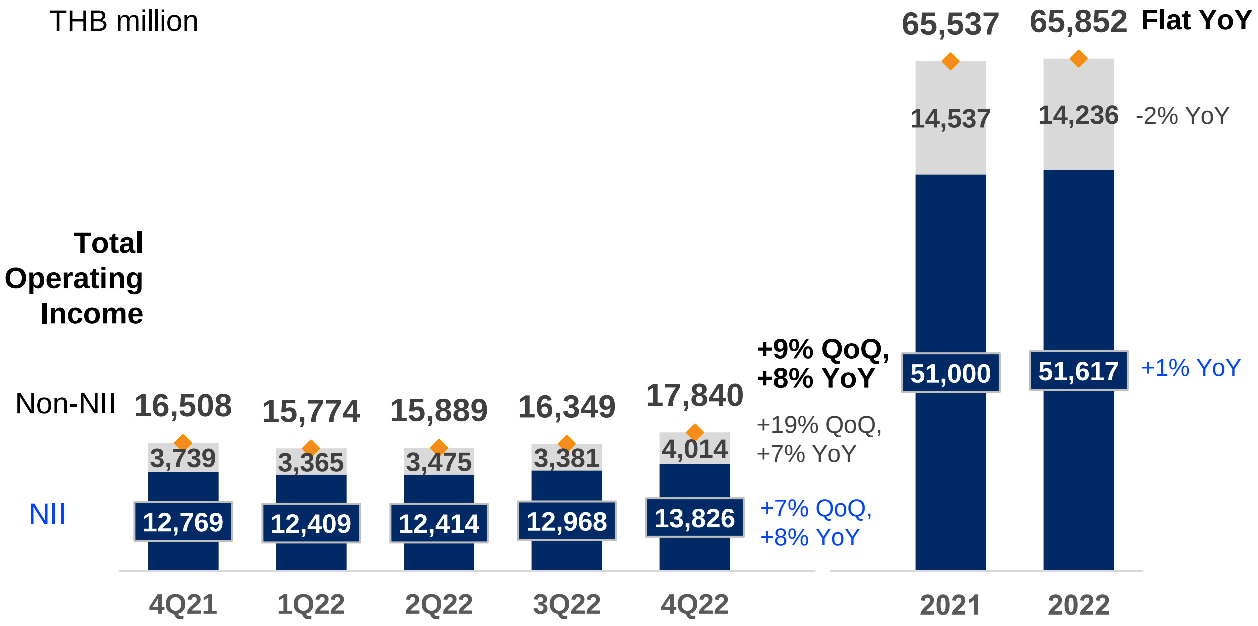
  Commercial fees: Overall flagship commercial fees continued to grow YoY. Growth in loan related fee was aligned with better business volume following country reopening. TF and FX fee increased from high customers' volume when compared to previous year. However, with Thai Baht appreciation to its strongest level in December 22, exporters started to delay hedging activities. Moreover, Thailand's export and import volume dropped from 3Q22. As a result, FX fee in December declined.

- In 2023, the Bank plans to capture potential cross-selling opportunity from Merged Bank's customer base and enhance alternatives fee incomes from ecosystem's initiatives towards new digital sales and new service model platform. Commercial fees would come from converting acquired loans to fee income to improve fee-to-assets.

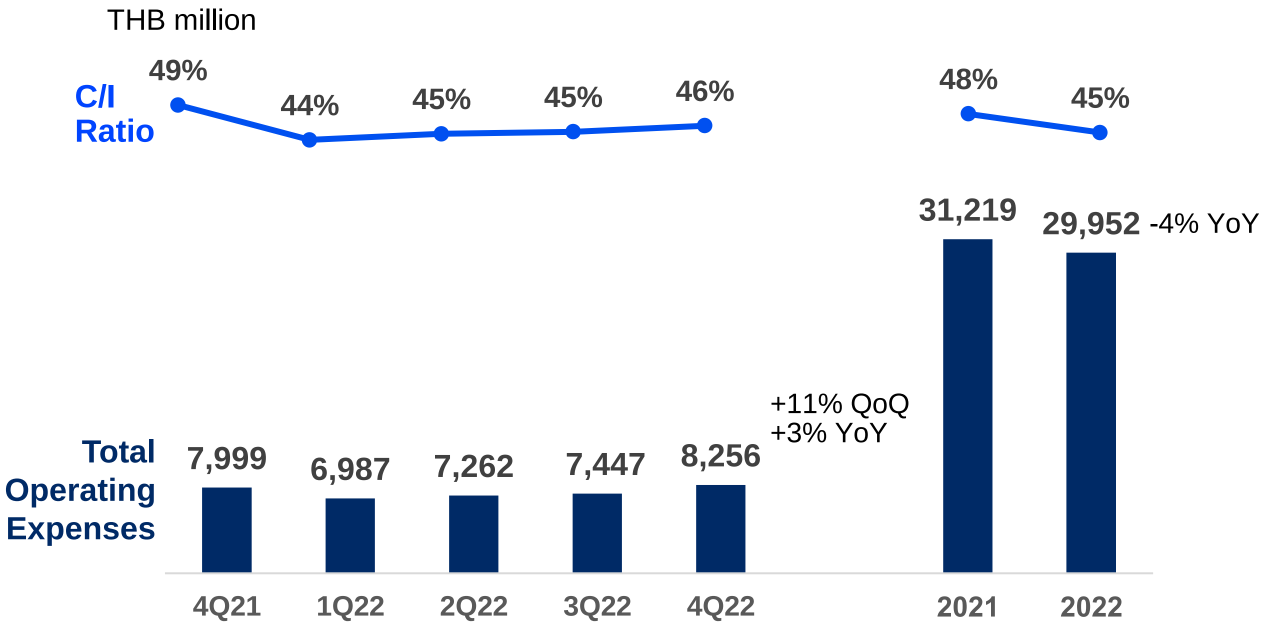
*TMBThanachart Broker (ttb broker), our fully owned subsidiary - operating non-life brokerage business, has become increasingly important to auto car insurance.
The plan is to move car insurance renewal to service at ttb broker and improve sale efficiency in branch staffs.

Benefiting from cost synergy, especially a reduction in recurring expenses

Total Operating Income



Total Operating Expense & C/I Ratio

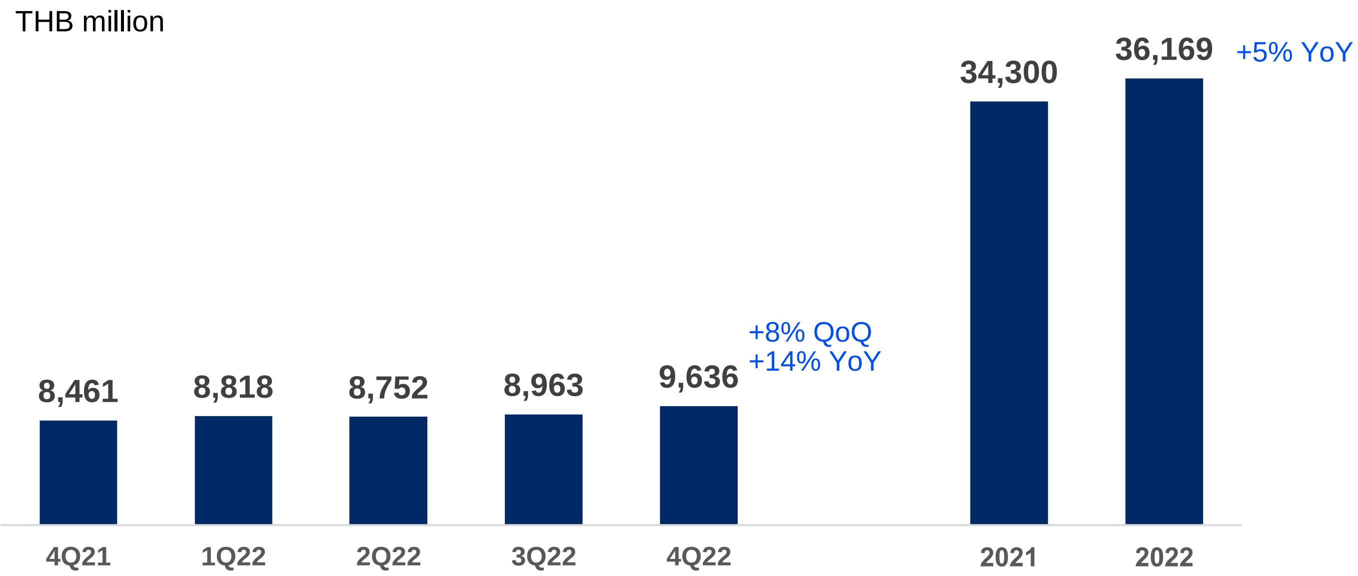


- Total operating income grew both QoQ and YoY in 4Q22, supported by NII recovery from loan expansion and benefit from B/S initiatives to prepare for rising rate cycle while growth in Non-NII was boosted by gains from AT1-debt instrument repurchase transaction.
- For 2022, the Bank's Non-NII performance was weighed down by selective growth strategy and slowdown in mutual fund business due mainly to fluctuations in global market. Total operating income was flat YoY and recorded at THB 65.9 bn.

- As per business plan, operating expense in 4Q22 increased from the ramp-up of digital investment and seasonal expenses to support business growth.
- Full-year 2022, OPEX declined by 4%, supported by a strong decline in recurrent expenses while cost saving synergies support the investment for efficiency improvement and digital transformation.
- C/I ratio, hence, was end at 45%. Our plan is to achieve C/I ratio at low-40s in the next 3 years.

PPOP growth, boosted by both profitability and cost efficiency

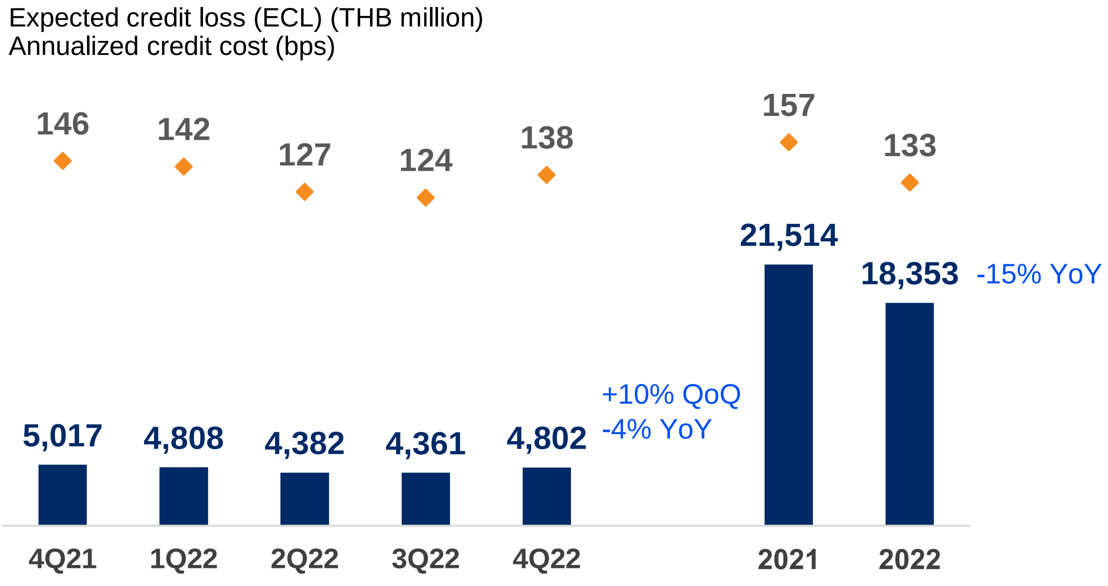
Pre-Provision Operating Profit (PPOP)



- Recurring cost was under control, reflected by lower cost base and together with an improvement in core earnings, PPOP grew by 5% YoY to THB 36.2 bn in 2022.
- Both QoQ and YoY growths of PPOP in 4Q22 were driven by strategic initiatives (preparing B/S ahead of rate hike cycle, loan expansion in targeted areas and capital management initiative from the AT1 partial buy-back).

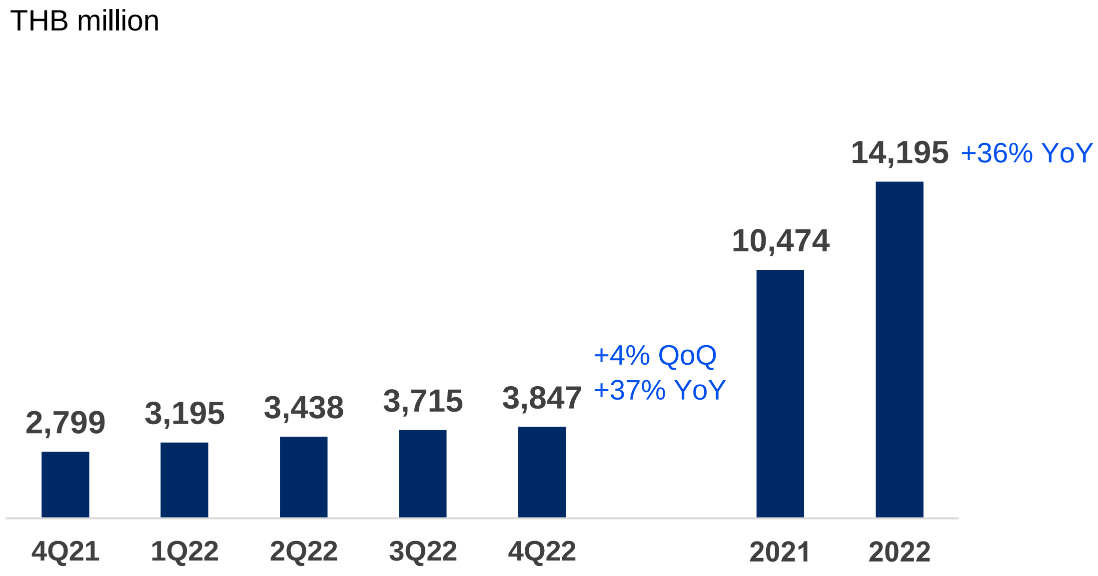
With core operating improvement and lower provision underpinning by controllable asset quality, Net Profit +36% YoY

ECL & Credit Cost



- TTB’s portfolio quality is well under control as a result of prudent risk management and conservative initiatives during COVID-19. Credit cost, therefore, was in downward trend comparing to 2021 & 2020. Stage 3 ratio was at 2.7%, below the guidance (≤3.2%).
- With the one-time gain from AT1 buy back and NPL sale opportunity in 4Q22, the Bank decided not to reverse provision and set-up higher ECL level for prudence. In parallel, we cleaned up B/S and further de-risk portfolio and ensure healthiness of our asset quality. Overall, 2022 provision was down by 15% YoY and recorded credit cost at 133 bps, below 2022 target range.
- The level of ECL is prudent and includes forward-looking approach and additional MO in preparation for unforeseen circumstance and economic headwinds.

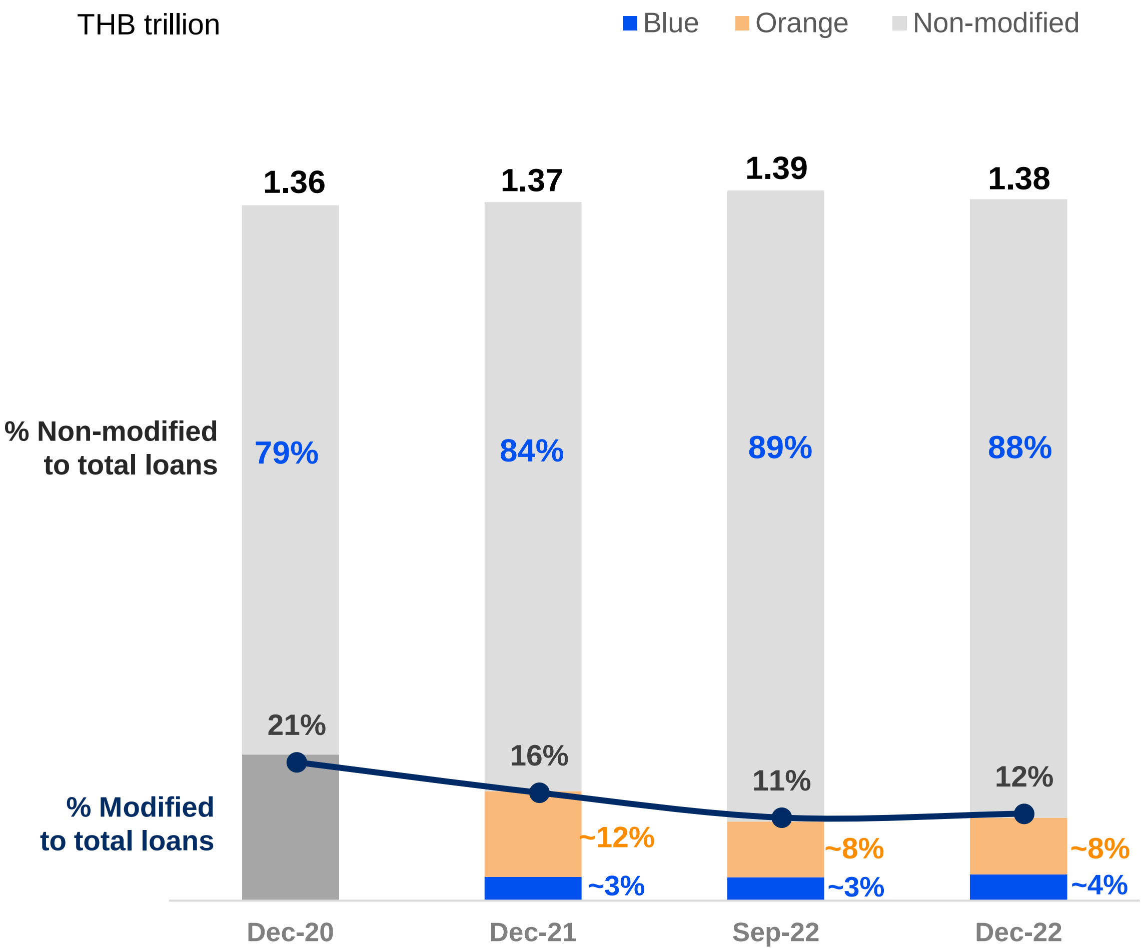
Net Profit



- Robust growth (+36% YoY) in net profit was supported by NII recovery, cost discipline and lower ECL. 4Q22 net profit increased by +4% QoQ and +37% YoY.
- RoE also improved by 158 bps YoY and registered at 6.6%.
- For 2023, the Bank plans to enhance Merged bank’s customer base for cross-selling opportunity thru ecosystem’s initiatives as well as to increase our fair share in consumer lending space to enhance loan yield. We will continue to improve earnings capability to generate sustainable returns to our shareholders.

Limited portion of deep restructuring in our modified portfolio

Total modified portfolio (Pre-COVID and during COVID)



Internal data for managerial view - Loan principals excluded interbank

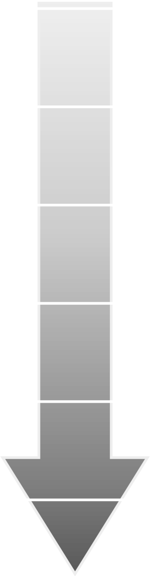
Note : Modified loans = Legacy restructured loans (before Covid-19) + Loan under debt relief program

- Customers' financial support has been migrated to a comprehensive debt restructuring as the BoT's debt relief program expired.
- To be prudent, our modified portfolio covers all types of modified loans, including legacy restructured loans (modified before Covid-19) and modified loans under debt relief program.
- Overall, the trend remained manageable and under control. As of 4Q22, modified loans slightly increased QoQ as we have tightened the exit criteria; and together with a decline in loans outstanding, % modified loans to total portfolio was at 12%.
- Zooming in modified loan quality, currently approx. 8% of total loans was in light modified terms, comparable to the BoT's Orange scheme (term extension, grace period). Only approx. 4% was in deep modification or comparable to the BoT's Blue scheme.
- Under the prolonged economic recovery, TTB has been prudent and taken pre-cautious approaches in managing loan modification to ensure the quality of our balance sheet and to mitigate downside risks.
- In addition to a stringent loan modification policy, we also ensure that our staging classification can capture and truly reflect customers' debt payment behaviors (DPD profile) in order to provide sufficient and rational level of provision.

Ensuring provision adequacy in response to Covid-19 crisis

Guiding Principle of Post Relief Risk Schemes

Scheme	Repayment Schedule		Staging	Minimum PD Level
	Interest	Principal		
SC 1	Full	Full	Mostly 1	Normal
SC 2	Full	Partial	Mostly 1	
SC 3	Full	Postponed	Mostly 2	
SC 4	Partial	Postponed	Mostly 2&3	
SC 5	Additional skip payment ≤ 6 months		Mostly 2&3	
SC 6	Additional skip payment ≥ 6-12 months		Mostly 2&3	
SC 7	Additional skip payment ≥ 12 months		Mostly 3	

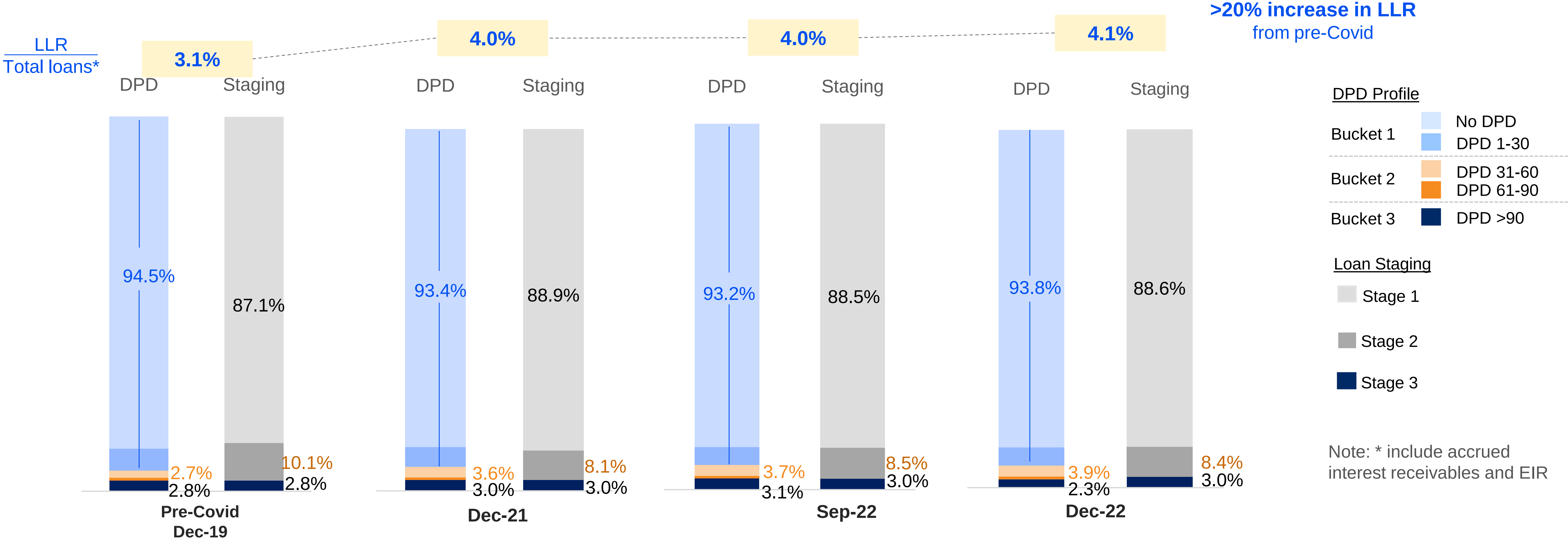


- To have effective management of the portfolios quality, our 7 post relief schemes have been used for both Covid-19 debt reliefs and legacy portfolio – collectively “Modified Portfolio”. The framework proved to be efficient in tracking and trace their quality, so that corresponding PDs could be applied and to separate them from customers never ask for relief support.
- The elevated PDs are applied to both principal and accrued interest of these customers group, hence higher ECL to reflect higher risk.
- On top of that we have tightened policy in staging and provisioning in 2022, with focus on for those who requested for SC3-SC7.
  - ➢ SC3-SC7: Provisioning is set aside by using lifetime PD, same approach as stage 2 provisioning.
  - ➢ SC3-SC7: 100% Management Overlay is set aside for accrued interest not already covered by PD.
- ECL model calibration was completed in 1Q22 by updating PD and LGD parameters in all portfolios, including forward looking economic scenarios and applied stress test method in setting up management overlay to address economic uncertainties.
- Continuation of prudence and persistency in supporting customer with assets warehousing program, proactive portfolio recovery, written off and sales, and with report from independent model validator on our ECL model, we believe asset quality is in-control and the provision level as at Dec-22 considered sufficient.

Prudent loan staging with higher LLR buffer

DPD Profile VS Loan Staging

Internal data for managerial view - Breakdown as % of Loan principals (excluded interbank)



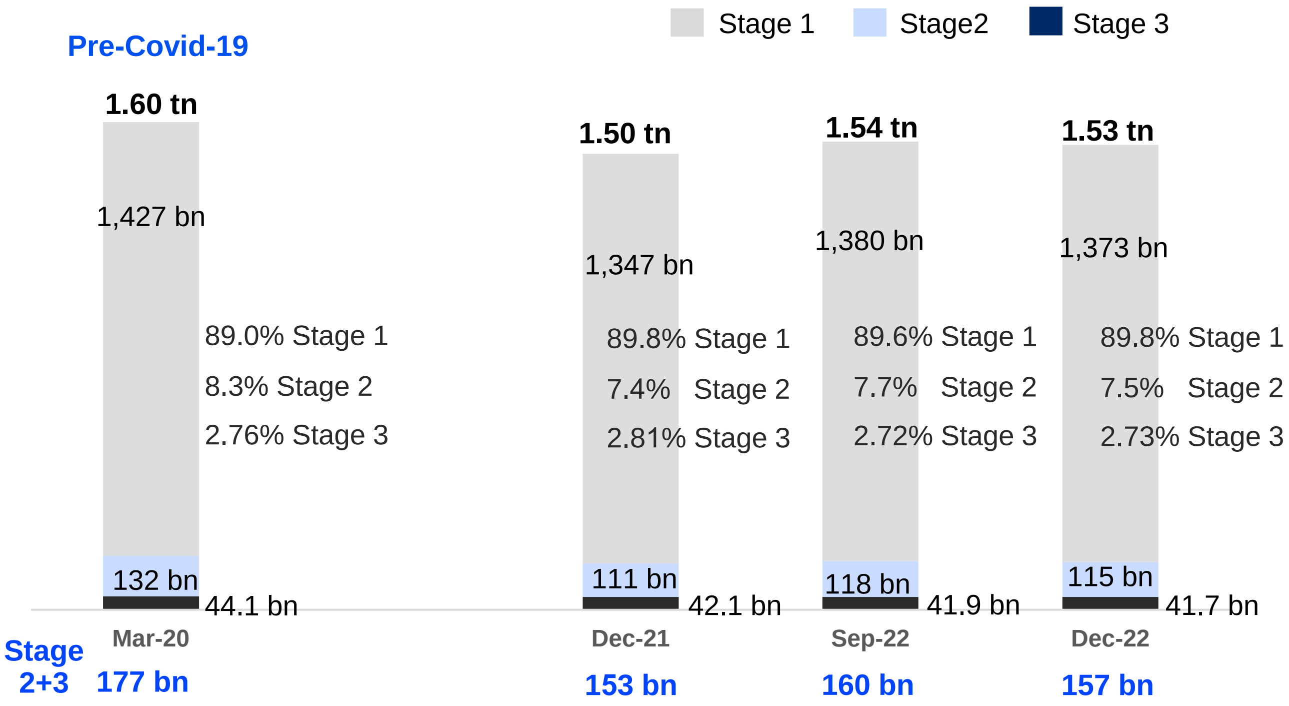
>20% increase in LLR from pre-Covid

Note: * include accrued interest receivables and EIR

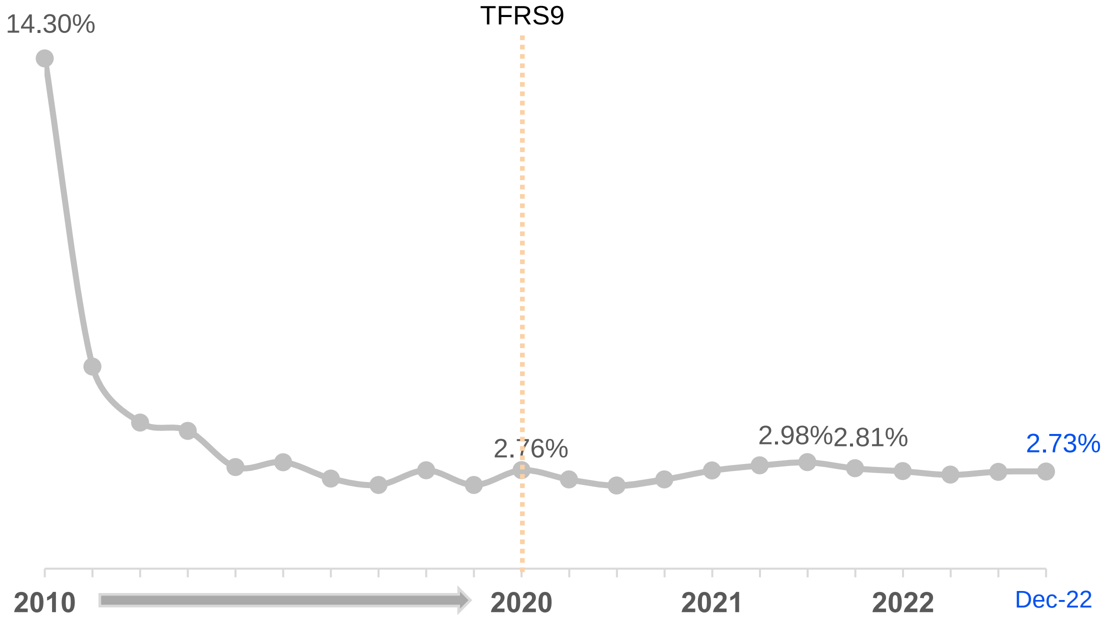
- The Bank's 7 scheme picks up days past due within stages and imposes bucket and PD shifts. Our stage 2 loans, therefore, sufficiently cover early indicators of customers' behavior in debt service ability.
- With improving profitability, we further de-risked our portfolio and qualitatively downgraded weak loan to Stage 2 and stage 3 in 4Q22, reflected by the gab between the % of stage 3 and the % of bucket 3.
- On top of the prudent staging policy, we continue to build LLR buffer. Compared to pre-Covid-19, LLR rose by more than 20% to THB 57.4 bn. LLR/total loans therefore rose from 3.1% as of Dec-19 to 4.1% as of Dec-22.

Strengthening portfolio quality

Loan Classification (%)



NPL Ratio/ Stage 3

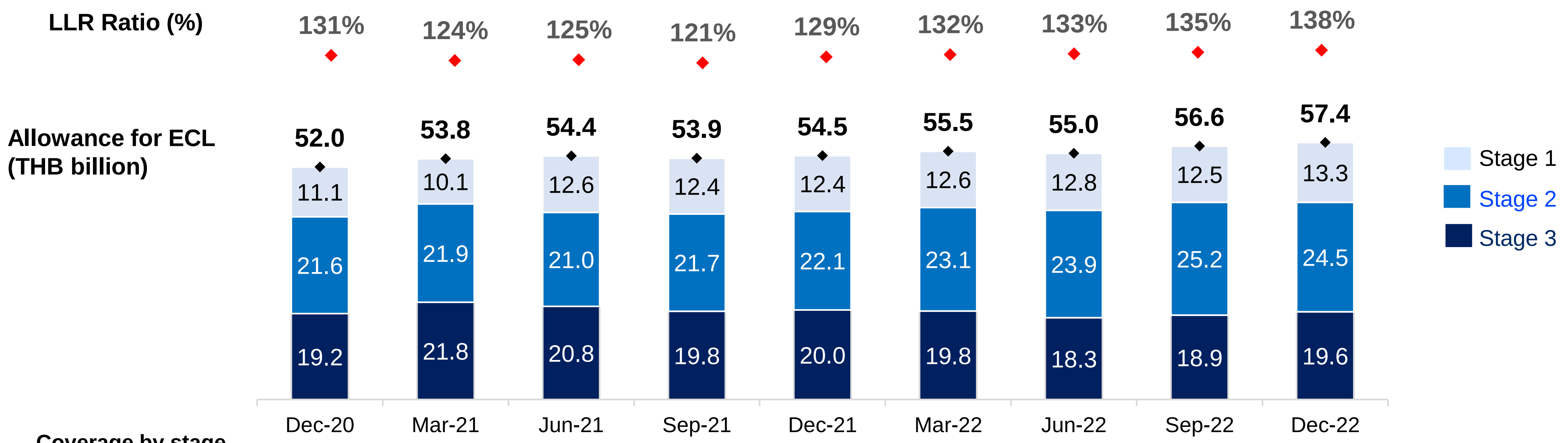


- Apart from conservative loan staging approach, we have proactively resolved NPLs to de-risk our portfolio and keep our balance sheet clean. As a result, the level of weak loans or stage 2+3 have been under control and lower than pre-Covid 19 level.
- For resolution activities, NPL value preservation is one of key factors. In 4Q22, the Bank saw market opportunities and could accelerate NPL sales from THB 0.95 bn in 3Q22 to THB 4.5 bn while write-off was relatively stable QoQ at THB 3.3 bn. Therefore, Stage 3 loans declined to THB 41.7 bn, -1.0% YTD.
- NPL or stage 3 ratio was well-contained and dropped from 2.98%, a Covid-19 peak level in 3Q21, to 2.81% as of Dec-21 and to 2.73% as of Dec-22.

Note: Total loans to customers and interbank

Building up reserve for future uncertainties

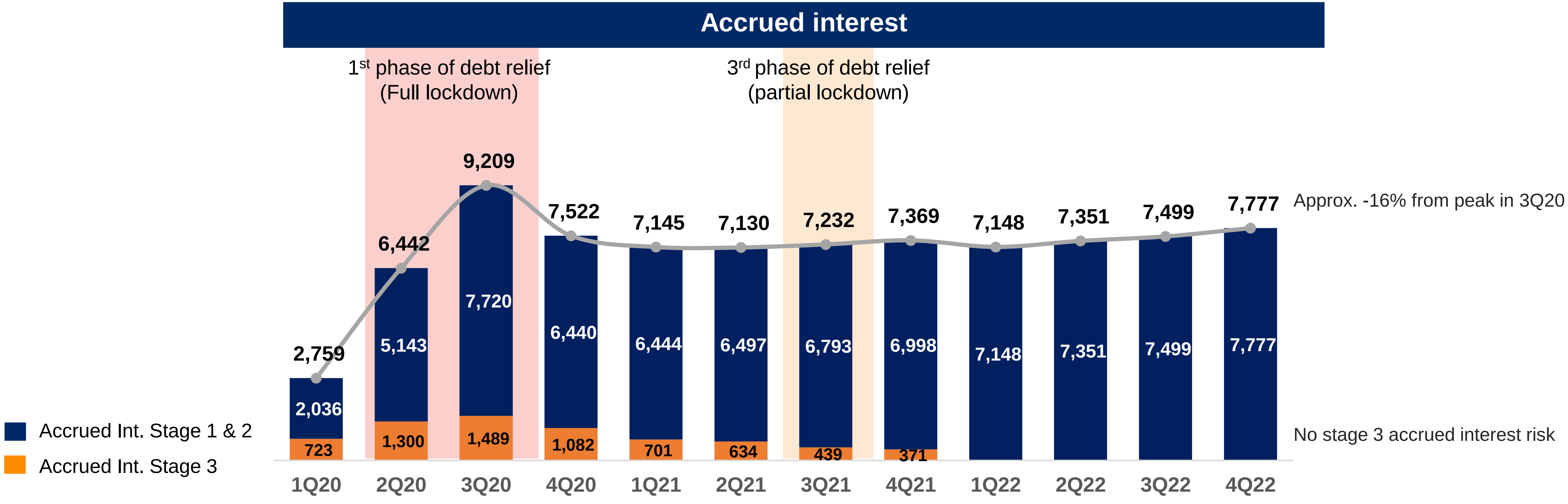
Distribution of Risk Provision



Coverage by stage	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	
Stage 1	**0.9%**	0.8%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	**1.1%**	+19 bps from 4Q20
Stage 2	**17.7%**	18.5%	18.0%	18.1%	19.6%	20.3%	20.3%	21.0%	**20.9%**	+324 bps from 4Q20
Stage 3	**47.3%**	49.3%	47.1%	44.1%	47.1%	46.9%	44.3%	45.0%	**47.0%**	-28 bps from 4Q20

- Loan loss buffer has been strengthened. We consistently review our conservative ECL model and closely monitor customers’ behavior to ensure sufficient levels of LLR and the distribution of risk provision.
- As of Dec-22, LLR rose further to THB 57.4 bn and NPL coverage ratio or LLR ratio increased to 138%.

Accrued interest reflecting our conservative approach



- TTB has continued to take conservative approach in revenue recognition for accrued interest treatment during the pandemic and under the current economic condition.
- In Jan-21, the Bank took conservative approach in revenue recognition for accrued interest treatment during the pandemic. Stage 3 accrued interest has been provisioning at full amount to preemptively limit future downside risk. We believe this will help improve quality of balance sheets and mitigate the risk of overstated net interest income.
- Overall, total accrued interest trend continuously declined from the peak in 3Q20 and stabilized during muted loan growth period. However, we do not expect a downward trend in accrued interest as we continue to resume loan growth as well as still provide financial supports to customers during this prolonged economic recovery.

Note : *4Q20 accrued interest was restated and presented net from allowances for expected credit loss to be comparable with 2021

TTB’s 2023 financial targets

Loan Growth	**Approx. +3%**
Deposit Growth	**In line with loan growth**
NIM	**3.0%-3.10%** 2.95% in 2022, 3.01% excluded PPA
Non-NII Growth	**Low single digit growth**
C/I Ratio	**Mid-40s** from 2022 of 45% or 43.9% excluded PPA
Stage 3 Ratio	**≤ 2.9%** 2.73% in 2022
Credit Cost	**125-135 bps** 133 bps in 2022

- Loan growth target reflects our direction to maintain a selective growth strategy and prudent portfolio management under rate hike cycle and recession risk in major economies in 2023. Given our current portfolio structure, there is still room to enhance yields by gearing toward retail segment and leverage our post-merger customer base. Our plan is to acquire quality HP and housing loans to maintain leading position in these markets while ttb consumer will ramp up our presence in consumer lending area.
- Deposit growth will be aligned with loan growth to ensure profitability margin in 2023. In addition to our strong retail deposit franchise, ecosystem initiatives would be one of deposit growth drivers. We intend to maximize payroll customer value by deepening engagement with both employers and employees via comprehensive payroll benefits and tax planning solution. Long-term game plan is to improve CASA mix and aim for efficient cost of deposit.
- NIM enhancement will come from our selective loan growth strategy which will ensure the quality of interest income stream, coupled with balance sheet initiative to improve earning asset yields and funding costs amid rising rate environment and the resumed contribution to FIDF (FIDF fee).
- We will continue to capture potential cross-selling opportunity from post-merger customer base and enhance alternative fee incomes from ecosystem initiatives. Commercial fees would come from converting the acquired loan customers to fee income to improve fee-to-assets.
- Cost synergies over the past 3 years were captured faster than plan. Going forward, the Bank will accelerate digital transformation thru One app platform to reduce cost per transaction. OPEX would increase to support business growth and C/I ratio is expected to remain at mid-40s in 2023, with a plan to achieve a low-40s level in the next 3 years.
- After battling with Covid-19 for 3 years, Thai economy is set to return to pre-pandemic levels. Nonetheless, the recovery is clouded by possibility of global headwinds such as US recessions, inflation, weakening demand from major trading partners. With this outlook, the Bank will maintain vigilant on asset quality while ensuring efficient NPL resolution to preserve value of the bad bank side.
- The higher bound of Stage 3 ratio is expected at 2.9%, lower than 2022 guidance (≤ 3.2%). Such a level implies credit cost of approx. 125 bps to 135 bps which already takes into account loan expansion plan, de-risking activities and asset quality trend. In our view, LLR at the level of 120%-130% is sufficient and prudent based on our portfolio nature which is retail secured-lending base.

Strategy 2023

Our transformation journey towards the most recommended bank of choice

Auto lending Leader

Top performing deposit franchise

2019

Completed merger transaction

Merger of 2 banks becoming one D-SIB

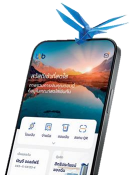
2020

2021

Successful entire business transfer

TMB + ธนาคารธนชาต Thanachart Bank

Covid-19 pandemic and relief measure



New digital platform

2022

Launch of new ttb Touch / Biz One and setup of ttb Spark

ttb | ttb business one | ttb spark

Ecosystem play

2023-25

'Digital-first' business and operating model with strengthened revenue engine thru ecosystem play

Key highlights of our past journey – integration and synergy realization

Transfer of assets, customers and staffs from TBANK

>1 trn
THB asset

4.0 mn
customers

~8k
FTEs transferred

Rationalization of IT applications

~290
application post EBT (reduced from 600 applications pre-EBT)

Ahead-of-plan balance sheet synergy realization

-54 bps
COD drop at ttb vs. industry's 38bps drop (1Q20-4Q21)

Accelerated cost synergy realization from overlapping footprints & workforces

-326
branches rationalized

-4.2k
FTEs from smaller footprint, automation and economy of scale

One brand with coherent experience across touchpoints

94%
brand awareness in the 1st year after new branch launch (increased to 97% in Dec'22)

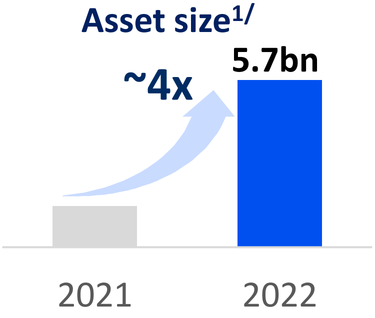
Key highlights of our past journey – group restructuring

Strategic positioning | **Key Statistics**

PAMCO

100% own subsidiary

Serve as **sizeable AMC unconsolidated from ttb balance sheet**, with potential to **expand to retail and automotive portfolio**



Recovery performance

> 600mn

recovery of stage 3 and written-off port

---

ttb consumer

100% own subsidiary

Be best ttb consumer loan sale channel in quality and productivity **to drive ttb consumer loan to be top 4 in consumer loan market in 2025**

2022 Productivity Improvement

+3x	**+4x**
Card acquisition productivity	Personal loan acquisition productivity

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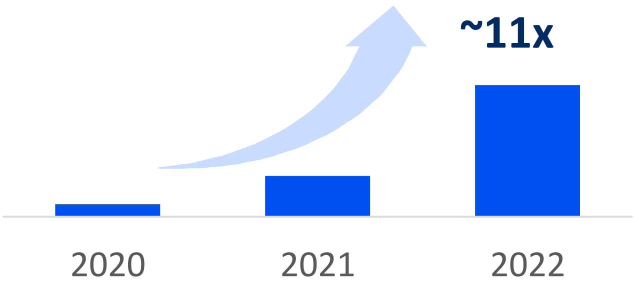
ttb spark

Unit within ttb

Serve as digital hub deliberated to make real change to our customers through **digital technology and creative ideas**

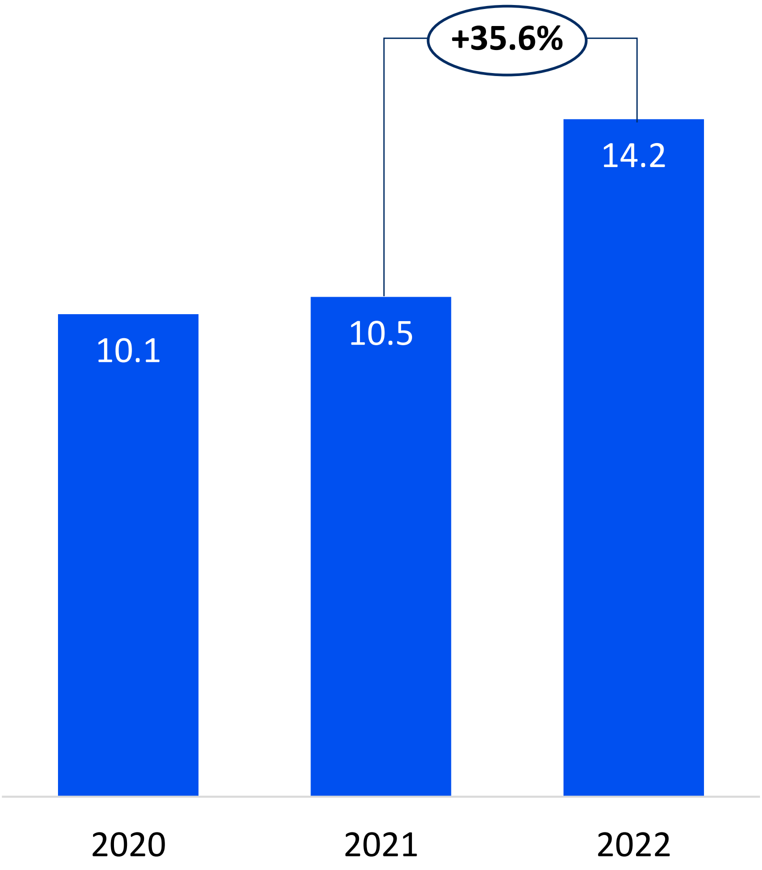
Growth of Digital FTE



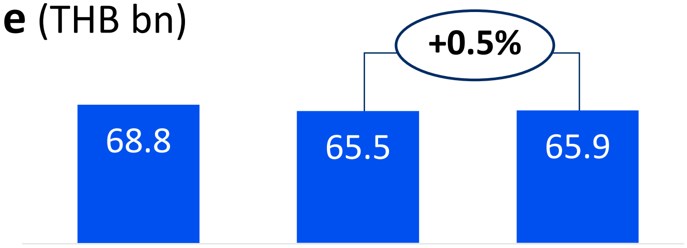
1/ PAMCO's financial statement

Key highlights of our past journey – 2022 performance

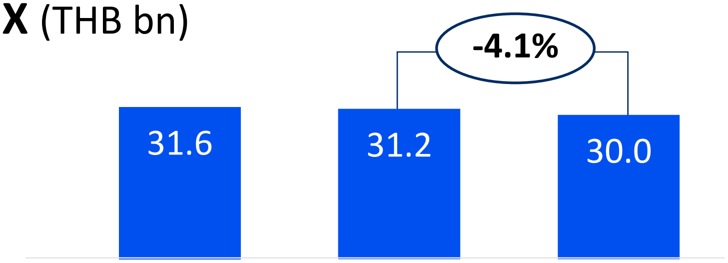
Profit (THB bn)



Income (THB bn)



OPEX (THB bn)



Risk cost (THB bn)

	2020	2021	2022
% Risk cost	**1.79**	**1.57**	**1.33**
LLR	**131%**	**129%**	**138%**

2022 Key Performance Drivers

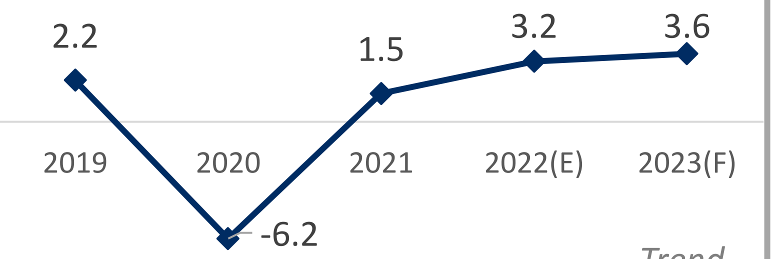
Loan	**+0.4%** YTD
Deposit	**+4.5%** YTD
NIM	**2.95%**
Non-NII/asset	**0.79%**
C/I	**45%**
Risk cost	**1.3%**
NPL	**2.7%**

Challenges and opportunities ahead

− Challenges

Economic headwind

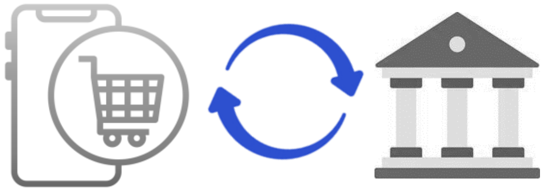
GDP (%YoY) projected to grow with policy rate expected to maintain at high level



			Trend
Inflation Rate (%)	1.2	**6.7** ↑	↘
Policy Rate (%)	0.5	**1.25** ↑	↗

Intensifying competition

Platforms offers financial services



Banks play in non-financial, platform services

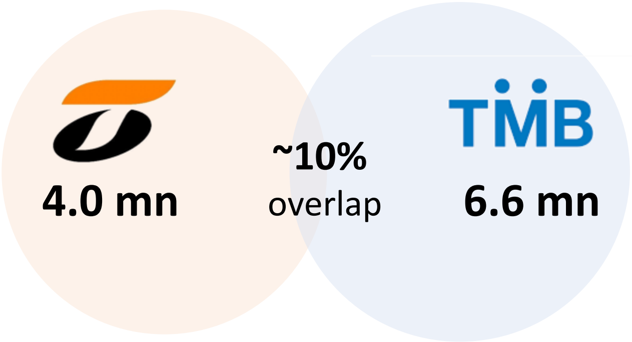
Tightening regulatory landscape

New consumer protection act on debt collection

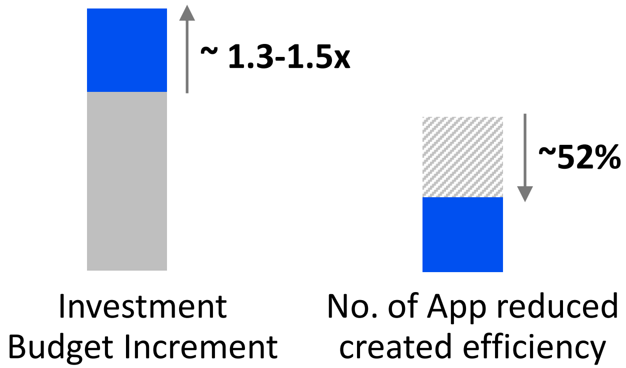
BOT's future financial landscape, particularly on Digital – open competition, open infrastructure, open data

+ Opportunities

Pending revenue synergy realization with strong customer acquisition engine



Larger investment budget and economy of scale from the merger



Revamped digital capabilities

New ttb Touch

+35% financial transaction growth

TTB’s strategic direction

Vision

To become the recommended bank of choice by our customers

Mission

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

Core proposition

To deliver best-deal personalized solutions by life-stage and life-event through humanized digital platform

3Y strategic priorities

Strategic focus:

I

Revenue synergy realization

Continue to capture the synergy from merger with priority on **revenue synergy delivered thru new digital capabilities and business model**

II

Digital-first business and operating model

Enhance digital platform **to deliver better experience, higher engagement** and **lower cost to serve**

III

Ecosystem play

Extend from existing areas of strength, thru own solution and partnership, to **address banking and beyond banking needs and ultimately maximize customers' lifetime value**

IV

Efficiency improvement

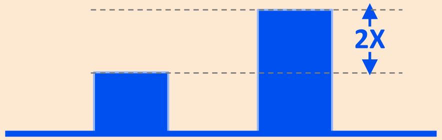
Streamline offline/back-office process in conjunction with digital migration for **higher efficiency and leaner cost base**

V

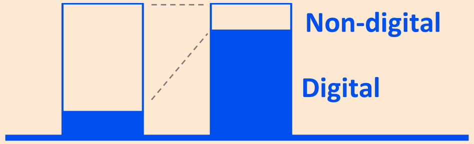
Organizational transformation

Align **organization structure and workforce to digital-first principle** incl. changes in workforce planning and mix

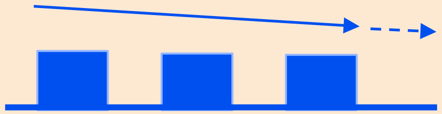
Expected key results:



2x product holding on targeted ecosystem customers



>80% of non-financial services fulfilled via digital and >3x growth in digital sales contribution



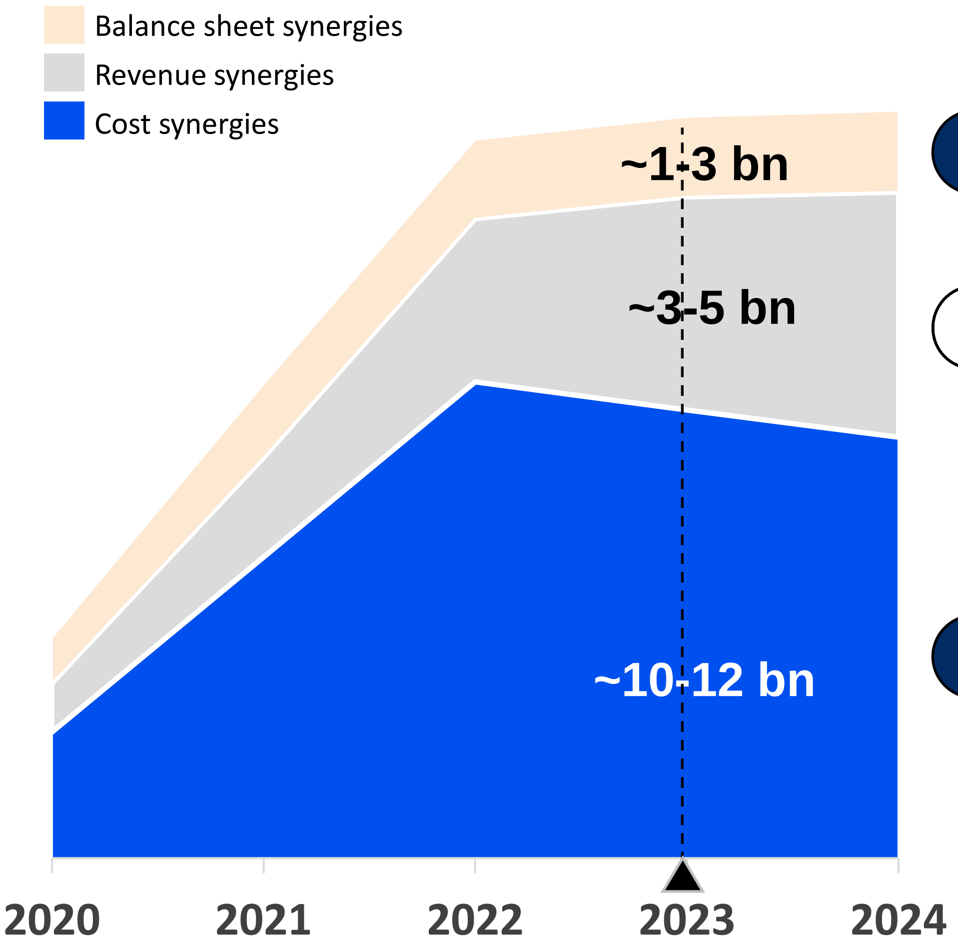
Sustainable C/I at low 40%

Top quartile ROE
Prudent capital base

Improved risk adjusted return and return on capital

I Balance sheet and cost synergies already ahead of plan with increasing momentum on revenue synergy

5-year synergy value
(shared to investors on 24 Jan 2020)



Progress-to-date
(accumulated as of 4Q22)

●	THB 5.3 bn
◐	THB 1.6 bn
●	THB 12.3 bn

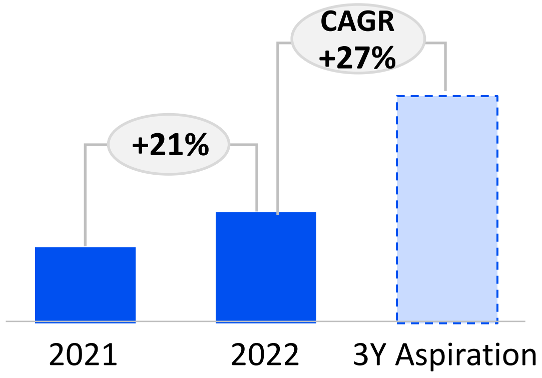
- **Balance sheet optimization strategy achieved and continue as shown in decline in COD**
  - COD declines from 1.06% in 1Q20 to 0.53% in 2Q21 (vs. -38 bps of the industry) allowing more cushion to manage long-term COD via fixed deposit in 2022
- **Revenue synergy start to kick-in and to be further realized from business transformation**
  - Maximize CYC business from larger customer base of car owner and replicate its strategy to home equity
  - +31% YoY in credit card spending, +86% YoY in Flash card and +208% YoY in C2G drawdown
  - Digital capability enhancement via new ttb Touch to capture banking revenue stream and strengthen customer engagement via ecosystem play
- **Cost synergy captured faster than plan through on-going branch optimization, headcount rationalization, and marketing synergy**
  - 326 branches closed
  - 4.2k staff reduction and redeployed

I Key drivers of revenue synergies with signs of momentum pickup

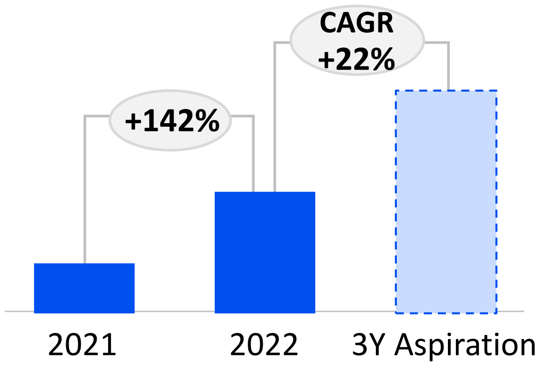
Higher-yield secured loan potentials from car owner-and home-owner customers

- Effective acquisition of new/used car customers (>200k customers/yr)
- Leading mortgage players (~12% share of loan outstanding)
- Track record of innovative products e.g., CYH revolving launched in May’22

Cash-your-car new booking



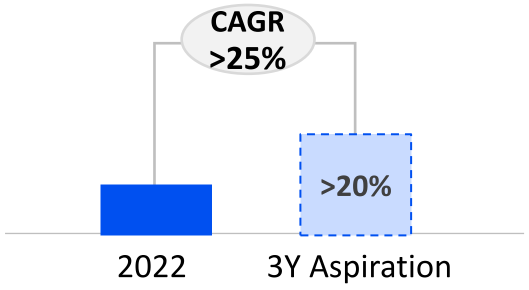
Cash-your-home new drawdown



Revamped payday loan

- ~1mn payroll customers
- Sizable room to grow unsecured loan penetration, esp. thru new digital lending capability

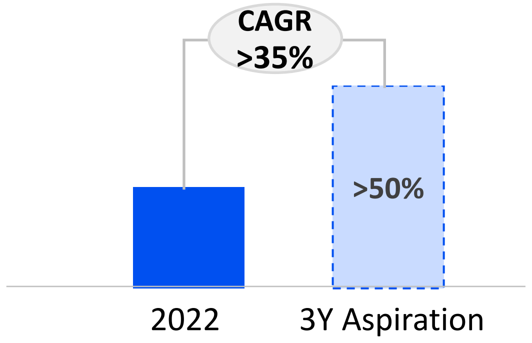
Unsecured loan penetration among payroll customers



Protection for auto loan customers

- Room to expand auto insurance penetration among ttb’s auto loan customers / car owner base
- Digital e2e journey via ttb Touch launched in Jan 2023

Auto insurance penetration in auto loan customers



Key capabilities building

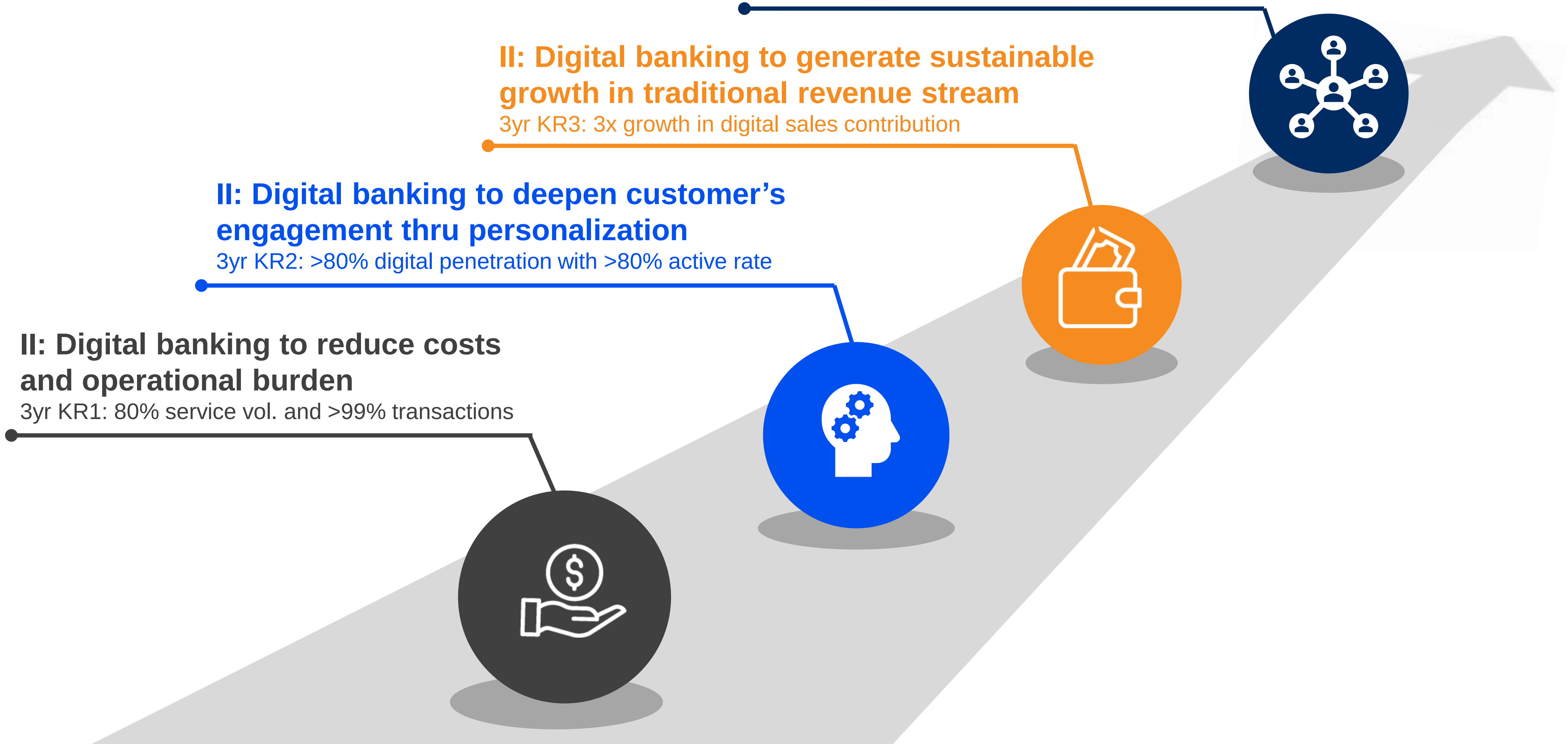
Sales model enhancement

Digital journey

Customer-centric credit model w/ alternative data enhancement

Risk-based pricing

II III Digitalization journey towards top 3 digital banking platform



Top 3 digital banking platform in Thailand

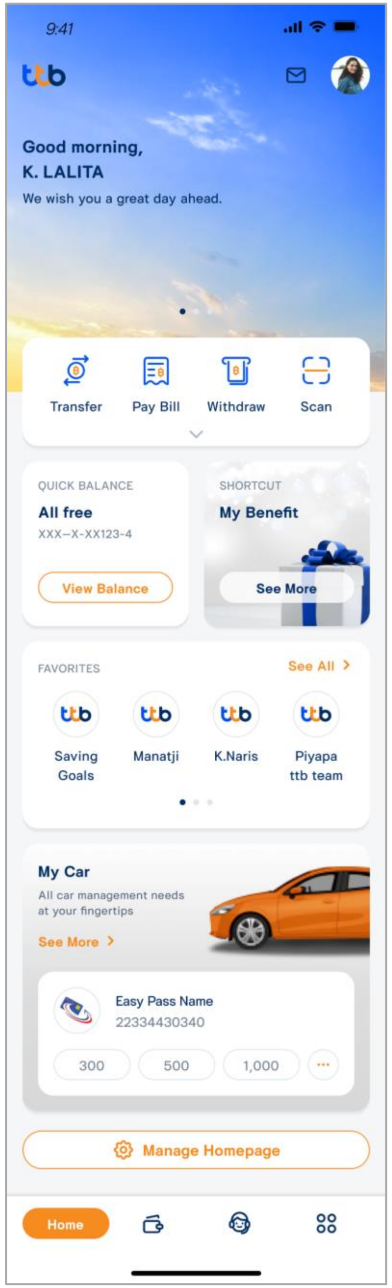
III. Digital banking to create new business and ecosystem
3yr KR4: 10% bank's revenue from new business

II: Digital banking to generate sustainable growth in traditional revenue stream
3yr KR3: 3x growth in digital sales contribution

II: Digital banking to deepen customer's engagement thru personalization
3yr KR2: >80% digital penetration with >80% active rate

II: Digital banking to reduce costs and operational burden
3yr KR1: 80% service vol. and >99% transactions

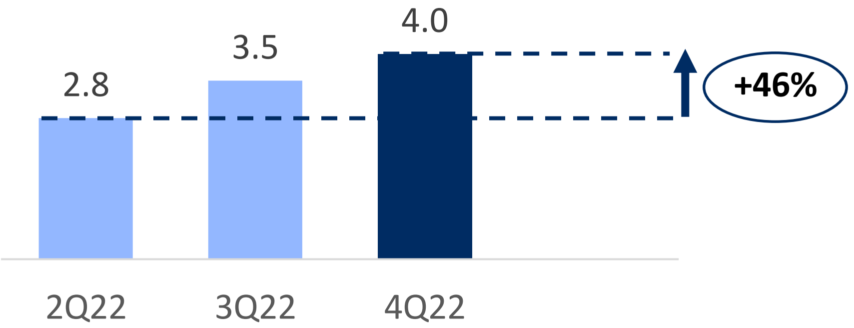
II Positive momentum in adoption and utilization of new ttb Touch



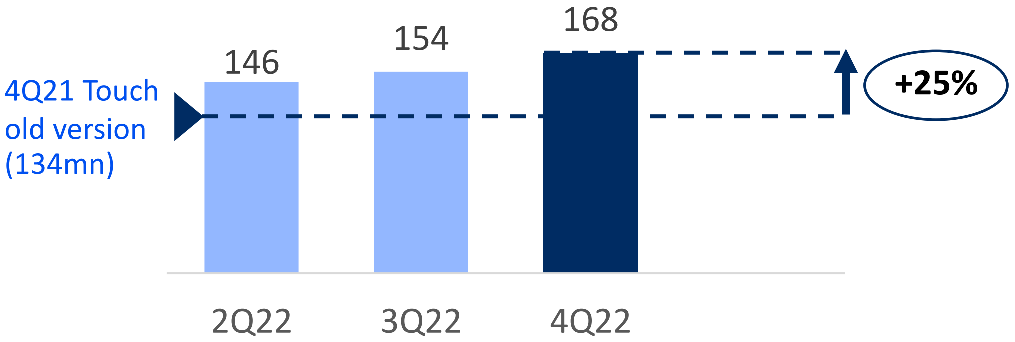
Good morning,
K. LALITA
We wish you a great day ahead.

All car management needs at your fingertips

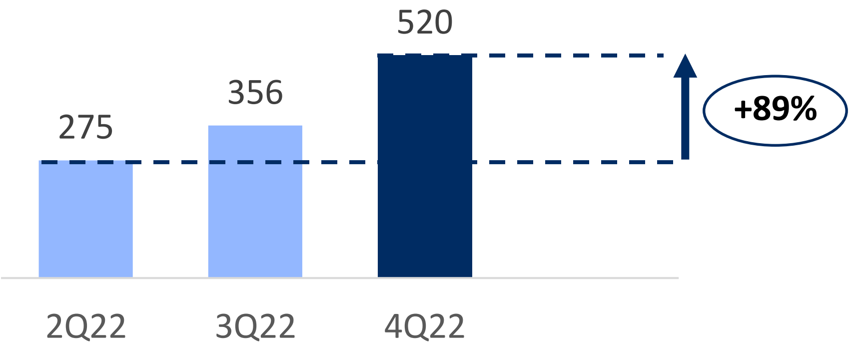
Number of new ttb Touch user (mn users)



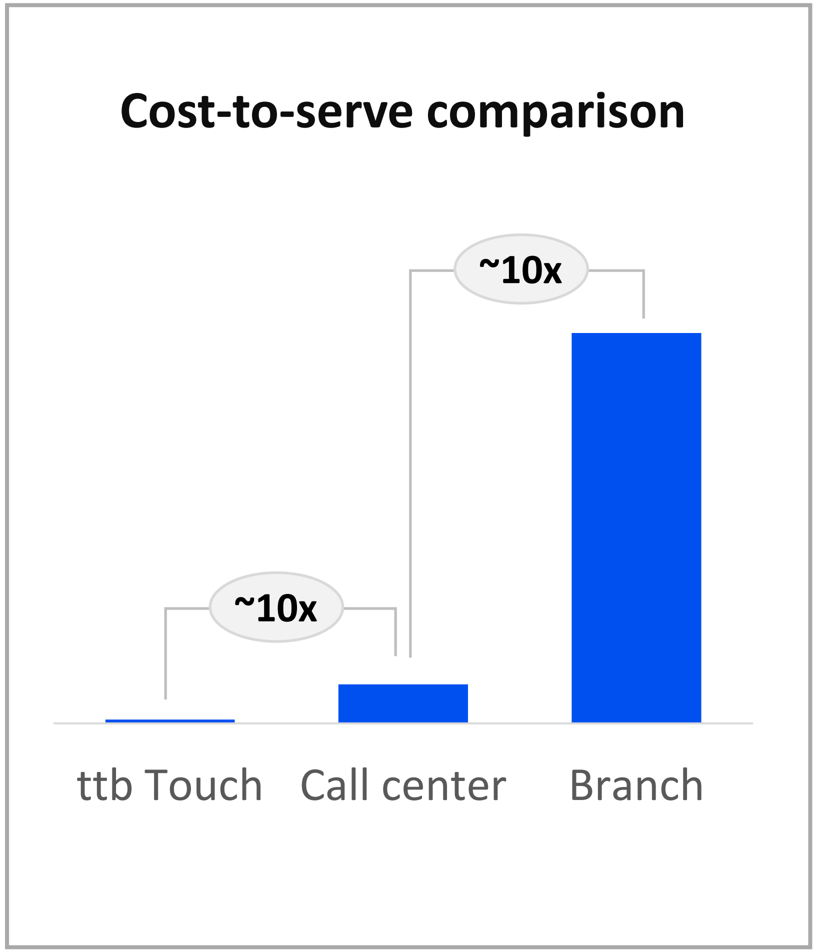
Number of financial transactions on digital



Avg daily QR code scan transaction (‘000 txns)



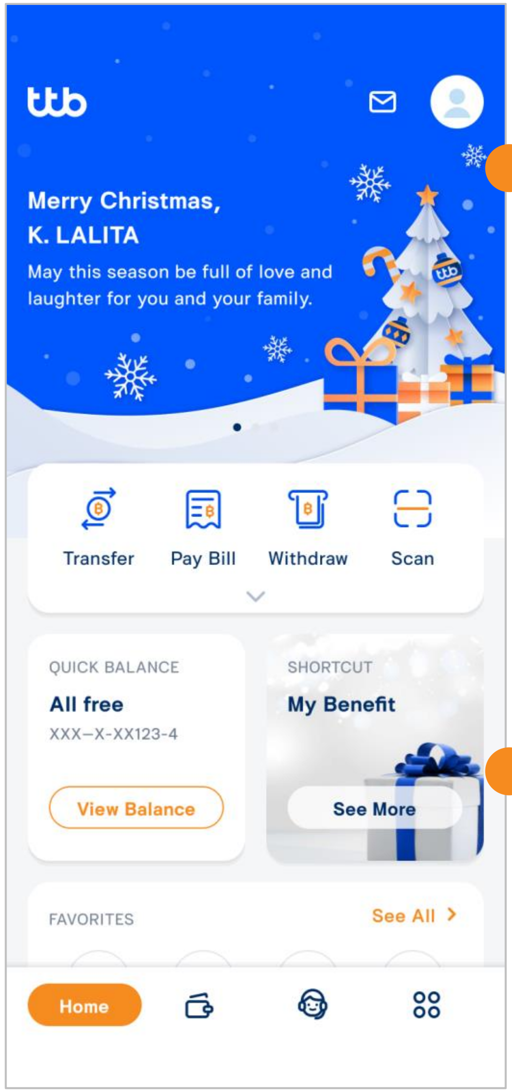
II Ongoing migration of low-value transaction to digital channels for better customer experience while achieving lower cost-to-serve



Digital's share of financial transactions	>80%
Digital's share of non-financial transactions	<20%
Passbook / fund book request	0.9mn (+35% growth)
Financial statement request	0.7mn (+76% growth)
Application status tracking	1.4mn (+176% growth)

Note: data as of 4Q22; growth is calculated since new ttb launch in May'22

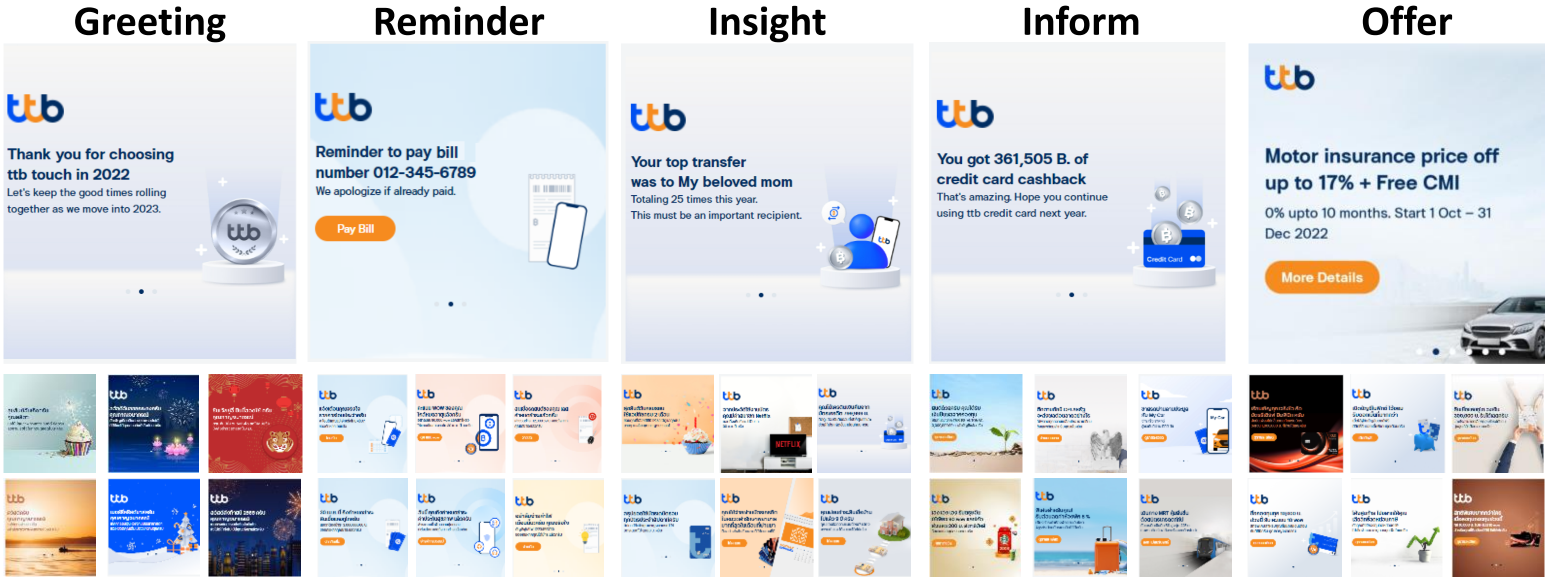
II Converting 'segment-of-one' concept into reality



Merry Christmas,
K. LALITA
May this season be full of love and laughter for you and your family.

QUICK BALANCE
All free
XXX–X-XX123-4

SHORTCUT
My Benefit



Greeting

Thank you for choosing ttb touch in 2022
Let's keep the good times rolling together as we move into 2023.

Reminder

Reminder to pay bill number 012-345-6789
We apologize if already paid.

Insight

Your top transfer was to My beloved mom
Totaling 25 times this year.
This must be an important recipient.

Inform

You got 361,505 B. of credit card cashback
That's amazing. Hope you continue using ttb credit card next year.

Offer

Motor insurance price off up to 17% + Free CMI
0% upto 10 months. Start 1 Oct – 31 Dec 2022

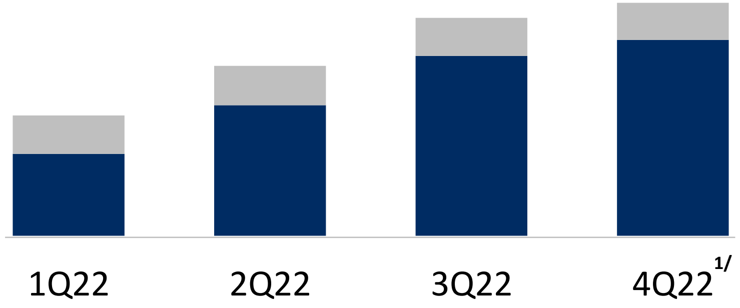
~300k

Personalized cards clicked since launched

2.2-2.5x

avg daily click thru rate vs. social media

Reward redemption by channel



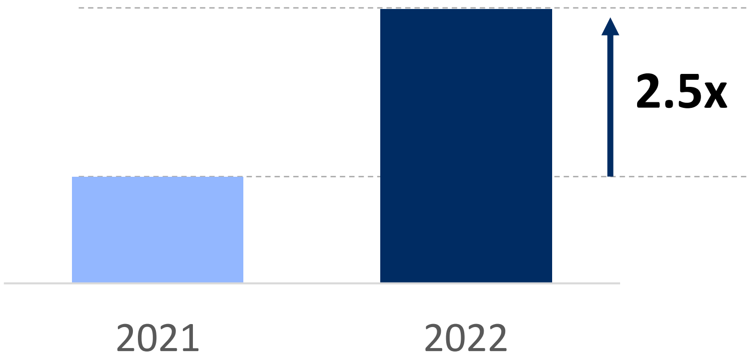
Non-Digital	Flat
Digital	+260%

1/ prorated figures based on data of October – November 2022

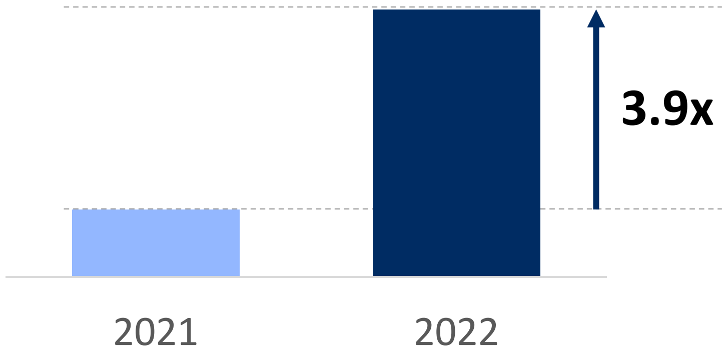
Strong momentum of digital sales carried to new ttb Touch

Digital lending

Credit card new booking (#card)

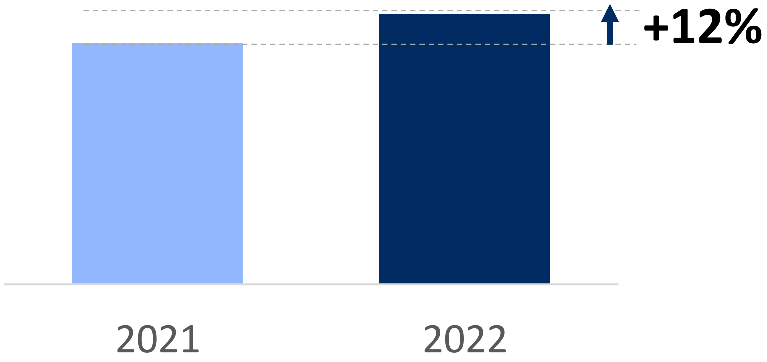


Cash2Go new drawdown (THB)

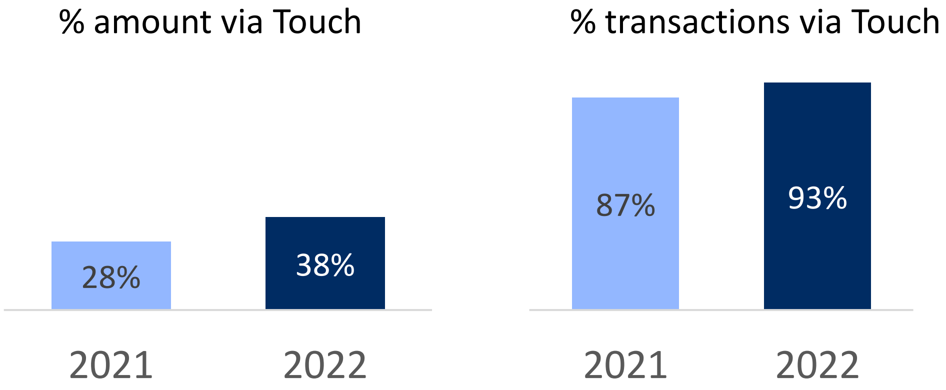


Digital saving & investment

Deposit account opening (#account)



Mutual fund purchase via Touch



III ttb’s ecosystem play: guiding principles

A.	Start with customers’ unmet needs / pain points	***Not*** technologies-driven
B.	Focus on our core competencies, our strengths, what we know well thru development of new businesses or new way of doing existing business	***Not*** unfamiliar domain away from home turf
C.	Ride on the bank’s economy of scale and large customer base as starting position	***Not*** building a greenfield platform from scratch
D.	Inside-out approach through collaboration between existing product teams and new digital capabilities through ttb Spark	***Not*** outside-in through group of independent subsidiaries

Ⅲ ttb’s ecosystem play in actions

III Ecosystem capabilities along customer journey and life-cycle events

Customer's view

Car owner
- Buy a new car
- Find / repay car financing
- Buy / renew car insurance
- Pay annual car tax
- Top up toll e-wallet
- …
- Find market value of used car
- Sell a used car

Home-owner
- Buy a new home
- Find / repay home financing
- Buy / renew home insurance
- Pay annual land tax
- Furnish / maintain home
- …
- Find market value of home
- Sell or rent out the home

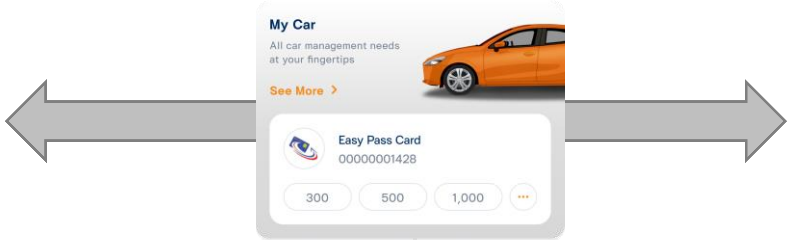
Salaryman
- Receive salary
- Clock in/out + over-time
- Block vacation
- Claim expense
- Manage withholding tax / file and pay annual income tax
- …

Bank's view

Acquire	Engage	Monetize

Existing acquisition engine via traditional banking products

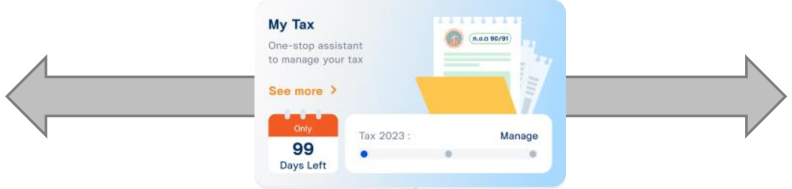
★ Car loans
★ Car insurance


My Car
All car management needs at your fingertips
See More >
Easy Pass Card
00000001428

★ Mortgage


My Home
The Easy Life begins at Home
See More >

★ Payroll

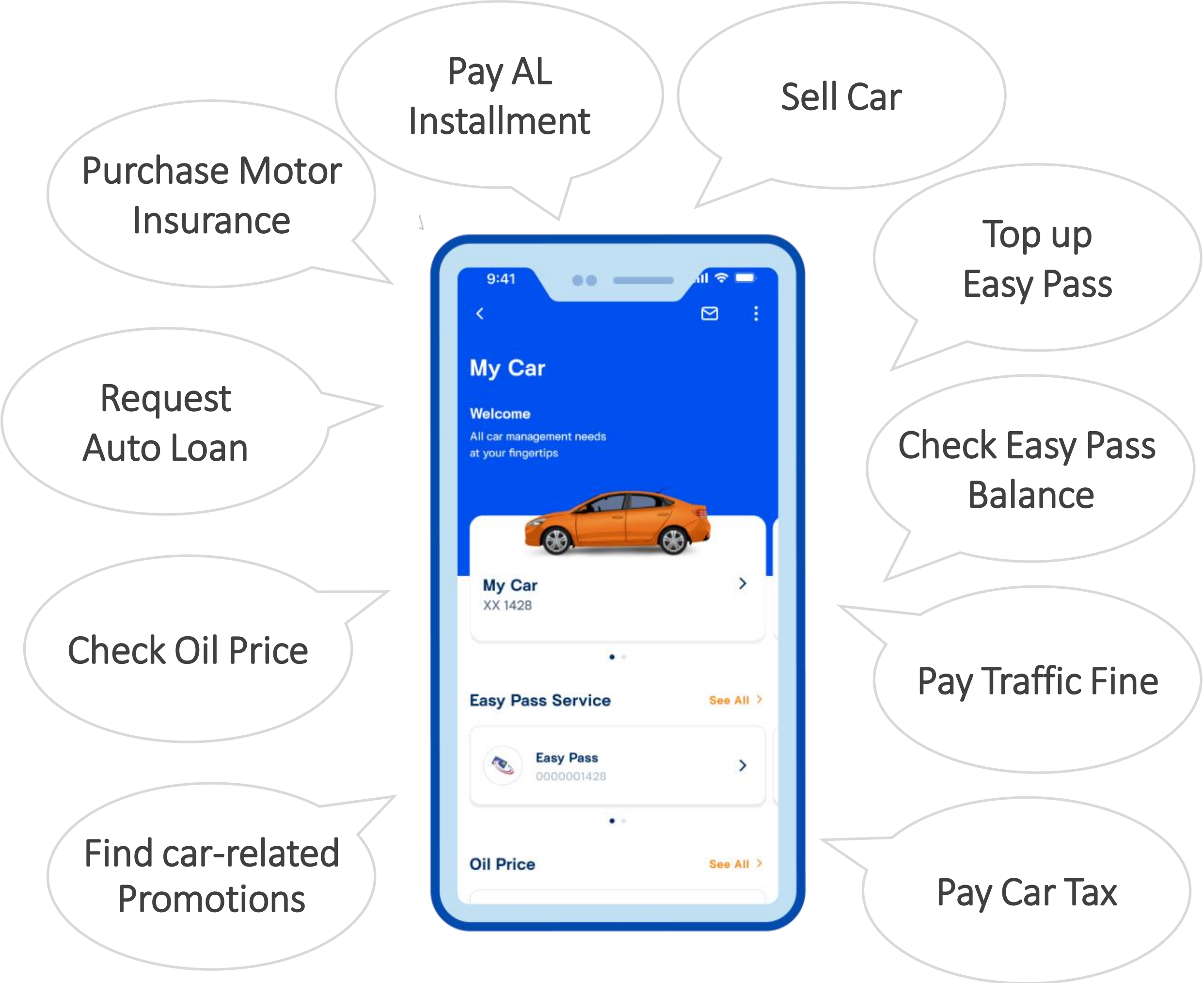

My Tax
One-stop assistant to manage your tax
See more >
Only 99 Days Left
Tax 2023 :


My Work
Make your work life better than ever
See More >
Status
Off duty

III Ecosystem play: My Car Widget

Objectives: To develop long-term relationship with car-owners throughout cars' life cycle via seamless digital journey for financial needs and beyond banking needs

MVP concept: My Car widget



Purchase Motor Insurance

Pay AL Installment

Sell Car

Top up Easy Pass

Request Auto Loan

Check Easy Pass Balance

Check Oil Price

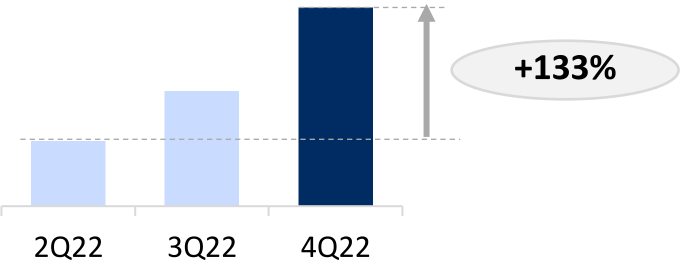
Pay Traffic Fine

Find car-related Promotions

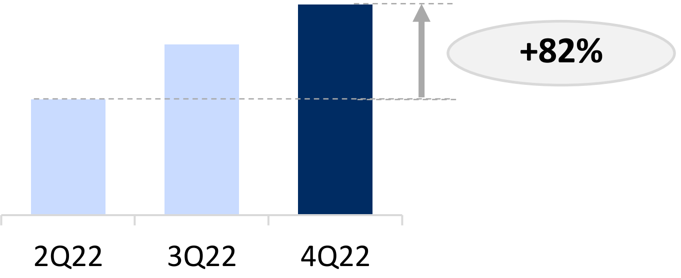
Pay Car Tax

Results thru organic growth with no marketing budget spent

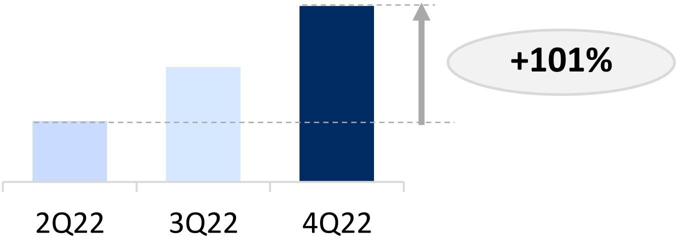
 # users onboard to "My Car" widget



 # cars added to "My Car" widget



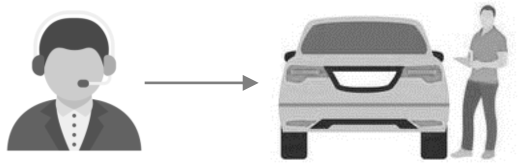
 # transactions adding EasyPass as favorite



III Ecosystem play: Simplified insurance purchase journey from traditional approach to seamless digital experience

Launched in Jan 2023

From: outbound calls

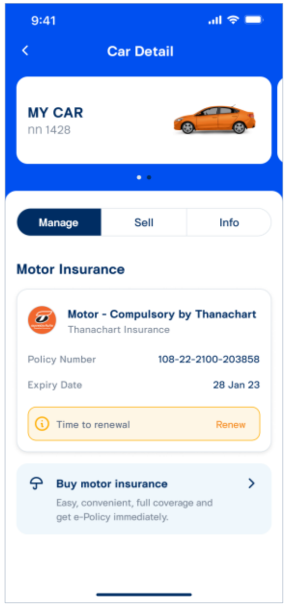


Call-center staffs cold calling customers;

- ⊖ Time and convenience
- ⊖ Limited visibility of price and insurance options comparison over phone
- ⊖ Documentation
- ⊖ Payment card information

To: end-to-end in-app journey

Renew existing policy



9:41

Car Detail

MY CAR
nn 1428

Manage | Sell | Info

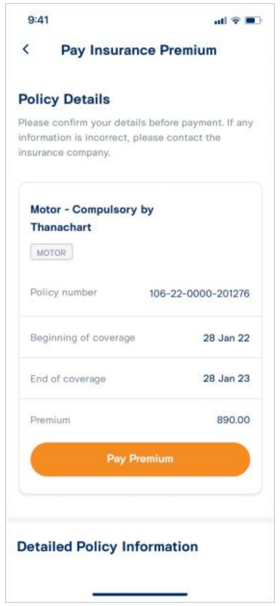
Motor Insurance

Motor - Compulsory by Thanachart
Thanachart Insurance

Policy Number	108-22-2100-203858
Expiry Date	28 Jan 23

Time to renewal — Renew

Buy motor insurance
Easy, convenient, full coverage and get e-Policy immediately.



9:41

Pay Insurance Premium

Policy Details

Please confirm your details before payment. If any information is incorrect, please contact the insurance company.

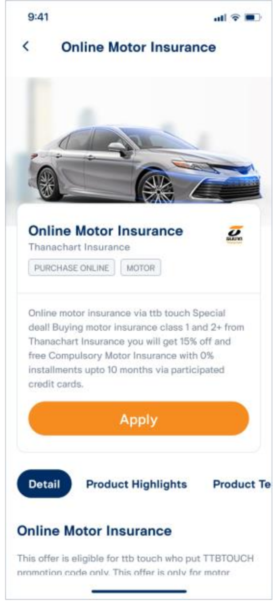
Motor - Compulsory by Thanachart
MOTOR

Policy number	106-22-0000-201276
Beginning of coverage	28 Jan 22
End of coverage	28 Jan 23
Premium	890.00

Pay Premium

Detailed Policy Information

Buy new policy



9:41

Online Motor Insurance

Online Motor Insurance
Thanachart Insurance
PURCHASE ONLINE | MOTOR

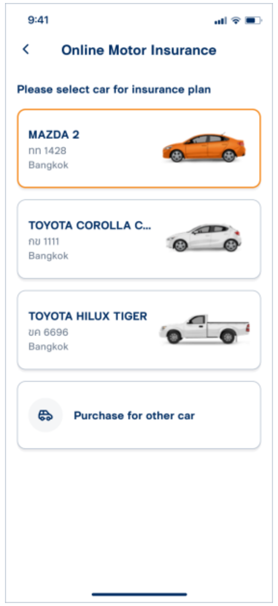
Online motor insurance via ttb touch Special deal! Buying motor insurance class 1 and 2+ from Thanachart Insurance you will get 15% off and free Compulsory Motor Insurance with 0% installments upto 10 months via participated credit cards.

Apply

Detail | Product Highlights | Product Te

Online Motor Insurance

This offer is eligible for ttb touch who put TTBTOUCH promotion code only. This offer is only for motor



9:41

Online Motor Insurance

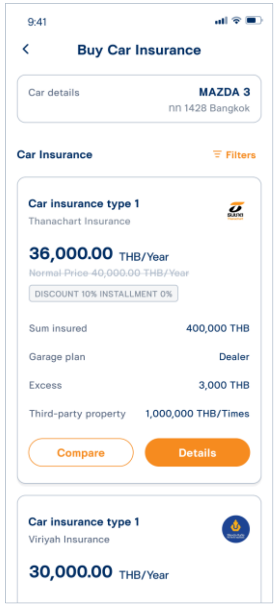
Please select car for insurance plan

MAZDA 2
กก 1428
Bangkok

TOYOTA COROLLA C...
กข 1111
Bangkok

TOYOTA HILUX TIGER
ขค 6696
Bangkok

Purchase for other car



9:41

Buy Car Insurance

Car details — **MAZDA 3**
nn 1428 Bangkok

Car Insurance — Filters

Car insurance type 1
Thanachart Insurance

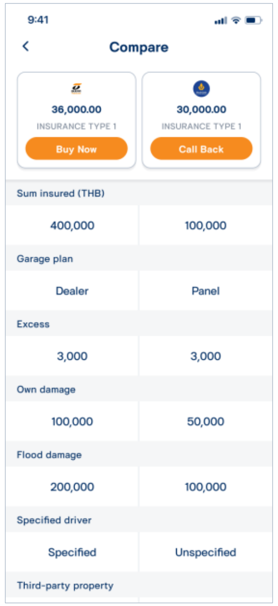
36,000.00 THB/Year
~~Normal Price 40,000.00 THB/Year~~
DISCOUNT 10% INSTALLMENT 0%

Sum insured	400,000 THB
Garage plan	Dealer
Excess	3,000 THB
Third-party property	1,000,000 THB/Times

Compare | Details

Car insurance type 1
Viriyah Insurance

30,000.00 THB/Year

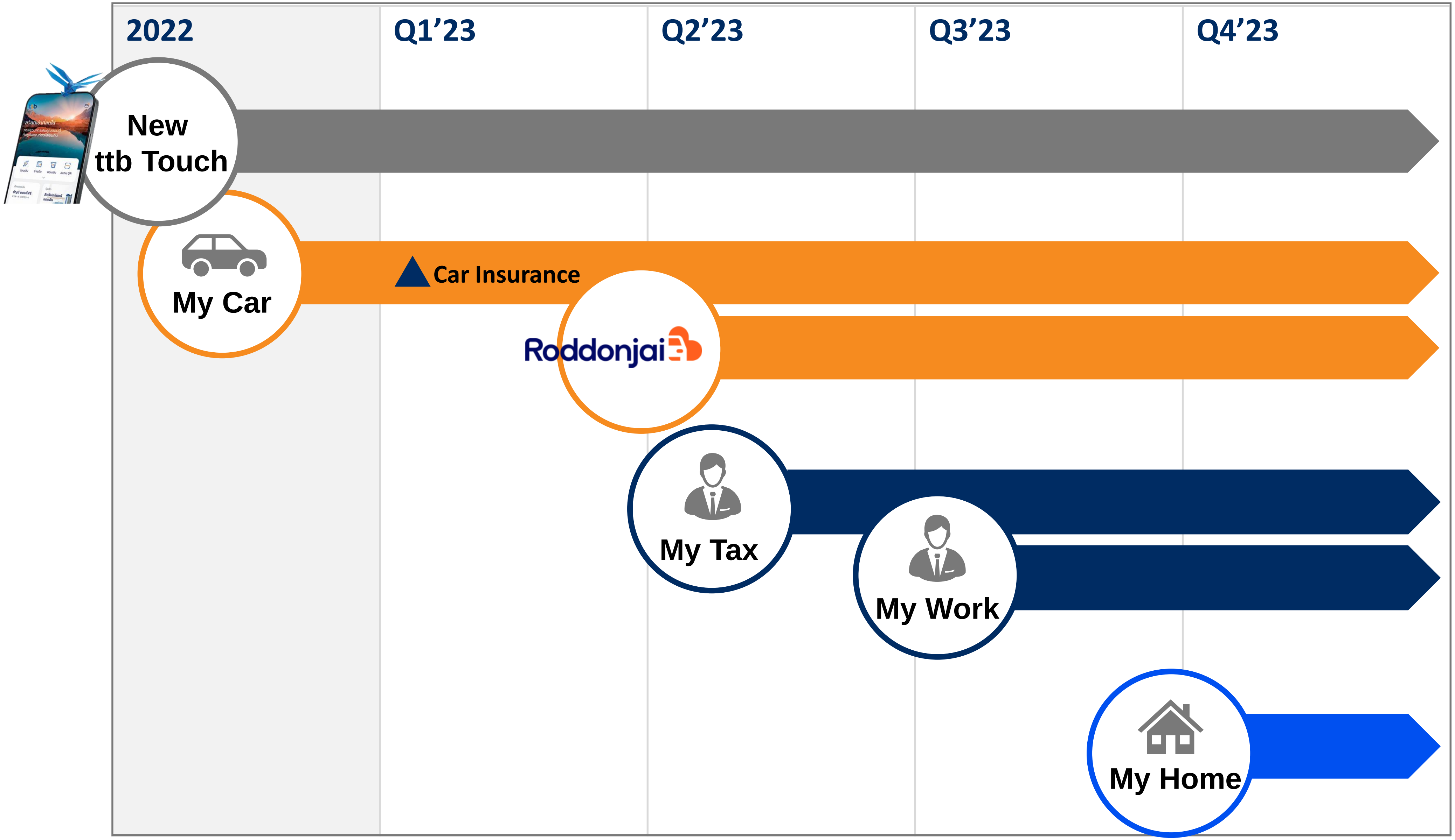


9:41

Compare

	36,000.00 INSURANCE TYPE 1 Buy Now	30,000.00 INSURANCE TYPE 1 Call Back
Sum insured (THB)	400,000	100,000
Garage plan	Dealer	Panel
Excess	3,000	3,000
Own damage	100,000	50,000
Flood damage	200,000	100,000
Specified driver	Specified	Unspecified
Third-party property		

Ecosystem play: Preliminary release timeline



2022 | Q1’23 | Q2’23 | Q3’23 | Q4’23

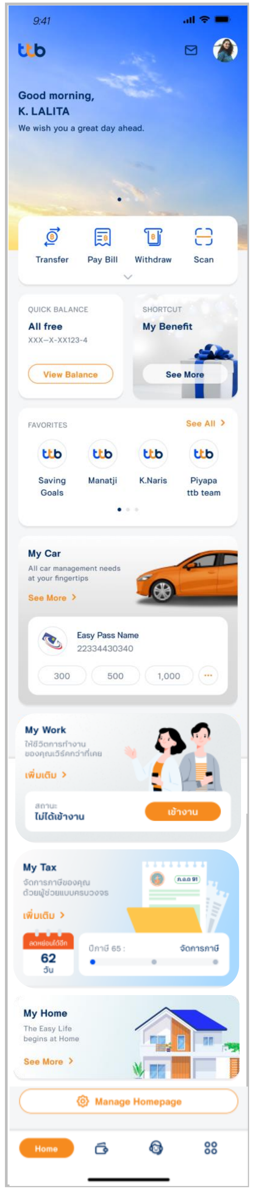
New ttb Touch

My Car
- Car Insurance
- Roddonjai

My Tax

My Work

My Home



Good morning,
K. LALITA
We wish you a great day ahead.

QUICK BALANCE
All free
XXX–X-XX123-4

SHORTCUT
My Benefit

FAVORITES

My Car
All car management needs at your fingertips

Easy Pass Name
22334430340

My Work
ให้ชีวิตการทำงานของคุณเวิร์คกว่าที่เคย

สถานะ
ไม่ได้เข้างาน

My Tax
จัดการภาษีของคุณด้วยผู้ช่วยแบบครบวงจร

ลดหย่อนได้อีก
62
วัน

ปีภาษี 65 :

My Home
The Easy Life begins at Home

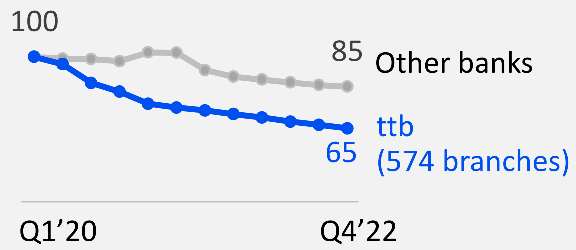
Ⅳ Ongoing end-to-end productivity improvement to capitalize on enhanced digital capabilities and accelerated e-migration

Progress to-date

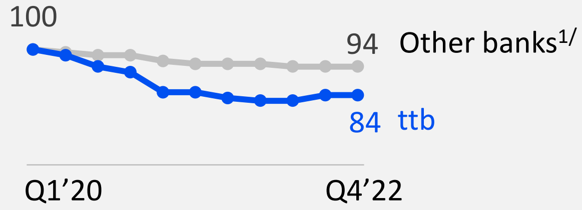
Annual branch footfall: -13%

Offline transaction shares
- Financial service txn: ~1%
- Non-financial service txn: >80%

Index of number of branch



Index of employees



Plan going forward

Digital-first

- **Digital service**: Proactively migrate existing in-branch and call center traffics to ttb Touch e.g.,
  - Document requests
  - General inquiries
- **Digital sales**: Enhance in-app digital sales journey and extend the building blocks to support staff-assisted tablets
- **Reprioritize in-branch processes to shift away from paper forms** to assisted online journey via ttb Touch
- **Streamline remaining offline processes if still needed**

Digital-only

- **Eliminate selected offline processes** to accelerate digital journey adoption and to rationalize associated fixed cost
- **Launch digital-only products and benefits** to capitalize on lower-cost-to-serve and faster time-to-market

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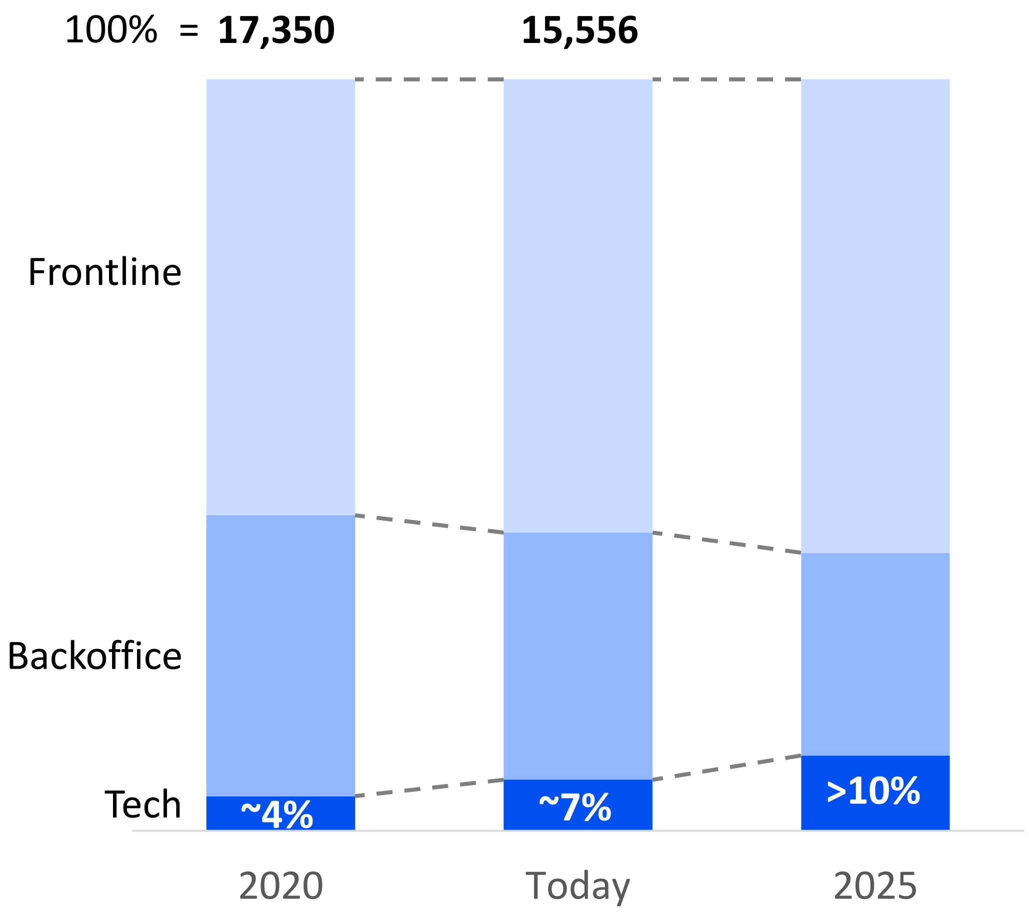
1/ DSIBs only

V Ongoing organization transformation to sustain digital-first & digital-only operating model

3Y aspired workforce mix



Shift of staff to more IT/Digital

- Increase in number of IT/Digital staff to support on digital transformation roadmap
- Lower proportion of frontline and operation staff as a result of digital migration

Sales model transformation

- Higher sales productivity from digital-first operating model integrated to sales activities and customer journey

Reskill and upskill development

- Reskill and upskill employees required for sustainable business operation, together with organization transformation

Deliverables to our stakeholders

Customer	**Financial well-being enabler**	▪ **Improvement in main bank customers' financial well-being**
Employee	**Employer of choice**	▪ **Employee retention** ▪ **Critical positions filled by internal candidates**[1]
Shareholder	**Investment with competitive and sustainable return**	▪ **ROE at top peer level** – Maintain strong capital base – C/I ratio at low-40%
Society / environment	**Good corporate citizen**	▪ **Sustainability assessment result at top quartile vs. peers** e.g., 1st place in Fair Finance, top rank in DJSI

1/ without compromising the quality of our management bench (best candidate for the job)

2023 Guidance

		2022 Targets	2022 Actual	2023 Targets
INCOME	**Loan growth** (YoY)	Approx. 2%	**+0.4%**	**Approx. 3%**
	Deposit growth (YoY)	Approx. 3%	**+4.5%**	**In line with loan growth**
	Net Interest Margin	Stable (2.97% in 2021)	**2.95%**	**3.0% - 3.1%**
	Non-NII growth	-	-	**Low single digit growth**
EFFICIENCY	**C/I Ratio**	45% - 47%	**45%**	**Mid-40s**
ASSET QUALITY	**% Stage 3**	≤ 3.2%	**2.7%**	**≤ 2.9%**
	Credit cost (bps)	140 - 160	**133**	**125 - 135**

Appendix:

ttb’s Sustainability

2022 Sustainability Update

2022 Sustainability Highlights

Business Sustainability

> THB 1,672 mn
Debt consolidation program

> THB 41 mb
of accident protection and life insurance claims for All Free customers

29%
increase in number of TSP customers

41%
increase in DCA TSP customers

65%
Transactional Net Promoter Score

Corporate Governance and Business Ethics

#1
in Fair Finance Thailand for 4 consecutive years

100%
of 3rd party data processors signed PDPA and DPA

0 case
of significant data breach

100% of board
participated in ESG training

Environmental Sustainability

USD 150 million
Green and blue bond issuance

> THB 12,635 mn
green and blue loan setup*

THB 2,000 mn
Sustainability-linked loan to support blue finance

27% reduction
of tobacco exposure with commitment to exit by 2023

38% reduction
of coal-fired power plant exposure with commitment to exit by 2028

* Commercial green loan setup as of end of FY2022 and EV loan setup as of Nov 2022

Social Sustainability

THB 318 mn
positive environmental and social impact SME loan

45 payroll companies
participated in Fin live & learn programs

THB 38 mn
CSR development programs

> 48,000 people
benefited from CSR programs

THB 184 mn
Donation via Punboon from >200k donors

Sustainability ratings & certification

Sustainability Excellence

1st place in Fair Finance Thailand ranking for 4 consecutive years (2019-2022)

Inclusion in Thailand Sustainability Investment (THSI) since 2018

Inclusion in FTSE4Good for 7 consecutive years since 2016

1st time included in S&P Global's Sustainability Yearbook 2022 *

Governance

Certified as a member of Collective Action Coalition Against Corruption (CAC) since 2014

Excellent level in IOD's Corporate Governance Report of Thai Listed Companies (CGR)

Environment

The Asset Triple A Country Awards for Sustainable Finance 2022 for Best Issuer for Sustainable Finance and Best Blue Bond

Social

1st time listed in Bloomberg Gender-Equality Index (GEI) 2022*

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* Assessment based on 2021 performance

TTB’s Sustainability

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.

Sustainability Governance

Board of Directors
(Sub-committee: NRCC)

Chief Executive Committee

Sustainability
(Under Strategy)

Sustainability Related Functions

Sustainability Framework

Business Sustainability

To shift towards a sustainable business model in order to create long-term financial growth and embed responsible practices

Environmental Sustainability

To minimize our direct and indirect environmental impacts

Sustainability Framework

Corporate Governance & Business Ethics

To ensure effective governance, risk management and internal controls, and to foster ethical culture

Social Sustainability

To continuously enhance human capital management and contribute to the sustainable development of youth and community

Sustainability KPIs

Corporate KPIs

10%

Sustainability KPIs

Business Sustainability

As we go forward on the path of sustainable banking and become the recommended bank of choice, digital banking is imperative for us to strive and deliver best-deal personalized solutions by life-stage and life-event through humanized digital platforms.

Ecosystems for financial well-being

Car owner ecosystem	To develop long-term relationship with car-owners throughout cars' life cycle and lessening the burden of owning cars
Salaryman ecosystem	To deepen engagement with employer and employee via comprehensive payroll benefits and tax planning solution
Home owner ecosystem	To raise awareness on their collateral value and engagement via beyond banking services related to home ownership

อรุณสวัสดิ์ครับ
ขอให้วันนี้เป็นวันที่ดี
และสดใสทั้งวันนะครับ

Mindful Spending & Maximizing Savings	Continued penetration of All Free accounts with >700k new accounts/year together with adoption of high-yield saving No Fixed at >30%
Healthy Borrowing	1,672 mb debt consolidation amount (+50% yoy)
Investing for Future	+41% yoy in number of customers who set up new DCA in TSP driving discipline to achieve their financial goals
Sufficient Protection	>41 mb (+72% yoy) medical and life insurance claims for customers with All Free accounts

Corporate Governance & Business Ethics

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. It allows the Bank to operate effectively and sustainably.

Corporate Governance

Accountability

- IOD's CGR score of 94

Board diversity

- 3 female board members out of 14 (21.4%)

Business Ethics & Market Conduct

Market conduct

- Market conduct is one of bank's key priorities with tone from the top (BOD) and executives. Board reviews monthly report of market conduct performance.
- Market Conduct Monitoring Dashboard enables us to assess overall performance and quickly identify areas required attention

Training

- All employees completed 9 mandatory training i.e., PDPA, AML/CTPF, market conduct, deposit protection, non-financial risk management, fraud risk management, anti-corruption, cybersecurity risk awareness, and code of conduct

Cybersecurity and Data Privacy

Cybersecurity

- Zero significant data breach case
- All employees completed Cybersecurity Risk Awareness training

Data privacy

- 100% of 3rd party data processors signed PDPA and DPA
- All employees completed PDPA training

Environmental Sustainability

We promote responsible and sustainable financing by assessing clients' long-term environmental, social and governance impacts. At the same time, we manage our direct environmental footprints to improve operational and resource efficiency.

Responsible Lending

Long-term commitment

- The bank will not finance any new coal-fired power plant projects with the commitment to exit by 2028. 38% reduction of the exposure since announced in 2020.
- The bank will exit from the tobacco industry by 2023*. 27% reduction of the exposure since announced in 2020.

Exclusion List

- 27 business activities

E&S risk screening

- 100% of commercial lending is in line with ESR policy

Sustainable Finance

Green and blue loan

- > THB 12,635 mn green and blue loan setup **

Sustainability-linked loan

- THB 2,000 mn Sustainability-linked loan to support blue finance

ESG funds

- Offering 5 ESG funds

Green and blue bond

- Issued 100 MUSD green bond and 50 MUSD blue bond (1st company to issue blue bond in Asia) and established ttb Green and Blue Bond Framework in lining with ICMA GBP and IFC Blue Finance Guidelines with SPO

Our Environmental Impacts

Electricity consumption

- Electricity consumption reduced by 25%, achieved 2022 target of 10% reduction compared to 2019

Water consumption

- Water consumption reduced by 37%, achieved 2022 target of 10% reduction compared to 2019

---

*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)

** Commercial green loan setup as of end of FY2022 and EV loan setup as of Nov 2022

Social Sustainability

We embrace the diversity of workforce and build the skills and capability of our workforce. Also, we contribute to the sustainable development of youth and community and promote financial inclusion and literacy for those financially vulnerable to have a life-long financial well-being.

Our People

Growth and development

- All employees completed mandatory training
- Average training of 58 hours per employee over target of 40 hours

Innovation driven workforce

- 73 projects from >730 employees participated in ttb awards 2022 contest

Engaged workforce

- Promoting I-CARE culture
- Group-wide employee engagement survey

Financial Inclusion & Literacy

Positive environmental and social impact loan

- 318 mb to SMEs whose businesses contribute positive environmental and social impacts

Financial literacy

- 45 payroll companies participated in Fin live & learn where 3,442 of their employees received trainings on financial literacy programs
- 500 SME clients are engaged both offline and online via finbiz program

CSR

fai-fah

- 3,149 employee volunteers
- 32 fai-fah for communities projects
- 41,523 people in communities and 6,731 youths benefited from fai-fah program
- Total CSR contribution of THB 38 mn

Punboon

- Funds raised via Punboon > THB 184 mn
- Number of donors on Punboon increased from 2021 by 116%
- A total of 248 foundations on Punboon platform with needs in different areas e.g., education, hospitality, vulnerable groups, etc.

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TMBThanachart
ttbbank.com ☎1428

Make **REAL** Change