



# SUSTAINABILITY REPORT 2016



TISCO FINANCIAL GROUP PLC.

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## Message from Group Chief Executive

Amid economic volatility and fiercely competitive business, TISCO Financial Group stands firm in our commitment to sustainability, and to our corporate core values which help us reinforce our resilience. We seek to strengthen the fundamentals to grow the business hand-in-hand with generating sustainable value to the society. TISCO is committed to conducting the business with prudence, while constantly evolving our work process in line with “Thailand’s 4.0 and Digital Economy” aspiration. The aim is for sustainable business result, and to be best equipped to develop business going forward. To us, a good organization must bring about its own sustainability and that of the society it operates in. Therefore, we prioritize every aspect of sustainable development according to the Environment, Society, and Governance (ESG) criteria.

In 2016, we continued with TISCO Group’s Sustainability Principles, taking into account environmental, social and governance aspects. What we do we aim at generating value and returns to stakeholders. In every business decision and step we take into account the benefit and potential



impact upon the enterprise itself and external stakeholders. TISCO delivers business growth and good return to our shareholders. We contribute actively to the government’s ongoing efforts to combat usury in informal lending sector, and in strengthening the rural economy through our



microfinance credit that interfaces with customers through our nationwide network of loan offices. At the same time, we put importance in environmental practice into our operational process such as implementing energy efficiency at TISCO Tower, reducing paper use by making available to our clients a range of options including SMS, e-Statement and e-Portfolio. We implement Green Procurement procedures, ecosystem conservation and promote environment-friendly businesses through lending and financial advisory service. On the social front, and continuing our mission to make TISCO a Happy Organization to work with, we invest in advancing the capacity and competencies of our employees. We have organized for appropriate remuneration and welfare. We promote hiring of persons with disabilities. Beyond our own enterprise, we contribute to community and social well-beings through regular undertakings such as Financial Literacy Camp for Youth, a series of financial literacy workshop for community, providing scholarships for needy students, school facilities improvement and renovation.

Good corporate governance is embedded in TISCO’s organization culture through corporate governance standards and policy under the supervision of the Corporate Governance Committee. TISCO staff at all levels carry out their work adhering to the Code of Corporate Ethics and Business Code of Conduct to ensure transparency and the organization’s credibility. As a result, TISCO in 2016 is once again certified for “Excellent Corporate Governance Report of Thai Listed Companies” by the Institute of Directors’ Association (IOD).

TISCO has compiled the sustainability report according to the Global Reporting Initiative (GRI-G4) for the third consecutive year and it has now adopted the United Nations’ Sustainable Development Goals (SDGs) as part of its materiality assessment in order to improve, advance the organization, including disclosure of information to stakeholders. TISCO is committed to constantly operating our business and developing the organization as a sustainable financial institution



**Suthas Ruangmanamongkol**  
Group Chief Executive, TISCO Group

# Vision Mission and Values

## Vision > “Mastery in Wealth of Possibilities”

### Mission

“TISCO is a quality growth organization with strong customer priority, committed to deliver value financial services with mastery and professionalism. Our promise is to provide financial services that address customer needs in all geographies, with focus on creativity of new financial solutions, and providing of guidance and advice to create financial

opportunities for our customers at different stages of their lives. Continuous human capital development and leading-edge technological investments are key to our efficiency and reliability of service. TISCO also adheres to the cultures of integrity, fairness, and transparency, that create sustainable value to our customers, shareholders, people, and society.”

### Values



**Customer Priority:** Customers are our primary focus. Their needs are our priority. We derive a professional and practical solution that fulfills our customers’ requirements.



**Mastery:** Our staff is obligated to continually learn and develop themselves, striving for outstanding capability and skill to maximize customer satisfaction.



**Creativity:** Our expertise is not only dependent on knowledge and experience, but is also founded on our creativity. We provide advice that is not only accurate, but also creative to help them see all financial possibilities they have.



**Guidance:** Because our staff members have a wide range of financial expertise, we provide our customers with the best financial advisory in a friendly and open-minded way, understanding what exactly they need so we can help them achieve their goals.



**Reliability:** The organization creates added value in our financial services through professional skills and reliable performance of our team.



**Integrity:** All of our employees conduct themselves with honesty and follow a code of ethics of the highest standards.

## TISCO Profile

TISCO was established in 1969 by Bankers Trust, and American banking company. TISCO is Thailand's first investment bank with a different structure and operational strategy from other general commercial banks at that time. TISCO focuses on financial excellence and expertise, hence a steady stream of financial products and services responsive to changing market demand. Our product and service offers are more targeted yet flexible compared with regular banks. Our services include lending businesses (project finance loan, consumer loan, hire purchase loan), depository service, wealth and asset management, research service for commercial and industrial projects.

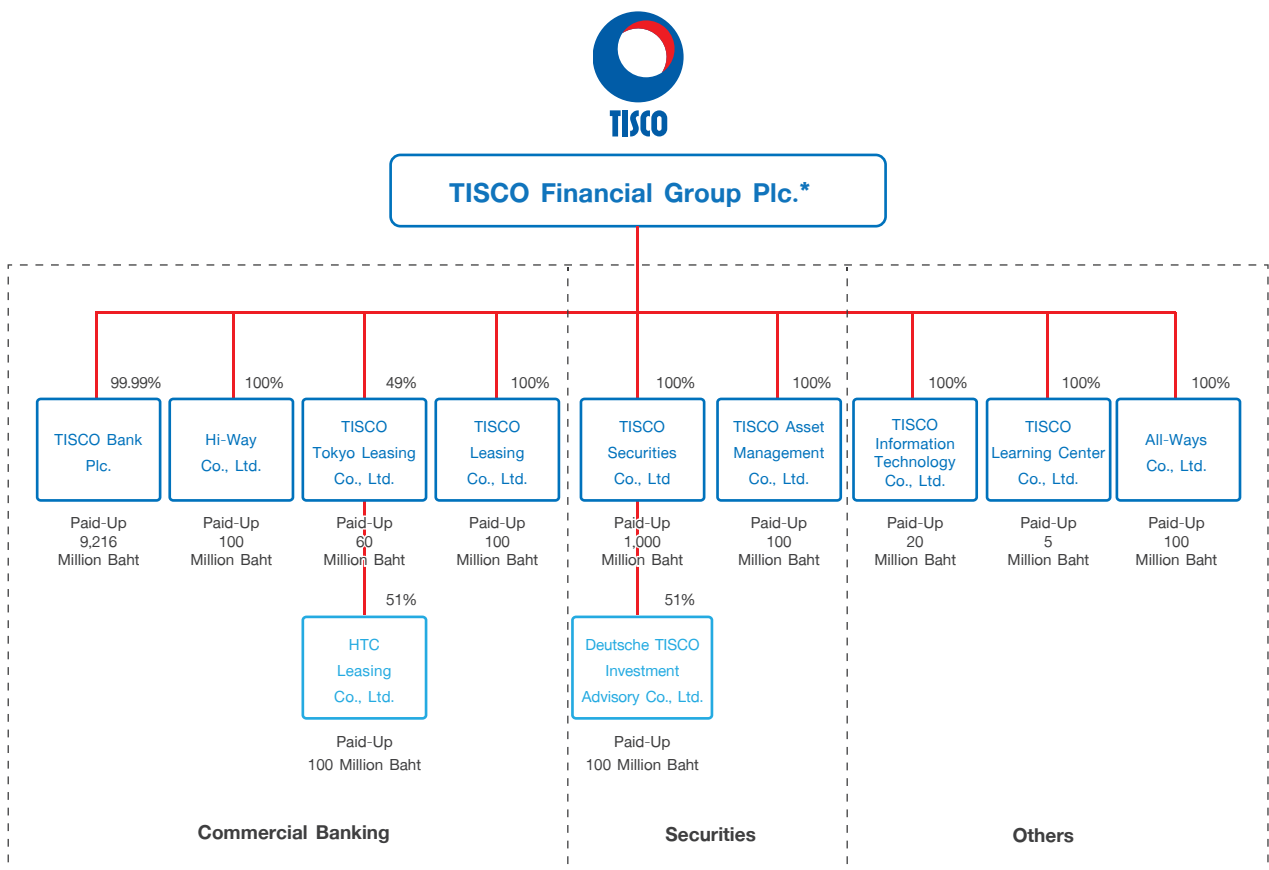
Throughout 47 years, TISCO has constantly improved the quality of products and services to maximize value for all groups of customers. TISCO is well established as a leading player in retail lending, corporate lending, investment banking, asset management, wealth and asset management, and brokerage service. TISCO also plays a prominent role on board the broader effort to develop the financial industry, with its consistent focus on strong corporate governance.



TISCO Financial Group Public Company Limited has been structured as a holding company and act as a parent company, formulated the business policies and governs all subsidiaries within “TISCO Group” as shown in the chart.

- TISCO Bank Public Company Limited
- TISCO Securities Company Limited
- TISCO Asset Management Company Limited
- Hi-Way Company Limited
- TISCO Leasing Company Limited
- TISCO Information Technology Company Limited
- TISCO Learning Center Company Limited
- All-Ways Company Limited
- Deutsche TISCO Investment Advisory Company Limited
- TISCO Tokyo Leasing Company Limited\*
- HTC Leasing Company Limited\*


\* Not included in the consolidated statements in accordance with Thai Accounting Standard



\*Listed in The Stock Exchange of Thailand

TISCO focuses on creating value for all customer groups, by offering the best and most responsive products and services with a view to establishing long term relationship. With its customer-centric focus, TISCO constantly develops new products to

meet a variety of lifestyle and serves the customers needs in each stage of life. Under the centralized operating procedure, TISCO has classified its business to serve three main client groups as follows;



**Retail Banking Group**

- Consumer Finance
  - Hire Purchase Lending
  - Consumer Lending (Housing Loan and Consumer Lending)
- Life and Non-Life Insurance



**Corporate Banking Group**

- Large Corporate Lending Facilities
  - Revolving Credit
  - Project Finance and Long-term Loan
  - Lending for Other Commercial Purposes
  - Issue of Bank Guarantee and Aval
  - Financial Advisory Service
  - Custodian Service
- Medium Corporate Lending facilities (e.g. Car Inventory Finance Loan, Project Finance Loan, Hire Purchase and Leasing Loan)
- Investment Banking Service



**Wealth and Asset Management Group**

- Wealth and Asset Management Service
- Depository Service
- Stock Brokerage for Individual Investors
- Stock Brokerage for Institutional Investors
- Asset Management
  - Provident Fund
  - Private Fund
  - Mutual Fund
- Financial Management Service

**Retail Banking Group**

We provide lending facilities to retail clients and small entrepreneurs, focusing on hire purchase lending and consumer lending operated by TISCO Bank, Hi-Way Company Limited and TISCO Tokyo Leasing Company Limited. The loan portfolio mainly consists of hire purchase loan for new cars, used cars, and motorcycles, along with consumer finance developed to serve market demand. “TISCO Auto Cash” is a prominent example of such a product that stands out for its convenience, speed and no requirement for transfer of auto-license book. This product has been continuously expanded nationwide through geographical branches under the brand “Somwang”.

**Corporate Banking Group**

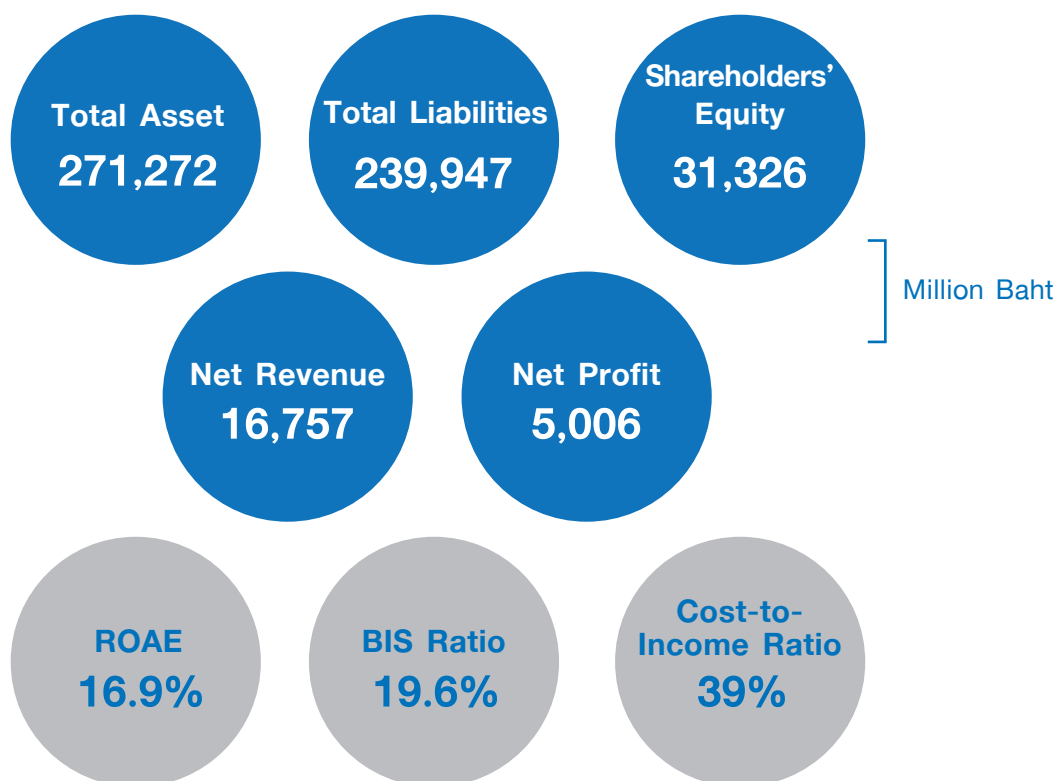
We provide a wide range of lending facilities as well as financial advisory service to medium to large corporate clients such as project finance loans, term loans for large corporations, car inventory finance loans, financial and investment advisory service.



**Wealth and Asset Management Group**

We serves wealth and high net worth client, aiming to be the “Top Advisory House” by delivering integrated financial solutions for savings and investment under the brand “TISCO Wealth”. TISCO offers a full shelf of financial products ranging from depository products, insurance, asset management to securities brokerage service. Through our team of experienced and dedicated professionals and efficient service operations, TISCO aims to deliver excellent services and long-term favorable returns to our clients.

## TISCO at a Glance, as of 31 December 2016



Number of Shares  
**800.7** Million Shares

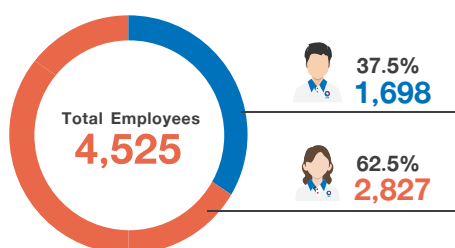


Market Capitalization  
**48,239** Million Shares



Bank Branches  
**57**

Loan Offices  
**138**



Number of Employees of All Categories	2014		2015		2016	
Permanent	1,465	2,449	1,483	2,513	1,459	2,481
Contract	181	149	140	114	127	116
Part-time	124	206	108	239	112	230

Number of Employees by Location	2014		2015		2016	
Head Office	1,284	1,921	1,267	1,969	1,231	1,907
Branches in Bangkok and Metropolitan Area	76	251	74	261	79	271
Provincial Branches	410	632	390	636	388	649

## Charter, Principle, Initiative and Membership

In doing business, TISCO Financial Group Plc. complies with the Financial Institutions Act B.E. 2551 (2008), rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Act of the Securities and Exchange Commission, and other related regulations and requirements.

In addition, TISCO has adopted a set of Charter, Principle, Initiatives and Memberships at national and international levels to enhance and grow the organization efficiently in parallel with adding value to the society. These include the United Nations’ Sustainable Development Goals (SDGs), Global Reporting Initiative: GRI), membership of the United Nations Environment Program Finance

Initiative (UNEP FI), ASEAN Corporate Governance Scorecard, corporate governance compliance benchmarked with the criteria of Stock Exchange of Thailand and the Organisation for Economic Cooperation and Development (OECD), The Committee of Sponsoring Organizations of the Treadway Commission (COSO), certification and membership in Thailand’s Private Sector Collective Action Coalition against Corruption (CAC) of TISCO Financial Group Plc., TISCO Bank Plc., TISCO Securities Company Limited, and TISCO Asset Management Company Limited. In addition, we are member of the CSR Club of the Thai Listed Companies Association. TISCO Bank is a member of the Thai Bankers’ Association (TBA), and the CSR Club of TBA, etc.

## General Information

	TISCO Financial Group Public Company Limited		48/49 TISCO Tower, 21 <sup>st</sup> Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500
	Finance and Banking		0-2633-6000
	Publicly Listed Company in the Stock Exchange of Thailand		0-2633-6800
	Registration Number 0107551000223		<a href="http://www.tisco.co.th">www.tisco.co.th</a>



## Sustainability Strategy

TISCO has developed and conducted its business to grow the organization according to the vision and targets. In doing so, it recognizes the importance of stakeholders and impact of its business on corporate governance, economy, society and environment. Stakeholders' expectations and how the organization prioritizes aspects relating to the economy, environment and society are taken into account in the formulation of TISCO's sustainability strategy.

### Strong Governance and Risk Management Culture

TISCO is committed to operating within the framework of risk management and good corporate governance at every level of its operations. This is in order to foster the work process that is transparent, accountable and enabling sound business decisions where risks must be duly assessed and managed. At the same time, TISCO puts importance and promotes Anti-Corruption practice to prevent any potentially corrupt act within the organization and prevent from being vehicle for money laundering and terrorism-financing activities.

### Sustainable Business Performance

In its business conduct, TISCO aims to operate with efficiency and solid business performance focusing on long-term profitability and strong balance sheet. TISCO has formulated long-term strategic plan and business goals which are subject to rigorous evaluation and review, while we keep our shareholders, investors and the public informed on a regular basis of our performance. In addition, TISCO promotes financial accessibility through its microfinance business. While the business expands financial inclusion among the general public, it has contributed to the growth of the company's core business.

### Environment-friendly Business

TISCO takes into account environmental impact of its business, and we support environment-friendly business including financing renewable energy projects. In supply chain management, we pay particular attention to Green procurement practices by purchasing eco-friendly products in order to minimize the environmental impact.

### Promote Social Well-being

The development and well-beings of the society and community matter to TISCO and we do our part by providing financial service through our network of loan offices nationwide. We have implemented financial literacy project to communities with a view to improving the financial health at the community level. Where customer care is concerned, TISCO is dedicated to developing financial products that respond to the client's needs and optimization of their interests. Equally important, we value and protect customers' data privacy and data security. Within the organization, we care for our workforce as TISCO sets the goal of being a "Happy Organization" by valuing employees' relations, developing staff competencies and career opportunities.






# Stakeholder Engagement


To TISCO, stakeholders form a crucial pillar in sustainability. We recognize the need to comprehend the needs and concerns of stakeholders. Stakeholder’s needs and concerns therefore provide input for the development of processes, products and services that most effectively respond to expectations.



In developing an efficient method of communicating and listening to stakeholder’s voices, TISCO has studied business approach, strategy and plan in order to identify key stakeholders within and outside our organization. Then we evaluate the relationship and prioritize materiality issues, identify units in charge and consider the best communications channel, engagement strategy and most appropriate channels to report to different groups of stakeholders.





We classify key stakeholders into 6 groups: shareholders, employees, business partners, customers, the community and society. The chart below shows communication process, frequency of communication, stakeholders’ expectations and actions.

Stakeholder	Communication Process	Frequency	Stakeholder’s Expectation	Implementation
G4-24	G4-26		G4-27	
<p><b>Shareholders</b></p>  <ul style="list-style-type: none"> <li>• Institutional Shareholders</li> <li>• Individual Shareholders</li> </ul>	<p><b>Channel and Activity</b></p> <ul style="list-style-type: none"> <li>• Annual General Meeting of shareholders</li> <li>• Analyst Meeting</li> <li>• Investor Roadshow, Meeting institutional investors</li> <li>• Conference call with institutional investors</li> <li>• Information update on TISCO website</li> <li>• Inquiry handling by Investor Relations Unit</li> </ul>	<p>Annually</p> <p>Quarterly</p> <p>Regularly</p> <p>Regularly</p> <p>Regularly</p> <p>Regularly</p>	<ul style="list-style-type: none"> <li>• Strong performance and sustainable growth of the organization</li> <li>• Sustainable return on equity and dividend policy</li> <li>• Transparency and fairness in business conduct</li> <li>• Efficient risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Operate in accordance with the corporate governance and risk management policy</li> <li>• Operate business using risk-adjusted returns model to maintain favorable ROE</li> <li>• Disclose accurate and proper information to shareholders and investors</li> </ul>
	<p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>• Annual report</li> <li>• Form 56-1</li> <li>• Management Discussion and Analysis</li> <li>• Notification, SET</li> </ul>	<p>Annually</p> <p>Annually</p> <p>Quarterly</p> <p>Regularly</p>		

Stakeholder	Communication Process	Frequency	Stakeholder's Expectation	Implementation
G4-24	G4-26		G4-27	
<p><b>Employees</b></p>  <ul style="list-style-type: none"> <li>• Permanent Staff</li> <li>• Contracted Staff</li> <li>• Part-time Staff</li> </ul>	<p><b>ช่องทางและกิจกรรม</b></p> <ul style="list-style-type: none"> <li>• CEO's employee visit</li> <li>• Monthly Corporate meeting</li> <li>• Employee training</li> <li>• Staff's Newsletter</li> <li>• Employee relations activities</li> <li>• Employee engagement survey</li> <li>• TISCO HR Helpline</li> <li>• On boarding program for new employees</li> <li>• Mid-level management communication</li> <li>• Direct communication from top management to mid-level management</li> </ul>	<p>Annually</p> <p>Monthly</p> <p>Regularly</p> <p>Regularly</p> <p>Regularly</p> <p>Annually</p> <p>Regularly</p> <p>Regularly</p> <p>Weekly</p> <p>Monthly</p>	<ul style="list-style-type: none"> <li>• Career advancement</li> <li>• Fair compensation, welfare and benefits</li> <li>• Knowledge and skill development</li> <li>• Work life balance</li> <li>• Hearing employees' opinion</li> <li>• Being recognized or valued</li> </ul>	<ul style="list-style-type: none"> <li>• Treat employees fairly, prioritize human resource management and advancement, provide equal opportunity to staff at all levels to advance along their career path</li> <li>• Tend to compensation and benefits. The benefit structure has been adjusted in response to workforce's needs, particularly on occupational health and safety</li> <li>• Design learning platforms on leadership and professional skills, widening the reach of learning opportunities using IT.</li> <li>• Promote health and wellness among the workforce through sports and recreational activities</li> <li>• Enable multiple channels for staff to express opinions, e.g. annual employee satisfaction survey, Meet the CEO forum where employees can directly interact with the CEO, online and other complaint mechanisms</li> <li>• Pursuing 'Happy Organization' model through a series of engagement with employees that reinforce appreciation and value of the workforce</li> </ul>
	<p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>• Human Resources Performance Report</li> </ul>	<p>Monthly</p>		

Stakeholder	Communication Process	Frequency	Stakeholder's Expectation	Implementation
G4-24	G4-26		G4-27	
<p><b>Regulators</b></p>  <ul style="list-style-type: none"> <li>• Bank of Thailand (BoT)</li> <li>• Securities and Exchange Commission (SEC)</li> <li>• Stock Exchange of Thailand (SET)</li> <li>• Anti-Money Laundering Office (AMLO)</li> <li>• Office of Insurance Commission (OIC)</li> </ul>	<p><b>Channel and Activity</b></p> <ul style="list-style-type: none"> <li>• Compliance Unit and Regulatory Reporting Division are in charge of communicating with regulators</li> <li>• Audits conducted by regulators, dialogue between the management and regulatory bodies on important issues</li> </ul>	<p>Regularly</p> <p>Regularly</p>	<ul style="list-style-type: none"> <li>• Integrity, transparency and social accountability</li> <li>• Business operations in compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Develop business policies and guidelines in compliance with regulatory requirements</li> <li>• Designate the Compliance Unit to liaise with regulators and internal units</li> <li>• Establish Regulatory Reporting Division</li> <li>• Prepare relevant data to support regulators' site visits</li> </ul>
	<p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>• Form 56-1</li> <li>• Notification to SET</li> <li>• Reporting forms as required by the laws</li> </ul>	<p>Annually</p> <p>Regularly</p> <p>Daily/Monthly/Annually</p>		
<p><b>Business Partners</b></p> 	<p><b>Channel and Activity</b></p> <ul style="list-style-type: none"> <li>• Meeting business partners</li> <li>• Partners' satisfaction assessment</li> </ul>	<p>Regularly</p> <p>Regularly</p>	<ul style="list-style-type: none"> <li>• Compliance with contractual obligations</li> <li>• Long-term relationship</li> <li>• Fair price and zero tolerance for corruption in the procurement process</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate anti-corruption policy to partners and conduct business in compliance with the policy</li> <li>• Meet business partners to listen to their suggestions and complaints</li> <li>• Conduct vendor satisfaction assessment</li> </ul>

Stakeholder	Communication Process	Frequency	Stakeholder's Expectation	Implementation
G4-24	G4-26		G4-27	
<p><b>Customers</b></p>  <ul style="list-style-type: none"> <li>• Retail Customers</li> <li>• Corporate Customers</li> <li>• Wealth and Asset Management Customers</li> </ul>	<p><b>Channel and Activity</b></p> <ul style="list-style-type: none"> <li>• Meeting in person</li> <li>• TISCO Call Center</li> <li>• Corporate clients' site visit</li> <li>• Training and seminar</li> <li>• Wealth Enhancement Program (WEP)</li> <li>• Through a variety of outlets including newsletter, corporate website</li> </ul>	<p>Regularly</p> <p>Regularly</p> <p>Regularly</p> <p>Regularly</p> <p>Annually</p> <p>Regularly</p>	<ul style="list-style-type: none"> <li>• Products that are appropriately priced, with full and complete information disclosed</li> <li>• Products responsive to needs</li> <li>• Service excellence</li> <li>• Receive financial intelligence and investment advice in a timely and appropriate manner</li> <li>• Timely payment of interests and returns</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the product range to meet customer's demands</li> <li>• Complete and accurate disclosure of product information</li> <li>• Boost capability of sales force to master both financial knowledge and customer service</li> <li>• Organize trainings and seminars for clients</li> <li>• Take in customer's suggestions and complaints through channels including sales agents, customer service centers, emails</li> <li>• Compliance with contractual obligations to credits, depositors, debenture holders</li> </ul>
	<p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>• Annual report</li> <li>• Fact sheets and prospectus</li> <li>• Economic analysis/ equity research paper</li> <li>• Investment advice</li> </ul>	<p>Annually</p> <p>Regularly</p> <p>Regularly</p> <p>Regularly</p>		
<p><b>Community and Society</b></p> 	<p><b>Channel and Activity</b></p> <ul style="list-style-type: none"> <li>• Survey community and society's need</li> <li>• Engage the community in CSR activities</li> <li>• Address social materiality issues</li> <li>• Promote financial literacy through: <ul style="list-style-type: none"> <li>- "TISCO Financial Camp" for youth and teachers</li> <li>- "Smart Saving, Smart Spending" for communities nationwide</li> </ul> </li> </ul>	<p>Regularly</p> <p>Regularly</p> <p>Annually</p> <p>4 times per year</p> <p>At least 1 activity per branch</p>	<ul style="list-style-type: none"> <li>• Ethical business conduct, in parallel with corporate social and environmental responsibility</li> <li>• Support and share with a view to improving people's livelihoods at community level</li> <li>• Impart financial literacy for people to make smart choice of products and services to facilitate their daily living</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct business responsibly in line with international standards</li> <li>• Participate in social development, environmental conservation and energy efficiency</li> <li>• Organize CSR activities regularly to address community needs focusing on financial literacy, scholarship and school development</li> <li>• Motivate employees' participation in CSR activities</li> </ul>
	<p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>• Form 56-1</li> <li>• Annual Report</li> </ul>	<p>Annually</p> <p>Annually</p>		

# Material Aspect Assessment

In scoping the contents of this 2016 Annual Sustainability Report, TISCO Group complies with the Global Reporting Initiative G4 Version guideline (GRI-G4) to identify aspects material to sustainability and their boundaries the organization must address. The Material Aspect Assessment process involves the following four steps:

### Step 1: Identification

Identification of material issues and their boundaries, taking into account potentially positive and negative impacts on the organization both internally and externally

### Step 2: Prioritization

Prioritization of material issues, taking into account Economic, Social and Environmental implications, along with their influences on stakeholders' assessment and decision

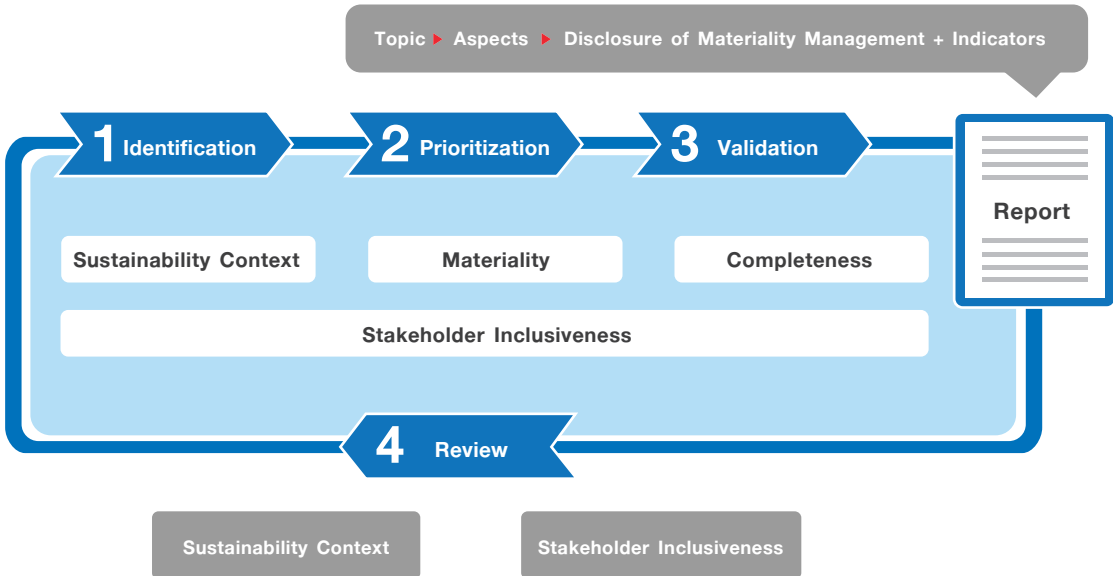
### Step 3: Validation

Validation in relations to the coverage, scope of information disclosure and collection of data on aspects required

### Step 4: Review

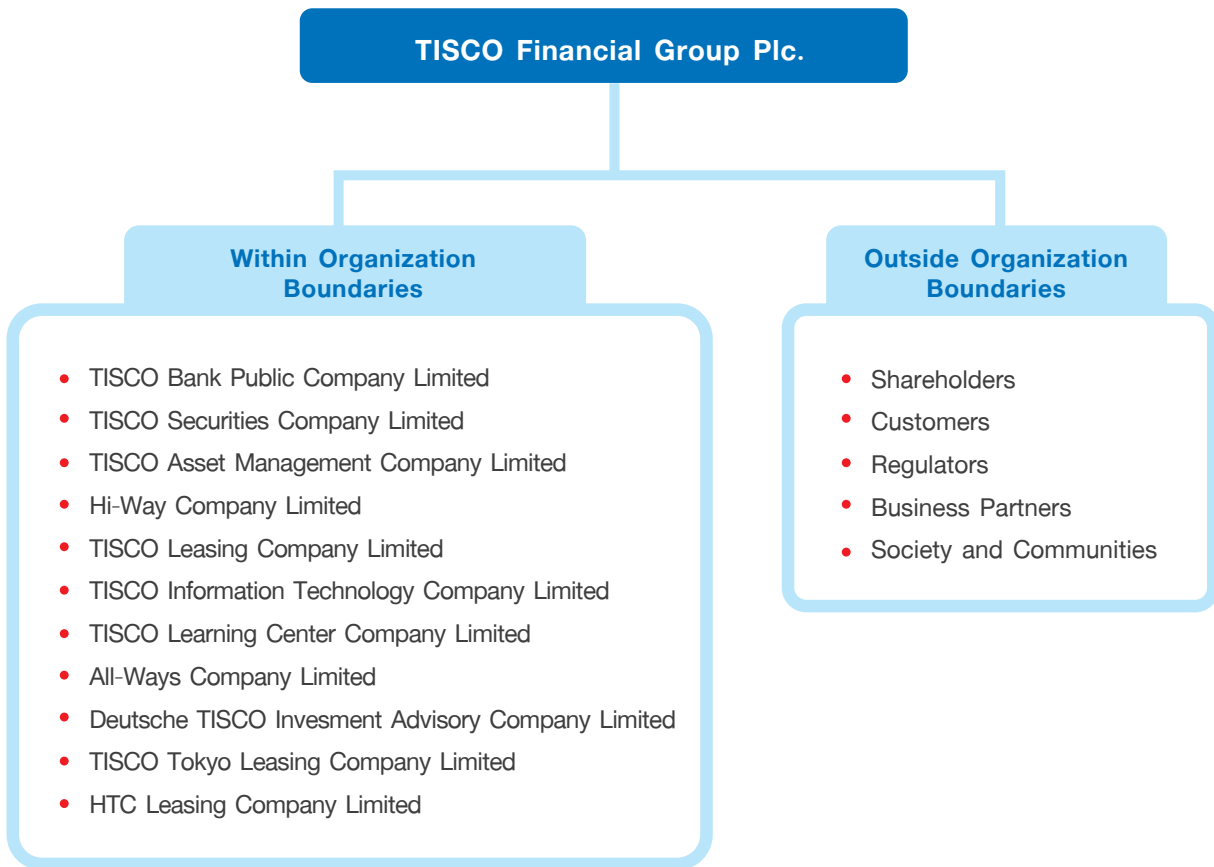
Review of material aspects including contents in the previous reporting, in order to improve in the subsequent round of reporting

## Material Aspect Assessment Process and Boundaries



Source: G4 Sustainability Reporting Guideline and How-to Compile G4 Reporting, Thai edition by the Thaipat Institute

## Boundaries of Aspects



Through the process described above, the Sustainability Report Preparation Team which consists of representatives from units concerned reviewed material issues in the 2015 Sustainability Report and for 2016 Sustainability Report, the Team added one more material aspect – energy conservation and material recycling. For the 2016 report, a total of 17 material aspects are defined according to

GRI guidelines. The 8 additional aspects to the 2015 report are: material use and energy, employment, occupational health and safety, diversity and equal opportunity, gender equality in benefits, complaint mechanism for labor grievances, non-discrimination and marketing communication. The boundaries internally and externally of the organization are highlighted in the chart below.

Material Aspects	Material Aspects according to GRI	Boundaries	
		Internal	External
Resilience in business performance	Economic outcome	All companies in TISCO Group	Shareholders
Environment-friendly financial products	Financial product portfolio	TISCO Bank/ TISCO Securities	Clients, community and society
Variety of products Quality of products Customer's satisfaction	Product and service labelling Marketing communication	All companies in TISCO Group	Clients
Access to loans and mitigation of loan shark problem in rural areas	Indirect economic impacts	TISCO Bank/ Hi-Way	Clients, community and society
Anti-corruption	Anti-corruption	All companies in TISCO Group	All external stakeholders
Employees' relations within the organization	Employment	All companies in TISCO Group	-
	Labor/labor relations		
	Occupational health and safety		
	Diversity and equal opportunity		
	Gender-equal benefit		
	Complaint mechanism for labor practices		
	Non-discrimination		Clients/ business partners
Breach of client's data privacy	Clients' data privacy	All companies in TISCO Group	Clients
Promoting financial literacy	Local community	All companies in TISCO Group	Community and society
Human resource development	Training and knowledge dissemination	All companies in TISCO Group	-
Conservation of energy and material use	Material use	All companies in TISCO Group	Community and society
	Energy		

In addition, TISCO joins the global effort to achieve Sustainable Development Goals as adopted by 193 members of the United Nations in September 2016. Multiple actions by TISCO are geared towards strengthening the society for the future. In 2016, we specifically addressed the following 13 SDGs:



Source: <https://sustainabledevelopment.un.org/sdgs>

Details of our actions are shown in the SDGs Content Index on Page 76





02

**Strong Corporate Governance  
and Risk Management Culture**

## Strong Corporate Governance

TISCO Group conducts business in line with good corporate governance principles, in full compliance with legal provisions, regulations and a business code of ethics. We take into account transparency, fairness and accountability to all stakeholder groups. In response to our fair business policy, and because at TISCO we believe that business conduct and integrity form the foundation for us to grow our business sustainably, TISCO requires that directors, the management and staff at all levels must uphold and comply with the Corporate Governance Policy. This will enable us to operate as an organization recognized for good corporate governance and able to generate long-term returns to all stakeholders.

TISCO Group's Corporate Governance Policy has been developed on the basis of guidelines of the Stock Exchange of Thailand and the Organisation for Economic Cooperation and Development (OECD). The Policy consists of vision, business goals, core values, organizational structure, roles and responsibility, corporate governance guideline, and codes of ethics for Directors, members of the management and workforce. The Policy is communicated and enforced across TISCO Group.

In 2016, the Corporate Governance Committee conducted a review and revision of Policy to make it compatible with updated regulations, international norms and suggestions from bodies concerned. The revision focuses on 3 issues: 1) sanctions upon proven breach of ethics, 2) stock trading by the Company's Directors and 3) non-violation of intellectual property rights and copyrights. The Corporate Governance Committee closely monitors compliance and sustainability on a regular basis, to ensure effective oversight and continuity of TISCO's good governance and sustainability.



Moreover, TISCO has developed and enforced a Business Code of Conduct, to demonstrate its commitment to good corporate citizenship. The Business Code of Conduct must be respected and complied with under all circumstances. The management will take all necessary measures to ensure that the Code is applied at every level. Employees found to have violated these operating procedures, policy and the Business Code of Conduct are liable to disciplinary sanctions from TISCO and external regulators/auditors. In addition, TISCO has compiled and incorporated a set of related rules and regulations, Business Code of Conduct, and Employee Code of Conduct in the Compliance Manual. It has also enforced a policy to prevent and manage potential conflict of interests which may arise in the business operation or in the process of servicing customers. These Codes are harmonized and enforced across the entire TISCO Group to reassure rigorous compliance by top executives and workforce at all levels, with integrity and in fairness to all stakeholders and the general public. Details of the TISCO's Corporate Governance Policy and Compliance Manual are available at <https://www.tisco.co.th/th/aboutus/governance.html>.

## Corporate Governance Structure

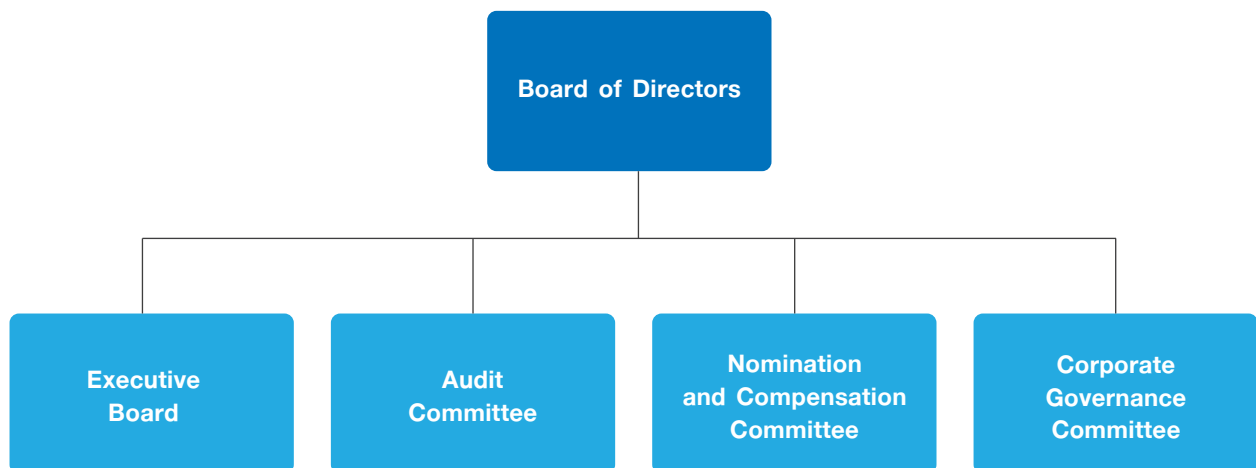
The Company's Board of Directors has appointed 4 committees, to ensure check and balance, clarity and transparency. These 4 committee (the Executive Board, Audit Committee, Nomination and Compensation Committee and the Corporate Governance Committee) are tasked with supporting every aspect of good governance that involves transparency and fairness, and full compliance such as balance sheets and disclosure of information, compliance with regulations and codes of conduct, damage control, disciplinary breach. Their responsibility also includes prompt and timely reporting to the Board of Directors. For each Committee, its scope of work, mandate and responsibility are clearly elaborated.

The Board of Directors has appointed and tasked the Corporate Governance Committee with reviewing and improving the Corporate Governance

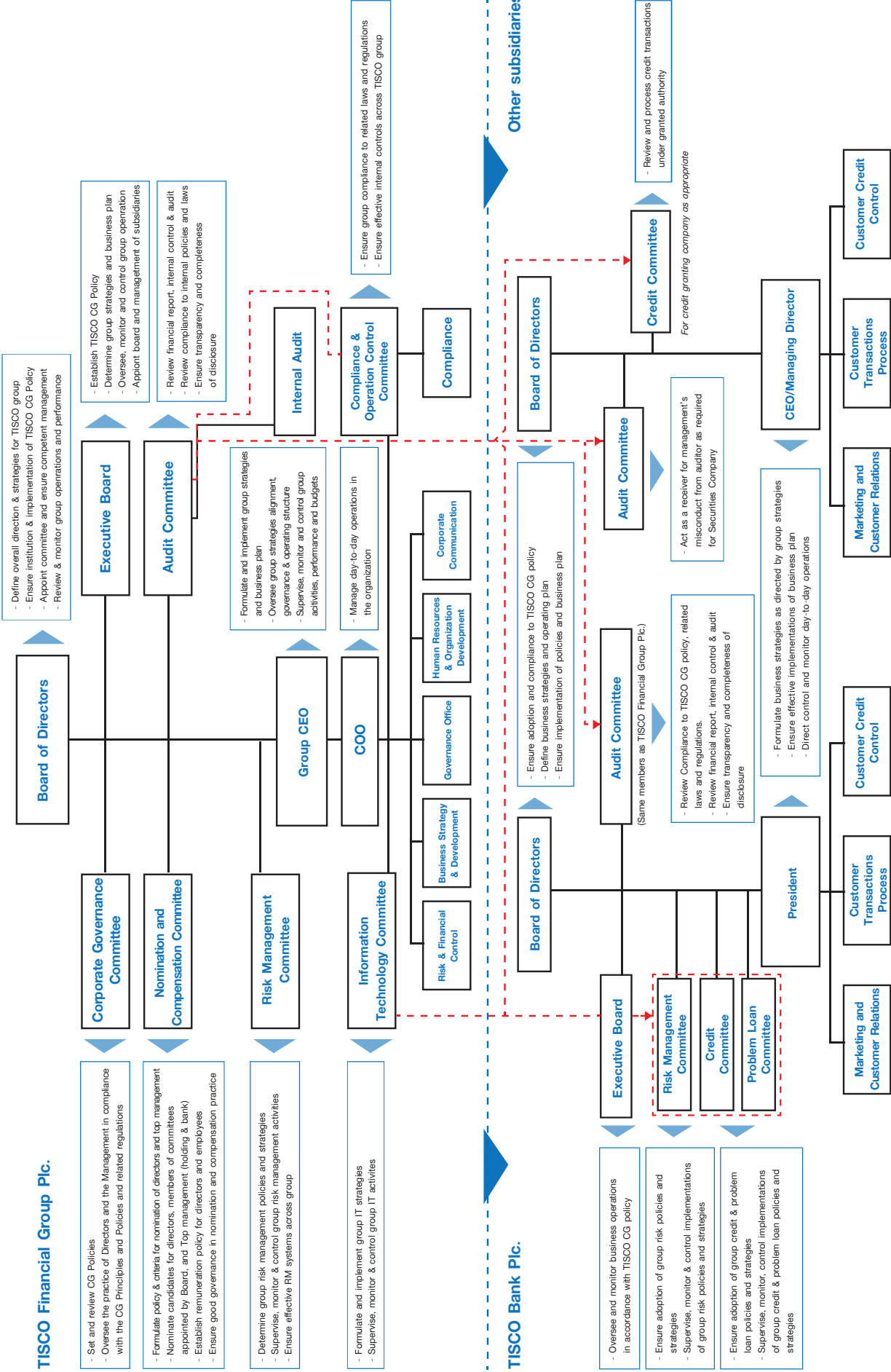
Policy and Sustainability Policy of TISCO to align with the laws and international standards.

At operational level, TISCO divides clearly the duty and responsibility of each unit for effective monitoring and oversight, transparency and fairness of business conducts, for instance in lending, depositor service, investment, stock brokerage and procurement.

To make sure of good corporate governance oversight and optimization of resources across TISCO, the Company regulates and manages subsidiaries as a unified business organization, with centralized policy making, standards and strategies, as well as internal audit and support mechanism. Subsidiaries function as strategic operational units responsible for marketing and sales, customer relationship, financial transaction and credit supervision.



# Governance Structure



## Risk Management

TISCO places managing organizational risks on top of its agenda amid challenging business and financial contexts, while striving to balance between business expansion and risk-adjusted returns. TISCO has developed a set of risk management tools using internal modelling in line with business practices and relevant regulations. TISCO has managed its funds effectively for the purposes of business expansion according to the objective to add value to shareholders as appropriate to the level of risks. Moreover, TISCO Bank has improved its risk management system to accommodate requirements of Basel II – Internal Ratings Based Approach (IRB) from 2009 and it has complied with Basel III since January 2013.

TISCO has identified the objectives, appropriate and clear structure and policies for risk management. The key objective for risk management actions is to establish awareness of and accountability to risks and the organization-wide capability to manage risks, and sustaining good governance principles and practices. Furthermore, effective resource allocation on the basis of acceptable risks weighed against best possible returns has resulted in our success and TISCO's competitiveness. At the same time, TISCO aims to maximize returns while taking into account long-term risk for our shareholders.

### Risk Management Framework and Process

To align with the organization-wide risk management policy and objectives, the Board of Directors of TISCO Financial Group Plc., as well as the Board of TISCO Bank Plc., oversee the Group's risk management and internal control system. The Board appoints the Executive Board to monitor strategic risks

and enterprise wide risks, and the itemized level under each category of risks. In any case, the top management and the advisory committees of each business line are tasked with managing strategic risks of the organization and of individual business lines, supported by the Planning and Budget Division.

The Risk Management Committee is tasked with defining and streamlining the risk management policies TISCO Group-wide to make sure that they are under the same standards. The Enterprise Risk Management Function, the Risk and Business Analysis Function and the Operational Risk Management Function provide support to the process. At the level of individual risk oversight, the Committees and designated focal point persons will provide oversight. For instance, the Credit Committee, Problematic Loans Committee, and the Compliance and Operation Control Committee. In carrying out their mandate, these Committees are supported by units such as the Credit Committee's Office, the Internal Audit Function, Compliance Function, and the Legal Office.



TISCO's enterprise risk management framework renders the oversight and risk management efficient, and enables value creation over the long term for our stakeholders, clients and the society in line with our business objectives. The enterprise risk management is connected with the implementation of strategic plans taking into account the three lines of defense which is the main approach to risk management. Our persistent efforts at evolving the risk management system foster financial sustainability.

In risk management, TISCO identifies and classifies risk factors into 5 categories:

- Risks related to ending
- Liquidity risks
- Pricing volatility risks
- Operational risks
- Strategic risks

Overall, risks in every aspect are manageable, given our solid financial standings that allow for business expansion going forward. Various aspects of risk

have been evaluated according to the Bank of Thailand approach, and guidelines of other regulatory entities concerned. Nonetheless, TISCO has the policies and mechanism in place to manage risks appropriately corresponding with diverse risk characteristics.

Every Business Line owns the risks and accountable to managing those risks under their mandate within the policies and guidelines prescribed by the Risk Management Committee and various other ad-hoc committees. TISCO operates within the realm of maximum risk ceilings set by Risk Management Committee. This also includes analysis of potential new business by each Business Line as approved by the Risk Management Committee. For critical risk items, monthly update must be sent directly to inform the Executive Board. To boost the overall efficiency of risk management mechanism, all risk management systems must be vetted by the Audit Committee which reports directly to the Board of Directors.





## Reinforcing Risk Management Culture within the Organization

While building an efficient framework and mechanism to manage risks, TISCO gives importance to reinforcing risk management culture among its Directors, executives and employees across the organization through channels of communication, training and workshops and internalize risk management as one of our core values.

### Communications

Communicating via multiple channels including website, bulletin board, to disseminate risk management policies and criteria. Communication channels are also facilitated between members of the management, employees and the Risk Management Unit to keep abreast of a situation and find best solutions in case of emergency.

### Training Workshops

- **Directors:**

Directors attend external training programs, focusing on the themes of corporate governance, risk management, and anti-corruption.

- **Top Executives:**

Top executives get trainings on knowledge about new rules and regulations, trends or new risk management approaches. They have experience attending meetings of various Committees such as the Risk Management Committee, the Compliance and Operation Control Committee.

- **Employees:**

Employees are trained through a wide range of curricula through LMS system and seminars such as those relating to legal and regulatory framework, operational risk management, prevention of corruption. In 2016, a total of 4,080 employees were trained.

### Internalizing Risk Management in Organizational Core Value.

TISCO’s approach to risk management requires that all business units be responsible for managing risks within their own units, to inculcate the core value of collective responsibility in risk management. The Risk Management Unit provides supervision over managing different risks in accordance with the policy directives of the organization. In addition, in order to raise awareness and participation in risk management at the staff level, TISCO incorporates risk management process as part of staff’s KPIs, particularly in client service units. For instance, it is mandated to consider the quality of credit as part of KPIs for staff in the Retail Banking Unit or keeping track of mistakes arising from carrying out operations or in servicing customers as part of evaluating staff remuneration in the securities brokerage side of business. To reinforce the value of good operation and being participatory in one’s unit’s risk management, TISCO has organized award for outstanding employees of the month, to express appreciation for employees who pay meticulous attention to quality and to be constantly mindful against potential pitfalls. These are designed to motivate enthusiasm and encourage role models among our workforce where risk management is concerned.



## New Product Guidelines

To conform with the oversight stipulated in the risk management policy, TISCO institutes a process of review and approval for the launch of new business or product.

Only after a new product proposal is endorsed by Line managers or authorized person(s) including the Chief Financial Officer / Chief Governance Officer, Head of Business and Strategy Development and Head of Corporate Compliance, when it is deemed approval process is complete with the greenlight to implement. In any case, prior to actual launch of a new product, the business must be assessed to conform with appropriate risk management framework. In the event of credit implications, then approval must be sought according to credit approval guideline.

The Enterprise Risk Management unit will consider risk management guideline that covers the scope of the new business or product according to the business policy, and then propose the risk management guideline to the Risk Management Committee for approval.

In case the new business or product has credit-related implications, the business units involved shall propose the guideline to the Credit Committee's Office, which will then call a meeting for the Committee to consider and approve the credit guideline or the credit line. The approved new business, once signed off, will be reaffirmed by the approval from the Risk Management Committee. Any amendments or approval of risk management guidelines as well as credit implications of the new product shall be duly reported to the Executive Board.





## Business Continuity Management

In addition to risks towards the business, finance and products, TISCO recognizes potential impacts upon the safety of staff, customer, business partner and others. We have put in place a Business Continuity Management Policy to define measures to be activated during emergency that may arise. These include natural disasters such as floods and earthquake, public unrests, epidemics outbreak. The main objective is to ensure safety and security, while mitigating possible loss and damage. TISCO entrusts the BCM Team with tasks of situational analysis, incident command and responses to ensure business continuity in such event.



Regarding climate change risk management, the BCM Team has been closely monitoring the situation in order to evaluate the potential impacts on the organization – be it in relations to workforce safety, organization’s assets, business disruption. The BCM Team has developed contingency guidelines for impact mitigation. In the event of an emergency, communications channels between the management and staff are defined and activated, along with external communications plan to keep up with how the situation unfolds and for the organization to be able to react promptly by activating the Business Continuity Plan.

**TISCO Bank Services Will Be Temporarily Suspended for system development and better service efficiency.**

Following services will be unavailable	Change in Deposit Account Number
Transactions at TISCO Bank branches, TISCO ATMs and other banks.	According to the new system development, TISCO Bank deposit account number will be changed. Please contact any TISCO Bank Branch to update your new account number on your passbook.
From Friday 5 <sup>th</sup> August 2016, 05:00 P.M. To Monday 8 <sup>th</sup> August 2016, 05:00 A.M.	From 8 <sup>th</sup> August 2016 onwards
	Despite the change, you will receive a seamless service for all other types of transaction. *Excluding* ATM money transfers which the account of the transferee is TISCO Bank account. Only the new account number can be used.

A woman in a blue suit is smiling and clapping her hands. She is positioned on the right side of the notice.

## Anti-Corruption

For over 47 years, TISCO has demonstrated its firm commitment in conducting the business with transparency upholding the good corporate governance and anti-corruption guidelines. We have instilled in our workforce the commitment to work with integrity, which is part of our organizational core value and is stipulated in our Employees' Handbook.

Outside of our organization, TISCO has reaffirmed its anti-corruption commitment by joining the Government's policy goal of eliminating all forms of corruption. In 2010, TISCO signed and pledged to be part of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). TISCO has been certified on board the Coalition on 8 October 2013. Its status has been renewed for another 3 years on 16 August 2016. On their parts, TISCO's subsidiaries have also made clear their anti-corruption commitment and effort in their respective Annual Reports. TISCO Asset Management Company Limited declares its CAC membership in the company's risk assessment form. Apart from circulating letters to notify our business partners

of our anti-corruption policy, TISCO constantly communicates such intent to the general public through activities with organizations, associations and other like-minded groups. TISCO cooperates fully with CAC in communicating anti-corruption guidelines with listed companies and other corporate peers wishing to join the Coalition or are seeking certification from CAC.

TISCO puts in place anti-corruption policy and guideline are under regular review and updates to ensure effectiveness. The core substance of the guideline is communicated to top executives and staff through internal communications channels such as on the Intranet, e-learning materials, workshops to update review. TISCO incorporates anti-corruption guideline and practice as part of the Compulsory KPIs for annual employee appraisal. In addition, TISCO conducts annual assessment of corruption-related risks, results of which are duly reported to Committees concerned for follow-up actions.



## Corruption Risk Management

TISCO is committed to operate the business with transparency and anti-corruption policy. The organization clearly defines business principles and guidelines firmly anchored with good governance. The expression of our intent and commitment at the top executive level leads to the establishment of a corruption risk management framework as illustrated in this chart.



The corruption risk management framework consists of the following measures:



Incorporate corruption risk management process as part of operational risk assessment, in order to assess risk at vulnerable point or business unit of potential exposure. Then define ways to manage to prevent the exposure or mitigate the risk. This process is conducted routinely and regularly



Institute anti-corruption policy and guideline to guide operations and for compliance monitoring. The policy and guideline are subject to regular review to make sure they are up to date



Communicate and disseminate anti-corruption policy and practice to members of the workforce across the organization, along with steps to be taken when corrupt practices are spotted, and whistle blowing arrangement



Declare the organization's anti-corruption commitment to the public as well as to our business partners and stakeholders through public communications channels. Provide for complaint mechanism and clarify the process to receive and investigate complaints

## TISCO's Anti-Corruption Guideline

- Make Integrity as one of the core values of the organization
- Conduct regular corruption risk assessment, on top of the mandatory annual operational risk assessment
- Ensure that anti-corruption policy and practice correspond with the risks assessed, and conduct regular review of the policy and practice
- Train and communicate with our employees to keep them aware and updated on the risk and practice. At present e-learning courses are available, and contents form part of annual Competency KPIs for all full-time employees. The test is mandatory and they must pass with the score of 100%.
- Facilitate channels to receive complaints, and to accommodate whistle blowing in safety, from both external sources and among the workforce. Complaints and leads are taken up in earnest for fact-finding while ensuring anonymity of whistle blowers and confidentiality of the information.
- Directors and top executives collectively demonstrate their commitment against corruption by participating in activities with organizations, associations or entities advocating the same goal.

TISCO requires assessment of corruption risk exposure by considering functions that may be exposed. For instance, units that have to contact customers, units involved in procurement. A total of 32 functions, or 33% of total functions have been identified and we have organized for sensitization and trainings on anti-corruption policy and practice. Statistics of those trained are shown in the chart below.

### Training Workshops on Anti-corruption Policy and Mechanism

Category	Number of Participants	Percentage
<b>Employees by rank</b>		
Executive	115	96
Non-Executive	3,965	98
<b>Employees along Business Line</b>		
Retail	2,366	98
Corporate	123	95
Wealth and Asset Management	942	98
Support Staff	650	95
<b>Business Partner</b>		
Vendor	213	93

In 2016, a total of 1 incident involving allegation of corrupt practice by an employee was documented. The case is about an employee allegedly soliciting benefit from a customer, an act that violates the company’s Code of Conduct. Following an inquiry, the employee in question was dismissed.

### Whistle Blowing

- Whistle Blowing :**  
 Complaints or red flagging of suspected corruption or fraud in operation can be sent to the Secretary of the Audit Committee, or the Compliance Unit at 48/49 TISCO Tower, North Sathorn Road, Bangkok 10500
- Inquiry :**  
 Questions or queries on corruption or anti-corruption measures, please send email to the Governance office via TISCO\_CS@tisco.co.th



# 03

## Sustainable Economic Performance



## Accountability in Financial Service Provision

For over 47 years, TISCO has laid a solid foundation and developing an organizational structure that is prepared to adapt to change, to respond to the customers' needs and thus we managed to grow despite tough market environment. With our prudent strategy and efficient operation, TISCO has been able to achieve strong performance amid the volatility of both the Thai and global economy.

As a result of the commitment to strengthen its management to facilitate financial service provision by offering products and services that the customers want, TISCO records robust performance in 2016 with net profit of 5,006 Million Baht, up 17.8% from the previous year. The success is mainly attributed to the ability to maintain business returns at top rate coupled with an increase in business activities specifically in insurance brokerage, investment banking, securities brokerage and asset management. All along, TISCO steadfastly implements cost management resulting in considerable cost cuts. At the same time, TISCO has made adequate loans loss provision to cushion the economic volatility. In parallel, and exercising prudence, we closely monitor credit quality and business processes. In all, TISCO is able to maintain the best of industry rate of shareholders' returns averaging 16.9%.

Despite the growth in the core business, TISCO's credit business shrank by 5.6% in line with sluggish demand in consumption and correspondingly dampened car market, and this year will be a difficult year for hire purchase business. Still, TISCO has been able to expand consumer finance operation through "Somwang Ngern Sang Dai" brand delivered via a network of 37 loan offices across Thailand. Furthermore, Cross-Selling activities whereby TISCO offer adds-on of products results in consistent growth of insurance brokerage. A variety of products featured include life insurance, health insurance for corporate clients. TISCO stands firm in its position as a financial institute able to respond to every aspect of the customers' needs, and therefore we earn the customers' trust. We have also played advisory role in a number of business deals and acquisitions, including the capital mobilization of Berli Jucker Thailand Public Company Limited. In 2016, TISCO managed the stock trades for 4 companies listed in the Stock Exchange of Thailand and two other companies listed in the Market of Alternative Investment.



## Strong Capital Base

TISCO manages to hold a capital base that is strong enough to withstand risk exposure. Shareholders' equity accumulated from retained earnings stays at the healthy level, with the book value per share as of 31 December 2016 of 39.09 baht. In maintaining legal reserve according to requirements for commercial banks registered to operate in Thailand, TISCO is deemed prepared for assets expansion going forward. At end of 2016, TISCO's Capital Adequacy Ratio calculated on the basis of IRB (Internal Rate Base Approach) stood at 19.59%, which is higher than the minimum threshold of 9.125% set by the Bank of Thailand. The Bank's Tier 1 capital is at 14.73%, higher than the minimum requirement of 6.625%.

## Tax Responsibility

TISCO and its subsidiaries fully comply with corporate income tax laws, paying tax promptly

according to good corporate citizen 's conduct prescribed in our Good Corporate Governance Policy. Tax payment is supervised by the corporate accounting team and controlled by both internal and external auditors. At TISCO, we believe that paying tax according to the laws contributes directly to Thailand's sustainable economic and social development. As we continue to grow our organization in a steady manner to meet our customers' needs, and to manage any exposure to risk and volatility, TISCO's operations also have the impact of wealth distribution among different stakeholders that come into contact with us through business process – dividend payment to shareholders, employees' benefits, human capital development, tax payment and community development activities, contribution to charitable causes, financial literacy campaigns, as shown in this chart.

Direct Economic Value Generated and Distributed		Million Baht
<b>(1) Direct economic value generated</b>		
Revenue		21,849
<b>(2) Direct economic value distributed)</b>		
Operating costs		5,980
Employee wages and benefits		4,299
Payments to providers of capital		6,008
Payments to the government		2,434
Community Investment		26
<b>(1) – (2) Economic value retained</b>		<b>3,102</b>



## Commitment to the Client

We are committed to fulfilling contractual obligations to the client, as manifested in our steady effort to develop financial products and services with professionalism. We do so taking into account ethics, service standards, transparency in information disclosure, fairness, legal and regulatory compliance, with client's best interests in mind. We make sure that the information we provide is accurate, clear, timely and adequate for decision-making.

The organization values customers' rights to privacy. We accord top priority to data and information security, data accuracy, and confidentiality to prevent misuse of clients' information. To this end, the Company undertakes the following measures:

### Customer Relationship Policy

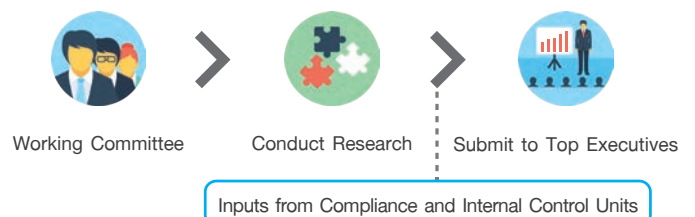
TISCO organizes the business structure and allocates human resource along its client segments – corporate, retail, and wealth and asset management. The overall policy is to develop a diverse range of products that respond to the client's needs. We are aspired to be the Top Advisory House to all clients through the professionalism of our branch staff, our team of marketing officers who hold license to advise on financial products. Financial literacy among the general public is also an important priority for us. We regularly host seminars, workshops at our branches, and disseminate articles and analysis on finance and investment through media outlets, social media channels and websites.



## Product Development and Marketing Communication

The Company complies rigorously with laws relating to consumer protection and regulations of the Bank of Thailand, Stock Exchange of Thailand and the Securities and Exchange Commission regarding public relations criteria, and product information disclosure. Our Compliance Unit and Legal Office monitor, study and update rules and practices regarding business conduct and operations to the business sides on a regular basis. We conduct meetings and workshops to explain and disseminate rules and relations among internal stakeholders.

New product development must undergo a series of steps in a process supervised by a working committee comprising representatives from the marketing side, operational, strategic, analytical sides and line managers. Any new product development starts from research into customers' needs, market information, the whole range of risk factors. Then the plan will be submitted to top executives seeking their approval. Compliance and Internal Control units



### Product Development and Marketing Communication



will provide their inputs into marketing plan, operation and public communications to make sure that the product delivery and customer communications follow compliance framework. This is to ensure that the clients receive clear and fair information that is adequate for their decision making, as well as to avoid misleading the clients.

TISCO provide information about products and services to the customers directly through our marketing officers, branch staff, social media and our corporate website. In case of misunderstanding, the Company seeks to immediately clarify information to our clients. We also take proactive communications approach in dealing with the mass media to prevent any misrepresentation. In 2016, we received one complaint on this matter. The case involved a mutual fund client had some misunderstanding about the movement of the Fund's NAV in relations to the movement of the market price of the underlying asset.. In this particular case, besides communicating directly with the client, the Company held a press briefing to clarify the issue with other stakeholders.

## Protecting Customer's Data Privacy

Putting in place sound measures to manage customer's data impacts the customer's trust and confidence significantly. TISCO therefore gives topmost priority to this issue, paying particular attention to data security and guarding against any intrusion, abuse, or mistake. We also fortify our system against stealing and provide guarantee that clients' data will not be disclosed.

Data of existing and prospective clients are protected according to Thailand's data protection laws. Employees who contact with

the client strictly comply with data protection measures which have been thoroughly audited. TISCO's data protection and security framework involves classification of levels of access to data within the corporate systems, as well as end-to-end encryption upon transfer of such data in order to protect against leakage or loss and to ensure that unauthorized persons cannot access nor pass on such data. In addition, when certain clients' are no longer relevant to the business, the system shall delete those redundant data.

TISCO uses up-to-date method and process of data storage and security, therefore giving assurance that clients' data are safe and secure. There are also measures to guard against loss of data, tampering, forgery or misuse. We enforce a data protection system where only authorized personnel are allowed to access client's data.

Only authorized persons can access electronic communication, such as supervisors or managers those in charge of monitoring staff's performance and the legal team. Every step of the work flow that touches on data is accounted for. Copies of electronic communication will be destroyed in due course according to data storage schedule.

In 2016, TISCO received 7 complaints relating to data privacy issues. Most cases had to do with cold calls by other insurance brokers to offer extension of insurance policy. One complaint relates to credit information stemming from a marketing officer asking a used car dealer to follow up on installment payment from a customer.

## Customer Satisfaction Survey

TISCO values the quality of service and development of products that respond to customers' needs. We have organized a survey of customer's satisfaction on financial service delivered to corporate clients by the Payroll Service. This survey is conducted annually, in which we ask about perception, service quality, quality of report and servicing agents, and suggestions. We sent the questions in electronic form to all clients. The return rate of the questionnaire is 10% out of 284 corporate clients. Survey results show a satisfaction rating for our financial service at 4.3 out of the full score of 5. In 2017, the Company plans to conduct financial service satisfaction survey through our Call Center.

Satisfaction Rating  
for Our Financial  
Service at  
**4.3**  
out of the Full Score  
of 5

### Channels to Receive Feedbacks and Complaints

- Channel 1**  In person at the Head Office or at any TISCO Bank office, with our staff, or fill in the form and give to the staff
- Channel 2**  In writing and post to Compliance Office TISCO Financial Group Plc.  
48/49 TISCO Tower, 21<sup>st</sup> Floor North Sathorn Road, Silom  
Bangrak, Bangkok 10500
- Channel 3**  Through our Customer Service Line or Fax  
Tel: 0 2633 6000, press 5 or 6 Fax: 0 2633 6800
- Channel 4**  Through our websites:  
TISCO Bank: <https://www.tisco.co.th/ComplaintAction.do?language=th>  
TISCO Securities: <https://www.tiscosec.com/th/contact/postfeedback.jsj>
- Channel 5**  Through E-mail : [webmaster@tisco.co.th](mailto:webmaster@tisco.co.th)

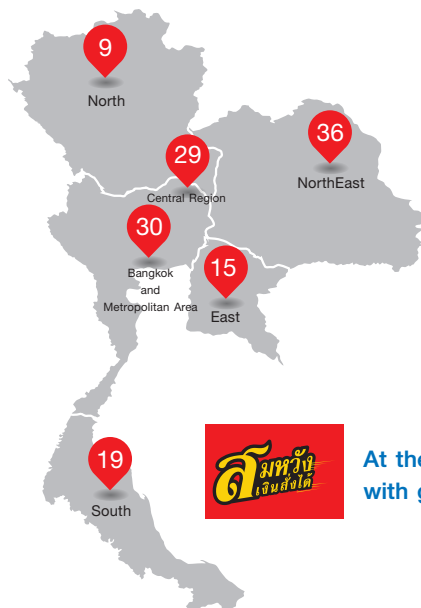
## Strengthening the Rural Economy and Promoting Financial Inclusion

TISCO recognizes that access to capital is an important requisite for the local economy to grow, in particular among low-income segments of the population in need of revolving fund to improve their livelihoods. Increasing opportunities to access capital by people living outside urban areas, so that they have equal access to their urban counterparts will effectively distribute economic opportunities in

rural Thailand. In this context, TISCO offers microfinance service to retail, low-income customers who need revolving fund since 2012 under the brand “**Somwang Ngern Sang Dai**” by Hi-Way Company Limited, a TISCO subsidiary founded in 1978 to operate motorcycle hire purchase business and loan against vehicle registration.

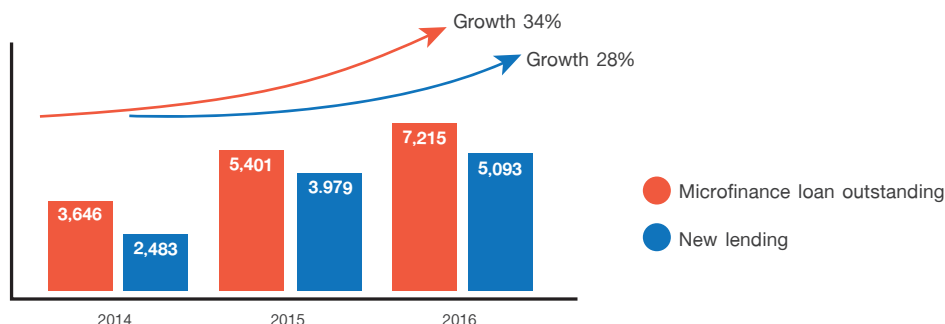


“Somwang Ngern Sang Dai” provides loan against vehicle registration lending for all types of vehicle with 2-12 wheels – passenger cars, trucks and motorbikes, as well as microfinance for small business and refinance loans for customers in need of cash, emergency borrowing, speedy cash and revolving credit for business. “Somwang” credit service targets specifically customers in the provinces who cannot access capital sources through its offer of diverse products to accommodate needs and address limitations of individual customers.



At the end of 2016, we operate from a total of **138** loan office branches, with geographical representation as described here:

Our loan portfolio has grown steadily. In 2016, the outstanding loan total grew 34% from the previous year whereas new lending increases by 28%



The Company reckons that this business contributes to Thai economy and society in multiple ways including:

1. Microfinance credit eases access of low-income people to funding sources.
2. It is a solution to transitioning informal lending into the formal financial system, and doing away with usury where informal lenders overcharge interests beyond legal limit. Borrowers get fair treatment, in line with the current Government’s effort to reign in usury in informal lending sector.
3. Providing credit to those in need, allowing cashflow into their livelihoods, thereby stimulating consumption and investment.
4. Promoting financial literacy, as the Company provides advice and seeks to instill financial discipline among community members through our qualified experts. People who come in to inquire about credit at our loan office receive financial management advice before staff offer products that are appropriate to each type of customers.
5. Local job creation and income distribution into the rural economy, through our expansion of loan office branches across Thailand. We specifically recruit local community members to join our workforce through a fair and transparent recruitment process, on the basis of competency assessment and in conformity with TISCO employment guideline. Employees hired by Hi-Way Company Limited are entitled to the remuneration and benefits equally wherever their offices are located. Furthermore, our operations involve contracting local service providers/contractors from communities around us. Selection criteria we apply include choosing contractors who are honest and legally registered, with track record of doing business that does not harm the society nor the environment. We also make sure to use local resources where possible for our business operation. As a result, we enhance local employment and income distribution to communities around us.

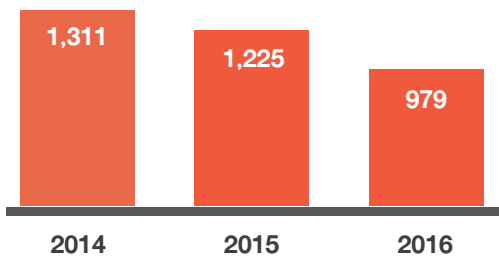
### Employment Rate and Income Distribution to the Community through Somwang Ngern Sang Dai Business





In addition, TISCO Bank and the Secondary Mortgage Corporation (SMC) signed a memorandum of cooperation for a “Cooperation Project to Provide Housing Loan worth 500 Million Baht” in 2012 in support of the State policy to expand housing credit at fixed interest rates over long term, stimulating the property sector and enabling better quality of life through access to housing loan. Within this framework, SMC will buy housing credit portfolio from TISCO Bank, in tranches, and through TISCO Bank’s financial products. As a consequence, TISCO Bank also has more to add to its housing credit products range – fixed rates short term loan by the Bank and SMC’s fixed rates long term loan. This provides more options for customers to choose what suits their ability to manage. In 2016, housing loans outstandingly amounted to 979 Million Baht.

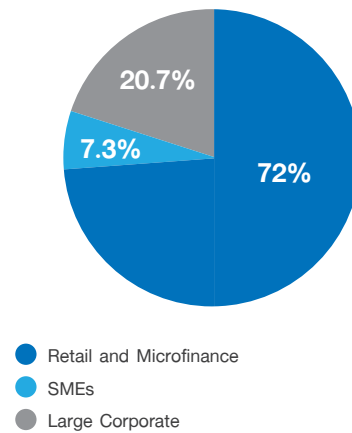
**Housing Loans (Million Baht)**



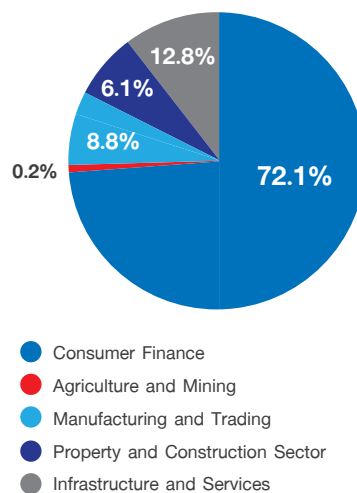
TISCO’s lending service is distributed to other groups of customers for comprehensive coverage and to respond to diverse needs. In 2016, the total loan portfolio to all groups is 224,934 Million Baht. From this total, retail and microfinance category accounts for 161,970 Million Baht, SMEs lending totaling 16,454 Million Baht and 46,510 Million Baht to large corporate clients. Sector-wise,

our loan portfolio is divided into 476 Million Baht for agriculture and mining; 19,860 Million Baht for manufacturing and trading; 13,620 Million Baht in the property and construction sector; 28,772 Million Baht in infrastructure and services, and 162,205 Million Baht in consumer finance. This Chart shows the percentage of loans classified by business size and industry sector.

**Percentage of Loans (By Business)**



**Percentage of Loans (By Industry)**





# 04

## Address Environmental Concern



## Environmental Impact Management

TISCO recognizes the importance of the environment, and that ecosystem conservation and sustainable development are collective responsibility of business operators. That is why TISCO has also sought to assure that our business operations play a part in supporting sustainability of the present and doing no harm to the environment in the future. These principles and commitment are expressed in TISCO's Declaration on the Environment and Development in 1982, and we put these principles in practice since.



## Environment Management

1. The Company endorses the application of preventive measures in managing environmental impact through scenarios projection and prevention of environmental degradation.
2. In our business operation, we anticipate that our clients comply with local, national and international rules and regulations relating to the environment. In addition, the Company also considers environmentally correct practices to be one factor that represents effective business management.
3. The Company incorporates environment risks as part of its corporate risk assessment and operational framework. Where applicable, the Company takes environmental impact assessment as part of the criteria for loan approval.
4. In our operations domestically and overseas, the Company seeks to apply the same set of standards in environmental risk assessment.
5. In doing business with public organizations, the Company trusts that public organizations would duly conduct environmental impact assessment, and producing report that is up to date and accessible, and disseminating the environmental impact assessment to financial institutions that are parties to this Declaration.
6. The Company has the intent to improve the management guidelines to make it compatible with and conducive to promoting the environment. These guidelines cover aspects such as accounting, marketing, risk management, public engagement, staff communication and training. Furthermore, the Company supports research on these topics.
7. The Company seeks to convince that in its internal operations, the Company is making best efforts in managing the environment, including energy efficiency, use of recycled materials and reduction of waste. The Company also strives to do business with partners and contractors who practice comparable environment-related standards.
8. The Company will support and will develop financial products and credits, oriented towards environment conservation provided there is business justification.
9. The Company recognizes the need to conduct regular internal operation assessment in relations to environment, in order to review against the Company's environmental objectives.

## Energy Conservation


Due to the nature of TISCO’s business that is financial service, without diverse energy consumption portfolio compared with other industries, electricity use accounts for significant percentage of consumption. It is imperative therefore that we manage energy efficiency rigorously, in line with our environmental management policy. Our energy efficiency drive starts right at home, where substantial share of electricity use is taking place: the TISCO Tower.

TISCO Tower is a 22-storey office building inaugurated in 1997 in Bangkok’s Central Business District, North Sathorn Road, Silom, Bangrak District. The Building has 4 stories of underground parking facilities. Total utilization space is 57,067.76 square meters. TISCO Tower is registered as juristic person with the building management supervised by a Building Management Committee whose line-up is appointed by co-owners.




Throughout 19 years, the Building Management Committee devotes top priority to the upkeep and efficiency of the building as well as energy efficiency issue of co-owners and tenants. The Building has undergone systems and machinery improvements since 2013. These include replacement of T8 (FL.36 W) light bulbs with energy-efficient T5 (28W) for the lighting system, the replacement of Capacitor Bank, Phase Protection for power transformers, replacing the original 15 kW Motor to high-efficient 11 kW, improvement of waste water treatment system that uses less energy yet still maintaining capacity that meets BMA waste water treatment standard; include replacement of Motor Condenser Pump to Variable Speed Drive pump to add capacity to the A/C’s Cooling System to make the flow compatible with the air-conditioning functions at different hours of day. In 2016, additional refitting for greater energy efficiency has been complete by replacing the metal-halide bulbs at the Lobby with LED, resulting in savings of 4,037 kiloWatt-hours per year, and translated into monetary savings of 24,192 Baht per year in the electricity bill (calculated on the basis of existing use pattern.)

**Replacing Light Bulbs at TISCO Tower**



The meta-halide bulbs

➔



LED

Savings of  
**4,037**  
kiloWatt-hours  
per year.

In addition, the Fill-Pack of the Cooling Tower have been upgraded from the standard model to highly-efficient Fill Pack with improved design of motif and slant to diffuse water and can cool faster, therefore reducing the requirement to activate from previously 5 packs per day to 3 packs per day. As a result, we acquire the saving of 119,784 kiloWatt-hours per year equivalent to 479,082 Baht saved per year (calculated on the basis of existing use pattern.)

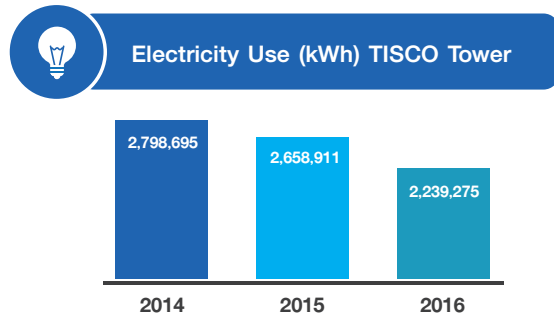
**Upgrade Fill-pack of Cooling Tower**

Saving of  
**119,784**  
kiloWatt-hours per year.




Before
After

With our unflinching determination over years, in 2016 TISCO Tower managed to reduce electricity use by 419,636 kiloWatt-hour per year (16%) saving costs up to 2,383,593 Baht compared with the previous year. We are recognized for our efforts as we are named recipient of the Best Practice Award in Energy Management and Sustainability on 22 September 2016 by Thailand Facility Management Association.

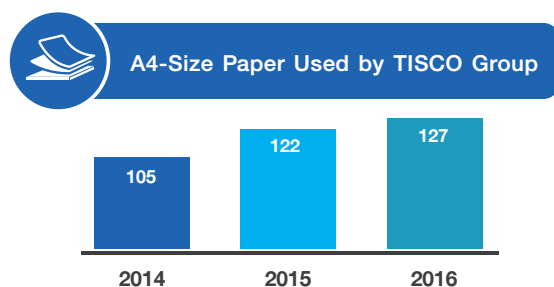


In addition to refitting and replacement of equipment, TISCO raises awareness and motivates our employees to be energy-efficient through participatory measures such as switching off lights and air conditioning units after work, automatic setting of A/C temperature, and switching off computers after work.

### Reducing Paper Use

In delivering financial service, paper is a category of disposable requisite for our trade. Papers are needed to serve the purposes of financial transactions, internal use and for external communications in dealing with clients, business partners and stakeholders in the forms of letter, receipt, cheque book, bank book, contractual documents.

TISCO appreciates natural resource use. Producing one ton of paper involves 1.2-2.2 tons of trees equivalent, or a total of 17 five-year-old Eucalyptus trees. In our business process, heavy use of paper impacts the environment, and on the other hand it generates waste from those used papers. The Company thus campaigns to raise awareness among the workforce for less use of paper. The Chart below documents the volume of A4 paper used by TISCO.



<sup>1</sup> Source : Pollution Control Department, Ministry of Natural Resources and Environment.

TISCO offers clients the option of either receiving Invoice and Receipt via telephone short messaging (SMS) or in paper form. In 2016, a total of 35,038 car hire purchase accounts (40.32% out of a grand total of 86,897 accounts) opted for SMS. In another category, 24,985 auto cash loan accounts (56.73% out of 44,038 active accounts) also opted for SMS notification. This action helps reducing paper use and the corresponding volume of waste reduction.

Furthermore, TISCO has made available e-Statement and e-Portfolio for updates of information, investment portfolios, daily securities trading activity, trading order confirmation/tax invoice/receipt, monthly statement of balance, cash statement, securities movement, through internet. We also offer ATM customers the option of whether they require a printed slip after transaction or not and promote the reduction of paper consumption as well.



## Ecosystem Conservation

TISCO has a long-term reforestation program implemented since 1991, to raise awareness among our workforce of the importance of ecosystem conservation. In 2016, TISCO led by top executives and 186 employees joined the “Planting trees, conserving brackish water forest” to plant 1,700 trees on a 2 rai section within the Garden in honor of King Rama 9 under the supervision of Luk Phra Dabos Project in Samut Prakarn province. This is

the sixth consecutive year for us to join the plan to turn the site into a Botanical Learning Center housing a collection of saline soil-tolerant plant varieties, and as an eco-tourism site which generates livelihood opportunities for the local community. Between 1991-2016, we have planted 356,700 trees to cover an area equivalent to 1,112 rai.



Other eco-conservation activities that TISCO has been carrying out sustainably on annual basis include water savings, planning of travels, and using eco-friendly office equipment.



## Green Supply Chain

TISCO operates a procurement system that reflects the corporate policy and guidelines. The system features a selection process that gives importance equally to aspects of operating costs, wise and optimum use of resource, environmental impact and compliance.

TISCO incorporates additional guidelines that focus on wise use of resources, and intensifies our efforts to use eco-friendly materials, goods and equipment, along with promoting eco-conscience within our workforce particularly in energy and water saving behaviors. We have also switched to office equipment and materials that are “Green Products” such as papers made from Eucalyptus pulp and soy ink printing for corporate documents. To align with the broader sustainability practice of TISCO, we have mainstreamed environment into our procurement.

The procurement system is a system to control the acquisition of goods and services, ranging from office supply and materials, business-related products. The steps involved start from placing an order, receiving and inspection of goods and services, and approval. The inspection takes into account the efficiency of the procurement system, accuracy, speed and operating costs. TISCO’s internal units follow the procedures outlined below:

1. Compile a list of vendors and service providers that match the goods and services sought by the purchaser
2. Review individual vendors/service providers according to the list, against the TISCO’s procurement guideline which includes the ability to supply goods of good quality at appropriate price. The vendors/service providers must not have any record of corruption, illegal business, or use illegal labor.
3. Once a list of reviewed vendors is available, then it will enter into the evaluation process to identify the vendor with the best quality, cost effectiveness and competitive pricing. Then the purchase is approved.

## The Procurement System



On Information Technology-related procurement, TISCO's awareness of environmental impact means we seek to be paperless wherever possible. We have put in place an e-Statement system for bank accounts. We have also stepped up efforts to promote electronic aspects of services. To this end, TISCO has commissioned IT application vendors to lay the foundation for the work system, in strict compliance with the procurement and vendor selection guideline, regulated by the Financial Technology Unit. When a business unit needs a new program or application, its team must fill in the 'Request for Proposal (RFP)' form which specifies the terms of reference (TORs) of the work required with essential details enclosed. RFPs are then circulated among potential vendors who can fulfill the TORs. This practice effectively increases the choice of vendors, while reducing the likelihoods of corruption. Evaluation of vendors is done through a scoring method by the units concerned and the Financial Technology Unit.

TISCO's list of approved vendors and IT system vendors is shown in the Table below.

	Number of Vendors	Number of IT vendors
2015	95	113
2016	110	141

To ensure that our business generates value alongside environmental sustainability, TISCO mandates the various Committees concerned to conduct regular review and validation of compliance with the procurement guidelines for both general goods and services, and IT categories.

## Lending to Green Energy Sector

The world has been grappling with crisis of energy resources, as population growth and exponential consumption demands result in ever increasing appetite for energy. While fossil fuel sources like oil, coal and natural gas are rapidly depleted, one must bear in mind that intensive energy consumption takes its tolls on the global environment and ecosystem.

At TISCO, we recognize that a series of natural disasters in recent years are in great parts attributed to environmental stresses. We support financing for large-scale corporation projects that seek to pay back to the ecosystem services and at the same time, supporting the State's policy to promote renewable and alternative energy. These efforts to address energy crisis and mitigate environmental pollutions are fully aligned with TISCO's sustainability strategy,

For a number of years, TISCO has provided project finance loans to large corporations implementing eco-friendly projects. These include Renewable Energy projects namely solar farm, Waste heat and Refuse Driven Fuel power plant, wind farm and biomass power plant, as well as

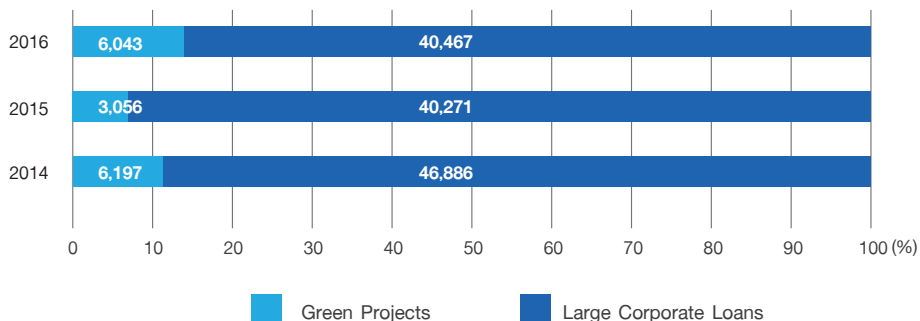
Alternative Energy that replaces fossil fuel and related project types such as Eucalyptus seedlings production. In 2016, TISCO Group's lending to Green projects totals 6,043 Million Baht, with details shown in the chart below.

### Green Loans Portfolio

Project Type	Outstanding (in Million Baht)		
	2014	2015	2016
Solar Energy Plant	1,717	1,519	3,721
Waste Heat and Refuse-derived Fuel Plant	976	0	984
Wind Farm	1,644	1,498	1,318
Biomass Energy Plant	1,786	0	0
Eucalyptus Seedlings Plant	74	39	19
<b>Total Loans Outstanding</b>	<b>6,197</b>	<b>3,056</b>	<b>6,043</b>

In context of overall corporate sector lending, the share of Green projects increases by 13% in 2016.

### Share of Green Loans within TISCO's Large Corporate Sector Loans







05

Support Social Well-being

## Responsibility to Our Employees

TISCO values our staff. It is our priority to take good care of them, and to develop human capital's potentials for our employees to be top-class professionals, working in an enabling environment that offers attractive remuneration, welfare and benefits. We treat our employees fairly, with a single Human Resource Policy applied to every subsidiary, which also enhances efficiency in management and continuity. Yet at the same time, TISCO practices decentralization so that business units can best manage their human resources to stay competitive within their respective businesses and sectors.

### Employment

TISCO considers three aspects of competencies: Organizational Core Competencies, Functional Competencies and Leadership Competencies in response to our business characteristics and organizational culture.

TISCO's employment policy is to hire employees with the right attitude and professional skills, and nurture them to realize their full potentials in order to retain them in our workforce long term. The Human Resource Office is in charge of acquiring appropriate recruitment tools, processing application and selection of employees, and the decision to employ rests with top executives of respective units. In conformity with good governance policy and practice, TISCO will not consider hiring close relatives or family members of the company's Directors or top executives, as well as senior officers with decision-making authority within TISCO.

Besides, TISCO gives priority to promoting "internal candidates" within the organization in case of vacancy of top jobs, to ensure continuity and greater efficiency in line with organizational objectives. We also practice the policy of long-term employment. Dismissal or termination of employment would only happen in case of violating TISCO

Principles, business misconduct, retirement, or resignation. An employee can only be terminated on the grounds of violating rules and regulations to which TISCO complies with the Ministry of Labour only. In the event that TISCO can no longer sustain a business operation or unit, it will do whatever necessary to avoid retrenchment and to comply with the laws, and trying our best to help staff avoid hardships.

Nonetheless in case of job reshuffling, or internal reorganization, or termination of employment which affects the employees' preparedness, the Company shall always try to notify the employees concerned in advance.

<b>Minimum Notice Period for Job Change</b>	<b>Internal Jobs Alignment</b> <b>2 weeks</b>
<b>Resignation</b> <b>2 weeks</b>	<b>Office Reorganization</b> <b>2 weeks</b>

Statistics regarding staff turnover rate and the entire TISCO work force disaggregated by age groups, gender and other criteria are shown in the following charts:

Staff Turnover Rate												
Criteria Composition Staff	New Hire						Exit					
	2014		2015		2016		2014		2015		2016	
	Numbers	%	Numbers	%	Numbers	%	Numbers	%	Numbers	%	Numbers	%
<b>Change in Numbers</b>	784	17.14	597	12.99	478	10.56	520	11.37	472	10.27	438	9.68
<b>Gender</b>												
Male	286	6.25	221	4.81	286	6.32	185	4.04	181	3.94	186	4.11
Female	498	10.89	376	8.18	192	4.24	335	7.32	291	6.33	252	5.57
<b>Age Range</b>												
Age < 30	606	13.25	458	9.96	368	8.13	337	7.37	286	6.22	225	4.97
30 - 50	172	3.76	133	2.89	107	2.36	178	3.89	166	3.61	196	4.33
Age > 50	6	0.13	6	0.13	3	0.07	5	0.11	20	0.43	17	0.38
<b>Work Location</b>												
Head Office	576	12.59	425	9.25	284	6.28	339	7.41	356	7.74	306	6.76
Bangkok / Metropolitan Area	71	1.55	48	1.04	52	1.15	41	0.90	43	0.94	38	0.84
Provinces	137	3.00	124	2.70	142	3.14	82	1.79	73	1.59	94	2.08

**Remark:** The percentage figures shown here are calculated in comparison with the entire workforce of each year.

Total Employees Disaggregated by Management Level and Business Line																								
Staff criteria	2014					2015					2016													
	Directors	Position		Business Line			Directors	Position		Business Line			Directors	Position		Business Line			Total <sup>(1)</sup>					
		Executive	Non - Executive	Retail	Corporate	Wealth		Support	Executive	Non - Executive	Retail	Corporate		Wealth	Support	Executive	Non - Executive	Retail		Corporate	Wealth	Support		
<b>Total</b>	12	318	4,256	2,671	176	1,019	708	4,574	12	371	4,227	2,710	150	1,024	714	4,598	12	379	4,146	2,683	143	998	701	4,525
<b>Gender</b>																								
Male	7	145	1,625	1,110	80	221	359	1,770	7	177	1,555	1,106	63	209	354	1,732	7	177	1,521	1,081	56	206	355	1,698
Female	5	173	2,631	1,561	96	798	349	2,804	5	194	2,672	1,604	87	815	360	2,866	5	202	2,625	1,602	87	792	346	2,827
<b>Age</b>																								
< 30 years	-	5	1,644	1,048	95	347	159	1,649	-	5	1,770	1,146	76	384	169	1,775	-	-	1,651	1,075	66	341	168	1,650
30 - 50 years	2	230	2,491	1,514	78	632	497	2,721	2	281	2,343	1,461	71	602	490	2,624	3	290	2,357	1,497	72	607	472	2,648
> 50 years	10	83	121	109	3	40	52	204	10	85	114	103	3	38	55	199	9	89	138	111	5	50	61	227
<b>Nationality</b>																								
Thai	9	316	4,250	2,671	176	1,013	706	4,566	9	369	4,222	2,710	150	1,018	713	4,591	9	892	4,127	2,683	143	993	700	4,519
American	-	1	4	-	-	5	-	5	-	1	4	-	-	5	-	5	-	1	3	-	-	4	-	4
British	-	-	1	-	-	1	-	1	-	-	1	-	-	1	-	1	-	-	1	-	-	1	-	1
Canadian	-	-	1	-	-	-	1	1	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	0
Japanese	1	1	-	-	-	-	1	1	1	1	-	-	-	-	1	1	1	1	-	-	-	-	1	1
Taiwanese	1	-	-	-	-	-	-	0	1	-	-	-	-	-	-	0	1	-	-	-	-	-	-	0
New Zealander	1	-	-	-	-	-	-	0	1	-	-	-	-	-	-	0	1	-	-	-	-	-	-	0

**Remark** (1) Excluding members of the Board of Directors

Recognizing the importance of empowering people with disability, in 2016 TISCO has undertaken employment according to the Persons with Disabilities Empowerment Act B.E.2550 (2007) and Section 35 of the Second Amendment of the Act B.E. 2556, in lieu of payment into the Fund according to Section 34. In collaboration with the Thai Banks Association and the Thai Red Cross Society, TISCO will employ 20 persons with disabilities, with hiring starting in 2017 and we will gradually increase the employment.

### Staff Remuneration and Benefits

TISCO Group has the policy to provide good and fair remuneration to the extent it has the impact of incentives to our employees, using a mixed approach to correspond with the job description, demand and supply in the job market. Details are elaborated here.

- **Immediate Benefits for Employees** are salary, wage, bonus, incentives in constant and variable forms, reward in 2 categories (1) honorarium per role and responsibility and (2) performance-based reward, and contribution to the Social Security Fund.

- **Upon Exit and Other Long-term Benefits** include the provident fund established according to the Ministerial Regulation No.162 (B.E. 2526) which has been registered as a Fund according to the Provident Fund Act B.E. 2530 since 21 June 1990 under the title “TISCO Employees’ Provident Fund, Registered.” Employees joining the Fund savings plan will receive the sum upon termination of Fund membership. Employees contribute equal amount as the Employer’s matching payment into the Fund, or at the rate of 5, 10, or 15, withheld from the pay. Members are allowed to change the contribution scheme once a year. The Fund establishes a Committee whose members are elected by members and appointed by the Employer, with each serving a tenure of 2 years, and can be elected or reappointed thereafter on a case-by-case basis. The Committee has the mandate and responsibility to Fund Management Supervision, as well as making investment decision on behalf of all members.

TISCO Group has added investment policy options to employees who are members of the Provident Fund to have most suitable choices for each of them. It employs the Master Fund approach which consists of 4 investment policy such as bond policy, mixed policy, equity and foreign investment. Members are able to choose from as many as 15 options. They can switch investment plan twice a year. In addition, this also covers bonus upon completion of years of service, and entrenchment compensation according to the Labour Law and other employee remuneration plans.



TISCO Group applies the wage management scheme which is comparable to the market, with a structure that combines classification of ranks and job types to allow for flexibility and adaptability to changing market environment yet at the same time provides incentives for performance and staff's specialization both at the general and specialist. The criteria for compensation take into account external rates and fair rules within TISCO to finalize.

Regarding employees' benefits, TISCO categorizes them into those for full-time, contract and temporary staff as illustrated in this Chart.

TISCO's Welfare	Welfare per Employment Category		
	Full-time Staff	Contracted Staff	Temporary Staff
Hospital bill coverage	✓	-	-
Annual health check-up	✓	✓	-
Nursing	✓	✓	✓
Compensation fund	✓	✓	✓
Life insurance and accident-related medical coverage	✓	-	-
Funeral rite support	✓	✓	-
Provident fund	✓	-	-
Professional fee for employees who require license to operate	✓	✓	-
Loan or sourcing of lending facilities for staff (1) Car hire purchase benefit (2) Motorcycle hire purchase benefit (3) Loan welfare, and/or securing lending source for housing loan, house renovation, and repair (4) Contingency lending benefit (5) Cost-of-living subsidy	✓	-	-
Education subsidy	✓	-	-
Souvenir to mark years in service	✓	-	-
Uniform (Polo shirt, suit or jacket)	✓	✓	✓ ( > 1 year in service )

TISCO values the right of child to receive mother’s care, and safety of pregnant woman. TISCO allows maternity leave of up to 90 days inclusive of public holidays during the leave. Employees taking maternity leave are paid no more than 45 days in case of natural childbirth and no more than 60 days of consecutive pay in case of cesarean section. Pregnant employees have the right to request temporary job switch prior to or after maternity leave, supported by a Class 1 Medical Certificate certifying that they cannot continue working in the usual function. TISCO will duly consider and assign an appropriate job. The process complies with Children’s Rights and Business Principles developed jointly by UNICEF and Save the Children for the UN Global Compact. As far as TISCO ’s experience is concerned, the majority of employees return to work upon completion of maternity leave.

Post Maternity Leave Return to Work Rate and Retention Rate			
Maternity Leave Cases	Number of Employees (Person)		
	2014	2015	2016
Number of employees entitled to take maternity leave	2,605	2,633	2,604
Number of employees	88	103	86
Number of employees back to work after maternity leave	88	102	85
Number of employees back to work after maternity leave and continuing to work 12 months thereafter	74	81	78
Return to Work Rate <sup>(1)</sup> upon end of maternity leave (%)	100	99	99
Retention Rate <sup>(2)</sup> post maternity leave (%)	84	79	92

**Remarks**

(1) Return to Work Rate = (number of employees coming back to work when maternity leave ends/number of employees exercising the right to maternity leave) x100

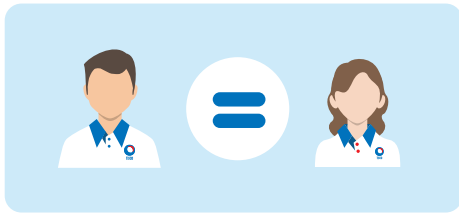
(2) Retention Rate = (number of employees back to work upon end of maternity leave for the subsequent 12 months / number of employees back to work when maternity leave ends) x100

TISCO has a Welfare Committee to supervise welfare and benefits across the organization - the holding company and subsidiaries. The Committee will have a working group of 10 people, consisting of 5 representatives appointed by the employer and 5 representatives chosen by employees. The Committee deliberates and proposes welfare and benefits. The various Welfare Committees will hold plenary meeting to ensure fair, appropriate and inclusive treatment of the workforce. Employees who are entitled to welfare and benefits account for 92% of the entire workforce. (Benefits and welfares are covered to full-time and contracted staff, but not temporary staff.)



## Non-Discrimination

TISCO Group is an equal opportunity employer, providing opportunities for employees to advance along their career on the basis of their performance, capability and quality that are compatible with the organization’s core values. We treat overall employees equally under the same standard.



Moreover, we take in account equality in business operations. We have a guideline to prevent discriminatory treatment of our partners and customers. For example, employees are not authorized to make a decision to take care of a particular client they prefer. The guideline is meant to prevent cronyism and patronage, while ensuring transparent and fair selection of vendor/business partner. TISCO has clear policy and guideline for procurement. A Procurement Committee is appointed to supervise and ensure compliance.

In 2016, we documented 1 case of discrimination complaint. An inquiry was launched and result reported to the Employee Disciplinary Committee and Human Resources Committee. Even though no ground of discriminatory conduct was established, TISCO Group communicated facts of the case, along with policy and guideline in place for parties concerned to ensure clarity of communications and preempting any misunderstanding.

## Occupational Health and Safety

TISCO recognizes the importance of occupational health and safety as well as the work environment of employees. It is imperative that employees must understand and cooperate to ensure workplace safety and minimize any potential risks or hazards to their colleagues. We mandate all new employees must undergo safety in the form of e-learning through TISCO LMS system, and this forms part of requirement to pass the probation. Furthermore, we regularly refresh and reinforce safety awareness through internal communications channels including HR News, Safety Together, Health Tips, Health Alert, Knowledge Management (KM), along with related actions such as workplace inspection according to ergonomics tool, risk assessment of workplace environment.

Injury rate within the workforce statistics in 2016 showed a total of 16 employees with work-related accident/injury. A total of 359 employees took leave due to accident, either related or unrelated to work. Injury cases of employees are divided as follows:

Injury Case of Employees	Male	Female	Total
Not taking days off	148	166	314
Days away from work	35	10	45
Disability	-	-	-
Fatality	-	-	-
<b>Total</b>	<b>183</b>	<b>176</b>	<b>359</b>

TISCO also considers safety implications due to assault, hostile acts by clients or individuals with malicious intent, possibility of bank heist, riot, and other forms of terrorist attack. We implement Space Access Control measures that include Space Classification, security measures of requiring registration of individuals accessing restricted areas, enforce an Access Control system, deploy security guards, install alarm systems and CCTVs, along with an Emergency plan which forms part of the guideline for the BCM Team, staff and visitors with their safety and security as our priority.

To prevent money-laundering crimes, TISCO strictly applies the Know Your Customer and Customer Due Diligence, KYC/CDD policy in all business units and business lines. When staff come across suspicious or inexplicably complex transactions that cannot be justified economically, the unit handling transactions of such nature would duly report to the Anti-Money Laundering Office in compliance with the Anti-Money Laundering Act to prevent abuse of TISCO Group's business for money laundering or terrorism financing.

## Employee Career Development

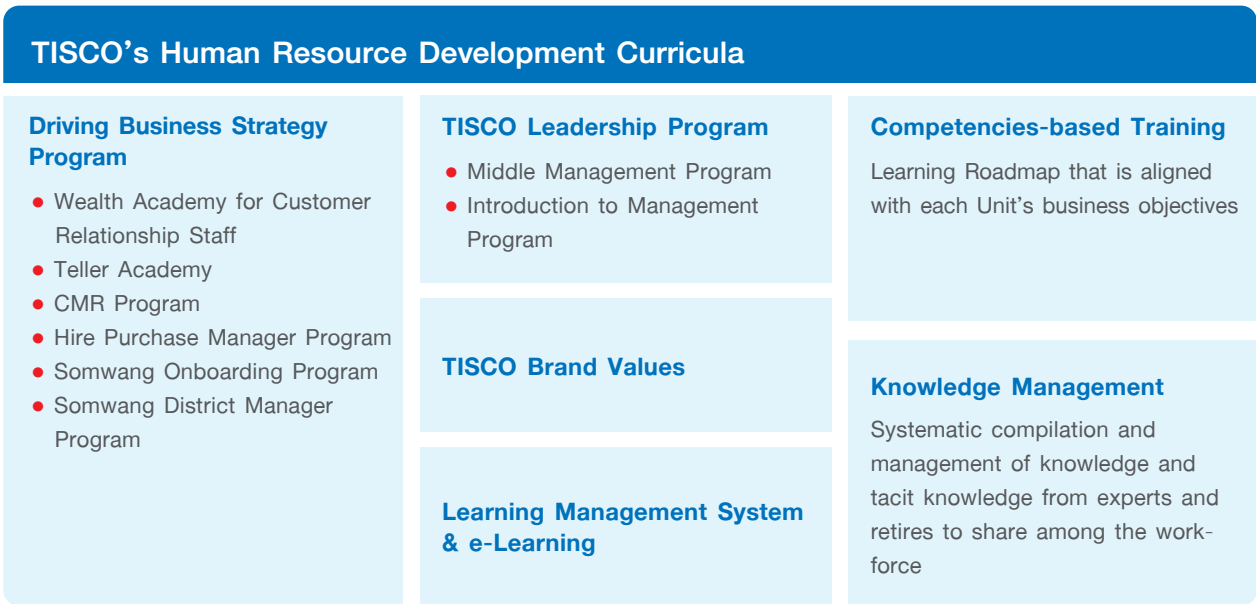
To TISCO, our work force is deemed the most important resources in driving the organization's growth. It is our policy to support staff career development that meets the needs of the organization and employees' own aspiration, leading to the organization's sustainability. Our human resource development plan takes into account 3 aspects of competencies: general competencies, business competencies and specialization, and in consideration of job description required of positions.



At the enterprise level, the Human Resource Office is in charge of planning career development and to cultivate competencies critical to delivering the performance, and to promote organizational culture to ensure that we are competitive. At the Business Line level, the Human Resource Division is responsible for giving technical advice and career advancement to make sure we have most effective employees who contribute to value adding to the business in general. The Division is also tasked with documenting the knowledge and specialization of respective units for broader organizational purpose.

TISCO is aspired to be a Learning Organization. We have established a subsidiary called TISCO Learning Center Company Limited with the objective to plan systematic career development and organize curricular training to boost organization-wide

knowledge and competencies through advancement of efficiency, productivity and leadership skills among others. The work involves the organization and workforce at all levels to enable optimum performance, as shown in the chart below.



Employee's Average Training Hours per Person per Year			
Employee Training Information	2014	2015	2016
Average Training Hours (Hours/Person/Year)	16.15	20.83	20.61
Average Training Hours, Gender Disaggregated (Hours/Person/Year)			
Male	15.08	17.69	17.22
Female	16.83	22.72	22.65
Average Training Hours by Job Level (Hours/Person/Year)			
Management Level <sup>(1)</sup>	30.82	18.09	27.77
Non-management Level <sup>(2)</sup>	15.05	21.07	19.96
Average Training Hours by Business Lines (Hours/Person/Year)			
Retail Banking	18.55	21.98	14.58
Corporate Banking	7.55	9.35	13.63
Wealth and Asset Management	13.59	26.09	38.47
Corporate Support	12.93	11.33	19.71

**Remarks:** (1) Management Level means supervisory to managerial rank.  
(2) Non-management level means employees below supervisory rank.

In addition to training workshops, TISCO conducts staff assessments in many aspects including their knowledge and competencies, performance, leadership and compatibility with organizational values. We have completed 100% coverage of staff assessment so that employees are aware of their own competencies and potentials leading to further advancement of capability and career path.

## Building a “Happy Organization”

TISCO is aspired to be a "Happy Organization" focusing on communicating the organizational values. We value employees' relationship, staff knowledge development and their career advancement, and so we seek to build an enabling environment for staff to prosper professionally. To us, human resources as the most important resources of all. When our employees are happy, they will share their happiness with the society at large. More importantly, we aim to develop a pool of talented people with integrity for the financial and banking sector. TISCO's road map to become a “Happy Organization” features:

- **Being Healthy and Well,** health, well-beings and work life balance are very important to our employees. TISCO frequently organizes health and wellness activities to stimulate our staff to stay healthy and to practice Work Life Balance. These include fun run, friendly football matches, aerobics competition held in many locations nationwide that draw enthusiastic turnout. In 2016, over 3,000 employees took part in various health activities we organized.

- **Happy Workplace and Teamwork Spirit,** we do this by creating a conducive environment where employees' happiness, sound relationship between the management and staff, teamwork spirit and self-realization are valued.

Because employees spend averagely 7.5 hours per day at workplace, the office is like their second home. At TISCO, we encourage good interactions between supervisors and team members, to care and look out for one another and treat one another as family members would. This aspect of our organization culture has evolved over years, reinforced





by team building activities through a number of projects that encourage participation of employees.

TISCO has conducted surveys of employees' satisfaction and engagement every once in a while, both by internal arrangement or by third parties, to collect inputs to our Happy Organization goal. In 2016, internal units conducted a survey in which 3,426 employees gave us feedback. From the full score of 10, survey results show overall satisfaction level at 7.89, whereas the level of satisfaction with teamwork and work environment is scored as high as 8.26.



About 94% of employees responding said they trust their colleagues in the same way they trust their close friends. Some 70% respondents said they are happy with the recognition they receive, and their satisfaction level is 7.22.

In parallel with the internal surveys, we commissioned AEON Hewitt (Thailand) to conduct an employee engagement survey. Results are still



being processed. We will compare these with the outcomes of other surveys we commissioned.

- **Happiness from working for an enterprise with strong organizational values** by promoting and reinforcing the values, and integrating these into human resource management process.

TISCO is determined to promote and sustain organization values that are strong, cordial yet professional. These values have been passed on from senior to junior colleagues and new recruit. From the first day on job, Culture & Value Engagement are introduced to new employees on board. The six core values are integrated into our human resource management process, and constantly reinforced through different channels, employee engagement activities and in training courses employees undergo through their entire career with TISCO starting from orientation. The aim is for employees to apply these six values in the way they work. We reward employees who are role models in upholding these core values.

TISCO puts importance on listening employees' voices and provides multiple channels to convey employees' inputs directly and indirectly. These range from Meeting with Management, email, bulletin board, websites, social media and various activities. Top management executives give priority to interaction with employees, and Group Chief Executive and management team regularly visit business units and provincial offices. We do annual staff party to show appreciation of staff's efforts, their commitment and the faith they have for the organization.

Regarding channels of communication between the staff and management, we operate a complaint mechanism called the "HR Help Line." The mechanism consists of 5 members who are supervisors or

representatives from the Governance Office, Corporate Compliance, Human Resources, Human Resources Services, and Operational Risk Management. It provides a platform for employees to voice suggestion, put forth complaint, raising red flag on suspicious acts, whistle blowing on corrupt practice, or unfair labor practice they come across. Complainants or whistle blowers will remain anonymous as the mechanism proceeds along with inquiry with reassurance that employees and all parties concerned are treated fairly and in transparency. HR Help Line accepts information in writing, through email ([hr\\_helpline@tisco.co.th](mailto:hr_helpline@tisco.co.th)) or by phone according to the numbers listed in the Intranet. In 2016, HR Help Line received a total of 10 cases, all of which have been resolved.



## Promoting Social Well-being

TISCO is well aware that social well-being constitutes an indicator of a healthy society and one of the crucial factors of sustainability. An organization's success is not measured merely on the basis of profitability, business growth or monetary figures. But it also involves being a good corporate citizen that conducts business ethically, that supports the community and disadvantaged people to advance and be self-reliant. Social responsibility and participation in social and community development must go hand in hand with the business side, with emphasis on long-term sustainability.

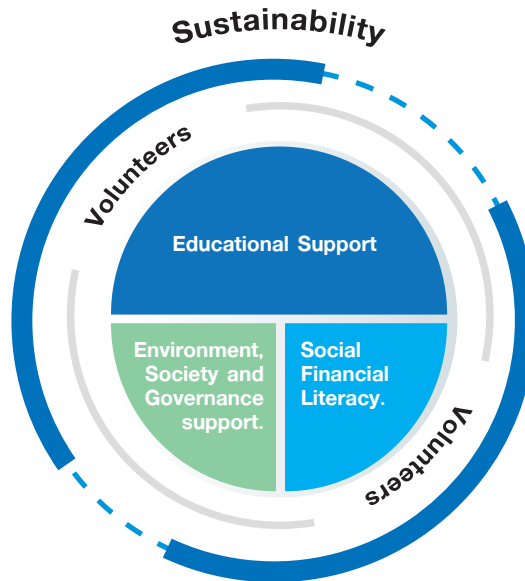


To fulfill the goal stated above, TISCO has a CSR Activity Roadmap feature three main categories of actions so that our endeavors are well-organized and sustained to yield concrete results for sustainability, as illustrated below.

### TISCO's CSR Framework

#### 1. Educational Support

TISCO believes that education lays the foundation for the country's sustainability through the quality of human capital. We give scholarships to students who need them, funding support for teachers whose quality matters considerably to the quality of education, along with financial support for facilities improvement and educational materials for schools in poor areas throughout Thailand.



#### 2. Social Financial Literacy

With our expertise in finance, TISCO intends to impart and disseminate financial literacy to address financial literacy shortfall which is a national challenge that Thai governments have been trying to address. Our initiatives are compatible with the Ministry of Finance's Strategy for Fiscal Years 2013-2016

which stresses the drive for financial literacy among the Thai general public. We have developed training workshop programs to educate, raise awareness on what can readily be applied in people's daily life. These programs take the form of Youth Financial Camp and Essential Personal Finance for community.

#### 3. Environment, Society and Governance support

We design activities to encourage social contribution spirit among our workforce in relations to environment, culture, and promoting anti-corruption culture and transparency in work ethics.



Guided by TISCO's CSR Activity Road Map, highlights in 2016 include:

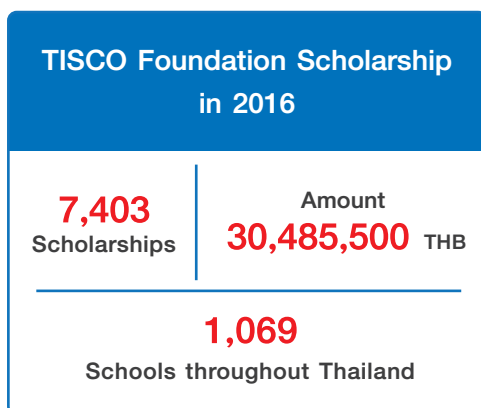
## 1. Educational Support



TISCO operates an annual scholarship program. In 2016, TISCO Foundation provided a total of 7,403 scholarships amounting to 30,485,500 Million Baht for students in 1,069 schools throughout Thailand. The scholarships we provide are grants, no strings attached and support recipients continually until they complete higher education degrees. It is our hope that young TISCO scholarship recipients will make a decent living after they graduate to provide for themselves and their families. We also encourage our recipients to be caring citizens in the society who are kind to their peers and people around them. We follow up our recipients annually through visits to households of 525 recipients from 22 schools in Bangkok, metropolitan area, the provinces of Nan, Chiang Rai, Ang Thong and Ratchaburi. We do this

monitoring and follow up to ensure that our scholarship program meets TISCO Foundation's objectives. These house visits to follow up also give us inputs to plan future allocation of scholarships for best result.

In another aspect of educational support, TISCO leads a consortium of likeminded peers to build/improve school buildings and furnish essential equipment for schools in desperate needs that are not addressed by State budget. Our aim is so that schools with modernized infrastructure that meets safety standards will attract community members to send their children to enroll. TISCO's partners in this particular CSR component include TPI Polene Plc., Lighting and Equipment Plc, Saha Mosaic Industry Plc., Bangkok Cable Co., Ltd, Technology Systems Development Co., Ltd. For this purpose, we open a bank account to receive donation under the name: "TISCO Ruam Jai for Educational Development" account number 0001-001-000042-2 for the construction of "TISCO Ruam Jai 5" Building for Ban Nonbon School (Khamlaprachanugrah) in Ubon Ratchathani province at the cost of 5.03 Million Baht. Construction work is due to be completed in the second quarter of 2017. TISCO contributes a budgetary support of 1.02 Million Baht.



## 2. Social Financial Literacy

Financial Literacy for the public is the main thrust of TISCO's corporate social responsibility, so that we build a sound basis for long-term economic development. Implementation of Social Financial Literacy is driven by a group of employees with the right expertise and philanthropic spirit. This group of TISCO employees works closely together in every stage, starting from targeted curriculum planning, volunteering to be trainers and actually conducting the courses. This is a long-term commitment that we implement annually, with highlights in 2016 documented here.



### Financial Camp for Children and Youth

TISCO started piloting this youth-focused financial literacy course since 2012. The key objective is to build the resilience for lifestyle of youth, their families, with rippling effects to the community around them. Over the years, we have improved, refined and tested the curriculum and related activities, keeping in mind the plan to scale up these Financial Literacy Camps targeting the young population in Thailand.

- **Financial Camp for higher secondary school students** under the conceptual framework of “Saving before Spending, Building Financial Discipline” combines substance with fun to optimize learning result for young population to recognize the importance of financial discipline and apply the knowledge in real life settings. The approach opens up opportunity for outside-classroom learning. The Financial Camp curriculum we offer is tailored by drawing out key points from a financial literacy course that is collaboration between the Stock Exchange of Thailand and the Ministry of Education’s Bureau of Academic Affairs and Educational Standards.

Key contents are demonstrated by stories in contemporary contexts of savings, responsible and wise spending through habits such as keeping track of personal spending and saving through simple book-keeping, different techniques of savings, how to calculate compound interests, how not fall victim to misleading advertisement, and keeping up with usury in informal lending.

In 2015, we have expanded the scope of the program to implement Teachers’ Financial Camp alongside featuring similar contents as the youth camps but with greater depth taking into account the target audience. On the contents side, added on for teachers include knowledge about correct financial planning, debts management, preparing for retirement, how to calculate interests. The main aim is financial literacy, and Training of Trainers so the attending teachers can lead knowledge sharing activities within their communities.

- **After-Camp Add-on Project Contests** to encourage application of knowledge the students obtained from the Camp, TISCO supports each school carry on After-Camp Add-on Project building upon

their Camp experience to share the knowledge others around them. We give Camp participants 3 months to implement After-Camp Add-on Project, and then submit the report of their projects as entry into the contest. Awards for the competition include scholarships, citation for the school and individual members of the winning teams for their contribution to disseminating financial literacy at the community level.

This annual CSR activity is held during school vacation. The Financial Camp for the duration of 4 days and 3 nights is hosted at TISCO Bank’s head office at TISCO Tower. To ensure inclusiveness, we allocate participants’ quotas along 5 geographical regions: (1) Bangkok and Metropolitan Area (2) North (3) Central Region (4) East and the Northeast and (5) West and South. We also include youth from three southern border provinces to attend. The selection criteria include how applicants answer questions in the application form about their interest in savings and finance, and the ideas they express in sharing what they learn with others, in order to ensure that participants will become key opinion leaders and effective leaders back in their community.

In 2016, a total of 38 TISCO employees volunteer to be trainers for 4 batches of young

Financial Camp (Batch 7-10). This time, 143 schools participated, with 156 students and 312 teachers. For After-Camp Add-on Project, 76 schools have actively conducted sharing of financial knowledge, estimated to reach 78,668 citizens of communities around these schools. Through our efforts in the last 4 years, we have cultivated young population who graduated from Batch 1-10 who can spread financial literacy among potential audiences of 116,600 people in communities. It is estimated that up to 85% of participants now have better understanding and a clear picture of financial planning. They have learnt to appreciate the importance of savings first and spending later, and pick up financial tips they can use in their daily life. However post-activity evaluation results point to the need to beef up lessons about how to calculate compound interests and more hands-on practices. All these pointers we have applied in improving our 2016 activities.

**Financial Literacy 2016**

38 TISCO Volunteered Trainers

4 Financial Camps (Batch 7-10)

156 Teachers and 312 Students were trained

78,668 People involved in Savings Campaigns

Numbers of TISCO Financial Camp Participants, Batch 1-10						
Financial Camp		Youth participants	Teachers	School	Province	Number of Schools Joining Post-camp Contest
2013	1 <sup>st</sup>	78	-	40	30	56 %
2014	2 <sup>nd</sup>	76	-	39	24	50 %
	3 <sup>rd</sup>	78	-	39	28	33 %
2015	4 <sup>th</sup>	78	-	40	28	51 %
	5 <sup>th</sup>	78	38	38	30	54 %
	6 <sup>th</sup>	74	37	37	29	35 %
2016	7 <sup>th</sup>	74	37	37	29	71 %
	8 <sup>th</sup>	80	40	40	30	60 %
	9 <sup>th</sup>	80	40	40	29	(Scheduled for March 2017)
	10 <sup>th</sup>	78	39	39	29	(Scheduled for April 2017)
<b>Total</b>		<b>774</b>	<b>231</b>	<b>303<sup>(1)</sup></b>	<b>74</b>	<b>51 %<sup>(2)</sup></b>

**Remarks** (1) Number of schools with activities, excluding schools that organized activities before  
 (2) Percentage of schools on board post-Camp contests, excluding data from Batch 9 and 10



**Examples of interesting After-Camp Add-on Projects in 2016 are shown as follows:**



**“3 in 1 Networking Expense Cut”**

Hatyaiwittayalai School in the southern Songkhla province staged this campaign encouraging each of its 4,000-strong students to reduce 3 items of expenses and encourage their families to do the same. The School launched the search for “Model Students” in the categories of “Super Saver” “Super Economiser” and “Super Supplementary Income Earner.” They also started the process of identifying expense cut for various school activities, opening a financial section in the school library and open a “financial clinic.” Students and teachers join the campaign to bring financial literacy to communities around the school.



**Turning account book into the “Trust Journal”**

This activity aims to engage adolescents undergoing drug rehabilitation program, with the encouragement and participation of their parents to better manage their finance. As a result of this project spearheaded by Srikranuan Wittayakhom School in Khon Kaen province, the young participants were able to reduce their own spending by over 1,000 baht within a period of 3 months.



**“A Savers’ Family”**

Munja Suksa School in Khon Kaen launched this drive, encouraging students to tell 5 other families in their neighborhood and community to start saving. In all 1,845 families have joined. The project also does outreach to encourage savings in 8 sub-districts of Munjakhiri District. It organized skits for primary school pupils which are entertaining while inserting the message about the importance of saving. Pupils and students are also encouraged to do book keeping so that it is visible to them what items they spent money on that are not necessary leading to behavioral change.



**“Save Before You Get Stuck”**

Waengpitayakhom School in Sakon Nakhon invited the communities to join the pledge to start saving by putting money in a piggy bank without opening it until after one month. With the students themselves encouraging parents and adults, saving results are tangible, as people started putting money they usually spent on cigarette or lottery ticket into the piggy bank instead. They also inspire nearby communities to do the same.



**“Know Yourself, Spend Less, Earn More and Build Financial Discipline”**

Huaynamhohm Wittayakhan School in Nakhon Sawan applied the idea of making a survey things around the pupils, itemize into frequently used and extravagant ones, and then apply a formula to express the sum in money’s terms. This exercise found that spending on what is not necessary was as high as 46% over what is necessary. This exercise served to raise awareness among students about their spending habits so they find a way to spend wisely.



**“Save before Spending for Debt-free Peace of Mind”**

This project led by Santiras Wittayalai School in Bangkok has brought knowledge to the community via roadshow to 10 communities around Bangkok and to institute a new culture of spending less in annual school sports event that helped reduce the expense over 50%.



**“Sufficient Living”**

Besides Bangkok, similar Financial Literacy roadshow has been taken to 7 villages in the municipal area of Mae Jaem District where villagers agreed to experiment spending cuts in 3 items over a period of 3 months. A total of 289 families took part in this household spending cut campaign and share their savings tips, in this project led by Mae Jaem School in Chiang Mai.



**“Less Internet and Less Smart Phone Use”**

Students leaders started enforcing self-discipline of using less internet and spending less time playing with smart phones. Then they use time gained off internet and off phones for sports and other recreational activities. This is implemented by Mengrai Maharaj Witayakhom School in Chiang Rai.

This wide and lively variety of activities reflects schools' enthusiasm to bring financial literacy to share with communities and the society. Financial Camp participants apply what they learn and share with their peers at home. After the camp, many of them followed up with creation of multi-media materials to share with their peer audiences. For example, stories about savings told in the form of coloring books, and told in the language that appeals to youth, VDO clips about savings tips, and audio materials to be disseminated to their visually impaired friends. From the Financial Camp participation, students also form network and were trained on leadership and team building along with the culture of contributing to public goods leading to a future sustainable society.

### Financial Literacy Activities Targeting Communities

TISCO organized "Smart Saving, Smart Spending Program" through our offices nationwide, aiming to share the knowledge and advocate book keeping and savings habits among 25,000 people. We also offer advice on debt management and financial hazards, something applicable that they can use in their daily life to avoid financial problems, to be up to the speed with predated loan sharks, and know how to work out compound interests. As part of this campaign, we distribute media on savings, household ledgers, and advice on financial planning for the future.

### Smart Saving, Smart Spending 2016



TISCO supports the publication of financial literacy book by the Bank of Thailand. Under this category of CSR activities, in 2016 we organized 123 activities in 60 provinces throughout Thailand, drawing 24,150 participants.

### 3. Environment, Society and Governance Support



TISCO launched a nationwide campaign to mobilize blood donation, resulting in intake of 3,366 units, equivalent to 1,376,200 CC, able to help 10,000 patients. TISCO Bank collaborated with the Faculty of Medicine, Ramathibodi Hospital of Mahidol University and Ramathibodi Foundation under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn on a project titled "One Million Hearts for Cancer Patients." Under this project, TISCO Bank sets aside 100 baht per policy from the sale of TISCO Zero Cancer Plan (ZCP) as well as mobilizing donation through social media. The campaign that combines donation from the policy sales between June 2015 - March 2016 donated a total of 1 million baht to Ramathibodi Foundation to support research and development of cure and care for poor cancer patients seeking treatment at Ramathibodi Hospital.





In arts and cultural promotion, TISCO organizes annual merit making ceremony at the following Buddhist monasteries: Khao Wong (Narai Cave) in Saraburi, Wat Pokajutamas in Krabi, Dhamma-udayan Forest Monastery in Khonkaen, Lamphyasutharam Monastery in Nakhon Pathom, and Wat Amonthep in Samut Sakhon. We also organized art therapy, the second time we collaborated with Chollada Foundation for male adolescents at Ban Sirindhorn Shelter of the Department of Juvenile Observation and Protection. The Art Therapy course features painting and music therapy, relaxation leading to self-realization so that they will not make mistakes again.

On corporate governance, TISCO is an active participant in many anti-corruption activities for six consecutive years. In 2016, we joined the Anti-Corruption Day under the theme “Corruption has consequences” that CAC organized with partners which drew a crowd of over 15,000 participants in Sanam Luang.

On top of all these, TISCO continues its Philanthropic Investment program, now in its second year. This is a new form of investment that TISCO joined with Thaipat Institute and five other founding companies namely BTS Group Holdings, Minor Group, LPN Development, Khon Kaen Sugar and Namsin Insurance. TISCO Assets Management Co., Ltd. manages the fund for a good return on a regular basis by focusing on investment in listed companies with outstanding ESG performance. Returns from the Fund shall be used to implement CSR activities that follow objectives of each corporation, while the seed funds remain. Economic growth aside, this Fund is thus an expression of sustainability.

The Table below summarizes TISCO’s contribution to social and environmental well-being.

TISCO’s CSR Spending (Baht)			
Activity	2014	2015	2016
1. Improve and construct school buildings and facilities	4,841,605	2,950,856	1,018,725
2. Scholarship	11,180,000	10,130,000	10,477,900
3. Financial literacy	9,344,411	9,276,390	7,422,809
4. Support environment, social and governance activities	2,987,568	3,125,796	1,882,990
5. Other charitable causes	939,805	597,234	5,259,312
<b>Total</b>	<b>29,293,389</b>	<b>26,080,276</b>	<b>26,061,736</b>



**About TISCO Sustainability Report 2016**

TISCO Sustainability Report 2016 is prepared in accordance with the guideline of Global Reporting Initiative Version 4 (GRI-G4), Financial Services Sector Disclosures. Contents presented herewith cover organizational information, corporate governance, materiality and key indicators of performances on material issues during 2016, in economic, social and environmental aspects. Also reported are linkages between the Organization’s performance and the United Nations’ Sustainable Development Goals 2030, according to the scope specified below.

Disclosure Level	‘In accordance’ – Core
Reporting Period	1 January 2016-31 December 2016
Reporting Period	Annually
List of Company and its Subsidiaries	<p>TISCO Financial Group Public Company Limited</p> <ul style="list-style-type: none"> <li>● TISCO Bank Public Company Limited</li> <li>● TISCO Securities Company Limited</li> <li>● TISCO Asset Management Company Limited</li> <li>● Hi-Way Company Limited</li> <li>● TISCO Leasing Company Limited</li> <li>● TISCO Information Technology Company Limited</li> <li>● TISCO Learning Center Company Limited</li> <li>● All-Ways Company Limited</li> <li>● Deutsche TISCO Investment Advisory Company Limited</li> <li>● TISCO Tokyo Leasing Company Limited*</li> <li>● HTC Leasing Company Limited*</li> </ul> <p><b>Remark*</b> Not included in the consolidated statement according to Thai Accounting Standard</p>
Most Recent Report	TISCO Sustainability Report 2015

**For further information or enquiry please contact**

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Fax: (662) 633-6855

## Awards and Recognition of Our Sustainability

In 2016, TISCO received numerous awards and citations for its operational excellence, reflecting the commitment and relentless efforts at raising our performance standards in meeting organization's goals and policies. Highlights include:



**Outstanding CEO Awards** Mrs. Oranuch Apisaksirikul, Chairperson of the Executive Board, received the Outstanding CEO Awards at SET Awards 2016 ceremony. She is commended for her leadership in steering the organization towards success, upholding integrity in managing the organization, her vision and strategic expertise, and full support for corporate social responsibility and sustainability.

**Outstanding Company Performance Awards** TISCO Financial Group Plc. received the Outstanding Company Performance Awards in the category of listed companies with market capitalization between 30,000 – 100,000 Million Baht

at SET Awards 2016 ceremony. The distinction is derived from its business performance data, good corporate governance and full compliance with SET on disclosure and quality of balance sheets

**Outstanding Securities Company Award – Retail Investors** TISCO Securities Company Limited won the Outstanding Securities Company Awards – Retail Investors at SET Awards 2016, for securities companies with high-quality brokerage and service, and producing top-notch research and analyses. Under review were both qualitative and quantitative data drawn from our work, client satisfaction survey and compliance with legal and regulatory framework by staff and organization.

**Certificate of Recognition for SDG-Enhanced Sustainability Report 2016** TISCO received the Certificate of Recognition from Thaipat Institute for TISCO's initiative to compile an SDG-Enhanced Sustainability Report (The 17 Sustainable Development Goals adopted by the United Nations).

**Certificate of ESG100 Company 2016** For two consecutive years now, TISCO receives the Certificate of ESG100 Company 2016 from Thaipat Institute for 100 listed companies with notable actions for the Environment, Society and Governance.

**Certification of Membership in Thailand's Private Sector Collective Action Against Corruption** TISCO Financial Group Plc., TISCO Bank Plc., TISCO Securities Company Limited and TISCO Asset Management Company Limited have been recertified and recognized as members of Thailand's Private Sector Collective Action Against Corruption (CAC) in the second quarter of 2016 extending membership by another 3 years. This means our commitment to best practices, socially responsible business conduct, good corporate governance, with strong anti-corruption practices that serve as model for other companies to follow.

**Best IPO Awards 2016** TISCO Bank received the Best IPO 2016 Award at the Asset Country Awards 2016 organized by Asia's leading financial publication The Asset, for its financial advisory service and co-sales agent and guarantor for the IPO of BCPG Plc.

**Best Acquisition Financing, Thailand** TISCO Bank won the Best Acquisition Financing, Thailand Award at The Asset Triple A Country Awards 2016 by Asia's leading financial publication The Asset, for its performance as co-lending manager and financial supporter of Berli Jucker Thailand Plc. (BJC).

**Top Bank in the Secondary Market, Corporate Bonds Thailand, Ranked 1<sup>st</sup>** TISCO Bank is named Top Bank in the Secondary Market, Corporate Bonds Thailand, Ranked 1st at The Asset Benchmark Research Awards Dinner 2016 by The Asset, Asia's leading financial publication on the basis of survey of institutional investors using bond trading service in Asia.

**Best Practice Award in Energy Management and Sustainability** TISCO Tower received the Best Practice Award: Energy Management and Sustainability from Thailand Facility Management Association which recognizes buildings that excel in energy efficiency, water and electricity management using best technology available and gives importance to optimization of building utilization and ability to sustain energy savings.

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 AR - รายงานประจำปี บริษัท ทีเอสโก้ไฟแนนเชียลกรุ๊ป จำกัด (มหาชน) ปี 2559

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G4-56	SR 4 , 20	

SPECIFIC STANDARD DISCLOSURES					
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>CATEGORY: ECONOMIC</b>					
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>					
G4-DMA	-				
G4-EC1	SR 34				
G4-EC2	SR 27				
G4-EC3	SR 53				
<b>MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS</b>					
G4-DMA	SR 42				
G4-EC8	SR 38 - 39				
<b>CATEGORY: ENVIRONMENTAL</b>					
<b>MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS</b>					
G4-DMA	-				
G4-EN1	SR 44				

SR - รายงานความยั่งยืน บริษัท ทีเอสไอไฟแนนเชียลกรุ๊ป จำกัด (มหาชน) ปี 2559  
AR - รายงานประจำปี บริษัท ทีเอสไอไฟแนนเชียลกรุ๊ป จำกัด (มหาชน) ปี 2559

**SPECIFIC STANDARD DISCLOSURES**

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>CATEGORY: ENVIRONMENTAL</b>					
<b>MATERIAL ASPECT: ENERGY</b>					
G4-DMA	-				
G4-EN3	SR 44				
G4-EN6	SR 43 - 44				
G4-EN7	SR 43				
<b>CATEGORY: SOCIAL</b>					
<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>					
<b>MATERIAL ASPECT: EMPLOYMENT</b>					
G4-DMA	SR 50				
G4-LA1	SR 51				
G4-LA2	SR 54				
G4-LA3	SR 55				
<b>MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS</b>					
G4-DMA	SR 53				
G4-LA4	SR 50				
<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>					
G4-DMA	SR 54 - 56				
G4-LA6	SR 56	Injury rate (IR), Occupational diseases rate (ODR), Lost day rate (LDR), Absentee rate (AR)	The information is currently unavailable	The complete set of information will report on the next reporting period	
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>					
G4-DMA	SR 57 - 58				
G4-LA9	SR 58				
G4-LA10	SR 58				
G4-LA11	SR 59				
<b>MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</b>					
G4-DMA	-				
G4-LA12	SR 52				
<b>MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS</b>					
G4-DMA	SR 61				
G4-LA16	SR 61				

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SPECIFIC STANDARD DISCLOSURES					
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>CATEGORY: SOCIAL</b>					
<b>SUB-CATEGORY: HUMAN RIGHTS</b>					
<b>MATERIAL ASPECT: NON-DISCRIMINATION</b>					
G4-DMA	-				
G4-HR3	SR 56				
<b>SUB-CATEGORY: SOCIETY</b>					
<b>MATERIAL ASPECT: LOCAL COMMUNITIES</b>					
G4-DMA	-				
FS13	SR 38				
<b>MATERIAL ASPECT: ANTI-CORRUPTION</b>					
G4-DMA	SR 28 - 30				
G4-SO3	SR 31				
G4-SO4	SR 31				
G4-SO5	SR 31				
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>					
<b>MATERIAL ASPECT: PRODUCT AND SERVICE LABELING</b>					
G4-DMA	SR 62				
G4-PR5	SR 37				
FS15	SR 9 , 20 , 23 , 24 , 26				
FS16	SR 39 , 62 , 64 - 67				
<b>MATERIAL ASPECT: MARKETING COMMUNICATIONS</b>					
G4-DMA	SR 35				
G4-PR7	SR 36				
<b>MATERIAL ASPECT: CUSTOMER PRIVACY</b>					
G4-DMA	SR 36				
G4-PR8	SR 36				
<b>MATERIAL ASPECT: PRODUCT PORTFOLIO</b>					
G4-DMA	-				
FS6	SR 40				
FS7	SR 39 - 40				
FS8	SR 41				

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## Sustainable Development Goals Index

Sustainable Development Goals (SDGs)	GRI Indicators	Page Number (or Link)
<b>SDG1</b> End poverty in all its forms everywhere		
Access to financial services	FS6 FS7 FS13 FS16	SR 40 SR 39 - 40 SR 38 SR 39 , 62 , 64 - 67
Availability of products and services for those on low incomes	G4-EC8	SR 38 - 39
Economic development in areas of high poverty	G4-EC8	SR 38 - 39
<b>SDG2</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture		
Changing the productivity of organizations, sectors, or the whole economy	G4-EC8	SR 38 - 39
Infrastructure investments	G4-EC1	SR 34
<b>SDG3</b> Ensure healthy lives and promote well-being for all at all ages		
Access to medicines	G4-EC8	SR 38 - 39
Occupational health and safety	G4-LA6	SR 56
<b>SDG4</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		
Employee training and education	G4-LA9	SR 58
<b>SDG5</b> Achieve gender equality and empower all women and girls		
Gender equality	G4-LA1 G4-LA9 G4-LA11 G4-LA12	SR 51 SR 58 SR 59 SR 52
Infrastructure investments	G4-EC1	SR 34
Non-discrimination	G4-HR3	SR 56
Parental leave	G4-LA3	SR 55
Women in leadership	G4-LA2	SR 54
<b>SDG6</b> Ensure availability and sustainable management of water and sanitation for all		
-		
<b>SDG7</b> Ensure access to affordable, reliable, sustainable and modern energy for all		
Energy efficiency	G4-EN3 G4-EN6 G4-EN7	SR 44 SR 43 - 44 SR 43
Infrastructure investments	G4-EC1	SR 34
Renewable energy	G4-EN3	SR 44
<b>SDG8</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		
Access to financial services	FS6 FS7 FS13 FS16	SR 40 SR 39 - 40 SR 38 SR 39 , 62 , 64 - 67

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Sustainable Development Goals (SDGs)	GRI Indicators	Page Number (or Link)
<b>SDG8</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		
Changing the productivity of organizations, sectors, or the whole economy	G4-EC8	SR 38 - 39
Diversity and equal opportunity	G4-LA12	SR 52
Earnings, wages and benefits	G4-LA2	SR 54
Economic performance	G4-EC1	SR 34
Employee training and education	G4-LA9 G4-LA10 G4-LA11	SR 58 SR 58 SR 59
Employment	G4-10 G4-LA1	SR 8 SR 51
Energy efficiency	G4-EN3 G4-EN6 G4-EN7	SR 44 SR 43 - 44 SR 43
Freedom of association and collective bargaining	G4-11	SR 55
Indirect impact on job creation	G4-EC8	SR 38 - 39
Jobs supported in the supply chain	G4-EC8	SR 38 - 39
Labor/management relations	G4-LA4	SR 50
Non-discrimination	G4-HR3	SR 56
Materials efficiency	G4-EN1	SR 44
Occupational health and safety	G4-LA6	SR 56
Parental leave	G4-LA3	SR 55
Youth employment	G4-LA1	SR 51
<b>SDG9</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		
Access to financial services	FS6 FS7	SR 40 SR 39 - 40
Infrastructure investments	G4-EC1	SR 34
Research and development	G4-EC1	SR 34
<b>SDG10</b> Reduce inequality within and among countries		
Access to financial services	FS13 FS16	SR 38 SR 39 , 62 , 64 - 67
Economic development in areas of high poverty	G4-EC8	SR 38 - 39
Foreign direct investment	G4-EC8	SR 38 - 39
Responsible finance	FS15	SR 9 , 20 , 23 - 24 , 26
<b>SDG11</b> Make cities and human settlements inclusive, safe, resilient and sustainable		
-		
<b>SDG12</b> Ensure sustainable consumption and production patterns		
Energy efficiency	G4-EN3 G4-EN6 G4-EN7	SR 44 SR 43 - 44 SR 43

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Sustainable Development Goals (SDGs)	GRI Indicators	Page Number (or Link)
<b>SDG12</b> Ensure sustainable consumption and production patterns		
Materials efficiency/recycling	G4-EN1	SR 44
<b>SDG13</b> Take urgent action to combat climate change and its impacts		
Energy efficiency	G4-EN3 G4-EN6 G4-EN7	SR 44 SR 43 - 44 SR 43
Risks and opportunities due to climate change	G4-EC2	SR 27
<b>SDG14</b> Conserve and sustainably use the oceans, seas and marine resources for sustainable development		
-		
<b>SDG15</b> Protect, restore and promote sustainable use of terrestrial ecosystem, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss		
-		
<b>SDG16</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		
Anti-corruption	G4-SO3 G4-SO4 G4-SO5	SR 31 SR 31 SR 31
Compliance with laws and regulations	G4-PR7 G4-PR8	SR 36 SR 36
Ethical and lawful behavior	G4-56	SR 4 , 20
Grievance mechanisms	G4-LA16	SR 61
Non-discrimination	G4-HR3	SR 56
Protection of privacy	G4-PR8	SR 36
<b>SDG17</b> Strengthen the means of implementation and revitalize the global partnership for sustainable development		
Foreign direct investment	G4-EC8	SR 38 - 39

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# Reader's Survey, TISCO Sustainability Report 2016

## 1. General Information about the Reader

### 1.1 Which stakeholder group do you identify as?

- Customer
- Employee
- Shareholder
- Investor
- Business Partner
- Regulator
- Educational Institution
- Mass Media
- General Public
- Other (please specify .....

### 1.2 What is your main interest in TISCO Sustainability Report 2016?

- To know TISCO
- Education and research
- Other (Please specify.....)
- To study/monitor CSR and eco-actions
- For investment information

## 2. Please rate your level of satisfaction with TISCO Sustainability Report 2016

### 2.1 The Contents

	High	Medium	Low
Provide an overview of TISCO's business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cover issues of your interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inform you about TISCO's sustainability in environment, social and economic aspects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Adequate for acknowledgement and decision-making	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clear	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### 2.2 Presentation of information/data

Easy to understand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Good layout	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall presentation of the report	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 3. Other suggestions for improving future editions of our Sustainability Report

### 3.1 Has this report comprehensively addressed issues you are interested in?

- Completely
- Incomplete, needs additional information  
(Please specify issues you wish to read about in the future Sustainability Report)

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### 3.2 Other comment(s), suggestion(s):

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TISCO Financial Group Plc. would like to thank you for your cooperation  
Your inputs are valuable to our sustainability endeavor and to our effort to prepare the next Report

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កម្ពុជា ភ្នំពេញ  
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