



Form 56-1 One Report 2021



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# What We Believe and What We Do

"At Ngern Tid Lor, in everything we do, we strive to empower people and enrich lives. We believe that access to fair, transparent, and responsible financial services is everyone's right. We deliver financial betterment by offering relevant products and services that are simple to understand, convenient, and fast through our committed employees."





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# Message from Chairman

For the last over a decade Ngern Tid Lor (“TIDLOR”) has dedicated itself to provide financing to mass market and the underbanked and unbanked, through innovative products, fast and credible service and transparent pricing. Our steadfast commitment to these objectives has led to continuous and profitable growth supported by our loyal customers and diligent staff.

Consequently, in May 2021 TIDLOR was listed at the Stock Exchange of Thailand and the IPO was a resounding success, supported by the public, financial institutions, our partners and well-wishers. With this your company is now in a very strong position, well capitalized, very strong liquidity, good asset quality and these will strengthen our ability to serve our target market and continue leadership position in vehicle title loans.

In the year 2021, the economy was very volatile and the COVID-19 cases shot up in the second half of the year and resulted in a shutdown of the country with limited services being open. During this time TIDLOR continued to help our customers in financial difficulty through various schemes to help them tide over their financial woes. Once again, our timely help was very well appreciated by our customers who have supported us these tough times.

Despite the economy slowing down showing a small rise in GDP and also the country shutting down and partially opening on and off, the management has very carefully steered the company very safely through the choppy waters.

The financial performance has been very robust, with the company meeting all the listing estimates, record profits and also achieved this with a very good growth momentum. TIDLOR I am happy to say, has never been in a stronger position, with respect to capital adequacy, liquidity position, asset quality and earning capacity.

The performance of TIDLOR for the year 2021 was good, generated revenue of 12,047 million Baht and making a net profit of 3,169 million Baht, growing 31.2 percent. Our focus in technology and digital innovation for driving the organization forwards fast. For instance, the innovative TIDLOR Card increases convenience for customers to withdraw cash from approved credit lines through more than 40,000 ATMs of leading commercial banks nationwide 24 hours a day.

We have been constantly expanding our branch network to expand our service channels. We currently have 1,286 branches nationwide and focus on an efficient management of operating expenses as reflected in the continuously decreasing cost to income, which is in line with lower financial costs. TRIS rating has promoted the company credit rating to be “outstanding senior unsecured debentures ratings at level A/Stable after being listed in the Stock Exchange of Thailand.

While the global economy was persistently sluggish over 2021, TIDLOR is fully committed to conducting business with Sustainability principles under good corporate governance and appropriate risk management. Along with supporting the development of economic, social, and environmental balance while setting the company's sustainable development goals in line with the UN's Sustainable Development Goals (SDGs). These reflect TIDLOR's achievement to generate long-term growth and sustainable returns for the maximum benefit of all stakeholders and the creation of benefits for society and the nation.

Speaking for all members of the Board of Directors, we are proud to work with a very professional organization to supervise TIDLOR's businesses with independence and neutrality for the long-term benefit of shareholders and other stakeholders. On behalf of the Board of Directors, I would like to express my deepest gratitude to all employees, executives, and stakeholders.



**Mr. Chandrashekar Subramanian Krishoolndmangalam**  
**Chairman of the Board**



# Message from Managing Director

To make an informed investment choice, it is crucial for co-owners of Ngern Tid Lor (“TIDLOR”) to know who we are and, more importantly, how we think. As this is our first annual letter to co-owners as a publicly listed company, we would like to take this opportunity to introduce ourselves.

Despite its status as a middle-income country, Thailand remains one of the most unequal countries in the world in terms of wealth distribution. Because of this, many Thais remain underbanked; while most people have access to savings accounts, far fewer have historically had access to cash loans from banks and licensed nonbanks. Experts estimate that it takes around two decades, if nothing goes wrong, for a family to escape poverty; a journey that most underserved Thai families have had to make without much support from the private sector, that is, until TIDLOR came along. On the surface, TIDLOR hardly appears different from traditional title loan lenders that are now common across Thailand, featuring down-to-earth, localized shop house look and feel. Our branches are designed to be approachable and easygoing; this is in contrast to the more prestigious premises of banks that can seem intimidating to the ordinary Thai. Thus, the number of branches serving title loan borrowers far outpaced the number of bank branches.

Our company’s journey began by providing loans with a commitment to provide assistance to those who have traditionally been denied credit by formal financial institutions. Our product offering has since expanded to include affordable insurance. Our purpose could not have been articulated as clearly as it is today, but as time went on, we realized what sets us apart from traditional lenders is our approach that has always been anchored in the responsible lending principles of fairness and transparency. We have always made tough decisions in an effort to strike a balance between helping the underserved avoid the trappings of informal moneylenders and generating a healthy return to our co-owners.

Beyond our profit motive, we are a company staffed by employees and leaders who care about financial inclusion. We believe everyone should have an opportunity at financial betterment. That desire extends to how our leaders view our relationship with our employees. If we put the well-being of our employees first, they will be able to focus on taking care of customers and building a strong company. The true long-term winners of this philosophy are our shareholders and society.

What many people don't realize is that TIDLOR is a company of "Firsts." A lot of what is expected nowadays was rare or nonexistent in the early days of TIDLOR. Many of the standards people expect from a title loan player were originated by us. We have been breaking barriers and surpassing so many milestones as a company that it will probably be impossible to compile a complete list. There are, however, a few important achievements that come to mind.

1. We were the first company in the title loan space to have a nationwide branch network. We led by example and set basic standards, such as providing customers with copies of their loan agreements and payment receipts.
2. Our first TV commercial was the first-ever TV ad to feature motorcycle title loans, launched in 2010. This ad helped raise awareness and popularize title loans as a viable alternative to borrowing from informal sources.
3. We were the first player to submit borrower repayment data to the National Credit Bureau. This has helped hundreds of thousands of individuals establish a formal credit history for the first time.
4. Over a decade ago, we launched our financial education program, the first of its kind by a private sector lender. Today financial education is a common buzzword among regulators and financial institutions.
5. We are the first company to receive the Nano Finance license from the Bank of Thailand.
6. TIDLOR was the first financial institution to establish LINE Official Accounts for each of our branches to enable localized digital social marketing.
7. TIDLOR is a founding member of the Vehicle Title Loan Association of Thailand (VTLA) in 2018, which played a key role in working with government regulators to legitimize title loans and establishing a license for the product.
8. We were the first lender to spotlight the dangers of over-borrowing through an eyebrow-raising campaign in 2019.
9. We made insurance affordable for the underinsured by pioneering 0% Buy Now, Pay Later for auto insurance. This has become an industry standard benefiting all vehicle owners.

It takes curiosity, guts, solid judgment, and a bit of luck to be First at something and become successful. Our direction as a company has always been to approach old problems with fresh eyes and break the mold especially when it comes to finding solutions and promoting financial inclusion.

A famous person once said, “If you want to be original, be ready to be copied.” Nearly every good idea we introduced, whether it was a marketing campaign, message, billboard design, or product that we’ve introduced has been adopted by competitors. They’ve either tried, or are still trying to mimic our success. As we lead the non-banking space, larger players in the banking sector have taken notice of our accomplishments and have announced plans to invade the title loan market as well. We consider their interest in what we do to be a major compliment. Since our goal is to help the marginalized receive better education and access to financial products, we welcome their entry into the space. Having followers is validation that we’ve been doing something right, and competition keeps us on our toes.

We would be remiss if we told you that everything we thought was a good idea has panned out. When we are curious about a new idea, we think and tinker, finding ways to test them out quickly and cheaply. At any given time, we will offer multiple lending programs with underwriting criteria modified from our core policy. We do this to actively challenge and disrupt ourselves. This “always-on” testing approach drives our product innovation pipeline and helped us transition from a purely asset-based lender to one that lends via a hybrid model. We use data to develop credit and behavior scores that augment human decisions and can toggle between approval methods to optimize our lending.

Every now and then, one of the seemingly brilliant ideas will be too far removed from our core operations to test inexpensively. These initiatives require larger commitments. If we think the idea makes sense, we’ll move forward with it. In the past, we invested and failed on a number of initiatives, including but not limited to, wet market lending, new tractor financing, and our very first insurance campaign. For all of these projects, we made the painful decision to pull the plug on them, after making substantial investments and incurring losses. We are still unwinding some of these programs today. Beyond product testing, we also pilot different methods of organizational management. We have tried and failed at Holacracy, but succeeded in transitioning from a traditional waterfall-style IT development approach to a more dynamic method with squads and the scrum methodology.

What’s vital beyond success or failure is that we bothered to try. We’ve benefited massively by taking the insights from these missteps to make TIDLOR stronger for the long-term. Critical components of the infrastructure and strategy that we currently use to drive TIDLOR such as our Lead Management System, our Collections policy, and our entire Insurance Business, were conceived from the remnants of our past failures.

Because we can’t always anticipate which ideas will work, we will keep dreaming up new ones and continue to try. This will lead to more mistakes and bad ideas. We realize that we won’t be right all of the time; our aim is to be right most of the time. Resting on the laurels of our past successes would be foolish and a disservice to our co-owners. Our thinking here relates to long-term sustainability. As stewards of the company if we commit to trial and error, we increase our chances of stumbling upon initiatives that will sustain our growth, with the ultimate goal being that Ngern Tid Lor will fulfil its potential and outlive us all.

Our past achievements and continued future success have been and will continue to be fueled by our unique culture. We have passionately built our tribe around a tangible set of core values that are conducive to create an environment of trust and innovation. At TIDLOR we treat our values differently than most organizations; our Core Values are much more than just nice words written on a piece of paper, plastered on a wall, or printed on a poster; they express who we are both professionally and personally. As NTLers we consciously craft policies, recruit people, build platforms, and design processes that reflect the values we share as individuals because we recognize that the environment in which we work is important to employee engagement and happiness. It's also easier said than done and potentially very rewarding; doing it successfully narrows the standard deviation in decision-making and minimizes miscommunication and friction between functions. This becomes more and more important the larger we get.

We are confident that our abilities to strengthen relationships with our clients, seek new partnerships, grow our organization, and stay innovative will be sustained as long as we can remain committed to our shared beliefs. I highly encourage you to visit our website or continue on with this annual report to read the full version of our values. During the post COVID-19 era, you can also participate in our TIDLOR Culture Camp, which we developed to help other companies improve employee engagement and enhance their corporate culture.

## **How we did in 2021**

I am extremely proud of our accomplishments in 2021. TIDLOR had another year full of milestones, firsts, and new beginnings. Following a turbulent 2020, in which COVID-19 played a key role. We had assumed that vaccines would be rolled out in the first half of the year, and that tourism would begin to recover in the second half. Our assumptions turned out to be incorrect.

Nevertheless, we stayed committed to the well-being of our employees and customers while continuing to invest and build the future. We also raised nearly 7,000 million Baht of capital in a successful IPO that strengthened our balance sheet and positioned us for future growth. What makes me particularly proud of our IPO as milestone beyond delivering on our commitment to shareholders, is that the IPO gave our employees the chance to become a co-owner. For years, I have witnessed the commitment and sacrifices that countless NTLers have made to help our company become a leading non-bank in Thailand, all the while relating to me how much TIDLOR means to them. I received so many messages from employees expressing their pride and continued commitment to TIDLOR.

Our IPO led to more Firsts. Ours was the largest IPO in the financial services industry in the history of the SET. We also broke records with regards to foreign investor demand and employee participation. We were the first private-sector company to give retail investors the opportunity to participate via the small lot first platform. Beyond inclusive finance, our IPO also had the added benefit of reducing brand confusion,

which remains a legacy issue for our company, but one that continues to diminish with each passing year. Lastly on the funding side, we became the first non-bank in Thailand to receive a loan from (International Finance Corporation: IFC). There are a few downsides of becoming a public company that we recognize and are learning how to manage. For starters, there is substantially more demand for our time from analysts, fund managers, and prospective investors. We are still trying to balance these requests for updates and previews against our existing priorities of actually running the company. The second drawback is the depth of information we are being asked to disclose, e.g., information about our performance drivers, business outlook, and future initiatives. We are a market leader with many followers. If we comply to these demands, our lead-time advantage when we launch innovations will become shorter, to the detriment of our shareholders. Co-owners, analysts, and prospective investors should expect us to be less vocal than our listed peers, and that we will make public disclosures when they are required, but not before. Our goal is to maintain our edge as long as possible.

On the product side, we rolled out the innovative TIDLOR Card product that transforms title loans from term loans into a card-based revolving credit facility. TIDLOR Card holders can now enjoy product features that previously were only available to those eligible for credit cards and unsecured personal loans. Through this product, rural, low-income, and self-employed borrowers now have increased flexibility and control in managing their cashflows, reduced reliance on loan sharks who typically charge ten (often twenty!) times our interest rate, and they are assured of the availability of emergency credit. Unexpectedly, cardholders have expressed a sense of pride, self-respect, and prestige. One client went so far as to tell us that they never thought that they would ever qualify for a card in his lifetime. This is a wonderful example of innovative and inclusive finance.

Despite our volume and insurance numbers being below our internal targets, I think we've done quite well to adapt and execute in the face of regulators imposing more restrictions on lending businesses and an economy that took a turn for the worse due to COVID-19 related lockdowns.

One area in which we continue to develop despite being impacted by external events, is IT. Over the past decade we have continuously experimented and invested in upgrading our technical capabilities while seeking new ways to deploy technology to improve our customers' lives. Our current approach is to bring structure to chaos and reduce complexity for our branch staff. During this process, we continue to train and undergo a companywide digital transformation. Employees within non-IT functions are able to maintain chatbots and write simple RPA (robotic processing automation) programs. In the future, when the customers are ready to immerse in a purely digital experience, the additional investments

required should be minimal. As part of our journey, we have also amassed quite a bit of technical debt and have identified the need to allocate time and resources to untangle our systems. While this won't translate into any externally visible benefits, over time we should expect to see increased scalability, stability, and security, automation, and flexibility.

We started our journey of redesigning our systems architecture toward the end of 2020, and continue to learn and make good progress toward accelerating our flywheel. Digital transformation is not easy - if it were, larger organizations wouldn't see the need to spin-off separate tech units to try to escape legacy issues. On this front, we elect to take the harder path and transform from within. This is because we view IT as a core capability, and fluent command of technology is an imperative for companies that aspire to innovate, differentiate, and lead in an industry of traditional bricks-and-mortar players. Frankly, it baffles us that with technology moving so quickly and with so many use-cases on how technology can be applied to benefit people's lives, the industry still hasn't invested more on IT. And while it's not a competition to invest, the knowledge and experience gained as an organization is cumulative. Good luck to those who are trying to catch up with us - we feel like we've only just begun.

## Looking toward 2022

I am the first to admit that it is impossible to predict the future. There's no crystal ball. When I joined TIDLOR as its Chief Marketing Officer back in 2008, I never expected our runway would be this long. And despite the progress we've made, thirteen years later, the Thai financial services landscape remains fragmented with a patchwork of regulations that looks even more daunting now than before. Official household debt figures exclude what every expert estimates to be a large informal market. That said, with this industry backdrop in mind, however, we expect continued growth in 2022.

We are entering 2022 with continued caution on how our company may be influenced by external factors. We believe uncertainty will remain high. There is no guarantee that COVID-19 is behind us, and we should be mindful of its influence on the economy and regulatory decisions, especially given that the healthcare system has trended toward increased controls, limitations, and scrutiny for consumer protection. In essence, this could go either way. Getting COVID-19 under control would boost economic activity and tourism. Alternatively, there could be a repeat of 2021 if the situation takes a turn for the worse and lockdowns return. In case that happens, I believe we have set aside sufficient provisions, and that our loan portfolio remains healthy. Our shareholders need not worry about our balance sheet integrity.

We will continue to focus on the elements in our control and build flexibility into our business. We believe there is room to expand our presence in all existing products and through both digital and traditional channels. In today's world, despite continued growth in digital culture, the customer journey is seldom mono-channel, and typically O2O. We remain convinced that investments in innovation and digitalization puts us on the right track to remain the leader in financial inclusion. We have a pipeline of products and services we are incubating and hope to release on a regular basis.

Lastly, if the opportunity arises, we will seek to invest and position TIDLOR as a strategic partner that offers risk management, technology, operations, and branch network management expertise in addition to capital.

### **Beyond the near-term**

If we look beyond the near-term, I am optimistic about our prospects. Very few players within this industry or even those in adjacent lines of business possess the assets that we have at TIDLOR. It took years to build our unique mix of brand strength, omni-channel distribution, fluency in technology, risk-management capabilities, operational scale, quality institutional shareholder base, and employee base comprised of thousands of loyal and committed individuals whose values are aligned. Title Loans and Insurance Brokerage are two businesses that we revived and reinvented. While we have established leadership position in both verticals, these are still relative early days for us in applying technology to capitalize on our insights into the underserved. You can be confident that we are working hard to continue to improve our customers' experience. We are also working diligently to identify a third leg of our business that will contribute to greater scale and choice for our clients while reducing their financial vulnerability. Over time, we hope that we will be able to deliver quality returns to co-owners with an appropriate degree of transparency and consistency alongside sustainable impact. We hope that our co-owners will read our values, reflect, and feel proud to own a piece of TIDLOR.

Finally, on behalf of NTLers, thank you for placing your trust in us and getting to know us. Nice to meet you and welcome to the family.



**Piyasak Ukritnukun**  
**Managing Director**



# Message from Audit Committee

The Audit Committee of Ngern Tid Lor Public Company Limited consists of 3 independent directors who are experts in a wide variety of fields and have sufficient knowledge and experiences to review the reliability of the financial statements. The Audit Committee includes Mrs. Kesara Manchusree; Chairman of Audit Committee, Mr. Supawat Likittanawong and Mr. Patara Yongvanich, members of the Audit Committee. Mr. Rattanasak Srichumsin, Head of the Internal Audit Department, serves as the secretary of the Audit Committee.

The Audit Committee performs its duties in accordance with the scope of responsibilities prescribed in the Audit Committee Charter as assigned by the Board of Directors. In 2021, the Audit Committee convened 4 meetings in total, whereas key points of operation could be summarized as follows:

**1. Reviewing compliance with Securities and Exchange Act, the regulations of the Stock Exchange of Thailand (SET) and other laws related to the Company.** During 2020 - 2021, supervision of credit providers had been very intense, for instance, reduction of interest rate ceiling for loans, determination of fee ceiling for debt collection, changes in the guidelines for calculating default interest rates and payment hierarchy, issuance of sustainable debt restructuring, and fair lending criteria, including the Bank of Thailand's policy to assist debtors affected by the COVID-19 pandemic situation in maximum controlled areas according to the national declaration. In addition, 2021 was also the year that Ngern Tid Lor became listed on the Stock Exchange of Thailand (SET), resulting in additional compliance requirements of the regulations of the Stock Exchange of Thailand (SET). The Audit Committee reviewed to ensure that the company had complied with the laws and the regulations of the Stock Exchange of Thailand (SET) and other related agencies. The Audit Committee is of the opinion that there are no material issues in the matter of non-compliance with the laws and the regulations of the Stock Exchange of Thailand (SET) and related regulatory agencies.

**2. Reviewing effectiveness of risk management, adequacy of internal control system and supervision of internal audit.** The Audit Committee reviewed the company key risk assessments and the adequacy of internal controls for risk management, and monitored risk management results through the Internal Audit Department's operations, as well as reviewed the results of internal control evaluation by using Internal Control Sufficiency Evaluation Form in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, to ensure that all departments of the company had carried out tasks efficiently and effectively and were able to achieve determined objectives and goals, as well as complied with related laws and requirements and were sufficient and able to control and prevent corruption. The Audit Committee is of the opinion that the company's internal control system is sufficient and appropriate in accordance with the Company's size of the business and the current situation.

**3. Reviewing Financial Statements for the Year 2021.** The Audit Committee had worked with the auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to review the company's financial statements, including changes in accounting policies, adjusting entries that had significant impact on the financial statements, and accurate and complete disclosure of information. The auditor provided advice that the company should set aside reserves according to the new accounting standard; TFRS9, including the effect of the COVID-19 pandemic situation which affected the company's debtors' abilities to repay.

**4. Reviewing and giving opinions on connected transactions and transactions that may have conflicts of interest, including the disclosure of such information.** The Audit Committee is of the opinion that the company had disclosed accurate and complete information in accordance with the regulations of the Stock Exchange of Thailand (SET), and such transactions were normal business transactions and appropriate for receiving the full benefit of the company.

**5. Reviewing and ensuring Corporate Governance is in line with the good Corporate Governance Principles.** The Audit Committee had reviewed the company's operations to ensure conformity with the good corporate governance principles, the Securities and Exchange Act, the regulations of the Securities and Exchange Commission (SEC), the regulations of the Stock Exchange of Thailand (SET) and other laws related to business operations, including obligations that may arise from contracts entered with third parties. The Audit Committee found that the company had complied with the relevant laws and regulations correctly, appropriately and in a timely manner.

**6. Consideration, selection and nomination of an auditor for the year 2021.** The Audit Committee had considered and selected the auditor by considering the auditor's independence, knowledge, ability, experience in auditing, the auditor's office team, and reasonable compensation. The Audit Committee had considered, selected and proposed to appoint the auditor to the Board of Directors in the Board Meeting No. 2/2021 dated 24 February 2021, for requesting an approval at the Annual General Meeting of Shareholders to appoint the auditor of Deloitte Touche Tohmatsu Chaiyos Audit Co., Ltd. to be the Company's auditor in 2021.

In conclusion, the Audit Committee has performed its duties in accordance with the scope, authority and duties stipulated in the Audit Committee Charter with due care, and has sufficient independence with good cooperation from the Management, employees and all related parties. The Audit Committee is of the opinion that the Board of Directors, and all executive directors and employees have placed great importance on efficient and effective performing and operating tasks under a good system of corporate governance with reliable transparency to boost shareholders, investors and all related parties' confidences.



**Mrs. Kesara Manchusree**  
**Chairman of the Audit Committee**



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# 7 Ngern Tid Lor

## Core Values

When we understand that a brand is not just a logo or symbol that customers recognize, but the feeling or impression that customers have when they interact with Ngern Tid Lor's employees, we will understand that "a culture is a brand" and "a brand is a culture."



# 1 Sustainable Impact by Creating Opportunities



At Ngern Tid Lor (“TIDLOR”), just focusing on making profit is not enough. We are a company that cares. We realize that we have the responsibility to make a difference and leave the world a better place than when we arrived. Our role in the grand scheme of things is to create opportunities for our employees, our customers, our partners, and others in society to have a chance at sustainable success. Only when everyday citizens are given the opportunity to capture their innate potential to be self-reliant, will our society be stronger. We at TIDLOR enable this by seeking ways to help our clients have access to fair, responsible, and transparent financial products and services. We do this with the understanding that we can create opportunity by providing access which is about “fairness of process” (giving people a chance), which is not to be confused with ensuring that everyone receives the same amount reward, or “fairness of result.” People must take advantage of opportunities through their own accountability and actions in order to benefit from them.

To be clear, while this value promotes that idea that profit insufficient, profitable growth IS A MUST. We are neither a non-profit nor charity organization, we have private-sector shareholders. Only a company that is strong can sustain contributions to society. Strong companies invest more in their employees’ learning and development, and in so doing help to contribute a more skilled and educated workforce. Companies that continue to grow not only hire and train more and more people, but also have budgets to take risks and try to new things, eventually leading to higher standards and innovation. Healthy companies and their employees that do things right pay their fair share of taxes to the government, thus giving back to local communities and the nation as whole.

We realize that we will never fully know the impact of the work we do. We give opportunities to the employees we groom and the clients we serve, not expecting to receive any payment in return, but hoping that they have it in their hearts to pay it forward with an act of generosity or kindness to others. We take pride and work hard to create lasting impact to society and feel privileged to work alongside people who share in this vision. Even at times of pressure, difficulty, and doubt, it is this purpose that keeps us energized to keep going.

We believe in giving.



## 2 Sense of Ownership with Gratitude

We don't own this company, but we make decisions like we do. TIDLOR has always been a company led by employees who care about the company, what it does today, and its future prospects. Our sense of ownership makes us passionate about delivering value to our clients because we believe that if they succeed, so will we.

Only after weighing the costs against benefits and risks against rewards do we make decisions to lend, invest, or spend our shareholders' money as if it were our own. The way to demonstrate gratitude to our shareholders for entrusting us with their assets and providing us with career growth opportunities and rewards is to act responsibly on their behalf.

Having ownership is not about cutting costs or the avoidance of spending money, but rather it is about getting more done with less resource. Everyone knows how to cut costs or buy stuff, but at TIDLOR we know how to spend money.

As owners we recognize that nothing ever runs smoothly, and daily problems are a part of doing business. NTLers don't have time to agonize over problems; we are too busy looking for solutions. Overcoming problems is a good; it helps us gain experience so that we can make better decisions in the future.

As owners with a vested interest in the success or failure of our organization, we actively manage our most valuable asset-our people. This includes making tough decisions to ensure that our people adapt to perform and succeed, because it will ensure that our organization remains healthy.

Even legends started off as amateurs. Some people have modest life goal to own a small coffee shop and be their own boss. Not us. We realize that we have the opportunity and resources to build a world-class organization, and that is exactly what we will do.

# 3 Candid Teamwork



When everyone does their job well, we succeed. When we execute our jobs well individually and work together as a team, we WIN BIG. When one of us focuses too much on our individual priorities, we usually lose. At the same time, when others in the team succeed, we celebrate wholeheartedly, because we know when any one of us succeed, our whole team get stronger.

Collaborating to win occasionally means throwing out organization charts, job scope, individual KPIs and titles that are conventional management tools of large organizations, so we can focus on the task at hand and on delivering results. In a team of leaders, there are no superstars, just the right people in the right jobs. As a team, we recognize the importance of providing feedback candidly, without reservation because it helps our teams win.

There will inevitably be times when one of us is off our game, putting our team goals at risk-it happens to the best of us. When this occurs, someone silently volunteers to pick up the slack. When some of us are behind, others sacrifice to go the extra mile and do more, thus ensuring no one falls too far behind, so we can still cross the finish line as a team. This behavior of sacrificing for the team and volunteerism is a hallmark of TIDLOR's past successes and expected of NTLers. No individual or unit is bigger than the company, or the team. When we win as a group, the rewards are greater and the victory sweeter.





# 4 **Serve with Integrity, Informality, and Authenticity**

When no one is looking, we do the right thing. When it is difficult, we do the right thing. When everyone behaves with integrity, we create an environment of trust, which is fundamental to every individual and team relationship. Where there is no trust, there is no team. Our TIDLOR family cannot succeed without relying upon one another. Doing what is right inherently implies that we strive to know what the rules are, so at TIDLOR we pay attention to the relevant laws, rules, and regulations. This doesn't mean we can't make mistakes. To err is to be human. But it does mean that we must not use ignorance and negligence as a defense.

Integrity also means we are loyal to our clients and our company, and that we have the courage to speak up when we see something that is inappropriate. We refuse to deceive, cheat, take advantage of, or steal from our clients, the company, and from one another because that's not who we are.

We serve our clients with friendly authenticity. We understand that being in a position of vulnerability, to have to ask others for help is difficult and sometimes scary. We aim to ease their apprehensions quickly and help our customers overcome the difficult times in their lives and help them achieve financial independence. We want our clients to feel, after every interaction, that we only want what's best for them. We achieve this serving our customers as if they were respected family members who ask us for our honest advice.

# 5 Thirst for Wisdom and Self-Development



Much like our company, our personal development journeys will never be complete. As individuals, we recognize that one of the few things in our bodies that can continue to get better as we get older is our mind. With more know-how and experiences our judgment and decision-making gets better and better and we become increasingly more valuable to our community.

It is simply not enough to only know things. We must seek to understand and apply it so that we can develop wisdom. We are naturally curious about why things are and how they work. This curiosity is what pushes us to seek to understand the “spirit” of rules, regulations and guidelines, rather than the just the written “letter.” With this understanding of the spirit behind the letter, we can refine our judgment and apply it to situations in which deviations and exceptions are needed. As our understanding of our area of expertise grows, we will be less fearful of innovation, and able to develop superior products and services for our customers.

While TIDLOR is committed to providing programs and support for learning, we recognize that we must also learn by doing. We don’t rely solely on formal training programs, we control own our self-development. Beyond the bare-minimum, we seek to learn through observation, reading, trial-and-error, and through the experience-sharing and wisdom of our colleagues. Learning from other people’s mistakes is one of the shortcuts in life. Our curiosity, commitment to learning and development, and experiences beyond our comfort zone are what drive us to grow each and every day.





# 6 Experiment to Lead Change



Constantly embracing change is an imperative because change is inevitable. Organizations that don't change go extinct. On the other hand, those that never stop reinventing themselves have the potential to live forever. At TIDLOR, we do more than just survive change, we drive it and thrive because of it.

There are always forces that we can't control which are always shifting. Consumer behavior, technology, competition, and regulations to name a few. What we CAN do is keep an open mind and adapt to them while deploying our resources to ensure that we are not surprised by these changes.

To innovate is to lead. Where possible, we want TIDLOR to be the force driving the change in any environment in which we operate. This requires us to be flexible while constantly experimenting, challenging ourselves to find a better way to do things. This inherently requires us to take risks, and in doing so, fail. We are unafraid of taking calculated risks -- in fact, we encourage learning through mistakes.

When we think we are on to a good idea, we ask ourselves the simple question, "Why Not?"

Our evolution is enabled by paying attention to with what's going on externally and being open to testing new concepts and ideas internally. We are a culture that is not fearful of upending the status quo by blowing up what we have built if we think we can reinvent and rebuild ourselves to be much better, because we realize what got us here may not take us further.

# 7 Work Smart, Party Hard



Ensuring that we execute well to remain a successful, healthy, growing organization requires a ton of effort and dedication. Working hard is unavoidable. Lucky for us, we are passionate about creating opportunities for others, and that's why we don't mind going the extra mile. It's also why we lose track of time and sometimes find ourselves spending more time with our colleagues than with our friends and families.

Hard work needs to be accompanied by smart work. Working smart also means minimizing the formality and bureaucracy of large companies. Creating a culture of informality allows us to troubleshoot problems and seize opportunities with the quickness and nimbleness of small start-ups. This is not about cutting-corners, or sacrificing thoroughness, but rather about seeking practical and simple solutions to complex problems, so that we accomplish more using less time and resources. We allocate our time productively to think about solutions instead of worrying about problems.

Working smart means having fun along the way. When we don't enjoy what we do and the people who we do it with, we burn out. That's neither smart nor fun. At TIDLOR we all contribute to the atmosphere and community to which we belong. We are not robots, we are all unique, and probably a bit weird. We embrace one another's quirks and appreciate everyone's individuality.

The path to success can be stressful, but it doesn't have to be. Winning can and should be fun. Having fun doesn't mean we aren't serious about execution. We celebrate our successes, large and small, enjoy each other's company, speak frankly and informally about work to solve problems, and go all-out when it's time to party!



# Board of Directors

**Mr. Chandrashekar  
Subramanian  
Krishoolndmangalam**

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- Chairman
- Authorized Director
- Chairman of Risk Management Committee



**Mrs. Kesara Manchusree**

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- Independent Director
- Chairman of Audit Committee
- Member of Remuneration and Nomination Committee



**Mr. Piyasak Ukritnukun**

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- Managing Director
- Authorized Director
- Member of Investment Committee



## Mr. Minki Brian Hong

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- Director
- Chairman of Remuneration and Nomination Committee



## Mr. Phonganant Thanattrai

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- Director
- Authorized Director
- Member of Remuneration and Nomination Committee



## Mr. Vasin Udomratchatavanich

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- Director
- Member of Remuneration and Nomination Committee



## Mr. Elcid Vergara

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- Director
- Authorized Director
- Member of Remuneration and Nomination Committee
- Member of Risk Management Committee
- Member of Investment Committee



## Mr. Schwin Chiaravanont

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- Director
- Authorized Director



## Mr. Nathapol Luepromchai

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- Director
- Member of Investment Committee



## Mr. Supawat Likittanawong

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- Independent Director
- Member of Audit Committee
- Member of Investment Committee



## Mr. Patara Yongvanich

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- Independent Director
- Member of Audit Committee
- Chairman of Investment Committee



## Mr. Santitarn Sathirathai

---

- Independent Director



# Senior Management Team



**1 Mr. Piyasak Ukritnukun**

Managing Director  
Chief of Senior  
Management Team

**2 Mr. Veerapat Viriyakovitya**

Head of Financial  
and Accounting Department

**3 Miss Nipa Vanichavat**

Head of Business Support  
and Central Service Department

**4 Miss Piano Watcharapolmek**

Head of Operations and Operational  
Risk Management Department



5

6

7

8

9

**5 Mrs. Athitaya Phoonwathu**

Head of Human Resources  
and Insurance  
Broker Department

**6 Mr. Thanya Kitchainukul**

Head of Credit  
Department

**7 Mr. Siu Bong Tso**

Head of Marketing  
and Business Development  
and Information  
Technology Department

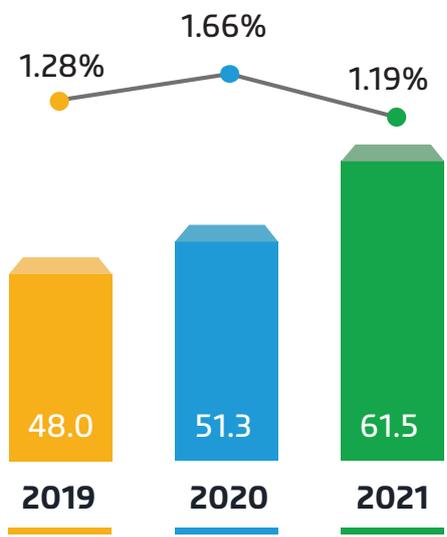
**8 Miss Chaweemas Yamyim**

Head of Branch Development  
and Sales Management  
and Collections Department

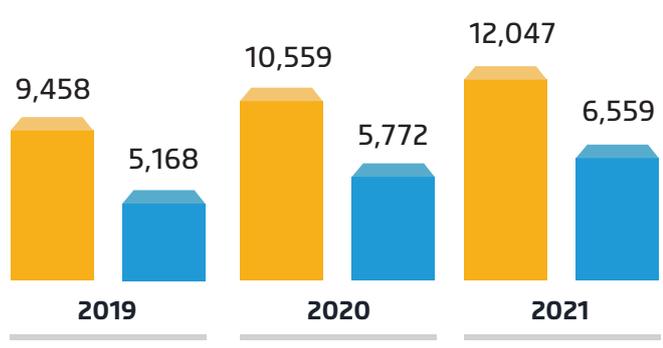
**9 Mrs. Duangporn Utaipat**

Head of Compliance  
Department

# Financial Highlights



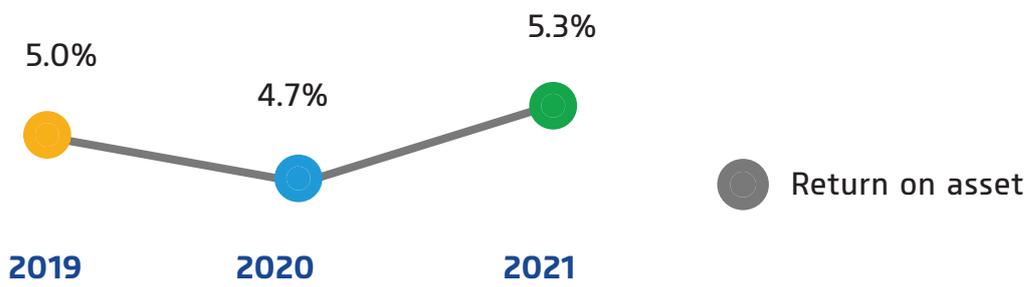
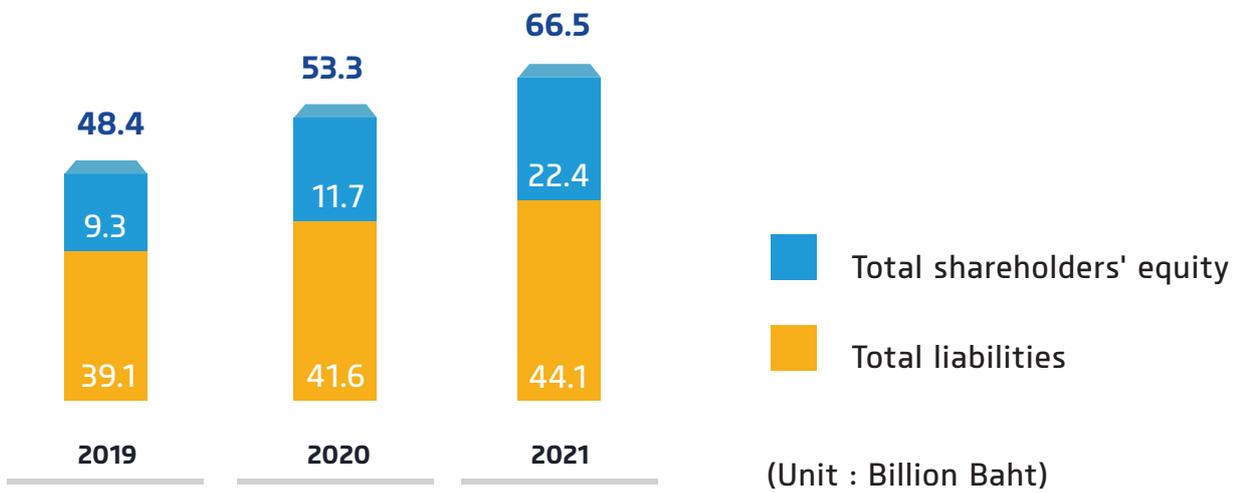
 Non-performing receivables to total gross loans and hire-purchase receivables  
 Loans and hire purchase receivables  
 (Unit : Billion Baht)



 Total revenue  
 Service and administrative expenses  
 (Unit : Million Baht)



 Net Profit  
 (Unit : Million Baht)



# Activity Highlights



## March 8, 2021

Launched a commercial ad, "Ngern Tid Lor now offers you a revolving cash card" to introduce "TIDLOR Card", a revolving cash card that enables vehicle title loans applicants to conveniently withdraw cash through ATMs of leading commercial banks nationwide.

## March 10, 2021

Participated in a panel discussion: "Integrating Multi-Sectoral Collaboration for Effective Social Reintegration" at the United Nations Forum, to share idea and method of organizing Financial Literacy Education for conducting a career for those who made missteps, under the Kamlangjai Project. Ngern Tid Lor was the only representative from Thailand's private sector that participated in the discussion at the event.



## April 12, 2021

Launched a commercial ad "TIDLOR IPO- Growing Sustainably Together", as well as communicated Out of Home media throughout Bangkok.



## May 10, 2021

First Trading Day of "TIDLOR IPO", that were deemed as the highest value offer among the IPO stock in the finance and securities group and ranked as top 5 in the history of the stock exchange of Thailand.

**Remark:** As of the offering date (May 10, 2021).



## May 26, 2021

Donated **1,500,000** Baht to the Foundation and Department of Disease Control to support the expansion of COVID-19 vaccination service point for people of all nationalities in Thailand.

## July 1, 2021

Launched "**Quick Books Return Guarantee**" to step up the service standards by guaranteeing the return of vehicle registration books following a vehicle registration loan within 15 business days after the customer successfully closes the account. For hire-purchase loans, the guarantee is within 30 days after receiving the complete transfer document. Ngern Tid Lor is the first service provider to offer this guarantee to build confidence for customers.



## August 9, 2021

Donated volume controlled ventilators valued **1,800,000** Baht to Rajavithi Hospital to support the extension of emergency room project for accommodating patients with severe COVID-19 and also support the mission of front-line personnel in helping more lives.



## August 11, 2021

Shared its views on the importance of digital transformation in order to strengthen and equip the retail business owners to be able to adapt and keep growing even in the post COVID-19 era, through the webinar:

**“Unlocking Thai SMEs; Adapting to the Next Normal”** organized by the Kenan Foundation Asia in collaboration with the Office of SMEs Promotion (OSMEP).

## September 9, 2021

Donated **1,000,000** Baht to Teach For Thailand Foundation to support the important mission on building knowledge base for Thai youth and promote their potential development, which were considered reducing inequality of knowledge and education, in terms of knowledge and education, all of which were cornerstones for building a better and sustainable life.



## September 14, 2021

Supported Facebook fan page **"Save Thailand Safe"** in order to help lighten its mission on coordination for supporting those who had been diagnosed with COVID-19:

1. Developed Chatbot system of facebook page, "Save Thailand Safe" with a collaboration with partners.
2. Recruited NTLers to assist the volunteer works.
3. Organized the project to procure "We Must Survive Box" together with business partners.



## September 16, 2021

Jointly shared a view on **Frictionless Consumption and Unintended Consequences** at RESHAPE 2021 to raise consumer awareness, improve strength and take part in protecting the next generation from falling into the trap of Overborrowing.

## October 26, 2021

Launched "**Areegator**", and highlighted InsurTech innovation for generating income for small insurance broker in order to expand business base through a network of insurance brokers nationwide under the concept of "Sincere, Understand, and Grow Together".



## November 1, 2021

Launched a series of advertisements: "**TIDLOR Insurance: Offer You Class 1 Car Insurance 10 months 0% interest cash installment**" to present an alternative to first class vehicle insurance, 0% installment up to 10 months, no credit card required in order to lighten burden for our clients.

## November 8, 2021

Developed knowledge courses for careers in **online learning guide format** to deliver to prisons and penal institutions nationwide under the Royal Kamlangjai Project for using in trainings, providing knowledge, developing basic occupational skills, and supporting returning good people to society.



# Opportunities to Customers and Society



For 6 years, we have provided free accident insurances to **1,411,694** **182** financial literacy activities with **4,851** participants in total. customers with total compensation of **194,747,167 Baht.**

(Total number as of December 31, 2021)

For 8 years, we have organized organized **182** financial literacy activities with **4,851** participants in total

(Total number as of 2013-November 2021)



For 4 years, we have opened our the house to welcome **52** external agencies with **1,324** participants to visit and learn a corporate culture building through NTL Culture Wow.

(Total numbers as of December 31, 2021).

# Product Highlights



Ngern Tid Lor provided services through its **1,286 branches** in 74 provinces nationwide.



## “TIDLOR Card”

Revolving cash card that supports vehicle loan applicant to conveniently withdraw cash according to credit limit through ATMs of leading commercial banks across Thailand.

# NTL MOBILE APPLICATION



NTL Mobile Application provides services including non-life insurance and loan application via mobile phone under supervision of the Bank of Thailand and the Office of Insurance Commission (OIC)



# 2021

## The Year of Innovation Recognition For Creating Sustainable Growth



- 1 **Finance Company of The Year 2021**  
by Asian Banking and Finance
- 2 **Best in Future of Intelligence Thailand 2021**  
by IDC Future Enterprise
- 3 **Best Digital Business Model Initiative / Application in Thailand 2021**  
by The Asian Banker Thailand
- 4 **Outstanding CX in Digital Sales Strategy**  
by Digital CX Awards 2021  
organized by The Digital Banker
- 5 **Highly Acclaimed: Best Use of Data and Analytics for CX**  
by Digital CX Awards 2021  
organized by The Digital Banker
- 6 **Best Employer Brand Award 2021**  
by Asia's Best Employer Brand Awards 2021  
organized by World HRD Congress
- 7 **Dream Employer of The Year 2021**  
by Asia's Best Employer Brand Awards 2021  
by World HRD Congress
- 8 **Best Equity / IPO Deal of The Year in Southeast Asia 2021**  
by Alpha Southeast Asia
- 9 **Highly Commended: Best Retail Bank Thailand 2021**  
by Retail Banker International
- 10 **Highly Commended: Best App for Customer Experience 2021**  
by Retail Banker International
- 11 **Highly Commended: Best Application of Data Analytics 2021**  
by Retail Banker International
- 12 **Highly Commended: Best Use of Machine Learning 2021**  
by Retail Banker International
- 13 **Highly Commended: Best Advertising Campaign 2021**  
by Retail Banker International
- 14 **Thailand's Most Admired Brand 2021**  
by BrandAge Magazine  
(3 consecutive years)
- 15 **Product and Innovation Awards 2021**  
by Business+ Magazine
- 16 **Bronze Award: Film Category**  
TVC: Ngern Tid Lor Corporate Ad 2019  
by Adman Awards & Symposium 2020 & 2021
- 17 **Bronze Award in the Film Category from the movie advertisement: "TIDLOR IPO"**  
by Adman Awards & Symposium 2020 & 2021

# 1

## **Business Operation and Performance**

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“

**During the COVID-19 pandemic,  
our income has decreased.**

We used to receive overtime pay, but there is no overtime during this period. We had usually earned enough for family spending, but then we experienced not having even a single baht in the pocket. Thanks Ngern Tid Lor for being our refuge during the days when we are so discouraged.”

”

**Mr. Wittawach Pinijmontri**

Ngern Tid Lor's Client, Pattanakarn 69 Branch



Scan to watch video  
on clients' voices



## Company Structure and Operation

### Business Policies and Overview

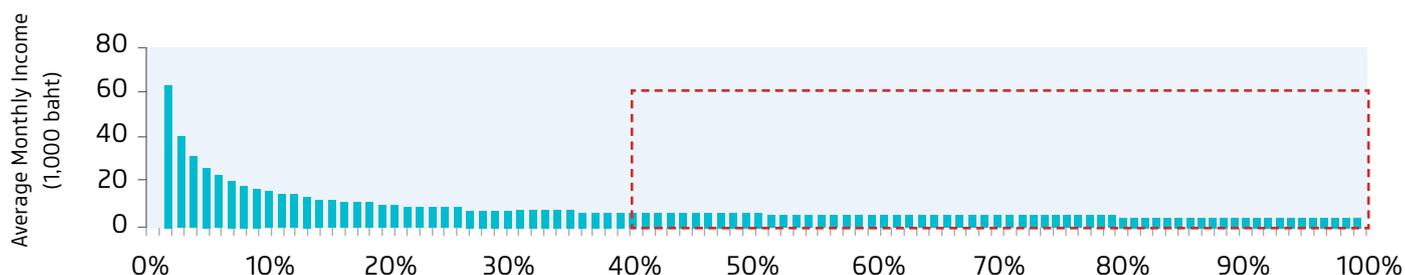
Ngern Tid Lor Public Company Limited (the “Company”) was founded on October 24, 2006 under the name “CFG Services Company Limited”. We were officially renamed “Ngern Tid Lor Company Limited” on September 30, 2015 and subsequently registered to become “Ngern Tid Lor Public Company Limited” on November 17, 2020. Based in Bangkok, Thailand, we are a non-bank financial services provider and an operator of technology-enabled, inclusive financial services. We offer a full suite of vehicle title loans (motorcycles, cars, pickup trucks and tractors), hire-purchase financing for used trucks, and insurance brokerage services, using the Ngern Tid Lor (“Money on Wheels”) brand.

We have created a scalable and flexible distribution and financial service platform that combines an innovative digital infrastructure and omni-channel customer experiences. With more than three decades of our team’s experience, we are growing quickly to become a market leader in the vehicle title loan market, with approximately 27 percent<sup>(1)</sup> market share as of December 2021. Leveraging on this vehicle title loan business, we made the strategic decision to start operating an insurance brokerage business in 2017, and we currently provide distribution services for motor and other insurance products from 21 insurers in Thailand on a purpose-built InsurTech platform.

The Thai financial services market in which we operate is fragmented and developing quickly. Our customer base is a large, long-tail segment of the Thai population with average monthly income less than 10,000 baht, who are mostly sole-proprietors, micro entrepreneurs and blue- and white-collar workers with limited credit history and variable income and cash flows who are underserved by traditional financial institutions and who often turn to unlicensed lenders, particularly when in urgent need.

Source: <sup>(1)</sup> The Bank of Thailand (December 31, 2021)

### Over 61.7% of the Thai population has an average monthly income of less than 10,000 baht.



Source: Household Socio-Economic Survey (2019), National Statistical Office

To meet the needs of these customers, we offer our group of clients with speedy and simple products and services through an extensive distribution network of more than 1,286 branches across 74 provinces, and supported by a wide referral network (including agents, telesales, used truck dealers and referrals from the branches of Bank of Ayudhya), online customer engagement channels (including our website, mobile application, Facebook and Tidlor Connect on Line), our own automation system throughout our business driven by proprietary technology systems, and a high working standard and professionalism in operations. All of this contributes to our ability to meet the demands of our growing customer base.

We believe that we have a different philosophy and approach to our business than our peers in Thailand. Our approach is focused upon forward-looking investments in our (i) Ngern Tid Lor brand, (ii) technology platform, and (iii) customer experience, all of which are critical factors to our longer-term success and will have an effect on shareholder returns.

In order to capture the benefits of digitization in our industry, we have focused our investment on information technology, and we believe that this investment and our emphasis on digitization will differentiate us from other service providers in our same industry. This investment also provides us with the opportunity to benefit from the expected changes in demographics, customer behaviors and the Thai economy more generally over the coming years, as well as the shift from a largely paper-based vehicle title loan and insurance brokerage market to a more sophisticated digital industry. Due to the foregoing factors, we project that more than half of all of our customer acquisitions will occur online through digital channels within the next ten years. As such, in addition to leveraging the increasing digitization and latest technologies for our own operations (including risk management), we also focus on working to bring the benefits of these technologies to our customer base. For example, our in-house data analytics capabilities contribute better data-based insights and intelligence to improve our customers' experience. By analyzing the available data for all aspects of our customers' experience from lead acquisition through product servicing and collections, we are able to better assess our practices and streamline our operations, which in turn allows us to improve our ability to design and offer easily accessible, transparent and affordable financial products and services and insurance coverage that our customers may not be able to obtain or may find difficult to obtain at reasonable costs from commercial banks and other licensed financial institutions with the same conditions.

With a stated goal to treat customers fairly and transparently, we firmly believe that simple and straightforward access to financial services, together with financial education, creates opportunities for customers and the broader community and helps in the battle against poverty in the long-term. To that end, corporate social responsibility ("CSR") is also core to our values. We seek to manage the costs for our customers to be able to access our products and services, and we are also known for providing creative and easy-to-understand financial education to help customers to manage their finances sustainably.

## 1.1 Vision, Mission, and Goals

"At Ngern Tid Lor, in everything we do, we strive to empower people and enrich lives. We believe that access to fair, transparent, and responsible financial services is everyone's right. We deliver financial betterment by offering relevant products and services that are simple to understand, convenient, and fast through our committed employees."

# “Ngern Tid Lor’s”

## Business Strategy



### Maintain leadership in the vehicle title loan market through network expansion and innovation in risk and technology:

- Open approximately 300 branches in 2022.
- Continue to expand digital distribution channels and client referrals networks, including both offline and online.
- Further leverage our information advantage and enhance risk management capabilities.

### Continuously improve operational efficiency through digital transformation:

- Continuously enhance customer experience and deliver product and service innovations.
- Automate operational processes and reduce manual work.
- Continue to improve data infrastructure by connecting with new external datasets.
- Strengthen analytic capabilities through various analytics and machine learning projects.



### Continue to strengthen our insurance brokerage platform:

- Expand our insurance product offerings, on boarding additional insurance partners, improving servicing capability and additional marketing.
- Provide a full range of transaction services through online channels and mobile applications.
- Continue to roll out Areegator platform to drive growth by growing our network of independent brokers who can benefit from our continued investment in insurance platform.



### Pursue strategic acquisitions and other opportunities for business diversification:

- Potentially seek mergers, acquisitions, strategic alliances and partnerships to expand our products and services, augment our distribution channels, and upgrade our technology capabilities.
- Potentially expand selectively into other market in the ASEAN region as a strategic investor in similar consumer finance operators where we can transfer our experiences and capabilities in risk management, operations, and technology.



**1) The Company strives to maintain leadership in the vehicle title loan market through network expansion and innovation in risk and technology.**

We believe an optimized branch presence will remain the primary channel for our product and services offerings. There are significant opportunities to acquire and service more customers by opening branches near them. We plan to continue to expand our branch network to broaden the geographic footprint and target opening approximately 300 new branches in 2022 in selective areas leveraging our GIS score model.

At the same time, we intend to continue to expand our digital and referral network distribution channels, including both offline and online, to further drive customer traffic resulting in revenue growth.

We will further leverage upon our data advantage and enhance our risk management capabilities by continuing to develop our predictive scoring models and targeted products and services offerings through our decision-making engine. We will also keep broadening credit, behavioral, and alternative data collection and rigorous product testing across all of our new products and services.

We also plan to maintain our leading position in the vehicle title loan business market to increase the total loan size by 20 to 25% in 2022.

**2) The Company continues to increase productivity through core strategy of digital transformation.**

Our core strategy of digital transformation is intended to further digitalize financial services, including the customer experience in choosing products and services, product and service innovation, marketing and sales, digital fulfilment, appropriate risk management and enhanced corporate control to deliver an omni-channel customer experiences and higher operational efficiency. We aim to continue to use chatbots and RPAs to automate processes and reduce manual labor. We are also in the process of enabling end to end transactions of our existing products and launching additional new products through our online channels.

We are focusing on enriching our data collection and application. As part of our data-driven decision-making framework, we are continuing to enhance data infrastructure, connect with new external datasets and strengthen analytic capacities and capabilities through various machine learning and AI projects. We are continuously expanding our data analytics and business intelligence tools to include new functions, with the goal of reducing processing time and enhancing customer experience. We believe this will benefit both our customers and our business by saving costs, boosting revenue and increasing outreach to customers.

Our financial services digital transformation strategy also empowers our front office and branch staff by automating various operations thus enabling our branch staff to handle more transactions with a higher level of complexity.

**3) The Company continues to strengthen its insurance brokerage platform and aspire to be one of the leading insurance brokers in Thailand.**

We believe there is significant scope for future growth through the consolidation of the fragmented market, and we aim to be a leading insurance broker in Thailand through the expansion of our market share driven by expanding our insurance product offerings, onboarding additional insurance partners, improving servicing capability and additional marketing. We will continue to play a greater role in facilitating and tracking claims to provide us with more customer engagement and data collection.

We plan to further enhance Ngern Tid Lor brand awareness for insurance distribution, expand product offerings on the shelf, increase leads acquisition from online channels, and enable end-to-end transactions through online and mobile applications for renewals and new purchases. For example, we have developed a “plug-and-play” platform, which enables insurers to distribute across third-party

platforms that are plugged into our network. Leveraging on the substantial amount of data that we have gathered during our operation, we also plan to offer customized insurance products in collaboration with our insurance partners. Our Areegator platform will continue to drive our growth by growing our network of independent brokers who can benefit from our continued investment in insurance platform. We have a medium-term plan to increase the percentage of our total revenue contributed by our non-life insurance brokerage business to 13% of our total operating revenue.

**4) The Company shall pursue strategic acquisitions and other opportunities for business diversification.**

In addition to continuing to grow our vehicle title loan and insurance brokerage businesses organically in domestic market, we may seek mergers, acquisitions, strategic alliances and partnerships to expand our products and services, augment our distribution channels, and upgrade our technology capabilities. We may also selectively expand into other market in the ASEAN region as a strategic investor in similar consumer finance operators where we can transfer our experiences and capabilities in risk management, operations, and technology.

**1.2 Significant Changes and Progresses**

**Characteristics of Business Operations over the Past Years**

As of December 31, 2021, the Company had a total of 1,286 branches nationwide, which included 369 branches in Bangkok and perimeter and 917 branches in provincial areas, to cover the Company’s target clients in Bangkok and upcountry. Significant milestones related to the Company’s business are as follows:

Year	Milestone
2019	<ul style="list-style-type: none"> <li>Bank of Ayudhaya sold fifty percent of its equity interest in the Company to Siam Asia Credit Access Pte. Ltd.</li> <li>We opened our 1,000<sup>th</sup> branch location and launched the Company’s Revolving Cash Card service, which offered clients fast and convenient access to financial services by making cash withdrawals available at ATMs of our partner commercial banks nationwide.</li> </ul>
2020	<ul style="list-style-type: none"> <li>We launched our Areegator platform and Ngern Tid Lor mobile application.</li> <li>We changed our organizational status to become a public company limited, changed our par value from THB 37 per share to THB 3.70 per share, and increased our registered capital by THB 780,021,790 from the prior registered capital of THB 7,800,221,119 to THB 8,580,242,909 by way of an issuance of up to 210,816,700 shares at a par value of THB 3.70 per share as part of the initial public offering of our ordinary shares.</li> </ul>
2021	<ul style="list-style-type: none"> <li>Listed on the Stock Exchange of Thailand (SET) under the ticker symbol “TIDLOR”, the company’s first trading day was on May 10, 2021. Counted as <b>“IPO shares in the finance and securities sector with the highest offering value and being in the fifth largest IPO in the history of SET.”<sup>(1)</sup> TIDLOR also attracted the attention of 32 leading institutional investors around the world to sign up and become Cornerstone Investors and retail investors”.</b></li> <li>The credit rating has been upgraded from “A-“ to “A” by TRIS Rating, the credit rating agency. This confirms the company’s strength under uncertain circumstances during the COVID-19 epidemic as an emerging disease.</li> </ul> <p>Remark: <sup>(1)</sup> An initial offering date (May 10, 2021)</p>

Year	Award
<b>Awards and Recognition</b>	
2019	<ul style="list-style-type: none"> <li>• Excellent in Employee Engagement 2019 from Retail Banker International</li> <li>• The Best Employee Engagement Initiative, Application or Programme 2019 from The Asian Banker</li> <li>• Thailand's Most Admired Brand 2019 from BrandAge</li> </ul>
2020	<ul style="list-style-type: none"> <li>• Most Innovative Digital Innovation in Financial Inclusion 2020 from The Digital Banker</li> <li>• Outstanding Leadership in Customer Experience – Team 2020 from The Digital Banker</li> <li>• Dream Employer of the Year 2020 from World HRD Congress</li> <li>• Dream Company To Work For 2020 from World HRD Congress</li> <li>• Thailand's Most Admired Brand 2020 from BrandAge</li> </ul>
2021	<ul style="list-style-type: none"> <li>• Best Digital Business Model Initiative/Application in Thailand 2021 from The Asian Banker</li> <li>• Outstanding CX in Digital Sales Strategy 2021 from Digital CX Awards by The Digital Banker</li> <li>• Best Use of Data and Analytics for CX 2021 (Highly Acclaimed) from Digital CX Awards by The Digital Banker</li> <li>• Best in Future of Intelligence Thailand 2021 from IDC Future Enterprise</li> <li>• Finance Company of the Year – Thailand 2021 from The Asian Banking &amp; Finance</li> <li>• Best Retail Bank Thailand 2021 (Highly Commended) from Retail Banker International</li> <li>• Best App for Customer Experience 2021 (Highly Commended) from Retail Banker International</li> <li>• Best Application of Data Analytics 2021 (Highly Commended) from Retail Banker International</li> <li>• Best Use of Machine Learning 2021 (Highly Commended) from Retail Banker International</li> <li>• Best Marketing Campaign 2021 (Highly Commended) from Retail Banker International</li> <li>• Best Employer Brand Award 2021 from World HRD Congress</li> <li>• Dream Employer of The Year 2021 from World HRD Congress</li> <li>• Thailand's Most Admired Brand 2021 from BrandAge</li> <li>• Best Equity/IPO Deal of the Year in Southeast Asia 2021 from Alpha Southeast Asia</li> </ul>

### 1.3 The Utilization of Proceeds from the Initial Public Offering

The Company received proceeds from its initial public offering (“IPO”) of 210,816,700 shares, at the selling price of THB 36.50 per share. The Company received the net proceeds after the deduction of expenses relating to IPO at the amount of 7,495 million baht. The Company's objectives of the use of proceeds are as follows:

Unit: Million baht

Objectives of the Use of Proceeds	Approximate Usage of Net Proceeds	Accumulated Usage of Net Proceeds as of December 31, 2021
1. For expanding our lending and insurance brokerage businesses		
1.1 Renovate our existing branches and expand our branch network	340	100
1.2 Improve and develop projects regarding information technology and digital transformation	810	284
2. For capital restructuring by repayment of existing indebtedness	5,500 - 6,000	6,000
3. For working capital	518 - 545	545
Total	7,168 - 7,695	6,929
Balance		766

## Nature of Business

### 1. Revenue Structure Divided by Product Line

Based in Bangkok, we are a non-bank financial services provider and an operator of technology-enabled, inclusive financial services. We offer a full suite of vehicle title loans (motorcycles, cars, pickup trucks and tractors), hire-purchase financing for used trucks, and insurance brokerage services, using the brand of Ngern Tid Lor (“Money on Wheels”) which is well known throughout an entire nation. The Company’s performance shows continuous growth and profitability. As of December 31, 2021, the Company had total assets of 66,525 million baht and the revenues for the year ended December 31, 2020 and 2021 were 10,558.9 million baht and 12,047.1 million baht, respectively. In addition, as of December 31, 2021, the Company had a total loan amount of 61,458 million baht, an increase of 19.7 percent since December 31, 2020. For the year ended December 31, 2021, the insurance premiums collected by the Company was 5,220 million baht compared to 4,011 million baht for the year ended December 31, 2021, and the average return on equity was 18.6 percent compared to 22.9 percent as of December 31, 2020.

The following table shows the Company’s total revenues for each year as stated.

Unit: Million baht

	For the year ended December 31					
	2019	%	2020	%	2021	%
Revenues						
Interest income from hire- purchase receivables	1,663.0	17.6	1,204.8	11.4	1,111.6	9.2
Interest income from loans receivables	5,972.2	63.1	7,530.5	71.3	8,713.1	72.3
Fee and service income	1,803.3	19.1	1,792.0	17.0	2,197.1	18.3
Other income	19.4	0.2	31.6	0.3	25.3	0.2
<b>Total Revenues</b>	<b>9,457.9</b>	<b>100.0</b>	<b>10,558.9</b>	<b>100.0</b>	<b>12,047.1</b>	<b>100.0</b>

### 2. Product Information

#### Products and Services

Our products and services are broadly divided into two types: lending and life and non-life insurance brokerage. Within our lending operations, we provide vehicle title loans and hire-purchase financing as a type of sale-leaseback arrangement. Our insurance brokerage business is comprised of non-life and life insurance brokerage to retail customers or customer referrals to insurance companies including the provision of mandatory and voluntary motor insurance, personal accident insurance, loan payment protection insurance, and health insurance, such as cancer coverage. We subdivide our non-life insurance offerings into motor insurance and non-motor insurance, such as personal accident insurance and health insurance, and we classify our life insurance offerings as personal protection insurance (“PPI”), which is an insurance product to protect an applicant as an insured in the event of a serious incident that causes death or disability. In addition, we offer related services for vehicle registration renewals and annual vehicle tax payments for existing customers.

## 2.1 Lending

We are committed to become a leading lender to the long tail segment in Thailand, focusing on offering fast, convenient and simple financing products to customers. We believe that our strength lies in an extensive distribution network. As of December 31, 2021, we had 1,286 branches across 74 provinces in Thailand, which are supported by a wide referral network (including over 5,132 retail agents nationwide, more than 519 telesales representatives, 136 of which were our employees and over 383 of which were outsourced personnel, over 491 used truck dealers and 638 Krungsri branches) and online customer engagement channels (including our website, Ngern Tid Lor application, Facebook and “Tidlor Connect” on Line application), all of which provide us with quick, on-site and online access to potential clients. We do not charge pre-loan approval fees, and we provide loan for used vehicle registration of up to 25 years.

Our lending primarily takes the form of vehicle title loans to individuals, which are secured by the title to vehicles such as motorcycles, cars, trucks and tractors. These loans carry a maximum annual interest rate as prescribed by law. When granting vehicle title loans, our borrowers sign a title transfer form and provide us with the physical vehicle title registration book as security without transferring ownership of the vehicle to the Company. Borrowers continue to retain the vehicles for their use. We typically store vehicle title registration books at a third-party storage site, and in the event that a customer defaults, we may attempt to recover the vehicle for further debt repayment. Furthermore, execution of title transfer forms and delivery of registration books (together with other documents) to us does not result in our status being that of a secured creditor that has preference rights over the security and can directly enforce its security interest in that asset in the event of a customer default.

### Vehicle Title Loans

Car and motorcycle title loans typically have a term of 12 to 60 months. For other types of vehicles, our title loan terms range from 12 to 72 months, and the maximum age of the underlying secured asset is typically 15, 20 and 25 years for motorcycles, cars and trucks, respectively. We normally evaluate the vehicles underlying the title registration book that is delivered as security physically at our branches, assessing the brand, model, condition and age, benchmarking these factors against market prices stored in our centralized system as established by reputable third-party valuation experts and our internal valuation experts.

In addition to vehicle title loans, we also offer hire-purchase financing in a type of sale-leaseback arrangement, whereby customers sell us a used vehicle that we then lease back to the customer. Likewise, ownership of the relevant vehicle will then transfer to the customer once such customer has fully repaid all principal and interest on all loans and arrangements.

Hire-purchase loans with security granted in the form of a motorcycle as the underlying asset usually have a term of 12 to 24 months. Loans secured by other types of vehicles have a term of 12 to 72 months. Hire purchase loans require an asset owner to transfer the ownership and deliver the original registration of the asset, which could be, for example, a car, a motorcycle or a truck, to us and as security. Ownership of the vehicle is only transferred to our customers once the loans and arrangement are fully repaid (sale and leaseback).

## Truck Loans

In 2011, we also launched our used truck hire-purchase financing and used truck title loan products for truck operators seeking to finance their working capital or business expansion, which is now our primary hire-purchase product.

While other major market participants focus their business on new trucks, we do not offer hire-purchase financing for new trucks. Currently, we are the top-ranked lender in terms of portfolio size in the used truck hire purchase segment. Our customers for truck lending are generally self-employed entrepreneurs as well as operators with truck fleets. Our extensive branch network with more than 1,286 branches nationwide allow us to provide services to clients on the spot without charge before loan approval. We offer a credit line up to 20 million baht, accepting trucks up to 25 years old.

## Revolving Cash Card

Having observed that vehicle title loan borrowers, particularly those pledging title of motorcycles and cars as security, frequently re-apply for new loans on or prior to the completion of their initial borrowing, we launched our Revolving Cash Card in 2019. The Revolving Cash Card provides our existing vehicle title loan customers with an additional channel to access their loans other than receiving cash at our branches or via wire transfer to such customers' bank account. Customers receive open credit lines in reference to the value of the asset provided as security and are able to access such lines of credit directly from over than 40,000 ATMs of commercial bank partners across Thailand, 24 hours a day, and seven days a week. We had issued more than 285,000 Revolving Cash Cards to our customers as of December 31, 2021.

The Revolving Cash Card effectively acts as a revolving credit facility, for which interest is applied daily to the drawn amount and repayment is made monthly. The interest rate is specified in an agreement with each customer. Customers can find details about their interest rate and repayment periods in their respective contracts. The minimum amount that can be withdrawn at a time is 500 baht which is automatically converted into the drawn amount on the loan. The maximum amount that can be withdrawn at a time cannot exceed the remaining credit limit. When a customer withdraws cash using the Revolving Cash Card, the increased credit will extend the total repayment period. In addition, the Revolving Cash Card helps to reduce our costs and resources needed to conduct a credit review and process loans; for customers, the card eliminates the need to re-submit credit application documents, which requires customers taking time off from their jobs to visit our branches and potentially resulting in a loss of income for small business owners. By being able to draw down on their loan at any time, including outside of branch operating hours, our customers are able to access funds when needed with more flexibility. Currently, we offer the Revolving Cash Card only to our motorcycle loan customers with records and qualification as prescribed by the Company, but in the near term, we expect to broaden the offering to a larger segment of our borrowers.

## 2.2 Non-Life and Life Insurance Brokerage

We are Thailand's leading technology-enabled, omni-channel insurance broker with an advanced InsurTech platform that provides consumers with a convenient way to compare and purchase automobile, personal accident, loan payment protection, and cancer insurance policies from 21 leading insurance companies in Thailand. The Company holds both life and non-life insurance broker licenses granted by the Office of Insurance Commission. These licenses enable us to offer various motor and non-motor insurance policies, including motor insurance, personal accident insurance, loan payment protection insurance and health insurance (e.g., cancer coverage).

We are focused on developing a unique, tech-based insurance brokerage business which differentiates us from the other service providers in our same industry. As an insurance broker, we earn commissions from our insurance partners for the policies we sell on their behalf. We originally started our non-life insurance brokerage business by offering insurance products to our loan customers. However, we have recently developed a diverse set of online and offline customer acquisition channels for our insurance brokerage business. Our primary sources of leads include branch walk-ins, search engine marketing, television advertising, and third-party marketing partners. Our insurance brokerage business benefits from decades of investment into our brand and branch network. For the year ended December 31, 2021, our voluntary motor insurance premiums for insurance renewals increased continuously and they continue to be a growing source of income without requiring any additional acquisition costs. This demonstrates a strong and sustainable business model, as such patterns reflect the recurring nature of our market share. Additionally, in 2021, the proportion of voluntary motor insurance premiums from channels other than our branch network, such as digital platform channels and partners, increased to 32 percent of total voluntary motor insurance premiums sold to customers who are not renewal customers. This demonstrates that our insurance brokerage business continues to grow and accessible to new customers.

We continue to invest in strengthening Ngern Tid Lor brand for our insurance brokerage business and in increasing our online customer engagement in order to optimize our acquisition costs. Our technology platform is also custom built and designed to collect data of the claim experience of the policies we have sold. Our data analytics team builds upon the data to study the potential loss experience of different car types, ages, brands, and customer demographics.

We believe our digital distribution and data analytics capabilities will allow us to better serve our customers by providing better pricing algorithms, cross-selling other financial products and improving loss for our insurance partners. We are a critical part of the insurance distribution value chain. We believe our insurance partners can benefit from our data analytics capabilities in the future. At the same time, we strive to become



trusted advisors to our customers in their insurance purchase and renewal decisions, which will result in continuity of our income. Even though we do not bear any underwriting risk, we believe our data collected from of insurance distribution and claims would benefit our provision of services around underwriting and risk management in the future.

Our proprietary, self-developed platform is a key competitive strength and a key driver of the growth of our insurance brokerage business. Our platform includes comparison and quote algorithms, claim monitoring and notification, premium payment (whether for payments in full or by installment), and renewal management. It services our branches, our mobile application, telesales agents and our growing sub-broker network. Our platform is integrated with our insurance partners and offers instantaneous price quotes and insurance coverage features for our customers.

In addition, we are preparing to introduce a straight-through policy renewal service for our insurance customers via our mobile application, which will further increase the efficiency and capability of our offerings for our customers. We believe our flexible technology platform will enable us to add more products and services in the future, remove paperwork, reduce frictions for both insurance partners and customers, and increase business volume and efficiency for our insurance partners.

In 2017, we began offering an innovative 0% interest cash installment financing option to motor insurance customers for a maximum of six installments to ease our customers' burden where most operators in our industry typically only offer this option if the relevant customer has designated credit cards. This financing option has given us a significant advantage in acquiring customers who cannot afford motor insurance, as customers find the insurance products offered by us more accessible and are able to better manage their own cash flows. As a technology-enabled insurance broker in Thailand, we believe that we are well-positioned to capitalize on utilizing digital technology across the insurance offering or distribution value chain. Under the traditional insurance distribution model which features numerous physical, retail shop house insurance brokers across the country, consumers are often unaware of their full range of coverage options available to them, and brokers typically collect customer information on paper, check a rate card or spend time to place calls to their carriers to receive quotes. The shop house-based brokers are typically required to put up a substantial security deposit with each insurer to be entitled to act as a broker of such insurance company, which inevitably limits the number of carriers one broker can carry. The Company's insurance distribution platform offers customers more choices, transparency in pricing, more affordable, transparent and fair financing and a frictionless transaction experience.

In addition to the Company's direct to customer insurance distribution business, we have branded our platform under the brand of Areegator. Launched in March and April 2020, the Areegator platform is an online insurance marketplace platform providing a customized solution for traditional work problems faced by licensed individual insurance brokers, by allowing them to benefit from our InsurTech and grow their business with less cash required as security deposits. As of December 31, the Areegator platform was utilized by over 2,800 individual insurance brokers, and we anticipate that it will be another sustainable income generating channel for the Company in the long term.



## Marketing and Competition

### 1. Marketing, Sales and Distribution Channels

#### 1.1 Digital Marketing

While we have made a substantial investment in the expansion of our branch network over the last several years, we also spend significant time and resources on increasing our digital brand awareness and presence, interacting with our customers through four primary digital channels: our website, Facebook, the Tidlor Connect on Line application and our Ngern Tid Lor application. We place a particular emphasis on digital marketing for our non-life insurance products, as the customers we target for this product are generally younger and more inclined to use technologies through online channels. In year 2021, the number of visitors to our website has reached over 9.2 million according to Google Analytics 360 and Google Search Console, representing a 102% increase over that of last year. As a result, the loan volume generated through digital channels increased to approximately 3,900 million baht, an increase of 95% as compared to 2020.

We believe that our digital efforts contribute to our brand strength within Thailand. According to Google Analytics and the Ahrefs SEO tool, as of December 31, 2021, we were the most searched vehicle title loan provider brand in Thailand on Google. We believe that this emphasis on technology differentiates us from the other service providers in our same industry, some of whom have invested in thousands of new branches over the past several years. In contrast, we have maintained our belief that the strength of our digital platforms has contributed, and will continue to contribute, to our achieving the top market position in Thailand for vehicle title loans while also positioning us to capitalize on an inevitably evolving marketplace in a post-COVID-19 world where engagement with an increasingly digitally literate customer base will be crucial.

To increase the engagement with our customers, we utilize Facebook as an important online communication channel and to generate leads for both our loan and insurance products. We have developed our chatbot platform on Facebook whereby customers can engage with us directly through the Facebook Messenger platform in order to make account enquiries, request information on loan product options, contact our branches or telesales teams, find information regarding insurance policies, make payments and locate branches. In 2021, the number of interested applicants for loans and insurance through the chatbot channel increased by 59% as compared to 2020, and the customers being satisfied by the chatbot services reached 97 percent. (data from Chatbot Satisfaction Report and the Company Database, from January 1, 2021 to December 31, 2021).

To provide customers with easy access to our services, we have introduced Ngern Tid Lor mobile application, which provides a variety of functionalities to customers, such as the ability to repay loans, locate branches, purchase compulsory motor insurance online, verify the status of their insurance policies, check the availability of loan funds, and request loan top-ups. In addition, customers can easily activate, manage and check their Tidlor Card balances through the mobile application. It also notifies automatic loan limit increases, so that customers can click to confirm and agree on the terms without the need to spend time calling call center.

In 2021, Ngern Tid Lor mobile application reached approximately 1 million downloads and 700,000 registered users, reflecting its unique value to our customers.

## **1.2 Data Analytics**

Over the years, our detailed geo-data analytics methods, together with our established models on predicting and assessing the efficiency of branch locations, has guided us on branch opening plans. All our branch location choices are scored according to neighborhood characteristics, including population density, business activities, traffic, points of interests and the presence of other service providers in our same industry. We believe our analytics-based approach to branch opening has contributed to our significantly higher branch productivity levels and has distinguished us from other service providers in the market.

We collect data from a wide range of sources, including our internal sources, the National Credit Bureau and a number of other publicly available sources. However, most of our data is collected by our branches and digital applications and services, including Facebook, the Tidlor Connect on Line application and our NTL application. In addition, we collect certain data from our insurance partners relating to claims profiles and customer purchase histories, which we believe can be increasingly utilized to develop both our lending and insurance brokerage businesses.

In addition to external data that we collect, we also use various dashboards to track data across our business, in many cases in real time. For example, we have created an automated dashboard to track and monitor indicators as well as individual and branch level performance metrics, including loan volume growth, delinquency rates, sales incentives, insurance sales and renewals, loan portfolio quality and operating efficiency. We also use this branch performance and operation management dashboard to appropriately and promptly adjust our sales strategies to achieve our targets. Our branch managers, area managers and regional managers have direct access to view these dashboards in real time and to use the data that they generate to manage their day to day business decisions.

We also utilize data that we collect, for example through machine-learning dialing technology that optimizes phone communications with delinquent borrowers by improving the chance of contacting them by phone, as well with real-time communication technologies between branches and field agents to ensure up-to-date customer data is used efficiently and in a timely manner.

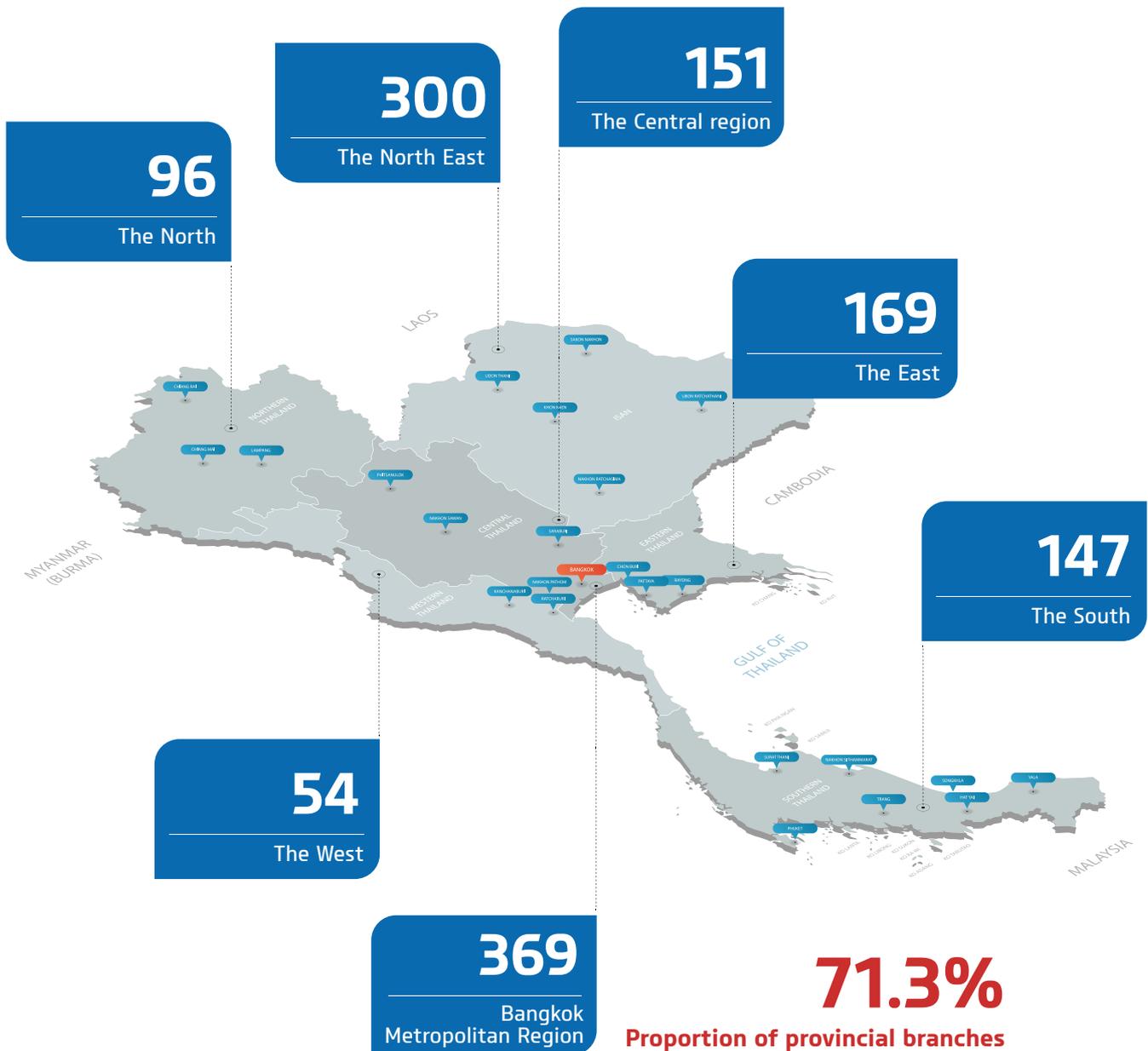
### 1.3 Distribution Channel

Our marketing is supported by our key distribution channels, which comprise our extensive branch network, online digital platforms, telesales teams, our network of agents, including used truck dealers, and referrals from Krungsri. With our investment in marketing and our Ngern Tid Lor brand building over the last 10 years, we have now achieved 99 percent brand recognition in the Thai market according to research conducted by IPSOS in December 2021. In addition, we intend to continue growing and promoting our digital platforms in order to further leverage our technology capabilities to adapt to a post COVID-19 pandemic marketplace where customers have become more accustomed to digital service providers.

#### Branch

Our branches are the main distribution channel for both our lending and insurance brokerage businesses. Our physical branch network has continually increased in size. As of December 31, 2021, the Company had total of 1,286 branches, covering 74 provinces across the country.

The map below sets forth the location of our branches across Thailand:



Branches are typically open from 8:30 a.m. until 4:30 p.m., although certain branches are open later to accommodate the needs of our customers in certain areas. Our branches are designed to offer trustworthy inviting environments for our customers, equipped with free wireless internet for customers, and we train our branch employees to place particular emphasis on customer service to help ensure that customers feel comfortable in what for many is their first interaction with a formal financial service provider.

In 2022, we plan to expand our network by approximately 300 additional branches, with extensive planning necessary to identify and secure a location, recruit staff and outfit the branch with necessary equipment and IT infrastructure. We hire and train branch staff with a view toward development, and where possible, we seek to promote high-performing customer service officers (“CSOs”) from nearby branches to become managers at newly opened branches.

To assist in identifying such secure locations, we have our own proprietary geodatabase with over 2.1 million data points and scoring metrics which we use to analyze and assess our branch expansion opportunities. Based on data points such as existing locations of both NTL and competitor branches, sub-district population and customer locations, we assign Geographic Information System (“GIS”) to potential locations for new branches.

### **Agents**

In addition to our branch network, as of December 31, 2021, we worked with over 5,132 agents across Thailand to introduce our lending products to potential customers. Our agents include local businesses, such as vehicle inspection shops, local insurance brokers and car washes that refer potential clients to our local branches, which then handle the application and disbursement processes. If a prospective loan referred to us by an agent is approved, the agent receives a commission.

We manage our agent network and offer them support, such as sales kits, marketing materials and communication support, as well as provide an agent helpdesk for queries that may arise. We also offer special trainings and seminars from time to time to improve agents’ selling and marketing skills.

### **Telesales**

We market our lending and insurance products through a team of more than 519 telesales employees as of December 31, 2021. In order to offer our loan products as well as distribution or referral of insurance products via telesales, our team reaches out to potential new loan customers provided by both internal leads (e.g., customers who buy non-life insurance from us) and external leads from digital marketing activities, project collaborations with partners such as online financial supermarkets, and telecommunications operators and also approaches existing customers who have good repayment records by offering loan renewals and other available loan products (e.g., the Revolving Cash Card, Top-up Program). Each potential customer that expresses an interest in one or more of our offerings is thereafter referred to a local branch at the customers’ convenience which handles the loan application, approval and disbursement processes.

For our non-life insurance products, our telesales team is responsible for approaching potential customers derived from internal and external leads generated from our digital marketing activities and contacting existing customers regarding the renewal of their current insurance policies.

### Used truck dealers

We utilize a network of our used truck dealers to refer customers to our lending services. We are able to advertise our brand in their shops. When such dealers have a customer interested in financing the purchase of a used truck, the dealer may then present our product options to such customer and refer the customer to a local branch. The local branch staff then handles the application and disbursement processes. If a loan application referred to us by such a dealer is successful, they receive a commission.

Due to the technical nature of the used truck security assessment processes, we have a dedicated specialized team to handle all used truck security appraisal activities, including management of the credit underwriting process and the used truck dealership network.

### Bank of Ayudhya

In addition to our own marketing and distribution, we also gain new customers through referrals from our shareholder Bank of Ayudhya, which boasted 638 branches nationwide as of December 31, 2021. By referring prospective customers to nearby NTL branches, Bank of Ayudhya is a part of our distribution network. 5 percent of our total new loans entered into in 2021 based on leads from Bank of Ayudhya' referrals.

## 2. Industry and Competition Overviews

Overall, there is a high competition in the lending business market because there are many operators of the same type of business. It is the same as the insurance brokerage business which the Company has to compete with many small and large insurance brokerage operators, since Thailand's insurance brokerage market is highly fragmented.

### 2.1 Industry Overview

#### Thai Economy Overview

Thailand is the second largest economy in Southeast Asia with higher economic wealth than several other ASEAN countries. Thailand's real GDP per capita of approximately USD 6,500 is higher than its neighboring countries: Vietnam, the Philippines and Indonesia. However, income distribution is concentrated among the most affluent. According to Thailand's National Statistical Office, approximately 89 percent of households have a monthly income of less than 50,000 baht.

Informal employment comprises approximately 55 percent of the entire workforce according to the National Statistical Office. Workers in this segment typically earn lower wages than formally employed workers, and also receive income more intermittently. As such, informally employed workers often face difficulty obtaining loans from commercial banks and may need to resort to other channels.

According to the World Bank Findex, 18 percent of Thailand's 69.6 million population remains unbanked. 61 percent of the population have a financial account but have not borrowed from financial institutions or via credit cards as of 2017. This large segment of the population presents a significant opportunity for providers of non-traditional consumer finance products and services.

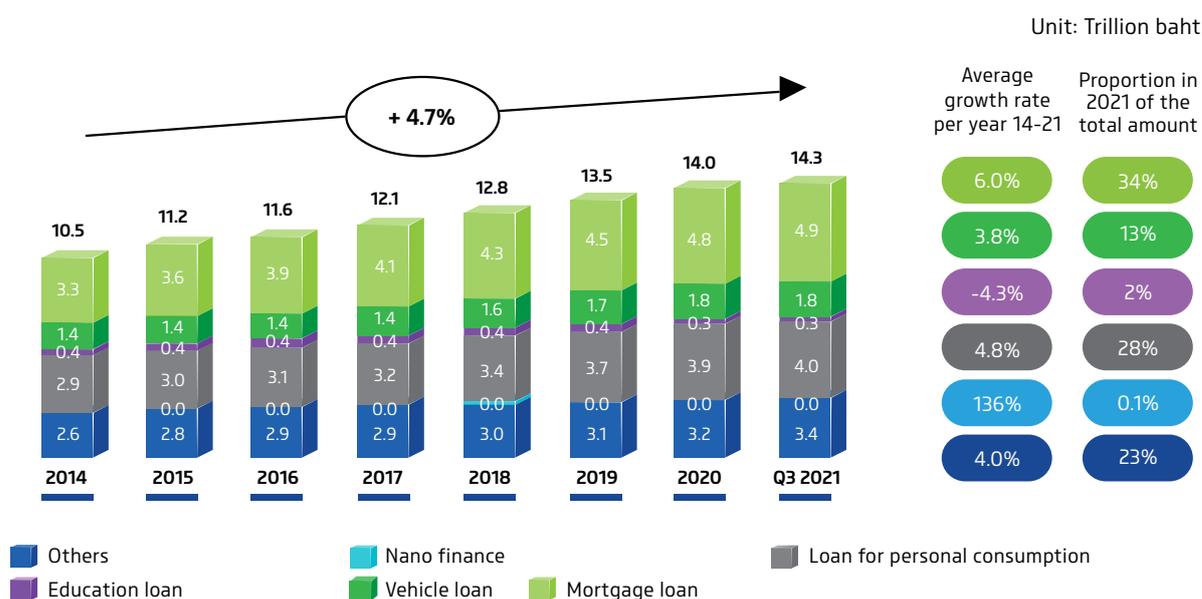
## 1) Consumer Credit

### Market Overview

The consumer finance market in Thailand comprises of 7 key product categories: mortgage, vehicle loans, education loans, other personal consumption loans (including title loans as a sub-category), nano finance<sup>1</sup>, pico finance and others.

According to the Bank of Thailand, total outstanding loans (excluding pico loans) grew at a 4.7 percent CAGR from 2014 to 2021 and reached approximately THB 14.3 trillion in September 2021.

**Chart 1: Outstanding loan of consumer credit in Thailand by product type (excluding Pico Finance)**



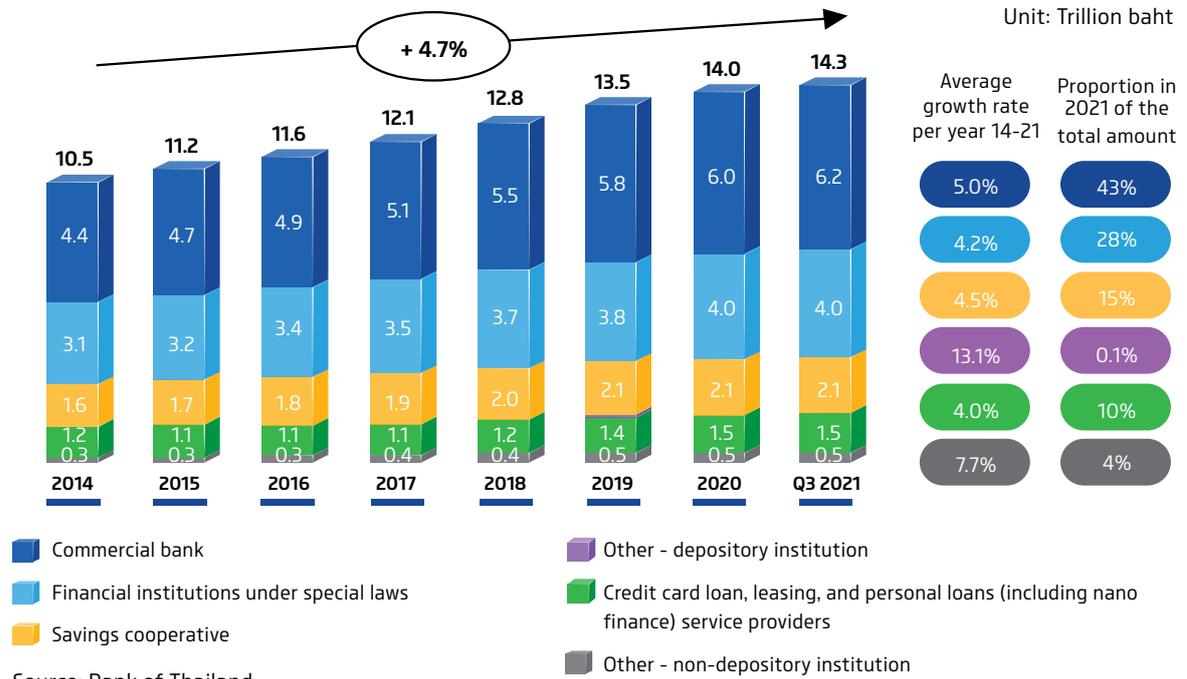
Source: Bank of Thailand Included vehicle title loan

Other personal consumption loans, which include personal loans and title loans, account for 28 percent of the market and have been growing at a 4.7 percent CAGR from 2014–2021, largely in line with the overall consumer finance market, according to the Bank of Thailand. This growth is mainly driven by credit cards and personal loans (refer to Chart 1 for more details).

The consumer finance market has been predominantly served by commercial banks and specialized financial institutions which represent 71 percent of the outstanding loan volume in 2021. Saving cooperatives is the next largest category of providers, accounting for 15 percent of the consumer finance market. Credit card, leasing and personal loan companies account for 10 percent of the consumer finance market (refer to Chart 2 for further details).

<sup>1</sup> Since nano finance was launched in 2015, the average annual growth rate was calculated from the data during 2015 - 2021.

**Chart 2: Outstanding loan of consumer credit in Thailand by financial institutions (excluding Pico Finance)**



Oliver Wyman, the Company’s market research specialist, estimates that total loan volume outstanding in Thailand’s informal lending market (e.g., loan sharks, family lending, etc.) is over 1 trillion baht based on addressable demographics and their average household debt level, with cross references to various sources’ estimates of the informal lending market size. The target groups for informal lending are mainly low-income individuals that have historically been unable to access credit from traditional financial institutions. The Thai government has implemented multiple initiatives to shift consumer lending away from the informal lending sector (e.g., introducing nano finance and pico loans), potentially providing tailwinds for formal consumer finance players who are able to serve this segment.

**2) Vehicle Title Loan**

**Market Overview**

For vehicle title loans, the title registration book for a fully owned and paid-off vehicle is delivered as security. The loan can be used for any purpose, and the owner can continue to use the vehicle during the loan period. The lender will retain the title registration book for the vehicle.

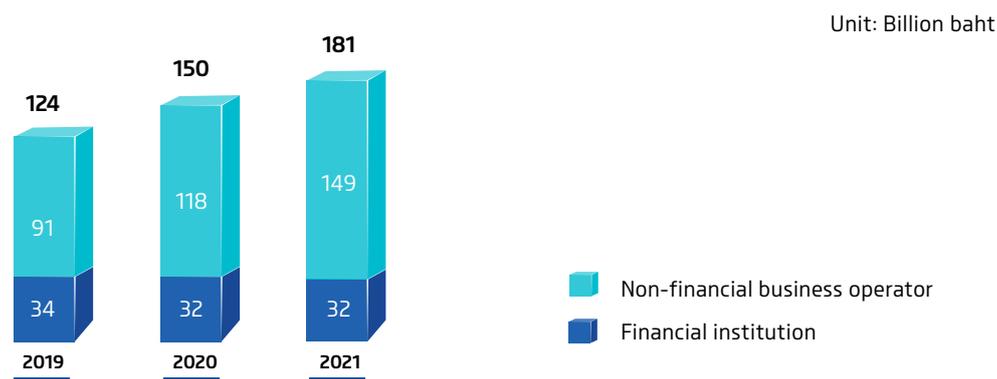
**Vehicle Title Loan Product**

Product	Detail
 <b>Vehicle Title Loan</b>	<ul style="list-style-type: none"> <li>• Borrower delivers physical registration as security</li> <li>• Lower loan-to-value (“LTV”) ratio</li> <li>• Non-bank operators focus on this product</li> <li>• Does not incur 7 percent VAT (potentially incentivizes customers to borrow via this product)</li> </ul>

According to the information from the Bank of Thailand, the value of vehicle title loan was 181 billion baht as of December 2021, an average annual growth rate of 21 percent from about 125 billion baht in 2019. The main growth was from non-bank operators (refer to Chart 3 for more details).

The vehicle title loan market has significantly outgrown the overall consumer finance market which has an average growth of less than 5 percent annually in the past few years. The high growth of the vehicle title loan market is due to it being a relatively new market that has continued to scale by serving the unbanked segment, including acquiring customers from the informal lending market.

**Chart 3: Outstanding loan of vehicle title loan**



Source: Bank of Thailand

### Competitive Conditions

According to the information about the market size from the Bank of Thailand together with the Company's internal information, it shows that the Company's market share of vehicle title loan was approximately 27 percent as of December 2021. Meanwhile, the top three largest operators in the market, namely Maungthai Capital, Ngern Tid Lor, and Srisawad, are estimated to have a combined market share of more than 70 percent based on outstanding loan. Another 30 percent of the market share belongs to other small service providers. Over the past several years, the vehicle title loan growth of the top three operators is much higher than growth of other operators in the same market, with an average annual growth rate of 25-30 percent compared to about 10 percent of other operators in the market.

In the past, the top three players have been driving loan book growth primarily through scaling their vehicle title loans business via rapid branch expansion, and increased diversification into adjacent businesses leveraging existing customer base and branch network.

### Barriers to Market Entry

Other financial institutions or businesses could be keen to enter this market due to the relatively high profit margins. There are 2 primary categories of potential entrants - (1) large financial institutions (i.e., commercial banks, credit card providers) and (2) small local shop house lenders. However, Oliver Wyman believes that 4 of the key barriers in this market are:

- **Regulatory and compliance** know-how to fulfill higher operating requirements such as market conduct and capital requirements since formalization of the vehicle title loan market - a key barrier for smaller entrants to this market.

- **Low cost of funding** to compete with top three incumbents who have better access to capital - a key barrier for smaller lenders entering this market.
- **Local branch network** to access customers - a key barrier for most commercial banks, whose branch networks are typically heavily focused in urban areas. Banks tend to open larger full-service branches to cater to their existing customer bases, whereas the vehicle title loan providers operate smaller branches and offer a more focused product set. Banks may need to establish a different operating model to cater to the vehicle title loan segment.
- **Specific operational knowledge** including assessment of walk-in customers with no credit bureau information, appraisal of vehicles and onsite collection.

These barriers collectively present some resistance for new entrants to penetrate into this market successfully.

### Challenges and Threats

Based on current market condition, Oliver Wyman believes that 4r of the key potential challenges and threats to the vehicle title loan market are:

- **Potential lowering of interest rate caps and tightening of regulations on market conduct (as seen in the credit card market)**, as the Bank of Thailand seeks to address the household debt level and consumer loan NPL concerns, which could limit vehicle title loan pricing and affect profitability.
- **Competing products**, such as new digital loans, pico and nano loans, reaching critical scale and undermining demand for vehicle title loans.
- **New entry of large financial institutions**, such as GSB and Krungthai Card, which have announced their intention in 2020 to join the vehicle title loans market, may intensify market competition.
- **Economic downturn from COVID-19 pandemic could be more severe and prolonged for Thai economy**, which could potentially trigger a wave of consumer loan defaults and lower market value of vehicle underlying the title registration book that is delivered as security, impacting entire vehicle title loan market.

### Market Segmentation

Vehicle title loans can be broken down into three broad types based on the type of vehicle registration provided as security: motorcycles, cars and trucks (four-wheeled vehicles, inclusive of pick-up trucks), and other vehicles (e.g., agricultural vehicles).

### Key Growth Drivers

Based on the historical growth of the vehicle title loan market, there is a strong relationship between the top three players' outstanding vehicle title loans growth and their branch expansion strategy. The average annual growth rate of the top three operators' total numbers of stores was approximately 27 percent from 2015 to 2021.

In addition, demand and supply conditions could also potentially impact the vehicle title loan market size. Given historic relationship between new branch growth and vehicle title loan book growth in the top-3 players, Oliver Wyman believes that availability of supply is expected to be the main determinant for market growth going forward.

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## Demand in the Vehicle Title Loan Market

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**Demand**  
Vehicle title loan  
still has significant  
room for growth  
from demand pool

- **The value of the informal loan market is over than 1 trillion baht, representing a huge demand among people who are unbanked**, which is approximately 7-17 times the size of the current vehicle title loan market.
- **The change from unsecured loan to secured loan (vehicle title)** due to the Bank of Thailand's credit card control measures and loan lenders' decreases in unsecured loan approvals.
- **Increased demand for emergency funds** over the next few years due to economic slowdown/COVID-19.
- **There is further room for penetration as theoretical maximum demand for vehicle title loans constrained by the number of vehicles available.** It is estimated that the market value is between 1.5 and 1.9 trillion baht.

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## Factors Driving Supply in the Vehicle Title Loan Market

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**Supply**  
Expect  
continued  
growth from  
supply side

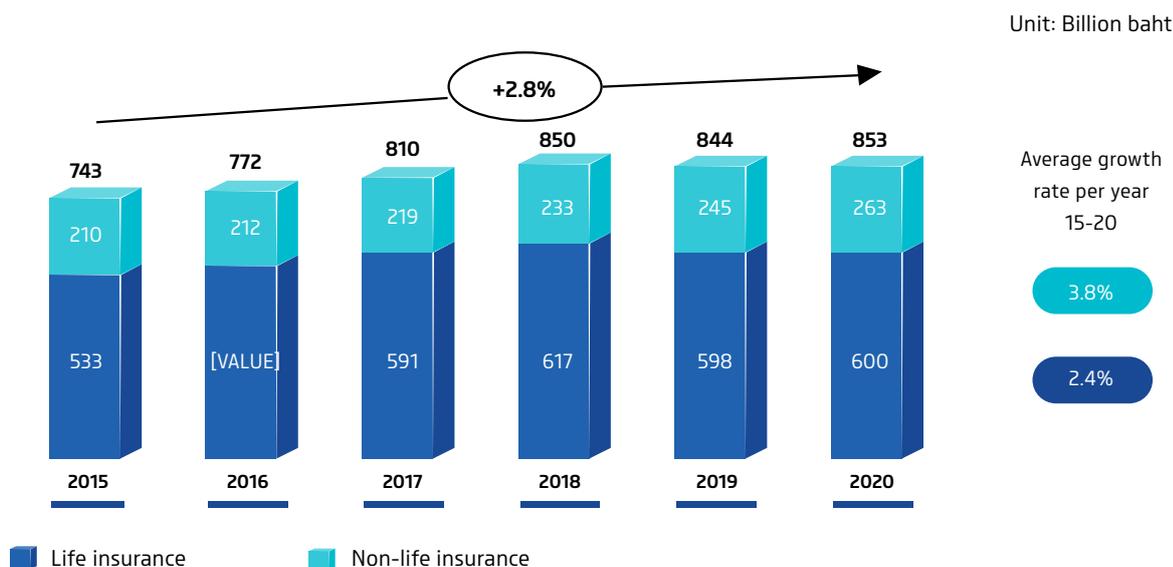
- **New branch growth has been relatively consistent during the past years** (1,000-1,550 branches per year for the top three operators since 2015, except 2019 that approximately 2,200 new branches were added).
- **Potential net branch productivity improvement due to shift to digital capabilities** such as use of additional social media/agent channels to amplify outreach to customers and originate leads, offsetting decrease in productivity of new branches.
- **New vehicle title loan licence requirements and reduced lending rates (from 28% to 24%)** may raise the requirements for operators to continue expanding branches and also be more selective in lending to customers.

Source: Individual company data, Regulator website and reports, Oliver Wyman's analysis

### Insurance Business Market and Competition

According to Office of Insurance Commission ("OIC"), Thailand's insurance market comprises life insurance and non-life insurance products with gross written premiums (GWP) of about 853 billion baht in 2020. For non-life insurance, it accounted for 30 percent of the market, with GWP of about 253 billion baht in 2020 and an average annual growth rate of 3.8 percent since 2015 (refer to the chart below for more details).

## Thailand's insurance market value based on GWP

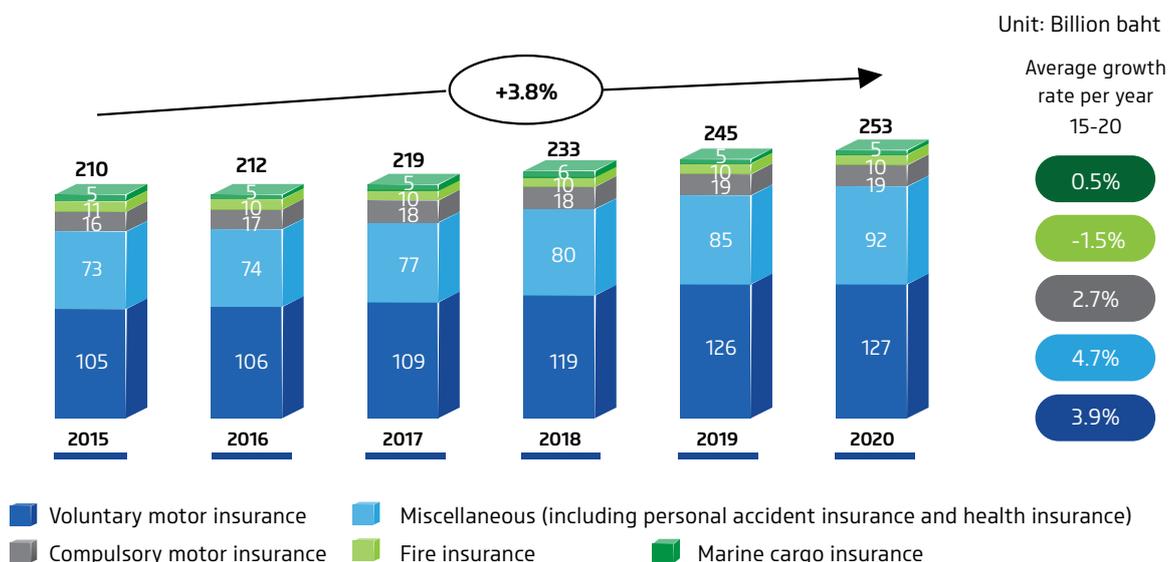


Source: Office of Insurance Commission (OIC)

### Non-Life Insurance

The non-life insurance market consists of four major product categories: fire, marine and transport, auto insurance (consisting of compulsory and voluntary auto insurance) and others (inclusive of personal accident and health insurance). According to the OIC, around 60 percent of non-life insurance premiums come from auto insurance. There are approximately 54 insurers in the market with the top 10 non-life issuers accounting for 65 percent of the market share.

### Thailand Non-Life Insurance Breakdown by Product, GWP



Source: Office of Insurance Commission (OIC)

Recent regulations share the common theme of protecting consumer interest, including stricter sanctions for non-compliance with regulations on sales practice and stricter qualification requirements for brokers and agents. Government efforts have also been aimed at supporting the population through various subsidies and policy changes and promoting increased awareness of insurance.

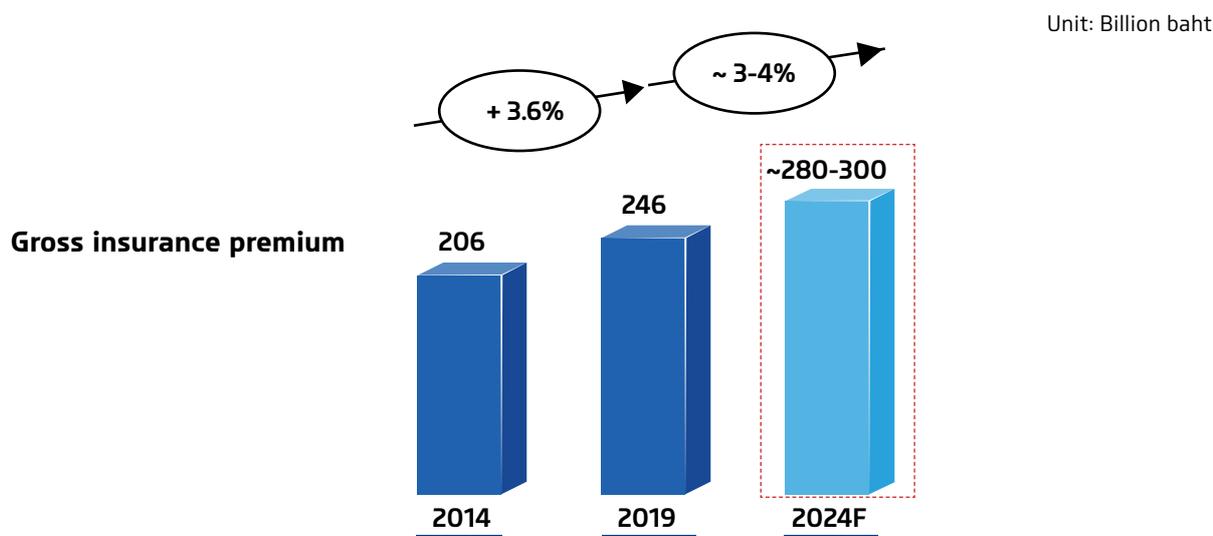
According to OIC, the non-life insurance market grew at a 3.6 percent CAGR from 2014 to 2019 by GWP, with penetration rates (percentage of non-life insurance GWP over nominal GDP) decreasing from 2014 to 2017, but recovering from 2017 to 2019 with a 10-20bps growth Y-o-y. Expected headwinds from the economic crisis due to COVID-19 are likely to result in slower growth in penetration rates than seen from 2017-2019, resulting in forecast future GWP growth of approximately 3.0-4.0 percent per annum (refer to Non-life Insurance Market Forecasts chart below for more details).

### Non-life Insurance Market Forecasts

#### Forecast of Driving Factors of Non-Life Insurance Business

Driving Factors	Historical Data (2014-2019)	Forecast (2019-2024F)
Macroeconomic factors (Nominal GDP)	Average annual growth rate was	Average annual growth rate is about 3%.
Penetration rate (Non-life GWP as % of nominal GDP)	Approximately 1.45% (2019)	Approximately 1.45-1.5% (2024F)
Non-life insurance GWP growth	Average annual growth rate 3.6%	Average annual growth rate is about 3.0-4.0%

#### Non-Life Insurance Market Forecasts



Source: OIC (historical non-life insurance volumes), IMF (macroeconomic factors), Oxford Economics (macroeconomic factors), Fitch Solutions (macroeconomic factors), Oliver Wyman analysis

#### Non-Life Insurance Distribution Channels

Non-life insurance is distributed via six main channels: agents, brokers, bancassurance, direct telemarketing, direct website and others (refer to Non-life Insurance Distribution Channels chart for more details). Brokers are a key distribution channel, with 59.7 percent of the total non-life insurance market share by GWP.

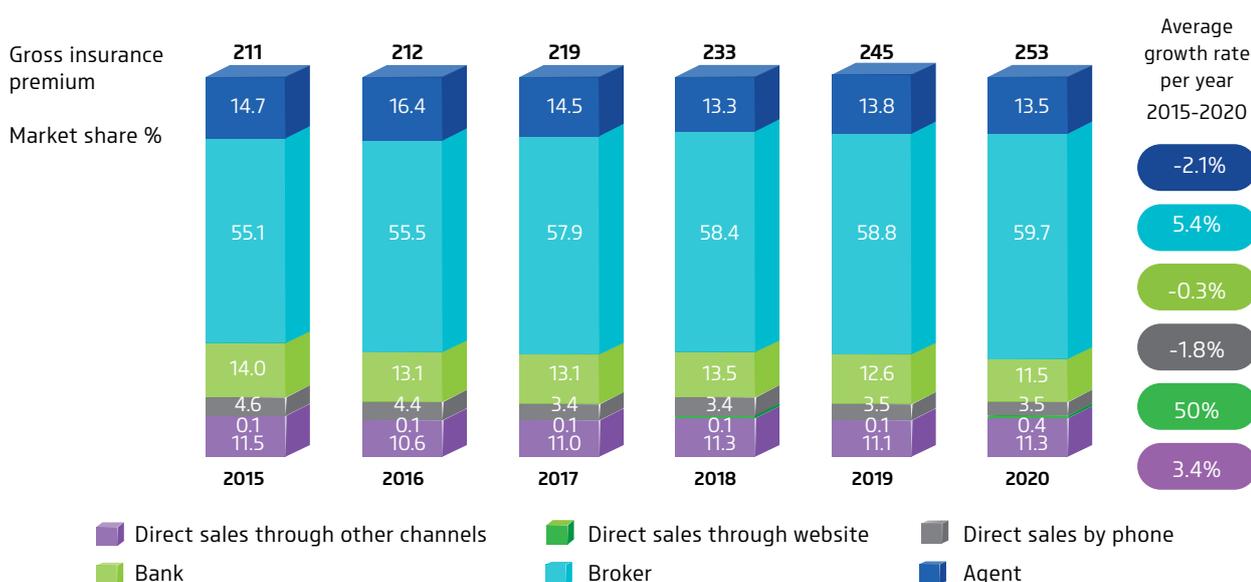
## Non-Life Insurance Distribution Channels

Distribution Channel	Description	Size Indications
<b>Agent</b>	Individuals representing specific insurance companies	<ul style="list-style-type: none"> <li>In 2020, there were over 23,000 licensed agents (average annual growth rate of 1.7% since 2015).</li> </ul>
<b>Broker</b>	Individuals or companies acting as an intermediary between the customer and insurer. A broker can distribute contracts of various insurance companies.	<ul style="list-style-type: none"> <li>In 2020, there were over 166,000 licensed individual brokers (average annual growth rate of 8% since 2015).</li> <li>In 2020, there were 547 licensed juristic person brokers (485 licenses for non-life insurance brokerage and 62 licenses for both life and non-life insurance brokerage), with an average annual growth rate of 2.6% since 2015.</li> </ul>
<b>Bancassurance</b>	Banks with insurance company partnerships sell insurance contracts through their distribution network (requires a broker license)	<ul style="list-style-type: none"> <li>There are 18 banks that have licenses for non-life and life insurance brokerage (18 of them since 2014).</li> </ul>
<b>Direct Telemarketing</b>	Insurance companies selling insurance contracts via calling customers	<ul style="list-style-type: none"> <li>Popular means of direct selling - major insurance companies continue to engage telemarketers</li> </ul>
<b>Direct Website</b>	Insurance companies selling insurance contracts via their own websites or apps	<ul style="list-style-type: none"> <li>Major insurance and broker company begin to enable online purchase of insurance contracts</li> </ul>
<b>Direct sales through other channels</b>	Includes direct mail, walk-in to branches and worksite sales	<ul style="list-style-type: none"> <li>Approximately 10% of non-life insurance GWP is distributed by these channels</li> </ul>

Source: Office of Insurance Commission (OIC)

### Breakdown of Thailand's non-life market by distribution channels

(Total GWP in Billion baht, Market share as % of Total GWP)



Source: Office of Insurance Commission (OIC)

Non-life insurance industry in Thailand still remains traditional with little innovation and technology disruption, most of the transactions is still conducted through offline channel. Non-life insurance remains underpenetrated and has significant scope to grow. The expansion of non-life insurance distribution will likely be catalyzed by driving awareness and education to increase uptake of non-life insurance. Companies with a large customer base (e.g., convenience stores, title loan players, banks) are well positioned to promote awareness of insurance to their wide customer base and drive cross-selling of insurance products. In the longer term, digital sales are likely to gain traction as insurers and intermediaries develop digital sales capabilities and rising awareness of insurance drives customers to seek products online.

Given these trends, brokers are expected to continue to remain a dominant distribution channel going forward.

### Non-Life Insurance Broker Landscape

The non-life broker market in Thailand is highly fragmented with 547 registered juristic broker licenses. They can be categorized across seven types: independent brokers, captive car dealers/leasing companies, non-bank financial institutions, bank related brokers, fully online brokers, store/hypermarkets and individual brokers. All employees of a juristic brokerage company who conduct intermediation activities must hold an individual broker license. There were over 160,000 registered individual broker licenses as of 2020.

The non-life insurance brokerage business is characterized by high fragmentation. In 2020, the largest service providers in the non-life insurance brokerage business had only 10 percent of market share (according to premium income). Ngern Tid Lor is one among the major service providers in the non-life insurance brokerage business, which has approximately 2.6 percent market share and is growing rapidly with an average annual growth rate of 40 percent compared to total growth rate of the insurance broker channel that has an average annual growth rate of 1 percent only, considering the premium received from 2018 to 2021. The market has experienced consolidation during the period from 2018 to 2021 with contribution by top 10 brokers continue to increase.

## 3. Procurement of Products and Services

### 3.1 Financing

The Company has financing strategies for raising funds from a wide range of channels including many domestic and international financial institutions, and issuing debentures and bills of exchange. These strengthen the risk management and enhance the ability of approval of diversified loans under changing socio-economic conditions, along with offering loan products and services that are accessible to customers.

Due to the abilities in access multiple capital and capital allocation, the Company does not have to rely on any specific source of funding. The Company can also adapt to capital requirements in each period, bond-market volatility, and cost of financing, all of which promotes the Company's continuous and sustainable growth.

The table below shows the details of the Company's funding sources as of December 31, 2019, 2020 and 2021.

	As of December 31					
	2019		2020		2021	
	(Million Baht)	%	(Million Baht)	%	(Million Baht)	%
Bank loans	24,009.2	64.7	27,928.4	71.5	24,569.7	59.7
Debentures and bills of exchange	13,083.9	35.3	11,136.6	28.5	16,615.6	40.3
<b>Total</b>	<b>37,093.1</b>	<b>100.0</b>	<b>39,065.0</b>	<b>100.0</b>	<b>41,185.3</b>	<b>100.0</b>

As of December 31, 2021, the Company had an outstanding bank loan of more than 14,670 million Baht.

### 3.2 Lending Policy and Credit Risk Management

The Company has a policy to primarily provide retail loan services, with the intention of providing loans to all groups of people including those who cannot access to loans from financial institutions, by placing emphasis on transparency and fairness for customers, as well as improving better social conditions.

The Company has established a lending policy and loan products that are consistent with customer groups and ensure equality, in order to support customers to move on with their lives. According to its loan scrutiny, qualifying a customer is made by taking into account the actual environment, loan limit and income that correspond to debt repayment in order to avoid excessive debt and issue regarding ability to repay which cause problems later.

As the Company's main loan product is the vehicle title loan, the Company sets middle price of vehicle in line with the market price and reviews it regularly. Moreover, the Company sets interest rates that correspond to customers' risks and regulatory requirements. In addition, the Company has announced the interest rates clearly for customer benefits and service fairness, as well as effective control of the Company's risks.

The Company regularly conducts policy reviews and keep up with situations to ensure effective risk management and benefits of the Company's stakeholders such as customers, shareholders, and employees, etc.

### 3.3 Important Accounting Policies and Reserving Methods

According to the notes to the Company's financial statements, clause 4, page 207, Re: Important Accounting Policies.

### 3.4 The Company's Insurance Company Partners

The Company has good relationships with 21 leading Thai insurance partners, most of whom are reputable and well known in the industry. These insurance partners have considered the Company as a key strategic partner. This can be seen from the fact that the Company has been one among key insurance brokers of many insurance companies, whereas none of them ever terminate contracts made with the Company. The Company believes that the insurance partners have noted our potential and rapid growth rate of insurance premiums that the Company had presented and passed on to customers, including the Company's customer base resulted from the application of advanced technology that can be effectively expanded, causing the Company to gain a cost advantage when compared it to the existing distribution model. As of December 31, 2021, the Company had 21 insurance business partners (divided into 20 non-life insurance companies and 1 life insurance company).

## 4. Main Fixed Assets Used in Business Operations

As of December 31, 2021, the main fixed assets used in the Company's business consisted of leasehold improvements and equipment, goodwill and intangible assets other than goodwill as shown in the Company's financial statements. The details are as follows.

Item	Net book value as of December 31, 2021 (Million Baht)	Holder	Obligation
1. Leasehold improvements and equipment	1,394.4	The Company	None
2. Goodwill	294.0	The Company	None
3. Intangible assets other than goodwill	332.0	The Company	None
<b>Net total</b>	<b>2,020.4</b>		

### Leasehold Improvements and Equipment

As of December 31, 2021, the Company's leasehold improvements and equipment consisted of the leasehold improvements, license assets, decoration and equipment installations, and vehicles, with a total net value of 1,394.4 million Baht.

### Goodwill

As of December 31, 2021, the Company's goodwill had a total net value of 294 million baht.

### Intangible Assets Other Than Goodwill

As of December 31, 2021, the Company's intangible assets other than goodwill consisted of software, customer lists, and trademarks, with a total net value of 332 million baht.

Trademark	Date of Application	Expiration Date	Registration / Application Number	Remark
	March 2, 2021	-	210107892	Pending registration application
	November 16, 2017	November 15, 2027	191108338	-
	November 16, 2017	November 15, 2027	191108363	-
	September 27, 2019	September 26, 2029	211104176	-
	September 27, 2019	September 26, 2029	211104178	-

### Insurance

The Company's insurance covers the main risks relating to property damage, business interruption, third party liability and other claims that are in line with the traditions of Thailand's consumer finance industry. During the past 3 years, the Company had insured with a reliable service provider and had never made any significant claim for compensation nor faced any problem of claiming compensation for the case that the insurance did not cover.

## 5. Work That Has Not Yet Been Delivered; Project Work Only

-None-

# Shareholding Structure of the Company Group

## 1. Shareholding structure of the Company Group

The Company has not yet invested in other companies.

## 2. Persons who may have conflicts, holding shares in subsidiaries and associated companies not more than 10 percent in total.

-None-

## 3. Relationships with the major shareholder's business group

As of December 31, 2021, Bank of Ayudhya was the Company's major shareholder, holding 30 percent of the total shares. Details of juristic persons in the Bank of Ayudhya Group (other than Bank of Ayudhya) that operate lending services are as shown in the table below.

Company Name	Business Type	Important License Obtained	Shares Held by Bank of Ayudhya and Its Affiliates (%)
Ayudhya Development Leasing Company Limited	Provide services on leasing and hire purchase to support SMEs and large businesses on procuring machineries and vehicles for all types of commercial use and business use	<ul style="list-style-type: none"> <li>Letter of authorization for operating hire purchase business and leasing business</li> </ul>	99.99
Ayudhya Capital Auto Lease Public Company Limited	Providing motorcycle hire purchase loans and top up loans for existing customers and inventory financing loans for car dealers	<ul style="list-style-type: none"> <li>Letter of authorization for operating personal loan under supervision business</li> <li>Life insurance broker license</li> <li>Non-life insurance broker license</li> </ul>	100
General Card Services Limited	Credit Card & Personal Loan	<ul style="list-style-type: none"> <li>Letter of authorization for operating personal loan under supervision business</li> <li>Letter of authorization for operating credit card business</li> <li>License for operating credit card, debit card or ATM card services license</li> <li>License for operating payment service under supervision business</li> </ul>	100

Company Name	Business Type	Important License Obtained	Shares Held by Bank of Ayudhya and Its Affiliates (%)
Ayudhya Capital Services Company Limited	Providing services on installment credit, personal loans credit card loans, and loans for occupation under supervision (Nano Finance)	<ul style="list-style-type: none"> <li>Letter of authorization for operating personal loan under supervision business</li> <li>Letter of authorization for operating nano finance under supervision business</li> <li>Letter of authorization for operating credit card business</li> <li>License for operating credit card, debit card or ATM card services license</li> <li>License for operating payment service under supervision business</li> </ul>	100
Krungsriayudhya Card Company Limited	Credit Card & Personal Loan	<ul style="list-style-type: none"> <li>Letter of authorization for operating personal loan under supervision business</li> <li>Letter of authorization for operating credit card business</li> <li>License for operating credit card, debit card or ATM card services</li> <li>License for operating payment service under supervision business</li> </ul>	100
Ngern Tid Lor Public Company Limited	Providing inclusive financial services with a full suite of vehicle title loans (motorcycles, cars, pickup trucks and tractors), hire-purchase financing for used trucks, insurance brokerage services, and other related services	<ul style="list-style-type: none"> <li>Letter of authorization for operating personal loan under supervision business</li> <li>Letter of authorization for operating nano finance under supervision business</li> <li>Life insurance broker license</li> <li>Non-life insurance broker license</li> </ul>	30
Lotus's Money Services Limited	Credit Card & Personal Loan	<ul style="list-style-type: none"> <li>Letter of authorization for operating personal loan under supervision business</li> <li>Letter of authorization for operating credit card business</li> <li>License for operating credit card, debit card or ATM card services</li> <li>License for operating payment service under supervision business</li> </ul>	50
Krungsri Leasing Services Company Limited <sup>(1)</sup>	Leasing/Hire Purchase/Sales Finance	<ul style="list-style-type: none"> <li>Hire purchase, leasing and personal loan businesses</li> </ul>	100
Hattha Bank Plc. (former name: Hattha Kaksekar Limited) <sup>(2)</sup>	Microfinance institutions that can raise deposits	<ul style="list-style-type: none"> <li>Commercial banking business</li> </ul>	100
SB Finance Company, Inc. <sup>(3)</sup>	Personal Loan	<ul style="list-style-type: none"> <li>Retail loan business</li> </ul>	50

**Remarks:**

<sup>(1)</sup> Doing business in Laos.

<sup>(2)</sup> Doing business in Cambodia.

<sup>(3)</sup> Doing business in the Republic of the Philippines.

According to the nature of businesses, there are significant differences between the target customers of Bank of Ayudhya, its subsidiaries and other companies controlled by Bank of Ayudhya (“Krungsri Group”) and the Company’s target customers. However, considering all business groups of Bank of Ayudhya, there is a group that its products and services may overlap the Company’s, namely Krungsri Auto Group, operated by Bank of Ayudhya and Ayudhya Capital Auto Lease Plc. (“AYCAL”), a subsidiary of Bank of Ayudhya, operating automotive loan services and other related services.

- At present, hire purchase loans provided by Krungsri Auto Group and the Company do not overlap because the Company provides hire purchase loans for used trucks while Krungsri Auto Group does not provide this kind of loans.
- Overlap loan services of Krungsri Auto Group and the Company are car or motorcycle title loans which are the Company’s main products. If the Company’s customers have characteristics of high risk or request high amounts of loans, the Company may consider entering into loan agreements in the form of sales and lease back which is a minority of the Company’s total loans, in order to manage the Company’s risks. However, the target customers of Krungsri Auto and the Company are significantly different.
- Bank of Ayudhya and its subsidiaries operates non-life insurance brokerage businesses. However, the nature of their businesses is different. Bank of Ayudhya and its subsidiaries focus on offering non-life insurance products to customers of each business of the Bank, most of which are presented to the Bank and its subsidiaries’ customers who use their core products or services. Most of non-life insurance products are limited to the products of a few insurance companies. While Ngern Tid Lor offers non-life insurance products provided by a wide range of insurance companies to general customers. Moreover, most of the Company’s customers who purchase non-life insurance products are not the customers who use the Company’s loan services. With regard to life insurance, the Company offers loan protection insurance products to customers using its loan services only.



## 4. Shareholder

### 4.1 List of the Company's Top 10 Shareholders as of May 6, 2021

List of Shareholders	Number of Shares	% of Shares
1. Bank of Ayudhya <sup>(1)</sup>	695,695,530	30.00
2. SACA <sup>(2)</sup>	579,746,230	25.00
3. UBS SECURITIES PTE LTD.	188,055,000	8.11
4. Morgan Stanley & Co. International Plc.	138,144,200	5.96
5. Bualuang Long-Term Equity Fund	25,731,600	1.11
6. AIA Company Limited-EQAP-D FUND 1	13,013,800	0.56
7. SCB Dividend Stock 70/30 Long term equity fund	11,267,000	0.49
8. Thai Life Insurance PCL.	10,693,800	0.46
9. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	10,329,000	0.45
10. AIA Company Limited-EQTG-D FUND	9,099,500	0.39
<b>Total</b>	<b>1,691,775,660</b>	<b>72.53</b>
Thai shareholders	1,264,831,640	54.54
Foreign shareholders	1,054,152,930	45.46

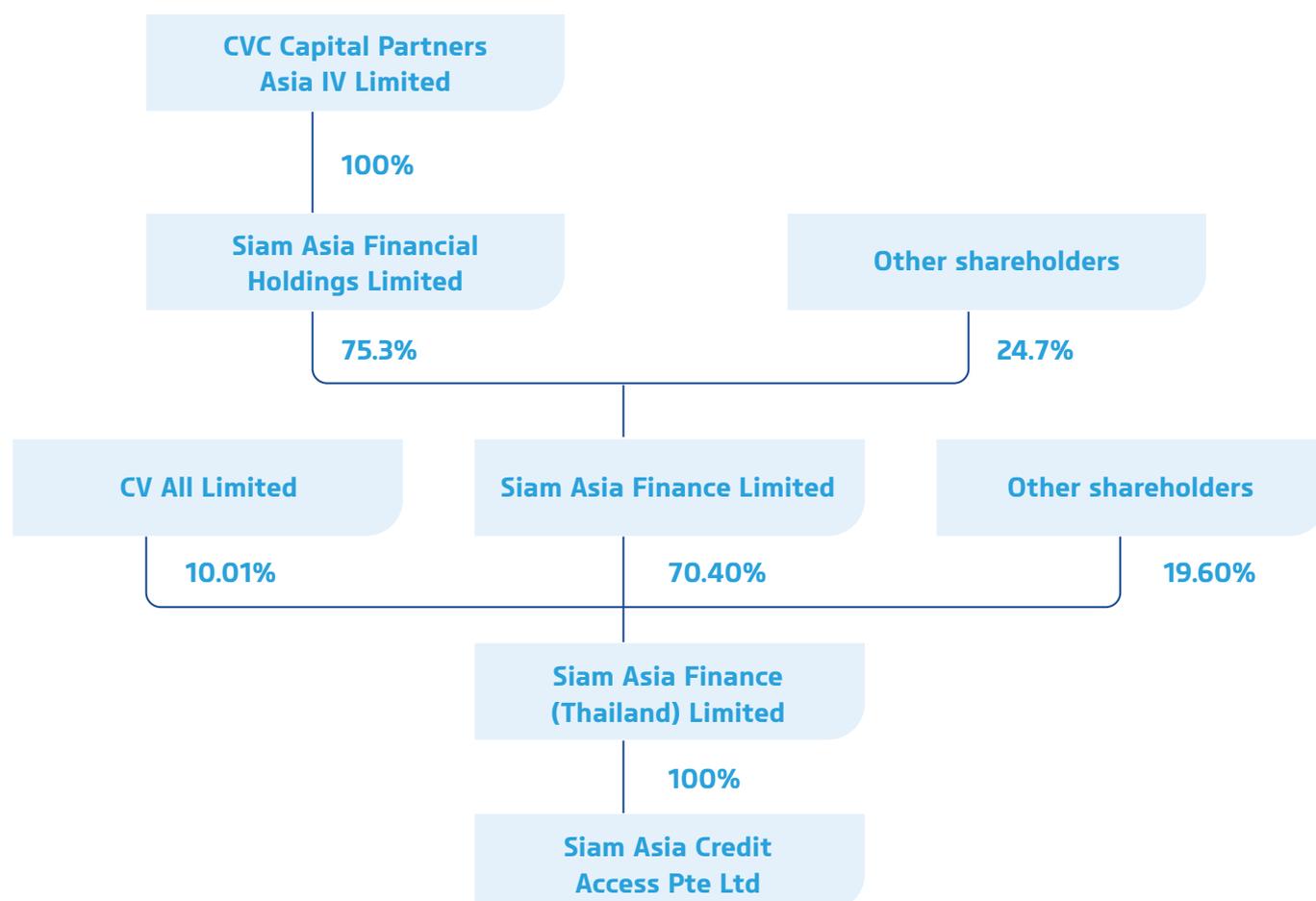
#### Remark

<sup>(1)</sup> Bank of Ayudhya is a public limited company established under Thai law, whose shares are listed on the Stock Exchange of Thailand. It operates a financial institution business in the category of commercial bank, providing various financial services directly and through companies in the group. As of September 8, 2021, Bank of Ayudhya's top ten shareholders were as follows:

List of Shareholders	Share Proportion (%)
MUFG Bank, Ltd.	76.88
Stronghold Assets Co., Ltd.	2.26
Tun Mahachoke Co., Ltd.	2.26
GL Assets Co., Ltd.	2.26
BBTV Satelvision Co., Ltd.	2.26
BBTV Asset Management Co., Ltd.	2.22
Bangkok Broadcasting & T.V. Co., Ltd.	2.19
Mahakij Holdings Co., Ltd.	2.16
Tun Rung Rueng Co., Ltd.	2.15
Super Assets Co., Ltd.	0.70

<sup>(2)</sup> Siam Asia Credit Access Pte Ltd. (SACA) is a juristic person established for shareholding in the Company. It is a CVC fund with a limited duration and will expire in between 2024 - 2026 (as the case may be, subject to the conditions specified).

As of December 31, 2021 shareholding structure of SACA was as follows:



#### 4.2 Agreement between Major Shareholders

There is no agreement between the major shareholders that the Company has signed, which affects the Company’s management and has important matters affecting the Company’s operations.

### 5. Securities and Shareholder Information

#### 5.1 Current Registered and Paid-up Capital

At present, the Company has the registered and paid-up capital of baht 8,580,242,909, divided into 2,318,984,570 ordinary shares with a par value of 3.70 baht per share.

## 6. Issuance of Other Securities (Summary of All Debentures)

### 6.1 Debenture

The Company has debt securities in the form of debentures offered to institutional investors and/or high-net-worth investors, which the Company has already issued and offered for sale. As of December 31, 2021, the total amount of debentures that had not yet matured was baht 16,650 million, all of which were unsecured debentures that had received a credit rating as A-level debentures from TRIS Rating Co., Ltd. Details are as follows:

Number	Type of Debenture	Date of Issue	Redemption Maturity Date	Offering Value (Million Baht) <sup>(1)</sup>	Interest Rate	Holder's Representative
3/2021, Set 1	Name-Registered, Unsubordinated and Unsecured Debentures	August 19, 2021	August 19, 2022	1,000	0.97%	None
3/2021, Set 2	Name-Registered, Unsubordinated and Unsecured Debentures	August 19, 2021	August 19, 2023	4,000	1.17%	None
2/2021	Name-Registered, Unsubordinated and Unsecured Debentures	April 7, 2021	April 21, 2023	300	2.45%	None
1/2021, Set 1	Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate	April 2, 2021	April 2, 2023	1,000	2.65%	The Siam Commercial Bank Public Company Limite
1/2021, Set 2	Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate	April 2, 2021	April 2, 2024	2,500	3.00%	The Siam Commercial Bank Public Company Limited
1/2020	Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate	October 1, 2020	April 1, 2022	3,400	No interest payment throughout the term of the debenture.	The Siam Commercial Bank Public Company Limited
1/2019, Set 3	Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate	July 24, 2019	January 24, 2022	4,000	2.80%	The Siam Commercial Bank Public Company Limited
4/2017, Set 3	Name-Registered, Unsubordinated and Unsecured Debentures	December 14, 2017	December 14, 2022	450	3.00%	None

#### Remarks:

- <sup>1)</sup> The values of the debentures issued by the Company and have not yet reached the maturity date as shown in the above table are the offering prices which are different from the values as shown in the Company's statement of financial position, which are adjusted according to the deduction of expenses related to the issuance of each set of the debentures.
- <sup>2)</sup> As of December 31, 2021, the Company did not violate the terms and conditions governing the rights and obligations of the debenture issuers and debentureholders, and never received a letter from the debentureholder or the bondholder representative that the Company violated the terms and conditions of rights and obligations of the debenture issuer and debentureholders.

### 6.2 Bills of Exchange

-None-

## 7. The Company's Dividend Policy

The Board of Directors may consider proposing an annual dividend payment of the Company by considering its ability to pay dividends in accordance with requirements of law and the Company's regulations, and it must be approved by the shareholders' meeting. The Board of Directors has the authority to approve payments of interim dividends to shareholders from time to time when the Company has sufficient profits to do so. The Board of Directors shall report to the shareholders in the next shareholders' meeting after the dividends had been paid.

It is the intention of the Company to distribute a dividend to shareholders in an amount equalling no less than 20 percent of the Company's net profit, as set out in the Company's separate annual financial statements (after taxes and reserves, as required by applicable laws and as determined by the Company). The Company's dividend policy (including the review and amendment to the dividend policy) is subject to the results of operations and financial condition of the Company, cash flows, terms and restrictions under relevant agreements (such as loan repayment terms), reserves for working capital, potential investment plans, and business expansion, market conditions and other relevant considerations as the Company's Board of Directors may deem relevant or appropriate, including regulatory requirements and other necessities.



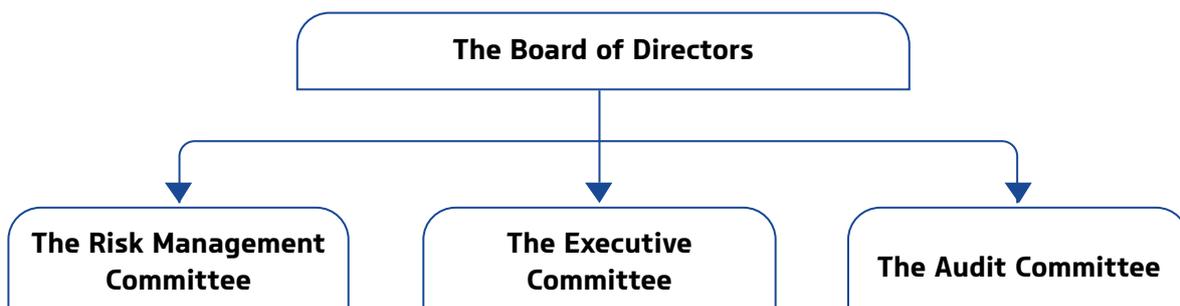


## Risk Management

The Company has focused on creating mechanism and risk culture to add value and generate sustainable returns to stakeholders under a balance between risks and return. Thus, the Company has established policies, processes and set the acceptable risk level which cover credit risk, operational risk, market risk, liquidity risk, technology risk and strategic risk. The Company has also developed risk assessment, control efficiency and residual risk monitoring to regularly monitoring risks to ensure that they are at an acceptable level.

### Risk Management Structure

The Board of Directors assigns the Risk Management Committee, the Audit Committee, and the Executive Committee, including related functions to monitor and manage business risk level to be at an appropriate level as well as align with rules and regulations.



The Company has established policies and processes, including control, monitoring and reporting systems on various levels of risks, as well as clearly separated duties and responsibilities and defined risks of each reporting line in alignment with principles of good internal control. The Company has also emphasize on accuracy of report and risk management disclosure. There are three key risks as follows.

## **1. Credit Risk Management**

Most of the Company's loan clients are those who cannot access to commercial banks' loan services. Therefore, the Company may have higher risk of bad debt or default than loans given to clients who have good credit history, including impacts caused by changes in economic conditions, laws, policies and/or regulatory requirements.

An ongoing outbreak of COVID-19 since 2020 has resulted in a slowdown in economic activity while per capita income as well as the Company's loan clients have decreased significantly, causing an increase of default rate. To control the Company's credit risk under risk tolerance level, the Company has adjusted the processes and policies on credit approval and debt collection in accordance with the situation.

### **1.1 The Effective Loan Approval**

To manage risks concisely, the Company regularly reviews policies and processes relevant to loan approval to keep up with changing situations, including having a suitable information management system on data used for loan approval as well as internal and external data review processes. Currently, the Company can access data of National Credit Information Co., Ltd. (Credit Bureau), which the Company has used as the information for assessing creditworthiness of some clients. Moreover, the Company has assessed clients' credit histories and tendencies to default based on the information obtained from loan applicants and external sources. To improve efficiency of loan approval, the Company has used various techniques and an internal credit scoring system for considering each client both at the branch level and at head office according to the Company's credit policy. Loan operations depend on clients' histories, types of loan, and the completeness of information obtained from various source for the accuracy in loan approval considerations.

### **1.2 The Debt Collection or Disposal of Asset for Debt Repayment**

An outstanding loan is a part of the Company's normal business operations, thus, the Company has focused on effective debt quality management and arranging guidelines for debt collection to suit a level of risk and a situation occurred. Preliminarily, the Company shall contact a client by phone and send text messages via phone or letters to follow up on an overdue debt. The Company shall try to collect debt by meeting with a client (the Company's employee or third-party debt collector may be assigned to meet with a debtor or proceed through the legal system). In addition to the aforementioned processes, the Company shall track asset for debt repayment and proceed to dispose of such asset through various methods, including an auction by a third party and selling by the Company. When the asset is sold, money received from such sale will be used for paying off an outstanding debt. If there is an excess after debt repayment, such excess will be returned to a client. The Company has placed importance on fair debt collection under the laws and regulations. Additionally, the Company has focused on continuously improving debt collection efficiency by applying statistics methodology to improve debt quality in every segments.

## **2. Operational Risk Management**

The Company aware of and gives importance to crisis management and business continuity management by established crisis management plan for every scenarios, such as identify workforce and backup person to execute critical tasks, diversify operational workplaces to reduce chance of infection among critical staffs who execute same critical tasks. Moreover, the Company also distributes required resources such as computers, phones and network connection devices to employee accommodations to support them on working from home. The aforementioned plans shall reduce business disruption especially critical business functions (CBFs). It also promotes the smoothly service to support customers during crisis situation.

## 2.1 Operational Risk Management

The Company has established the policy for operational risk management covering risk assessments both from external and internal events, risk prevention, as well as a contingency plan to mitigate risks, with details as follows:

1. Determine the “Business Continuity Management Policy” for being used as guidelines for ensuring that when disruption occurs, operations can be maintained or recovered within reasonable period. Its purpose is to minimize the operational, financial, legal, reputation and other material consequences arising from a disruption, especially for a major operational disruption.
2. The Company has implemented risk and control self-assessment (RCSA) which consists of risk identification, risk assessment, risk monitoring and control and risk reporting. All departments shall assess risks, risk control methods and its effectiveness, as well as determines expected damage from operational risk and risk tolerance levels report to departmental executives and high-level executives on a monthly basis.
3. The Company has managed risks from using external service providers by setting up a service provider selection process, risk assessment, an outsourcing risk controlling and monitoring process and also a business continuity plan for maintaining business continuity to customers, as well as customer complaints management and customer data securities.
4. The Company conducts business continuity plan testing at least once a year. Moreover, the Company has updated staff names and phone numbers of employees in each department on a quarterly basis or when there is a major change that affects organization structure/workforce of any department. In addition, the Company conducts call tree testing at least once a year to ensure that its communication would be able to operate smoothly even in the event of a crisis.

## 2.2 Crisis Management

The Company has given importance to crisis management and business continuity management by determining the “Business Continuity Management Policy” for being used as approach for ensuring that specified operations of critical business functions can be maintained or recovered in a timely fashion in the event of a disruption. Its purpose is to minimize the operational, financial, legal, reputation and other material consequences arising from a disruption, especially for a major operational disruption.

1. Prepare a “business continuity plan (BCP)” which determines plan of action and systems that are necessary for continuous operations or restoring the organization’s operations in the event of a disruption. All departments that operate critical business tasks shall prepare and review their business continuity plans (BCP) to ensure up-to-date procedures at least once a year or when there is a significant change.
2. Prepare a “disaster recovery plan (DRP)” to cope with crisis events that may cause disruption of the Company’s information technology and reduce potential impacts, including restoring the technology system to its normal condition in a timely manner. The plan consists of four main steps as: 1) preparation before the incident, 2) announcement of information technology contingency plan, 3) performing the system recovery, and 4) returning to normal and the announcement of IT contingency plan cancellation.
3. Conduct business continuity plan testing and IT contingency plan testing on yearly basis, as well as summaries of test results and problems occur during testing in order to find preventive action for such problems, and report to the management accordingly.
4. Prepare ready-to-use “alternate sites” in case of any disruption arise at the Head Office. So the departments executes critical business tasks shall perform activities to service customers. Existing company alternate sites can support 100% of employees performing critical business tasks.

## 3. Financial Risk Management

### 3.1 Liquidity Risk Management

The Company requires a large amount of capital to run the business and maintain its growth. Over the past years, the Company has been dependent on financial institutions and shall continue to depend on them in the future. This mainly includes the major shareholders, Bank of Ayudhya, and issuances of debentures and bills of exchange in the domestic bond market for funding operations to operate and expand the Company's business. Therefore, relationships between the Company and Bank of Ayudhya or other current lenders may change negatively due to various reasons, such as an inability to provide continuous loans or additional loans for the Company's business, and changes in risk levels in case Thai or foreign bond markets become tight by any reason, all of which may cause the Company to be unable to acquire necessary funds. Any of the above negative events or in case the company cannot raise funds under acceptable conditions, it may result in the Company's funding liquidity risk. In addition, in the event that the Company continually incur financial obligations, additional liabilities may affect the Company's access to additional funding sources in the future. Therefore, the Company shall have increasing risk if it fails to comply with financial obligations determined in the loan agreements which the Company have entered with the financial institutions, and cross-default risk, including limitation on planning flexibility or operational change or responding to changes in the business and industry, as well as negative impacts on business expansion plans and business growth.

In addition, as the Company is regarded as a foreign juristic person registered in Thailand under the Foreign Business Act, B.E. 2542 (1999) ("Foreign Business Act"), the Company is obliged to maintain debt-to-equity ratio. This may also limit the Company's ability to incur debt to acquire additional funds. However, on September 18, 2020, the Ministry of Commerce proclaimed temporary relaxation of requirement on maintaining the debt-to-capital ratio until June 30, 2023 for non-bank financial services providers who are not foreign financial institutions and receive loans from financial institutions (as defined in the Financial Institution Business Act, B.E. 2551 (2008) and the amendment) and business operators of certain types of financial services including personal loans, hire purchase and vehicle title loans. This temporary relaxation aims to improve non-bank financial services providers' liquidities and mitigate the impact of COVID-19 on small consumers. Nonetheless, as of December 31, 2020, the Company's debt- to-equity ratio was still in accordance with the requirements under the Foreign Business Act.

As the risks arising from insufficiency of working capital or inadequate financing and lack of liquidity may affect the Company significantly, therefore, the Company has established guidelines for obtaining short-term and long-term loans and adjusted proportion of each type of loan to be consistent with ages of the Company's debtors. The Company has focused on raising funds from the issuances of debentures and bills of exchange and sourcing a variety of funding sources both domestically and internationally without depending on any particular source of funds.

### 3.2 Interest Rate Risk Management

Market interest rate fluctuations may lower the Company's profitability since the Company's main sources of funds for its business operations are loans from banks and financial institutions, including the issuances of debentures and bills of exchange in the Thai bond market. Such sources of funds charge carried interest with the rates determined by various factors including prevailing wholesale interest rates and a reference rate set by the Bank of Thailand. If the prevailing wholesale interest rates increase, the sources of funds may increase the interest rates being charged to the Company. In case the prevailing wholesale interest rates decrease, banks and financial institutions may put their investments in other options instead of lending. In both cases, the Company may need to obtain financing from other sources which may not provide conditions that are commercially beneficial to the Company or the Company may not be able to obtain financing at all, which may cause significant negative impacts on the Company's business, financial position, performance and opportunities.

To reduce impacts on financial costs due to changes in market interest rates, the Company has obtained both short-term and long-term loans, whereas most of them are fixed-rate loans and a few are floating-rate loans. Moreover, the Company has adjusted the proportion of each type of loan to suit its asset status, as well as taken into account liquidity risk, to enable the Company on choosing loans with appropriate interest rates. The Company has also entered into an interest rate swap contract to reduce interest rate risk.

# Business Operations Risk Factors

## 1. Risk from the COVID-19 situation

The emergence and transmission of COVID-19 since the end of 2019 up to the present has caused severe impacts on the global economy, including Thai economy, eventuating in disruption of economic activities in the entire system, for instance, travel and tourism as well as the retail and service sector. As a result, entrepreneurs continue to have reduced income or have to close their businesses. In 2021, the situation was eased by a distribution of vaccines to the people sector and an increased ability to cope with the COVID-19. However, due to the long-term impact, it takes time for economic and household income recoveries.

To alleviate clients' suffering, respond to government measures and control risks to appropriate level, the Company established debt restructuring measures for clients, such as debt moratorium, reduction of installments, and extension of time, including adjusting operating processes as well as leveraging technology capabilities to ease of usage. Due to implementations of such measures, the Company is able to manage debt quality to be at acceptable level. However, since the economy is at the recovery stage, risks therefore remain at the level that must be closely monitored.

## 2. Risk Arising from Changes in Operational Rules and regulations

To operate the businesses, the Company has to comply with the rules, laws and regulations of the relevant government agencies such as the Ministry of Finance, the Bank of Thailand, the Office of the Consumer Protection Board, the Anti-Money Laundering Office, the Office of Insurance Commission, the Committee for the Protection of Credit Information, the Securities and Exchange Commission, the Department of Business Development, the Ministry of Commerce, the Office of the Personal Data Protection Committee, and the Department of Provincial Administration. Non-compliance with regulations and laws may significantly affect the company's reputation or business.

The Company therefore established the Legal Department and the Compliance Department to supervise its business operations in accordance with the laws and regulations of the government sector. Both departments shall be responsible for studying, following up and disseminating knowledge regarding the laws and regulations related to the Company's business operations to the responsible departments to ensure the business compliance. Moreover, they also supervise and review compliance with laws and regulations, including reporting the supervision outcomes and related information to the Board of Directors, the sub-committees and related executives on regular basis.

In addition, considering the nature of the Company's business that has continuously changes and evolved, the applicable laws and regulations therefore have been frequently changed and evolved as well. Thus, the Company is put the process in place to assess legal and regulatory risks in terms of , for example, in case of any materially changes or interpretations of current applicable of laws and regulations, or changes in regulatory supervisory of relevant agencies, or new laws or regulations enacted, the Company can modify its operating guidelines to continuously operating, maintain the company reputation, the financial position and results, with efficiency and sustainably.

Legal dispute proceedings in the ordinary course of business may cause liability to the Company from time to time. Since the Company operated a financial services business in Thailand, there have been continual changes in governance and operations. The Company may be subject to complaints by customers or regulatory authorities, increasing the company's risk. Although the Company cannot guarantee whether a judgment in legal proceedings or other proceedings in which the Company is currently involved, will be made in favour of the Company or not, or whether the Company will be sued in the future or not, the Company has a legal unit responsible for managing legal proceedings and business disputes in order to reduce loss or damage to its reputation.

### **3. Information Technology Risk**

Today's technology has developed and changed rapidly, and places its importance in all industry including the financial industry. Offline and online technologies are being used as risk mitigation strategies. Particularly, during the COVID-19 outbreak, technology adoption is the driving core for company growth and product development in to increase competitiveness in the market.

- The Company has developed internal information technology system by having their both own servers or rental servers to support infrastructure systems that are crucial for the Company's business and efficiency while using external internet infrastructure and telecommunication systems to ensure smooth online services and other business operations related to the information technology systems. However, in the event of server failure, the Company and the server provider may have restrictions on accessing other backup networks because system resources in this field are limited or costly.
- The Company's business operations are depended on its information technology system and continuous operations, specifically, the system related to providing loans, selling insurances, accounting management system, and debt collection process. Stable operation effectiveness of technology and reliable infrastructures are keys to support the Company's operations, client service, reputation as well as retention for existing clients and acquiring new clients. If such system fails, it may cause interruption to the business and result in reputation damage. The Company's information technology system may be affected by natural disasters, power or telecommunication system failure, environmental conditions computer virus, computer hacking, acts of crime and other security threats, all of which may cause business interruption and misuse of information, as well as lead to reputational damage, regulatory penalties or litigation. The Company has also transferred some parts of IT system to cloud-based platforms; however, the Company has limited experience in operating and maintaining IT system on Cloud. If the Company is unable to improve and develop the information technology system to support the increased volumes of loans and insurance sales, it could cause negative impact on the Company's operation capability.

### **4. Risks from Data Retention and Compliance**

The Company is already to comply with the Anti-Money Laundering Act B.E. 2542 (1999) and its amendments which requires the Company to retain large amount of client data such as personal information, details of client transactions and results of client's risk assessment for a period of ten years from closing date of client account or date of client relationship termination. As the Company has information access, storage, and processing as appropriated, making the Company a target of cyber attackers, computer virus, physical and electronic hacks

or similar system interventions. In this regard, the system security measures may fail or be unable to prevent attacks. Moreover, there may be design flaws in the Company's technological infrastructure, which lead to information system-related risks and attacks, all of which may cause the Company to be subject to regulatory penalties or prosecution including proceedings under the Personal Data Protection Act B.E. 2562 (2019).

Although the Company has the contingency plan, there may be a case when the service is interrupted or delayed as a result of the third party's mistake, the Company's mistake, a natural disaster or a security attack. Whether it is occurred intentionally or not, such case may affect the Company's reputation, the customer relationships and the sources of funds, as well as cause the Company to involve in the law-enforcement process. The Company may not have sufficient capability to recover all data and services in the event of system downtime. These factors may cause the Company to be unable to process loan requests and other business operations while its employees have to spend time on solving problems, causing decrease in revenue and increasing the Company's liability as well as making clients become hesitant to use the Company's products or services, all of which may cause significant negative impacts on the Company' business, financial position, performance and business opportunities.

## 5. Risks from High Competition in Highly Competitive Industry

The Company has faced high competition in all aspects of business operations and expects that the competition will be increasing, especially due to in Thailand's lending business and insurance brokerage is high and lucrative. In terms of the lending business, the Company has competed with many financial services providers including financial institutions and non-financial institutions. As for the insurance brokerage business, the Company has to compete with a wide range of small and large insurance brokerages since Thailand's insurance brokerage market is highly fragmented. Large leading insurance brokerages may directly compete with the Company by



focusing on the Company's clients. Smaller insurance brokerages and technologically savvy companies may be able to offer new services to compete with the Company, which can be quickly accepted by the market. In addition, this industry also has tendency towards mergers and acquisitions, whereas financial services providers are always looking for acquisitions or joint ventures with other companies in the same industry, or develop their own lending businesses in order to utilize their existing operational capabilities to compete with the companies in the vehicle title loan market.

The Company also competes with other service providers in the same business in many aspects such as brand awareness, reputation, credit limit, loan-to-value, the speed of loan approval, interest rates, pricing, insurance premiums, quality of client service, efficiency in debt collection, foreclosure, access to low cost funding and technological efficiency. However, other service providers in the same business today and in the future may have competitive advantage to operate businesses in one or more areas as aforementioned beyond the Company.

In addition, the Company's main income is derived from interest charged on client loans. Such loans carry interest which is determined by various factors including market interest rates at the time of loan approval and according to the borrower's risk and credit history. However, if the reference interest rate increases, the Company will have higher financial cost, so that the Company has to adjust its loan interest rates accordingly. Due to this reason, clients may decide not to apply for loans with the Company, especially in the event that other lenders do not adjust their loan interest rates according to the market rate. Moreover, the Company's ability of retaining current clients and seeking or attracting new clients, as well as the Company's competitiveness may be severely affected. On the other hand, in case the reference interest rate decreases, resulting in lower financial cost, the Company's clients may choose to apply for loans with other lenders providing lower interest rates since the Company does not reduce its loan interest rates within a reasonable time. In any case, if the Company does not appropriately adjust the interest rates for offering to its clients, or other service providers in the same business have reduced their interest rates to attract clients, the Company's clients may decide to borrow from them instead, which may reduce the Company's market share. The Company determines to build good relationships with business partners in the insurance industry, so that the partners would choose to do business with the Company than other service providers in the same business. Thus, the Company shall always set compensation at the rate that is competitive in the market. In the case of other service providers in the same business are able to set much lower compensation level, it may have significant negative impacts on the Company's business, financial position, performance and business opportunities.

## **6. Shareholders' Investment Risk**

Investing in TIDLOR shares may cause investment risks to shareholders as return on investment may not meet shareholder expectation. It will fluctuate according to share price and investment climate. Regarding, the return of dividend depends on the Company's performance in the year, that shareholders may earn returns that are more or less than expected. The Company has already identified key risks and risk management; however, there may be other risks involved. Therefore, shareholders shall consider risks and use careful discretion when making investment decisions by accepting that the Company may not be able to prevent all potential risks. Furthermore, a wide variety of factors such as domestic and international economic conditions, political situations, and changes in government policies, as well as unpredictable events and emerging diseases, all of them may affect the Company's operating results and dividend payment.



## Driving Business for Sustainability

As the financial service provider, the Company is committed to operating transparent businesses on the basis of morality and principles of good corporate governance. The Company has driven the businesses towards sustainability by taking into account the balance of 3 dimensions, namely economy, society and environment. The Company also provides maximum benefits to all stakeholders, which are in line with the Sustainable Development Goals (SDGs), for instance, offering products and services that are hassle-free, convenient, speedy and suitable for clients through our sincere employees, which help lift people out of poverty (GOAL 1: No Poverty); promoting equal and inclusive education as well as lifelong learning to all stakeholders (GOAL 4: Quality Education); focusing on continuous, inclusive and sustainable economic growth, including decent employment (GOAL 8: Decent Work and Economic Growth); and developing innovation and infrastructure, along with adapting to become a sustainable financial service provider (GOAL 9: Industry, Innovation and Infrastructure).

In 2021, the Company had undergone a quality assessment on holistic approaches to social and environmental responsibility management and was rated by EcoVadis, an internationally recognized institution. The Company's performance was assessed through its policies, implementations and performance under 4 topics including environment, labour and human rights, ethics, and sustainable procurement. Based on 2021 assessment results, the Company was granted the EcoVadis sustainability bronze medal.



**Objective**

We are a non-bank financial services provider aiming to generate long-term sustainable returns by providing fair and transparent financial services to deliver financial opportunities to our clients.

**Vision, Mission**

"At Ngern Tid Lor, in everything we do, we strive to empower people and enrich lives. We believe that access to fair, transparent, and responsible financial services is everyone's right. We deliver financial betterment by offering relevant products and services that are simple to understand, convenient, and fast through our committed employees."

## Scope of This Report

Information in this report covers the performance from January 1, 2021 to December 31, 2021.

### 1. Sustainability Management Policies and Goals

In 2021, the Company had operated its business with honesty, transparency and fairness, along with implemented social responsibility. The Board of Directors has formulated the Company's policies to be in alignment with the sustainable development guidelines and goals and focused on looking after all groups of stakeholders appropriately and fairly, including determining 12 sustainability to cover economic, social and environmental dimensions as shown in the diagram below.



# Sustainable Development Goals

In 2021, the Company set its sustainable development goals to be in line with the UN's Sustainable Development Goals (SDGs), namely to be the leader in vehicle title loan business and insurance brokerage by adhering to the principles of good corporate governance and placing importance on all stakeholders.

The Company's sustainability strategy is to develop new technologies and services, such as Ngern Tid Lor Application and TIDLOR Card, to support a wide range of clients to access hassle-free financial and insurance services quicker and easier. In addition, the Company has set and reviewed sustainability goals and issues regularly.



Sustainable Development Policy Framework	Economic	Social	Environment
<b>Goal</b>	To be a responsible organization that generates sustainable returns	To be a responsible citizen who builds a sustainable society	To be an environmental steward who preserves the environment to create a zero carbon society
<b>Commitment</b>	We are committed to being a leader in financial innovation with good governance and creating social and environmental balance, along with economic growth.	We are committed to developing good relationships with our employees and communities to create wealth, well-being and good quality of life.	We are committed to protecting and reducing the impacts of climate change.
<b>Sustainable Development Policy</b>	<ul style="list-style-type: none"> <li>Financial Stability</li> <li>Corporate Governance Policy, Structure and System</li> <li>Sustainability Policy and Strategy</li> <li>Corporate Risk Management</li> <li>Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Providing Financial Opportunities</li> <li>Clients/Consumers Responsibility</li> <li>Fair Labour Treatment</li> <li>Community/Society Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Waste Management</li> <li>Energy Management</li> <li>Water Management</li> </ul>

## 2. Business Chain and Stakeholder Management

The Company places emphasis on sustainable business development by taking into account changing contexts covering economic, social and environmental issues. Thus, the Company identifies and prioritizes economic, social, environmental and corporate governance issues that affect the Company, its stakeholders and goals, all of which are considered bases for determining the Company's business practices and improving its operational potential.

### 2.1 Value Chain



## 2.2 Sustainability Priorities and Materiality 2021

Key issues and potential impacts on the value chain in both global and national sustainability contexts shall be identified from the information derived from internal and external stakeholder participation. The identified issues then shall be assessed and prioritised by considering potential impacts through a matrix diagram.



### 1-5: Economic Dimension, 6-9: Social Dimension, and 10-12: Environmental Dimension



#### Economic Dimension / Governance

1. Financial Stability
2. Corporate Governance Policy, Structure and System
3. Sustainability Policy and Strategy
4. Corporate Risk Management
5. Innovation



#### Social Dimension

6. Providing Financial Opportunities
7. Clients/Consumers Responsibility
8. Fair Labour Treatment
9. Community/ Society Responsibility



#### Environmental Dimension

10. Waste Management
11. Energy Management
12. Water Management

### 3. Stakeholder Management

The Company treats its stakeholders equally without discrimination and provides opportunities for internal and external stakeholders to be able to communicate with the Company via website and e-mail address. The Company's stakeholders comprise shareholders and investors, clients, the Board of Directors, employees, suppliers and service providers, creditors, local and government regulators, service providers or contractors, communities and societies. The aforementioned stakeholders are key mechanisms, all of whom the Company shall understand their requirements and expectations in order to establish guidelines for operations and appropriate treatment of stakeholders in order to prevent potential risks and minimize negative effects.

<p><b>Shareholder and Investor</b></p> 	<p><b>Participation channels</b></p> <ul style="list-style-type: none"> <li>- General and extraordinary meetings of shareholders</li> <li>- Disclosure of information via SETLink system of the Stock Exchange of Thailand (SET)</li> <li>- The Company's website and internal and external publications</li> <li>- Meeting and providing information to domestic and foreign shareholders, investors and guests individually and as a group, both domestic and foreign investors</li> <li>- Providing channels for inquiries via website and e-mail</li> </ul> <p><b>Stakeholder expectations and key issues</b></p> <ul style="list-style-type: none"> <li>- Rewarding return and sustainable organizational growth</li> <li>- Consistently good performance</li> <li>- Accurate, complete, transparent, and timely information</li> <li>- Risk management and good corporate governance</li> <li>- Ethical business operations and consideration of environmental issues</li> </ul> <p><b>The Company's response guidelines</b></p> <ul style="list-style-type: none"> <li>- Sustainable and balanced income</li> <li>- Disclosing information to shareholders and the Stock Exchange of Thailand (SET) through activities or other communication channels with transparency and accountability.</li> <li>- Providing opportunities for shareholders to propose meeting agendas and persons to be appointed as the Company's directors at the Company's annual general meeting</li> <li>- Providing opportunities for shareholders to ask questions and express opinions at the shareholders' meetings and through the Company's various communication channels</li> </ul>
<p><b>Client</b></p> 	<p><b>Participation channels</b></p> <ul style="list-style-type: none"> <li>- Providing client relationship officers to facilitate clients to meet their requirements</li> <li>- Producing public relations materials to provide accurate, complete, clear and transparent information about products and services</li> <li>- Provide channels for receiving client feedback, suggestions and complaints</li> <li>- Conducting client satisfaction surveys regularly</li> <li>- Providing various and flexible digital channels to quickly communicate with clients, for instance, LINE Group, Facebook, and mobile application</li> </ul> <p><b>Stakeholder expectations and key issues</b></p> <ul style="list-style-type: none"> <li>- Being served transparently and fairly</li> <li>- Obtaining complete and accurate information</li> <li>- Being offered the right products that are suitable for clients</li> <li>- Collecting interest and fees correctly</li> <li>- Solving problems in a timely manner</li> </ul> <p><b>The Company's response guidelines</b></p> <ul style="list-style-type: none"> <li>- Determination of operating principles according to the Market Conduct</li> <li>- Increased access to products that are convenient for clients</li> <li>- Transparently providing announcements of interest rate and fee</li> <li>- Establishing client service and receiving complaints unit</li> </ul>

## The Board of Directors



### Participation channels

- Organizing Board meetings regularly
- Providing information through the Company's various channels

### Stakeholder expectations and key issues

- Operating business transparently in accordance with the Company's good corporate governance
- Fair treatment of stakeholders
- Appropriate sustainable growth rate and risk management
- The Board of Directors has independence in decision making.

### The Company's response guidelines

- Efficient, transparent and auditable management in accordance with the corporate governance and sustainable development guidelines
- Operating business by taking into account all stakeholder groups

## Employee



### Participation channels

- Electronic channels such as Facebook, Line and Youtube
- Whistleblowing channel on the Company's website
- Annual assessment
- E-mail communication and Intranet/ TIDLOR portal
- Providing ombuds person
- Organizing annually townhall meeting for executives and employees

### Stakeholder expectations and key issues

- Fair and appropriate compensation and welfare in accordance with economic conditions
- Career path planning and job advancement
- Continuous development of knowledge, competence and other life skills
- Occupational health and safety
- Proper arrangement of workplace facilities
- Providing employees with opportunities to allocate time for work-life balance
- Arranging safe and sanitary work environment without COVID-19
- Equal importance and value
- Build employee engagement

### The Company's response guidelines

- Adhering to equitable treatment of employees and non-discrimination, determining payment standard and establishing the Nomination and Remuneration Committee to nominate and consider the remunerations of directors and senior executives
- Arranging individual employee development plans to suit each career path and providing scholarships for employee development
- Arranging clear annual performance measurements
- Providing essential benefits for employees
- Providing assistance on employee vaccination
- Providing complaint channels for employees

## Supplier and Service Provider



### Participation channels

- Discussing, exchanging ideas and brainstorming in order to boost creativity and development of innovations or new work methods
- Visiting suppliers to obtain their opinions and suggestions
- Providing channels for receiving suggestions or complaints, such as the Company's website, Evaluation Form Letter (G&E) and whistleblowing channel

### Stakeholder expectations and key issues

- Transparency in supplier selection
- Fair dealings with suppliers
- Sustainable sourcing

### The Company's response guidelines

- Being stakeholders in the value chain as supplier and service provider
- The Company is a lender and insurance broker. We have 2 groups of important suppliers and service providers including Group 1: general suppliers and service providers, and Group 2: significant suppliers and service providers such as critical service providers who provide value propositions or perform client touch points, for instance, debt collector and payment service provider.
- For both groups of suppliers and service providers, the Company has complied with policies and procedures regarding prevention of conflicts of interest and anti-corruption by inspecting suppliers and service providers' connected transactions, Know Your Client (KYC) check and anti-money laundering (AML) before entering into joint transactions.
- The Company also jointly conducts assessments on ESG and Business Continuity Plan (BCP) in relation to its critical operations with suppliers and service providers, to ensure that response plans are prepared in case of force majeure events that may cause business interruption.
- The Company recognizes the importance of suppliers and service providers in Group 2 who conduct business in accordance with good governance and take into account business sustainability. To generate confidences of shareholders, investors and all stakeholders, additional actions regarding compliance with good corporate governance principles and laws relevant to personal data protection, debt collection and consumer protection have been taken with suppliers and service providers in Group 2 accordingly.

## Creditor



### Participation channels

- Providing channels for receiving suggestions or complaints, such as the Company's website, Evaluation Form Letter (G&E) and whistleblowing channel
- Meeting with and providing information to financial institutions

### Stakeholder expectations and key issues

- On-time payment of interest and repayment
- Continuous communication and disclosure of information

### The Company's response guidelines

- On-time payment of interest and repayment
- Continuous communication and disclosure of accurate and complete information

<p><b>Local and Government Regulators</b></p> 	<p><b>Participation channels</b></p> <ul style="list-style-type: none"> <li>- Submitting reports as required by regulatory authorities</li> <li>- Attending meetings and hearings of supervisory policies and guidelines</li> <li>- Liaising and coordinating with regulatory authorities</li> <li>- Attending meetings with entrepreneurs in the same business (Vehicle Title Loan Trade association (VTLA)) in order to coordinate with regulatory authorities</li> </ul> <p><b>Stakeholder expectations and key issues</b></p> <ul style="list-style-type: none"> <li>- Operating business based on good governance and in accordance with laws</li> <li>- Having continuous and effective audit and governance</li> <li>- Reporting information accurately, completely and within the specified time</li> </ul> <p><b>The Company's response guidelines</b></p> <ul style="list-style-type: none"> <li>- Compliance with laws, rules and regulations relevant to proper conduct of business</li> <li>- Developing the Company's work processes according to the requirements, recommendations and observations received from regulators</li> </ul>
<p><b>Community</b></p> 	<p><b>Participation channels</b></p> <ul style="list-style-type: none"> <li>- Organizing community relations activities through employee volunteer projects and the Company's social projects</li> </ul> <p><b>Stakeholder expectations and key issues</b></p> <ul style="list-style-type: none"> <li>- Providing financial knowledge, having products, services and channels for accessing financial services that match community lifestyles</li> <li>- Organizing community promotion activities</li> <li>- Helping community members suffering from COVID-19</li> <li>- Preserving resources and the environment</li> </ul> <p><b>The Company's response guidelines</b></p> <ul style="list-style-type: none"> <li>- Providing financial knowledge to communities through channels, public relations media and training seminars as well as employee volunteer activities</li> <li>- Educating, promoting, helping and supporting local communities in order to develop a wide range of occupational skills, as well as conserving natural resources and the environment</li> </ul>
<p><b>Society</b></p> 	<p><b>Participation channels</b></p> <ul style="list-style-type: none"> <li>- Electronic channels such as the Company's website and Facebook</li> <li>- Volunteer activities</li> <li>- Social activities</li> </ul> <p><b>Stakeholder expectations and key issues</b></p> <ul style="list-style-type: none"> <li>- Providing financial knowledge</li> <li>- Having products, services and channels for accessing financial services that match community lifestyles</li> <li>- Organizing community promotion activities</li> <li>- Helping community members suffering from COVID-19</li> <li>- Preserving resources and the environment</li> </ul> <p><b>The Company's response guidelines</b></p> <ul style="list-style-type: none"> <li>- Providing COVID-19 and natural disaster reliefs to people being affected through donation and support channels in the form of fund and necessities, including rehabilitation after disasters.</li> </ul>

# ESG<sup>®</sup>

Environmental, Social & Governance.



## 4. Guidelines for Managing Key Sustainability Issues



Sustainability Issue	Energy Management
	
<b>Strategy and long-term goal</b>	
The importance of the topic	To conduct businesses, we require energy to drive all activities, which leads to costs and a broad impact on the environment. The business sector has implemented cost-effective energy management to ensure maximum efficiency, including considering the use of alternative energy such as solar energy and biomass energy to reduce costs and demonstrate the organization's social and environmental responsibilities.
Long-term goal	<ul style="list-style-type: none"> <li>To reduce the amount of greenhouse gas emissions under the Scope 1 by 10% from the base year (2019) within 2025.</li> </ul>
	
<b>Key issue management procedure</b>	
Policy	<ul style="list-style-type: none"> <li>To find out methods for using resources efficiently, and seek out alternative energy sources in order to reduce environmental, health and safety impacts caused by all activities taken along the business value chain.</li> <li>To prepare data for greenhouse gas emissions reporting and registering carbon footprint certification with the Greenhouse Gas Management Organization.</li> </ul>
Responsible department	Support and Central Service Department
Management procedure	To prepare operational guidelines and monitoring system
Project objectives	<p>The Company's activities along the value chain involve using cars and motorcycles that use large amount of petroleum-based fuel; a kind of fossil fuels. The Company realizes the importance of reducing and eliminating the use of energy from fossil fuels, therefore, tries to find clean energy to replace it in order to:</p> <ul style="list-style-type: none"> <li>Reduce the environmental impact caused by combustion of petroleum, resulting in emissions of carbon dioxide and greenhouse gas. These gasses remain in the Earth's atmosphere and trap and store heat, causing "global warming" and "climate change", which currently lead to serious impact on global ecology system. Moreover, they also generate air pollution, PM2.5 and acid rain. Air pollution significantly causes an increase in chronic and sudden illnesses. Moreover, stroke has also linked to exposure to PM2.5 dust. Stroke incidence is associated with exposure to PM2.5 as well;</li> <li>Reduce energy costs; and</li> <li>Maintain good health of the Company's stakeholders including employees, clients, suppliers and communities.</li> </ul>
Project plan	<p>To procure clean and renewable energy for the Company's vehicles by:</p> <ul style="list-style-type: none"> <li>Changing the use of diesel to be bio-diesel for pickup trucks; and</li> <li>Changing the use of benzene to be gasohol E20 for sedans.</li> </ul>
Project performance measurement	<ul style="list-style-type: none"> <li>To collect monthly/quarterly data of renewable energy transition and compare it with the goal, and summarize annual performance</li> <li>All vehicles are switched to use clean and renewable energy.</li> </ul>
	
<b>Monitoring results that support the goal</b>	
Monitoring system based on project metrics, for supporting goals and annual performance	To collect monthly/quarterly data of renewable energy transition and compare it with the goal, and prepare annual performance summarisation
	
<b>Evaluation and corrective measures</b>	
Evaluation and determination of corrective action plan (if necessary)	To prepare reports on performance evaluation and performance in comparison with the plans, as well as report to the management

Sustainability Issue	Employee Development
	<b>Strategy and long-term goal</b>
The importance of the topic	<p>Employees are considered the organization’s stakeholders who are significant resources in building long-term sustainability. According to a study by the World Economic Forum’s Future of Jobs Report, the emergence of COVID-19 has pushed the organizations to change faster in terms of working methods or business processes, for example, pushing for remote work or work-from-anywhere reaches 83%, driving the organizations to achieve digital transformation reaches 84%, and accelerating the organizations to use automation.</p> <p>Therefore, the Company does not only recognize the importance of fair treatment of employees. It also places importance on developing employees to ensure their knowledge and skills as well as promoting corporate values that are in line with its vision and missions, to create employee satisfaction and retain quality employees.</p>
Long-term goal	To supervise human resource management and development in accordance with the Company’s directions and strategies, so that employees at all levels will have appropriate knowledge, abilities, skills and experiences, as well as to be treated fairly, all of which lead to employee engagement that enables the Company to achieve business objectives.
	<b>Key issue management procedure</b>
Policy	<p>The Company determines social practice in accordance with laws, rules and regulations relating to social management in relation to the Company’s business operations. This includes respecting human rights throughout the value chain.</p> <p>The Company places importance on preparing employees to adapt to digital transformation, which includes upskilling and reskilling employee skills that are necessary for the digital world and in line with a work trend in combining with automation and remote work.</p>
Responsible department	Human Resources Department
Management procedure	To prepare operational guidelines and monitoring system
Project objectives	<p>To train and develop employee skills in order to provide employee advancement opportunities equally. The Company encourages employees to attend training courses each year in the proportion of not less than 50 percent of total employees. The Company also submits training reports according to the regulations of the Department of Skill Development.</p>
Project plan	<ul style="list-style-type: none"> <li>• To determine career growth structures for employees in each line of work</li> <li>• To design employee development courses according to career paths and growth positions</li> <li>• To promote and support employees to attend career path trainings</li> <li>• To promote corporate values through activities that all can be participated by employees at all levels</li> </ul>
Project performance measurement	To collect employee training data and compare it with the goal, and prepare annual performance summarisation
	<b>Monitoring results that support the goal</b>
Monitoring system based on project metrics, for supporting goals and annual performance	To collect employee training data and report progress to supervisors and executives, as well as compare it with the goal and prepare annual performance summarisation
	<b>Evaluation and corrective measures</b>
Evaluation and determination of corrective action plan (if necessary)	To prepare reports on performance evaluation and performance in comparison with the plans, as well as report to the management

Sustainability Issue	Corporate Risk Management
	<b>Strategy and long-term goal</b>
The importance of the topic	To determine risk appetite and risk limit in substantial dimensions in order to control risks that may occur to the Company.
Long-term goal	The Company has established risk management strategies in accordance with international guidelines and practices to grow the business and generate stable returns in the long term for all shareholders, investors and stakeholders.
	<b>Key issue management procedure</b>
Policy	To implement the corporate management policy comprising credit risk, market risk, liquidity risk, operational risk, strategic risk and other risks
Responsible department	<ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Risk Management Committee</li> <li>• Executive Committee</li> <li>• Finance and Accounting and Department, Risk Management Department, Operations and Operational Risks Department, and Compliance Department</li> </ul>
Management procedure	<ul style="list-style-type: none"> <li>• With regard to credit risk management, the Company has established and reviewed the credit risk management policy regularly and proposed it to the Board of Directors for consideration and approval.</li> <li>• The Company has established and reviewed the marketing risk management policy regularly.</li> <li>• With regard to operational risks, the Company has set business continuity plans/ business continuity management (BCP/BCM) and key risk indicator (KRI) of each unit for monthly monitoring.</li> </ul>
Project objectives	To lighten burdens of clients who have been affected by the COVID-19 pandemic crisis.
Project plan	<ul style="list-style-type: none"> <li>• To establish a debt restructuring policy and adjust reserve requirements according to the Bank of Thailand's announcements.</li> <li>• To develop debt restructuring products to respond to clients experiencing financial difficulties and comply with the Bank of Thailand's announcements.</li> <li>• To determine and develop channels for receiving debt restructuring issues.</li> <li>• To prepare a report on amount of debt restructuring in order to present to the management and submit to the Bank of Thailand.</li> </ul>
Project performance measurement	<ul style="list-style-type: none"> <li>• Number of the clients requesting for debt restructuring in proportion to the Company's portfolio.</li> </ul>
	<b>Monitoring results that support the goal</b>
Monitoring system based on project metrics, for supporting goals and annual performance	To prepare a report on the number of the clients requesting for debt restructuring in proportion to the Company's portfolio.
	<b>Evaluation and corrective measures</b>
Evaluation and determination of corrective action plan (if necessary)	To assess impact of debt restructuring on overall loan volume in the Company's portfolio, including management of debts of clients whose debt restructurings have been carried out, but the clients are unable to pay their debts on time.

## 5. Sustainability Report

### 5.1 Sustainability Management: Economic Dimension

#### Sustainable Finance

The Company has implemented a debt moratorium program for all stakeholders to mitigate the impact of coronavirus disease (COVID-19) pandemic under the following two measures:

#### Client care measures:

- Suspension of the payment of principal installments and interest for a period of 3 months.
- Lower installment by at least 30%

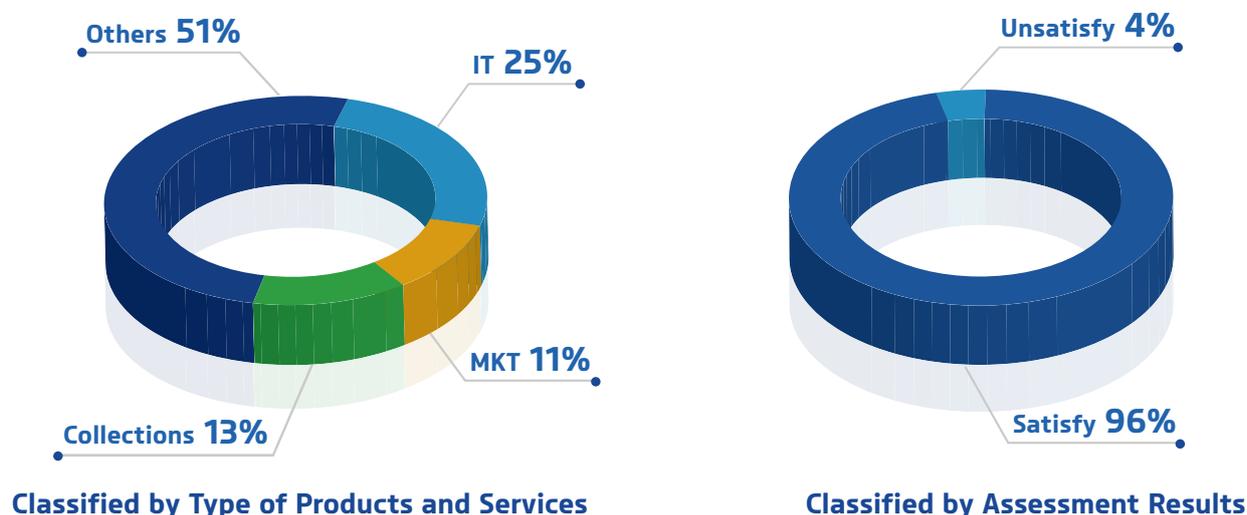
Financial figures	2564
Outstanding loan	61,458 million baht
Total revenue	12,047 million baht
Net profit	3,169 million baht
Return on assets	5.3%
Bad debt ratio	1.2%
Provisions to non-performing loans	357%

#### Sustainable Procurement

To ensure that our suppliers and service providers shall not violate human rights, lack of business ethics, and violate laws and regulations on safety, occupational health and environment, we have prepared a Supplier Code of Conduct which is disseminated on the Company's website at [www.tidlor.com/th/about-us/corporate-governance/the-spirit-and-the-letter.html](http://www.tidlor.com/th/about-us/corporate-governance/the-spirit-and-the-letter.html) and notified 100% of our suppliers and service providers whom we have currently used their services.

In addition, in 2021, we had conducted supplier and service provider self-assessment regarding ESG in order to have information for consideration on jointly sustainable procurement. ESG supplier self-assessment is valid for 2 years. A total number of suppliers and service providers undergoing the assessments was 201 and there were 193 of them passed the assessment criteria determined by the Company, representing 96% of all suppliers being assessed. All this shall serve as our guideline on using suppliers' services.

#### Proportion of Suppliers and Service Providers Undergoing the Assessments



## 5.2 Sustainability Management: Environmental Dimension

### Environmental Policies and Practices

The Company is committed to operating sustainable business on the basis of environmental responsibility by recognising and placing importance on mitigation environmental impacts arising from business and service operations, as well as focusing on building pro-environmental behaviour and environmental awareness through various projects/activities, and promoting operational processes that reduce environmental impacts. Therefore, the Company has established guidelines on the efficient use of resources to promote environmental protection. In this regard, the Company has promoted an appreciative use of natural resources and reducing the use of energy that is limited in nature, which includes the use of electricity, water, renewable resources, release and management of waste arising from business operations, and greenhouse gas emissions, as well as preparing measures to cope with environmental challenges. Although greenhouse gas emissions data has not yet been prepared, the Company is committed to taking actions to prevent, reduce, manage and ensure that the Company shall not create negative impact on the environment or cause it as little as possible, particularly greenhouse gas emissions. The Company has reduced the use of paper and other unnecessary resources to reduce waste, along with emphasizing on making contact and payment through digital channels (reduce), promoting reuse (reuse) and used product segregation in order to have them recycled (recycle).

Recognising its responsibility to environmental problems, the Company has promoted various activities that are in line with the sustainability guidelines by building employee understanding on a wide range of impacts. Since the Company is committed to developing the business to achieve sustainable growth, as well as taking care of communities and providing society support intentionally, the Company's policies on the implementation of corporate social responsibility is also established. All the aforementioned is publicised as an article disclosed to the public through the company's website at the link below.



**Ngern Tid Lor Go Green**

**Performance on energy, water, and waste management and information on greenhouse gas emissions are as follows:**

**1. Energy Management**



The Company has efficiently managed energy covering lighting and air conditioning systems by implementing electricity saving campaign, along with installing and maintaining electrical control systems, resulting in a reduction of electricity consumption at the Head Office and branches for 41,430.54 kilowatt-hours. In 2021, the Company's total amount of electricity used was 9,998,928 kilowatt-hours.

**2. Water Management**



The Company uses raw water and tap water together, accounting for 100% of the total amount of water used. Therefore, the Company has continually maintained and inspected the condition of the water distribution system to meet standards. For the Head Office Building, water flow rates to sanitary wares are adjusted, along with effective wastewater management as 100% of effluent volume has been passed through the building's treatment system. In 2021, the company's total water consumption was 14,059 cubic meters.

**3. Waste and Pollution Management**



The Company has systematically managed waste generated by its business processes in accordance with the 3R (Reduce, Reuse and Recycle) principle. The Company has used efficient waste sorting system coupled with creating awareness and stakeholder involvement to reduce waste disposal by landfill. In 2021, its head office had 21,123 kilograms of landfill waste. In addition, the Company has measured environmental qualities in the offices and around the business establishments at least once a year. In 2021, the air, smell, noise, and light quality standards were in normal ranges as required by laws, and none of the chemicals were used in the business operations.

**4. Greenhouse Gas Management**



In 2021, the Company had direct and indirect of greenhouse gas emissions of 2,324 and 6,188 tons of carbon dioxide equivalent, respectively, which totalled 8,511 tons of carbon dioxide equivalents. The data has been continuously collected, whereas waste-related data collection was started in March 2021. The Company has implemented the projects to promote reduction of direct and indirect greenhouse gas emissions, such as the uses of biodiesel and gasohol to replace conventional diesel and gasoline. In 2021, a total of 880,407 liters of alternative fuels had been used. The Company has also promoted the use of recycled paper at the Head Office. An amount of recycled paper used in 2021 was 16,967 kilograms.

**5.3 Sustainability Management: Social Dimension**

Over the past years, the Company has placed importance on operating socially responsible business and focused on promoting and enhancing communities and societies. Therefore, the Company has regularly carried out activities for social and environmental benefits through various projects together with organizations, government agencies and the private sector, as well as cultivating the consciousness among employees at all levels to ensure their awareness about the importance of participating in social and environmental activities. The social activities being supported and/or donated and/or organized by the Company must be the activities that are beneficial to community and society as a whole, with the basic aim of creating sustainable and positive social impacts. The Company shall consider and place importance on the social activities in four categories as follows:

**1. Creating Sustainable Value**

This includes the projects that focus on building awareness about social responsibility and sustainability among employees and executives, as well as the operations that create long-term engagement with stakeholders and the preparation of sustainability reports to assess performance and create stakeholder awareness.

**Providing Personal Accident Insurances without Charges to Clients Who Have Motorcycle Title Loans**

The Company realizes that the group of clients who have motorcycle title loans is the group of people at high risk from road accidents. Therefore, the Company has provided one-year personal accident insurances without charges with immediate protections to new clients having motorcycle title loans after the loans are approved. As of December 31, 2021, the Company had provided personal accident insurances without charges to 1,242,585 clients.

### **“Financial Knowledge to Communities for Life Rolls Forward” Project” Project**

As the leader of vehicle title loan business and insurance brokerage services with branches across the country, the Company operates businesses with the intention of creating financial opportunities for low-income earners and self-employed people, to enable them to access funding source through a fair and transparent system. The Company initiated a financial literacy program for merchant groups in 2013 before expanding the program to various communities under the “Financial Knowledge to Communities for Life Rolls Forward” Project. We aim to provide knowledge on basic finance, income and expenditure management,



and saving for investment, as well as the use of technology for making financial transactions to facilitate and reduce costs for low-income earners and self-employed people living in various communities, including merchants, company employees and industrial workers across the country. The Company has provided opportunities to volunteer groups of Ngern Tid Lor employees to participate in the activities in order to understand the importance of creating financial opportunities for our clients. As of December 31, 2021, we had organized 182 events with more than 4,815 participants and over 881 volunteers from Ngern Tid Lor.

## **2. Giving Back to Society**

It is the project that focuses on building engagements with communities surrounding the Company’s establishments and across the country through social projects or activities such as: Providing financial knowledge and educational support (for example, financial education, educational facilities support, and encouragement project, etc.)

### **“Encouraging People Who Made Missteps” Project**

As the Company is committed to operating businesses under the concept of creating financial opportunities for people, it led to great chance as we has become a part of “the Kamlangjai Project under the royal initiatives of HRH Princess Bajrakittiyabha” (“the Kamlangjai Project”) to jointly pass on positive energy, and encourage and create opportunities for those who made missteps through sharing knowledge on career capital management. Later, the Company has supported the Kamlangjai Project by organizing activities entitled “Financial Literacy and Careers” to provide knowledge on career capital management for those who made missteps and have participated in the Kamlangjai Project. As of December 31, 2021, we provided such knowledge to 782 people in 9 prisons, as well as knowledge on being a speaker to 113 probation officers and prison guards.



In 2021, due to the outbreak of coronavirus disease (COVID-19), the Company had prepared an online learning guide in the form of VDO E-Learning with similar content as if participating in learning activities together. This enables those who made missteps to learn and practice calculating costs for starting their careers after being released from prisons. In this online learning guide series, there are 12 chapters of VDO E-Learning to be used as exercises for those who made missteps so that they can do calculation practices to ensure their understandings. Moreover, a guideline for speakers was also prepared for probation offices and prison guards. The guideline includes assigning roles for officers to lead a wide variety of activities together, with simple way to learn and follow. The Company delivered 30 set of VDO E-Learning for 30 prisons, to the Ministry of Justice on October 28, 2021.

## “We Must Survive” Project

The Company had supported “We Must Survive” Project to lighten workload on coordinating and helping people diagnosed with COVID-19, by joining hands with our chatbot development partners on We Must Survive Facebook page. However, as chatbot capabilities on responding to requests of patients were limited while the number of patients continuously increased, volunteers therefore were needed to support on responding to help requests. There were over than 118 volunteers from the Bringing Knowledge to Communities to Spin Wheel of Life Project applied to participate in this project. They were divided into 2 teams comprising 1) Tidlor Care; to be responsible for contacting clients who were infected by the COVID-19, whether they had been treated or not, as well as providing advice on self-care while waiting for treatment, along with delivering “encouragement” boxes to clients to express our care, and 2) Page Admin Team; to be responsible for replying to chats on the We Must Survive page, registering patients for hospital beds, providing advice and encouraging patients and their relatives, as well as following up on sending patients to the We Must Survive page’s volunteer medical team. Moreover, our financial literacy promotion team had given necessary knowledge to the volunteer teams to enable them on answering questions and providing initial advice to patients.



## Teach For Thailand (TFT) Foundation and “Teachers Leading Change”

In addition to making a donation to Teach For Thailand (TFT) Foundation, the Company had organized knowledge-building project which focused on money management for teachers leading change. The project was initiated by designing a survey to capture learning needs, inquiring about basic financial knowledge, and designing learning paths including 3 steps as: 1) Financial planning; 2) Things to know before getting into debt; and 3) Fundamental knowledge for investment. The activities were organized via Zoom online system on October 2, 9, and 16, 2021, respectively, with a total of 60 teachers leading the change were in attendance. The Company has followed up to keep records for further developing the course.



## Book Preparation and Translation for Sharing Financial Knowledge with Society

The Company has promoted Thai society to realize the importance of finance, therefore, the Company prepared a book named “25 Destructive Thinking (25 Positive Thinking)” to present 25 attitudes on life as two-sided coin; one side focuses on emotional responses and lust that leads to hardship, and another side focuses on rational aspect and planning and building long-term financial stability, all of which encourage readers to compare both sides’ advantages and disadvantages, and then apply them in real life. The book is used for promoting dissemination of basic financial knowledge to be more widely understood.

In addition, the Company also supported the translation of books named “Poor Economics” and “The Poor and Their Money” for groups of people involved in issuances of various financial measures or regulations, financiers-bankers, politicians or government officials in various ministries, businessmen and common people in society, and company employees to understand thinking processes and behaviours of people living at the bottom of the pyramid in the country and be able to design products and processes that meet client requirements.



### 3. Community and Society Development

#### Culture Wow Program

The Company has organized an open-house project to share knowledge and experiences in building a corporate culture; Culture WOW Program. It has been implemented since 2018 for general organizations that are interested in exchanging experiences in driving business through Ngern Tid Lor’s corporate culture building. The Company is glad to provide knowledge without charge by focusing on supporting various foundations in order to share opportunities to society. Over the years, there were both domestic and international companies interested in the project. Supporting art, culture and tradition (for instance, preservation of ancient sites and promotion of religious practices, etc.)



#### Carrying on Thai Culture and Important Buddhist Traditions

Realizing the importance of preserving Buddhism and traditional and cultural inheritance, therefore, the Company has organized various activities, including the robe offering and Kathin ceremony for various temples in the countryside.



## Environmental Conservation

This project focuses on building habits and awareness on environmental conservation through programs and/or activities, including promoting operational processes that reduce environmental impact.

### Turtle Conservation Project

The Company in cooperation with the Turtle Conservation Club and the Faculty of Veterinary Science of Chulalongkorn University had organized the 39<sup>th</sup> Turtle and Asiatic Softshell Turtle Restoration Project by taking more than 60 Ngern Tid Lor volunteers to help turtles that were released in unsuitable water environments before being taken to have health examinations and released back to the nature. Meanwhile, the Company also donated to the Turtle Conservation Club to support food and medicine. The Turtle and Asiatic Softshell Turtle Restoration Project is under the supervision of the Turtle Conservation Club, which is implemented to save turtles and Asiatic softshell turtles from being released into unsuitable water sources, such as releasing tortoises into ponds without land area for them to rest, resulting in tortoise drowning, or releasing turtles in acidic water bodies causing turtles to be bitten, blinded, wounded and infected by diseases, including releasing turtles in small and confined water bodies causing turtles to live in crowded places and get injuries and deaths, etc. The Club shall bring turtles to be nursed and healed before releasing them to suitable habitats.

## 4. Aid Fund Support

It is the project that focuses on supporting and providing social assistance such as scholarships, disaster reliefs, and donations to public benefit organizations, etc.

### “Ngern Tid Lor Sharing for Life Rolls Forward” Project

Due to the outbreak of COVID-19, the Company and its employees has provided survival bags, rice, dry foods and necessities to affected communities, as well as preparing a pantry of sharing as a point for expressing kindness among givers and receivers under the concept of “pick up just enough for yourself and share things you have” to share foods with people affected by COVID-19 to enable them to overcome this crisis.

In addition, the Company has also cooperated with other projects to help those affected by the COVID-19 with details as follows:

- Donated to the Mirror Foundation to support the “Hiring Me Project” implemented to promote employment of homeless people, to generate income for people suffering from poor quality of life and lacking of access to income sources;



- Donated to the Equitable Education Fund to support the “Fight the Crisis to Feed Children, Join Hands to Gift a Meal”;



- Donated to Help the Helpers to support the “Fabric Masks for Children Project” under the concept of good deeds can be passed on, in order to pass on gifts of generosity to students in poverty-stricken areas across the country; and



- Provided ventilators for Ban Phai Hospital in Khon Kaen Province, Khon Kaen Regional Hospital and Songkhla Hospital.



In addition to the aforementioned projects, the Company also implements internal activities that encourage employees to care for the environment, for example, using cloth bags instead of plastic bags by designating one day of the week to be Green Day, saving energy by reusing resources to decorate offices, and other activities.



#### Summary of Social Performance

Target	Unit	2021
<b>Number of employees by gender</b>		
• Male	person	1,632
• Female	person	4,269
<b>Number of employees by age</b>		
• Less than 30 years old	person	3,236
• 31-40 years old	person	2,242
• 41 -50 years old	person	375
• Over than 50 years old	person	48
<b>Number of employees by position level</b>		
• Top management	person	9
• Middle management	person	34
• Manager level up	person	229
• Operation level	person	5,629
Number of disabled and/or disadvantageded employees	person	57
Number of training hours per employee	hour/person	37.16
Number of training hours per total employees	hour	597,320.60
Employee satisfaction assessment results	%	82.69

# 2

## Corporate Governance

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“

**In the situation of COVID-19,  
most of the people have lost their jobs.**

Anyhow, we have to continue to fight. Life must go on. My friends who are looking for funding, I would like to recommend Ngern Tid Lor that approves loans quickly. So you can have revolving funds for further business operations.

”

**Mr. Pongpanich Kaewkannipakorn**  
Ngern Tid Lor's Client, Phuket Branch



Scan to watch video  
on clients' voices



# Corporate Governance

## Policy

The Company recognizes the importance of the good corporate governance. To ensure continuous business growth, the Board of Directors has formulated the good corporate governance principles and also approved, reviewed and implemented the Corporate Governance Policy, including encouraging employees and stakeholders to understand the principles accordingly.

The Company's good corporate governance principles are in line with its Vision, Core Values and Code of Conduct. The contents of the principles cover structures, compositions, roles, duties and responsibilities of the Board of Directors, independent directors and sub-committees, risk management and internal control, Code of Conduct, supervision of the use of inside information, and guidelines for handling conflicts of interest and relationships with shareholders which include giving importance to the rights of all groups of shareholders and equitable treatment of shareholders. For details on the principles of good corporate governance, the Company has published it on its website at <https://www.tidlорinvestor.com/th/home>.

The Company has adopted the Corporate Governance Code for Listed Companies 2017 issued by the Securities and Exchange Commission (SEC) and the Corporate Governance Practices issued by the Thai Institute of Directors Association (Thai IOD) to determine the Company's good corporate governance principles and related practices.

In 2021, the Board of Directors reviewed the policy to ensure its appropriateness and compliance with official requirements and best practices, including organizing activities to promote the corporate governance, such as lectures and preparation of electronic learning media to provide knowledge to directors, executives, and employees regarding the principles of good corporate governance, Code of Conduct, and the policies relating to the conflicts of interest in order to prevent exploitation, as well as risk management, prevention of bribery and corruption, internal control and compliance with official rules and requirements.

## **1. Overview on the Corporate Governance Policy and Practices**

### **1.1 Policies and Practices Concerning the Board of Directors**

The Company has established policies and guidelines concerning the Board of Directors and sub-committees in order to operate transparent and and fair business, including Remuneration and Nomination of directors and executives, pushing for the Board independence from managerial authority, director development and director performance evaluation.

### **1.2 Policies and Practices Related to Shareholders and Stakeholders**

The Company places importance on all groups of its stakeholders. Therefore, the policies and guidelines concerning shareholders and stakeholders are established to cover shareholder care, equitable treatment of shareholders, promoting the exercise of shareholders' rights, preventing the use of inside information and conflicts of interest, responsibility to stakeholders, anti-bribery and corruption, and measures to deal with those who do not comply with such policies and guidelines.

## **2. Business ethics**

The Board of Directors promotes determinations of the Company's Business Philosophy and Roles towards Stakeholders as well as Code of Conduct to be in line with the Company's vision and core values. The Company's Code of Conduct stipulates basic principles for performance of duty and performances of directors and employees under a legal framework and the Company's rules and regulations, along with maintaining transparent, ethical and fair business practices. Details about Business Philosophy and Code of Conduct are published on the Company's website: [www.tidlor.com](http://www.tidlor.com) in CG Document & Report; under subheadings of Business Philosophy and Behavior of the Company towards Business Stakeholders and Code of Conduct. The Company has established important regulations and guidelines in line with Code of Conduct, which are disseminated to employees and operators on the Company's web portal.

In addition, the Company has communicated and provided knowledge on Code of Conduct to all directors, executives and employees, including assessing the management and employees' knowledge and understanding as well as regularly monitoring employee compliance with Code of Conduct.

## **3. Major Changes and Developments of the Corporate Governance Policy, Practices and System in 2021**

### **3.1 Major Changes and Developments**

In 2021, the Company reviewed the corporate governance policy, practices and system in order to increase corporate governance efficiency and raise its standard to be in line with the Corporate Governance Code for Listed Companies 2017 issued by the Securities and Exchange Commission (SEC). The Company had taken important actions as follows:

- According to the resolution of the Board of Directors Meeting No. 11/2021, the Board approved review of the principles of good corporate governance for the year 2021 to be in line with the Corporate Governance Code for Listed Companies 2017 issued by the Securities and Exchange Commission (SEC), which attached importance to the rights of all groups of shareholders and equitable treatment of shareholders.

- The policies concerning nonpublic information and prevention of insider trading had been revised in order to improve appropriateness, with details as follows:
  - (1) Directors and employees Group 1 (\*) are prohibited from trading or transferring TIDLOR shares during the period stipulated by the Company as “Blackout Periods” which are a period of 30 calendar days prior to an earnings announcement and 3 business days after quarterly or annual earnings announcement.
  - (2) Directors and employees Group 1 must hold shares for not less than 90 days from the date of acquisition of TIDLOR shares, unless authorized by the Managing Director or other assigned persons.
- Arranging the assessment on employee understanding of Code of Conduct for the management and employees, including extending the scope of assessment to the Company’s executives and employees of all levels, to ensure the management and employees’ understanding of Code of Conduct and anticipated principles, as well as promote sustainable business operations.

### **3.2 Implementation of the Corporate Governance Code for Listed Companies 2017 issued by the Securities and Exchange Commission (SEC)**

The Board of Directors has applied the practices according to the Corporate Governance Code for Listed Companies 2017 issued by the Securities and Exchange Commission, by considering and realizing the roles and duties as the leader of the organization, whereas all directors have carefully considered such practices and understand the benefits and importance of applying the practices to create sustainable value for the business, including evaluating the performance of the Board of Directors.

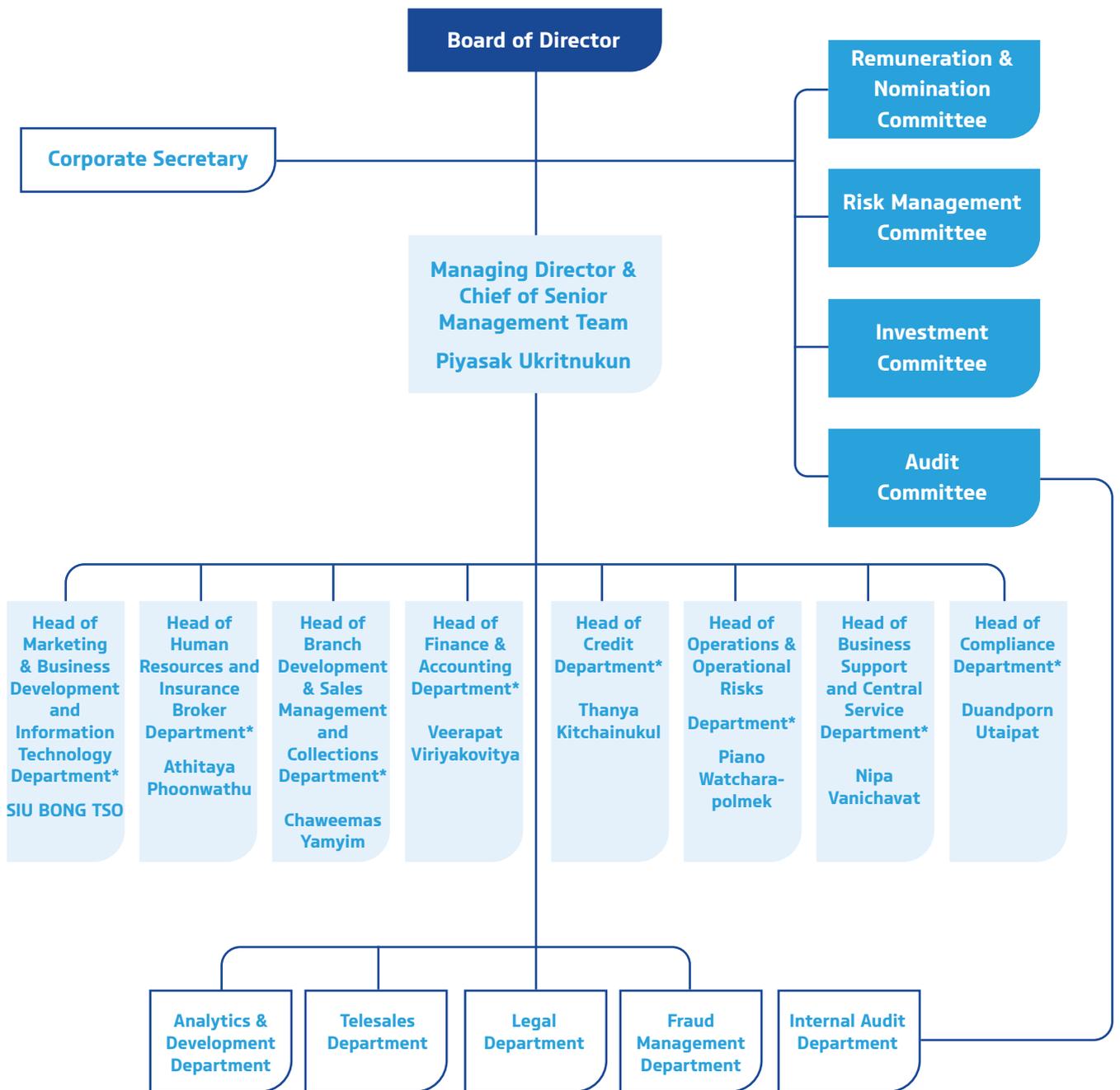


#### **Remarks:**

(\*) Employee Group 1 means 1) high-ranking executives, 2) employees at the level of assistant director and above or equivalent, 3) regional managers, 4) corporate secretary, 5) investor relations officers, and 6) persons related to employees under 1) - 5).

# Corporate Governance Structure

## 1. Organization Chart



**Remark :**

\*The person defined as an executive in the Notification of the Securities and Exchange Commission No. Kor.Jor. 17/2551. in subject to the Notification for announcement relating to issuance and offering of the securities (as the addition amendment)

Senior Management Team

## 2. The Board of Directors

Compositions and qualifications of the Company's directors are set forth in the Charter of the Board of Directors, which can be summarized as follows:

### 2.1 Compositions

- (1) The Board of Directors must consist of an appropriate number of directors sufficient to perform its duties depending on the size and nature of business.
- (2) The Board of Directors must be at least one third of independent directors out of total directors and at least 3 persons and including audit committee at least 3 persons. All directors including Independent Directors must possess the Qualifications as required by relevant laws, regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and related laws.
- (3) The directors of the Company shall be elected by the shareholders' meeting to comply with the law and regulations and the Company's Articles of Association and related law requirements.
- (4) The Chairman and the Managing director must not be the same person and segregated responsibilities of the two positions must be clearly. If a person who will be appointed as the Chairman has held the position of the Managing director of the Company before, such person must have resigned from such position for more than three years.
- (5) Directors of the Company who are nominated by Bank of Ayudhya Public Company Limited shall not exceed half (1/2) of the total number of Company's directors.
- (6) If the person acting as a Chairman of the Board of Directors is not an independent director, the Board of Directors may appoint a designated independent director to participate in setting the agenda of board meetings to promote the balance between the Board and management.
- (7) The independent director should not exceed a cumulative term of nine years from the first day of service. Upon completing nine years, an independent director may continue to serve on the board, subject to the board's rigorous review of his/her continued independence.



## 2.2 Details of the Board of Directors

Name	Position
1. Mr. Chandrashekar Subramanian Krishoolndmangalam <sup>(a)</sup>	Chairman
2. Mr. Phonganant Thanatrai <sup>(a)</sup>	Director
3. Mr. Schwin Chairavanont <sup>(B)</sup>	Director
4. Mr. Elcid Vergara <sup>(B)</sup>	Director
5. Mr. Minke Brian Hong <sup>(B)</sup>	Director
6. Ms. Kesara Manchusee	Independent Director and Chairman of Audit Committee
7. Mr. Supawat Likittanawong <sup>(C)</sup>	Independent Director and Member of Audit Committee
8. Mr. Patara Yongvanich	Independent Director and Member of Audit Committee
9. Mr. Santitarn Sathirathai	Independent Director
10. Dr. Vasin Udomratchatavanich <sup>(a)</sup>	Director
11. Mr. Piyasak Ukritnukun	Managing Director
12. Mr. Nathapol Luepromchai <sup>(a)</sup>	Director

### Remarks

<sup>(a)</sup> The director being nominated by Bank of Ayudhya

<sup>(b)</sup> The director being nominated by Siam Asia Credit Access Pte. Ltd.

<sup>(c)</sup> The director having sufficient knowledge and experience for reviewing reliability of the Company's financial statements.

### Authority of Directors to Bind the Company

The authorized directors to bind the Company consist of "Mr. Chandrashekar Subramanian Krishoolndmangalam or Mr. Phonganant Thanatrai shall jointly sign with Mr. Schwin Chairavanont or Mr. Elcid Vergara and affix the Company's seal. However, for the matters related to requesting permissions from the Department of Business Development, the Revenue Department, the Customs Department, the Bank of Thailand, the Ministry of Commerce, the Ministry of Finance and other government agencies relevant to the Company's business, Mr. Piyasak Ukritnukun shall jointly sign with Mr. Chandrashekar Subramanian Krishoolndmangalam or Mr. Phonganant Thanatrai or Mr. Schwin Chairavanont or Mr. Elcid Vergara and affix the Company's seal."

### 2.3 Roles and Responsibilities of the Chairman of the Board

1. Ensure proper structure of the Board of Directors, including oversee and monitor their performance is balanced in terms of corporate governance and achieving key objectives and goal of the organization.
2. Encourage all directors to ensure effective implementation of policies and decision making of the Board of Directors.
3. Summon Board of Directors meetings, consider and determine meeting agendas together with the Managing Director and other directors including independent director.
4. Preside over the Board of Directors meetings, oversee the allocation time for the management to complete each agenda presentation and encourage all directors to ask questions, express opinions or recommendations in order to exercise due consideration before casting their votes freely.
5. Encourage the non-executive directors to have meetings without presence of executive directors.
6. Preside over the meetings of shareholders and conduct the meetings in compliance with the Company's Articles of Association and follow a sequence of meeting agenda stipulated in the notification of the meeting, unless the meeting of shareholders resolves otherwise.

7. Encourage the directors to attend seminars and training courses relating to their duties and good corporate governance for knowledge development.
8. Promote and be a role model of compliance in accordance with good corporate governance principles as well as to ensure that the directors perform their duties in line with good corporate governance principle.
9. Promote activities of good corporate governance as well as environment and corporate social responsibility in order to encourage the awareness and compliance among the directors, Senior Management and all employees.
10. Be a role model to promote good relationship between the executives and non-executive directors, and between the Board of Directors and the management.

#### **2.4 Roles and Responsibilities of Board of Directors**

The Board of Directors must be properly accountable for their duties and allocate sufficient time to discharge their duties effectively as well as have independence in making decisions under principles and guidelines of Business Judgment Rule. In addition, the Board of Directors must recognize and uphold the interest of the organization including its stakeholders as well as undertake the fiduciary duties of overseeing the management of the Company as follows:

1. Duty of Care, which requires a director to be diligent and prudent in managing the Company's affairs.
2. Duty of Loyalty, which dictates that a director must act in good faith and must not allow his/her personal interest to prevail over the interest of the Company.
3. Duty of Obedience, which requires a director to comply with the laws, the Company's objectives, and Articles of Association, the resolutions of the Board of Directors and shareholders' meetings and the Good Corporate Governance Principles.
4. Duty of Disclosure, which requires a director to reveal the information that is accurate, adequate, transparent and timely.

In addition, the Board of Directors must perform the following duties:

1. Have a thorough understanding of roles and responsibilities of the Board of Directors, act as a coordinator between the shareholders and the management, formulate policies relating to business operations and direction as well as ensure good corporate governance and compliance with the policies. Define objectives, goals, strategies and operational policies and provide key resources for achieving them as well as follow up, evaluate and monitor the performance report.
2. Consider and set the overall business direction and strategic goals of the Company, ensure that oversight mechanism over the Company's policies and operations is in place, and promote comprehensive and correct understanding on the same.
3. Ensure the establishment and performing of policies as following;
  - (1) The establishment and communication of the Good corporate governance principles to the directors, Senior Management, and employees, with regular review.
  - (2) The establishment of the policy for Handling Material Non-Public Information (MNPI) and Preventing Insider Trading and the formation of the system for monitoring conflicts of interest and related party transactions as well as compliance with such policy.
  - (3) The establishment of the policy and control mechanism relating to risk management with regular reviews and support Risk Management Committee in performing efficient and professional duties with independence from business units.
  - (4) The establishment and communication of the policy and program for Anti-bribery and Corruption.
4. Consider and approve the annual business plan and budget proposed by the management including consider and approve significant matters of the Company as stipulated by laws, the Company's Articles of Association and direction.

5. Ensure effective internal control and internal audit systems which are in compliance with applicable laws and standards.
6. Ensure the establishment of supporting system for the Board of Directors' full performance of their roles and responsibilities including access of necessary information as well as effective and sufficient reporting of information by the management.
7. Monitor the Company's financial liquidity and solvency and set a recovery plan in regards to financial difficulties.
8. Promote the innovation that creates value to the business together with benefits to customers or other stakeholders, society and environment, and ensure that the management allocates and manages the resources efficiently and effectively.
9. Ensure the establishment of a framework for the governance of enterprise information technology that is aligned with the Company's needs, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives and key goals.
10. Ensure clear and transparent policies and procedures for selection and nomination of the directors, and determination of director remuneration, which requires a meeting of shareholders approval, conduct performance evaluation, support training and knowledge development to enhance the directors' understanding on their roles and responsibilities, nature of business and related laws including shareholders structure and relationship, and regularly update and refresh the directors' skill and knowledge necessary to perform their duties.
11. Ensure a proper mechanism for the Remuneration and Nomination of the managing director including Senior Management, support training and development, conduct performance evaluation, establish succession plan and report on its implementation.
12. Define clear roles and responsibilities of the managing director and the management and monitor their proper performance of duties.
13. Establish appropriate and necessary committees reporting to the Board of Directors to support the Board of Directors' performance of duties and ensure the conduct of evaluation, report and disclosure of those committees' performance, including ensure effective human resources management and development programs in terms of manpower, knowledge, skill, experience and compensation.
14. Appoint a corporate secretary who possesses appropriate and necessary knowledge and experience to support the Board of Directors in fully performing their duties in compliance with laws and be ensured that the Company's business operations reflect the implementation of environmental and social responsibility standards.
15. Ensure the defining, communication and fulfillment of the Company's responsibilities towards the stakeholders as well as adherence to the code of conduct, ethics of the directors, Senior Management and employees including Company Code of Conduct.
16. Ensure proper, adequate, clear and transparent procedures of preparation and disclosure of important information, both financial and non-financial, to government agencies, shareholders, investors and general public, within a reasonable period of time and in compliance with applicable regulations, standards and practices as well as reflecting material corporate practices that supports sustainable value creation.
17. Ensure shareholders' opportunities to participate in decision making of significant corporate matters and proper, transparent and efficient shareholders' meetings which facilitates the shareholders to exercise their rights, as well as complete and accurate disclosure of the meeting resolutions and preparation of the minutes.
18. Ensure the establishment of function or appointment of person responsible for investor relations for effective, fair and timely communication with shareholders and other stakeholders such as investors and analysts as well as promoting the effective information technology in disseminating information.
19. Ensure the Company's creation of a mechanism for handling complaints and whistleblowing.

### 3. Information about the Sub-committees

#### 3.1 The Sub-committees

The Board of Directors has appointed directors who have appropriate expertise to be the sub-committees for assisting in studying and screening important matters that closely monitoring in each field as well as providing their opinions to the Board of directors, the Sub-committee comprised of Audit committee, Risk Management Committee, Remuneration and Nomination Committee and Investment Committee.

#### The Audit Committee

The Board of Directors has approved the establishment of the Audit Committee since 2020. The Audit Committee consists of at least three independent directors who are fully qualified in accordance with the criteria prescribed by the Securities and Exchange Commission (SEC) and The Capital Market Supervisory Board (CMSB).

#### Compositions and Qualifications

- (1) The Audit Committee shall consist of at least three independent directors.
- (2) The Board of Directors shall appoint the Company's independent directors to be members of the Audit Committee.
- (3) The Board of Directors shall appoint a member of the Audit Committee to be the Chairman of the Audit Committee.
- (4) An executive of the Internal Audit Department shall be assigned to be the secretary of the Audit Committee to support on various tasks of the Audit Committee, which consist of meeting arrangements, preparation of meeting agendas, submission of meeting documents, preparation of meeting minutes and other duties as assigned by the Audit Committee.

#### Terms of position and Elections of the Audit Committee Members

The Audit Committee members' terms of service are equivalent to their terms of position. However, the Audit Committee member who retires by rotation may be reappointed. In the event that any Audit Committee member vacates the position, affecting the number of the Audit Committee members, the Board of Directors shall appoint a qualified director who does not have prohibited characteristics to be the Audit Committee member within 3 months from the date of incomplete compositions of the Audit Committee. During the processes of selection and appointment of the new member to replace the resigning member, the remaining members of the Audit Committee are able to perform their duties as usual.

As of December 31, 2021, the Company's Audit Committee consists of three independent directors as follows:

List of the Audit Committee	Position
1. Ms. Kesara Manchusee	Chairman of Audit Committee
2. Mr. Supawat Likittanawong*	Member of Audit Committee
3. Mr. Patara Yongvanich	Member of Audit Committee

#### Remarks:

- \* Mr. Supawat Likittanawong is the Audit Committee member who possesses sufficient knowledge and experience for reviewing reliability of the Company's financial statements.

The secretary of the Audit Committee is Mr. Rattanasak Srichumsin, SVP of the Internal Audit Department.

The Audit Committee shall convene a meeting on a quarterly basis. In 2021, the Audit Committee convened four meetings and directly reported to the Board of Directors.

## **The Risk Management Committee**

The Risk Management Committee is the sub-committee being appointed to determine the risk management policy to cover various types of risk, as well as to oversee that there is a risk management system or process to control and mitigate risks affecting the Company's business. The Risk Management Committee shall also establish preventive measures and monitor implementations of such measures while having roles, duties and responsibilities covering the roles and responsibilities of the Risk Oversight Committee in accordance with the criteria prescribed by regulatory agencies governing the Company. The compositions and qualifications of the Company's Risk Management Committee are set forth in the Risk Management Committee Charter which can be summarized as follows:

### **Compositions and Qualifications**

- (1) The Risk Management Committee shall consist of reasonable and sufficient number of members for performing duties in accordance with size and nature of the business.
- (2) The Risk Management Committee shall consist of at least one director having experience in the financial sector and at least one director with expertise in finance, accounting or risk management.
- (3) An executive of the Credit Administration Department shall perform as the member and the secretary of the Risk Management Committee.

### **Terms of position and Elections of the Risk Management Committee Members**

The Risk Management Committee members' terms of service are equivalent to their terms of position (except the Head of Credit Department being appointed by the Board of Directors). However, the Risk Management Committee member who retires by rotation may be reappointed. During the selection process, the remaining members of the Risk Management Committee are able to perform their duties although the number of member is less than the specified number.

Presently, the Company's Risk Management Committee consists of three directors as follows:

<b>List of the Risk Management Committee</b>	<b>Position</b>
1. Mr. Chandrashekar Subramanian Krishoolndmangalam	Chairman of the Risk Management Committee
2. Mr. Elcid Vergara	Member of the Risk Management Committee
3. Mr. Thanya Kitchainukul	Member of the Risk Management Committee

Mr. Thanya Kitchainukul, Head of Credit Department, is the secretary of the Risk Management Committee as prescribed in the Risk Management Committee Charter.

The Risk Management Committee shall convene a meeting on a quarterly basis. In 2021, the Risk Management Committee convened five meetings and directly reported to the Board of Directors.

## **The Remuneration and Nomination Committee**

The Remuneration and Nomination Committee is the sub-committee being appointed to determine the recruiting policy and screen suitable persons to be directors and/or high-ranking executives (including stipulating compensation structures, formats and criteria for payment of remuneration of such directors and/or high-ranking executives) before making recommendations to the Board of Directors and/or the shareholders' meeting for further considering and approving the appointment of such persons. The compositions and qualifications of the Company's Remuneration and Nomination Committee are set forth in the Remuneration and Nomination Committee Charter which can be summarized as follows:

### **Compositions and Qualifications**

- (1) The Board of Directors shall consider and appoint the Remuneration and Nomination Committee members.
- (2) The Remuneration and Nomination Committee shall consist of not less than three independent directors or non-executive directors.

- (3) The Remuneration and Nomination Committee members shall be knowledgeable, capable and experienced as well as possess understanding of their duties and responsibilities.
- (4) An executive of the Human Resources Department shall perform as the secretary of the Remuneration and Nomination Committee.

### **Terms of position and Elections of the Remuneration and Nomination Committee Members**

The Remuneration and Nomination Committee members' terms of service are equivalent to their terms of position. The Board of Directors shall appoint suitable persons to hold the positions. However, the Remuneration and Nomination Committee member who retires by rotation may be reappointed. During the selection process, the remaining members of the Remuneration and Nomination Committee are able to perform their duties although the number of member is less than the specified number.

Presently, the Company's Remuneration and Nomination Committee consists of five directors as follows:

<b>List of the Remuneration and Nomination Committee</b>	<b>Position</b>
1. Mr. Minke Brian Hong	Chairman of the Remuneration and Nomination Committee
2. Mr. Phonganant Thanatrai	Member of the Remuneration and Nomination Committee
3. Mr. Elcid Vergara	Member of the Remuneration and Nomination Committee
4. Ms. Kesara Manchusee	Member of the Remuneration and Nomination Committee
5. Dr. Vasin Udomratchatavanich	Member of the Remuneration and Nomination Committee

Mrs. Athitaya Phoonwathu, Head of Human Resources and Insurance Broker Department, is the secretary of the Remuneration and Nomination Committee as prescribed in the Remuneration and Nomination Committee Charter.

The Remuneration and Nomination Committee shall convene a meeting for not less than twice a year. In 2021, the Remuneration and Nomination Committee convened six meetings and directly reported to the Board of Directors.

### **The Investment Committee**

The Investment Committee is the sub-committee being appointed to oversee the investment policy, merger, acquisition and disposal of assets, including reviewing proposals related to merger, acquisition, investment or disposal of material assets or having any other important part related to appraisal of purchase price or investment value. The Compositions and Qualifications of the Company's Investment Committee are set forth in the Investment Committee Charter which can be summarized as follows:

#### **Compositions and Qualifications**

- (1) The Board of Directors shall consider and appoint the Investment Committee members.
- (2) The Investment Committee shall consist of not less than three members, and the Board of Directors shall consider and appoint the Investment Committee members on a yearly basis. The Investment Committee members shall hold the positions until submitting resignation notifications or being removed, and the Board of Directors shall appoint the Chairman of the Investment Committee.
- (3) The Investment Committee members shall be knowledgeable, capable and experienced as well as possess understanding of their duties and responsibilities.
- (4) An executive of the Finance and Accounting Department shall perform as the secretary of the Investment Committee.

### **Terms of position and Elections of the Investment Committee Members**

The Investment Committee members' terms of service are equivalent to their terms of position and shall hold the positions until submitting resignation notifications or being removed. However, the Investment Committee member who retires by rotation may be reappointed.

Presently, the Company's Investment Committee consists of five directors as follows:

<b>List of the Investment Committee</b>	<b>Position</b>
1. Mr. Patara Yongvanich	Chairman of the Investment Committee
2. Mr. Supawat Likittanawong	Member of the Investment Committee
3. Mr. Piyasak Ukritnukun	Member of the Investment Committee
4. Mr. Nathapol Luepromchai	Member of the Investment Committee
5. Mr. Elcid Vergara	Member of the Investment Committee

Mr. Veerapat Viriyakovitya, Head of Finance & Accounting Department, is the secretary of the Investment Committee as prescribed in the Investment Committee Charter.

The Investment Committee shall convene a meeting for not less than once a year. In 2021, the Investment Committee convened two meetings and directly reported to the Board of Directors.

## **4. Information about the Management**

### **4.1 Roles and Responsibilities of the Managing Director**

The Managing Director is the top management position of the Company. The Managing Director is appointed by the Board of Directors to have powers and duties in relation to the management of a wide range of the Company's activities as assigned, in accordance with the Board resolutions, related legal provisions and rules and regulations. The scope, powers, duties and responsibilities of the Managing Director shall include matters or activities which can be summarized as follows:

- (1) Perform tasks assigned by the Board of Directors and committees (if any) reporting to the Board of Directors as well as any other acts as stipulated by laws or regulations of government agencies.
- (2) Monitor and control the Company's operations to ensure compliance with policy, goals, strategies, operating plan and annual budget of the Company as approved by the Board of Directors as well as compliance with applicable laws and regulations.
- (3) Report significant operating performance to the Board of Directors on regular basis.
- (4) Promote compliance with Good corporate governance principles as well as highest standards of integrity, ethics and corporate social responsibility.
- (5) Structure and manage the organization under the Board of Directors' given guidelines as well as build and retain capable management team to effectively perform duties according to the Company's strategies and objectives.
- (6) Represent the Company in dealing with government agencies and other regulatory agencies with the authority to assign other person to act on his/her behalf.
- (7) Seek business opportunities which are consistent with the Company's vision and strategic direction.
- (8) Develop and direct the implementation of business strategy in order to ensure that the Company is run on sound commercial and professional principles and that its defined corporate objectives are pursued.
- (9) Organize the Company's activities as planned and directed to achieve affirmed targets and standards for financial performance, quality, culture and legislative adherence.

## List and Executive Positions

As of December 31, 2021, the Company's executives according to the definition prescribed in the Notification of the Securities and Exchange Commission (SEC) No. KorJor. 17/2551 in subject to the Notification for announcement relating to issuance and offering of the securities consist of nine executives who are the members of the Company's senior management team. The list is as follows:

List	Senior Management Team
1. Mr. Piyasak Ukritnukun	Managing Director and Chief of Senior Management Team
2. Mr. Thanya Kitchainukul	Head of Credit Department
3. Ms. Chaweemas Yamyim	Head of Branch Development & Sales Management and Collections Department
4. Mr. Siu Bong Tso	Head of Marketing & Business Development and Information Technology Department
5. Mrs. Athitaya Phoonwathu	Head of Human Resources and Insurance Broker Department
6. Mr. Veerapat Viriyakovitya	Head of Finance & Accounting Department
7. Ms. Piano Watcharapolmek	Head of Operations & Operational Risk Management Department
8. Ms. Nipa Vanichavat	Head of Business Support and Central Service Department
9. Mrs. Duangporn Utaipat	Head of Compliance Department

## Nomination and Appointment of Directors and Top Executives

To nominate and appoint the Company's directors and Senior Management Team the Remuneration and Nomination Committee has the duties to determine the recruiting policy and screen suitable persons to be nominated as directors and/or high-ranking executives as well as stipulate compensation structures, formats and criteria for payment of remuneration of such directors and/or high-ranking executives before making recommendations to the Board of Directors and/or the shareholders' meeting for further considering and approving the appointment of such persons. The procedures are in accordance with the relevant policies and charters, the Company's Articles of Association, and relevant legal requirements. To protect the rights of minority shareholders, the Company shall provide the consideration of resolutions to appoint directors individually in the agenda for considering the appointments of directors at the Company's shareholders' meeting.

## 5. Information about Employees

### 5.1 Personnel

#### Number of personnel

As of December 31, 2020 and December 31, 2021, the Company had total permanent employees of 5,368 and 5,844, respectively, and total contract employees of 51 and 57, respectively. The following table provides the details regarding the number of permanent employees divided by main lines of work for the specified periods.

Department	For the year ended December 31, 2020 (person)		For the year ended December 31, 2021 (person)	
	Permanent Employee	Contract Employee	Permanent Employee	Contract Employee
Branch Development and Sales Management	3,881	4	4,259	4
Marketing and Business Development	71	1	77	1
Credit Department	140	2	149	2
Collections Department	413	4	418	4
Operations and Operational Risks Management Department	266	4	266	3
Telesales Department	136	-	150	-
Business Support and Central Service Department	51	5	63	7
Information Technology Department	147	-	171	-
Finance & Accounting Department	52	2	54	2
Human Resources Department	72	25	77	29
Compliance Department	12	-	14	-
Legal Department	10	-	10	-
Fraud Management Department	10	1	11	-
Office of the Managing Director	4	-	5	1
Insurance Broker Department	72	3	93	4
Analytics & Development Department	22	-	16	-
Internal Audit Department	9	-	11	-
<b>Total</b>	<b>5,368</b>	<b>51</b>	<b>5,844</b>	<b>57</b>

The table below provides the details about the total numbers of branches and employees of the Company as of December 31, 2020 and 2021.

	As of December 31	
	2020	2021
Number of branches	1,076	1,286
Number of branch employees	3,885	4,263
Number of head office employees	1,534	1,638

### Significant Change in Headcount over the Past 3 Years

-None-

### Employee Compensation

For the year ended December 31, 2021, the Company paid the compensation of employees (excluding executives, but including contract employees) in the amounts of Baht 3,085.8 million, comprising salaries, wages, bonuses and other compensation such as performance-based incentives, contributions to the provident fund and contributions to the Social Security Fund, etc.

### Provident Fund

At present, the Company's provident fund registered under the name "Ngern Tid Lor PCL Master Fund" is managed by Krungsri Asset Management Company Limited.

### Labour Dispute

During the past 3 years, the Company did not have any labour dispute significant to its business operations. In the meantime, the Company does not have a labour union.

## Human Resource Development Policy

The Company is committed to operating the business to achieve sustainable growth as well as to have social responsibility towards stakeholders while creating stability for communities and the nation, all of which shall ensure sustainable business growth. The Company has also recognized that employees are the most valuable resource and key success factor, therefore, places emphasis on developing its directors, executives, personnel and employees' proficiencies and abilities continuously to ensure their knowledge, skills, experiences, and attributes necessary and appropriate for driving the organization towards its goals, and to be in accordance with good practice standards for listed companies. In addition, the Company constantly attaches importance to its employees' well-being and welfare, for example, while facing the COVID-19 outbreak, the Company set up plans to deal urgently with rapid changes. The human resource development guideline is as following.

The Company has the training and development policy to ensure that all employees in every position and level are developed sufficiently and continuously in terms of their works, business knowledge as well as management and administration as appropriate to their duties and responsibilities. The Company also has the policy on creating employee awareness regarding quality, accuracy and safety. Employee trainings are conducted by internal personnel who are fully equipped with knowledge and experiences, and reputable external institutions. The training courses are constantly reviewed and improved to be up-to-date and appropriate. In addition, the Company has focused on the employee development according to levels of competence and promoted career development model to branch employees and head office employees. The training center at the head office and the regional training centers are established to ensure readiness on developing employees' capabilities thoroughly in accordance with the business practices. A variety of learning tools and methods suitable with periods of time and employees' ages are provided, such as brainstorming activities, board games, and simulation-based learning. Furthermore, the Company has promoted various self-learning channels, for instance, an e-learning system that enables employees to learn at any time on computers, tablets and mobile phones. During the situation of COVID-19 outbreak which is a national crisis and all sectors have been affected inevitably, apart from paying attention to employees' health and safety by providing them vaccines and taking appropriate care of vulnerable groups, the Company has adapted quickly to the changes in order to enable employees' continuous learning through virtual classrooms. A wide range of learning tools has been used to increase interest in online learning, which causes employees to be enthusiastic as if learning in an actual classroom. The Company also encourages employees to read and share knowledge gained with colleagues. All this is to bolster and create a learning environment for improving employees' performance earnestly and continuously. In addition, the Company places emphasis on financial planning which can be used as guidelines for living and spending money wisely, for instance, financial literacy and retirement planning for employees at all levels. The Company also realizes the importance of developing employees to be able to pass on this financial happiness program internally and externally to create and share knowledge sustainably.

In an era of rapid change caused by digital disruption and the COVID-19 situation, digital technology has played an increasingly important role while business processes and customer service have to be improved to keep up with digital evolution. As the Company has placed importance on digital transformation, it directly affects the human resource development. The Company encourages employees at all levels to focus on self-development in order to become leaders in the digital age, and accelerates employee capability building in terms of their knowledge, abilities and future skills. Internal and external training courses are provided for employees to enable them on applying knowledge obtained at work to strengthen the Company's competitive position. Over the past years, the Company had developed employees' digital capabilities and operational excellence, such as providing knowledge on Lean Startup, Lean Six Sigma Yellow & Green Belt, Agile Mindset, Python, RPA and Re-skill on Programming Fundamentals for Non-Programmers. A wide range of employee training courses has been prepared for the development of employees' skills and abilities in a variety of fields, resulting in applicable capabilities, for example, shortening time needed to complete work, simplifying work processes and improving process efficiency, etc.

## 6. Other Important Information

### 6.1 Corporate Secretary, Accountant

#### Corporate Secretary

The Board of Directors Meeting No. 11/2020 held on November 25, 2020 resolved to appoint Miss Vantanee Teerakul to be the corporate secretary. To comply with Section 89/15 of the Securities and Exchange Act, the corporate secretary has duties and responsibilities as follows: 1) prepare and safe-keep important documents such as a) Directors Register, b) the Board of Directors meeting invitations and minutes of the Board of Directors meetings, c) shareholder meeting invitations and minutes of the shareholder meetings, and d) annual reports; 2) safe-keep reports on conflicts of interest of the

directors and management, and submit copies of reports on interest prepared by the Company's directors and executives pursuant to Section 89/14 of the Securities and Exchange Act to the Chairman of the Board and the Chairman of the Audit Committee within seven working days from the date the Company received such reports; 3) carry out tasks related to the Board of Directors meeting and the shareholders' meeting; 4) provide advice on requirements and rules that the Board of Directors and executives shall acknowledge; 5) organize trainings and orientations as well as provide information necessary for performance of duties to current and newly appointed directors; 6) supervise and coordinate to ensure that the Company comply with laws, regulations, requirements and resolutions of the Board of Directors and shareholders' meetings as well as the Good Corporate Governance Policy and Code of Conduct; and 7) other tasks as assigned by the Board of Directors or as required by relevant laws or notifications.

#### **A Person assigned to Be Directly Responsible for Accounting Supervision**

Miss Waratnawee Wongakanit is an accountant who is assigned to be directly responsible for the Company's accounting supervision. She shall oversee the Company's accounting and payment transactions to ensure efficiency in accordance with the Company's rules and regulations as well as accounting standards.

## **6.2 Investor Relations**

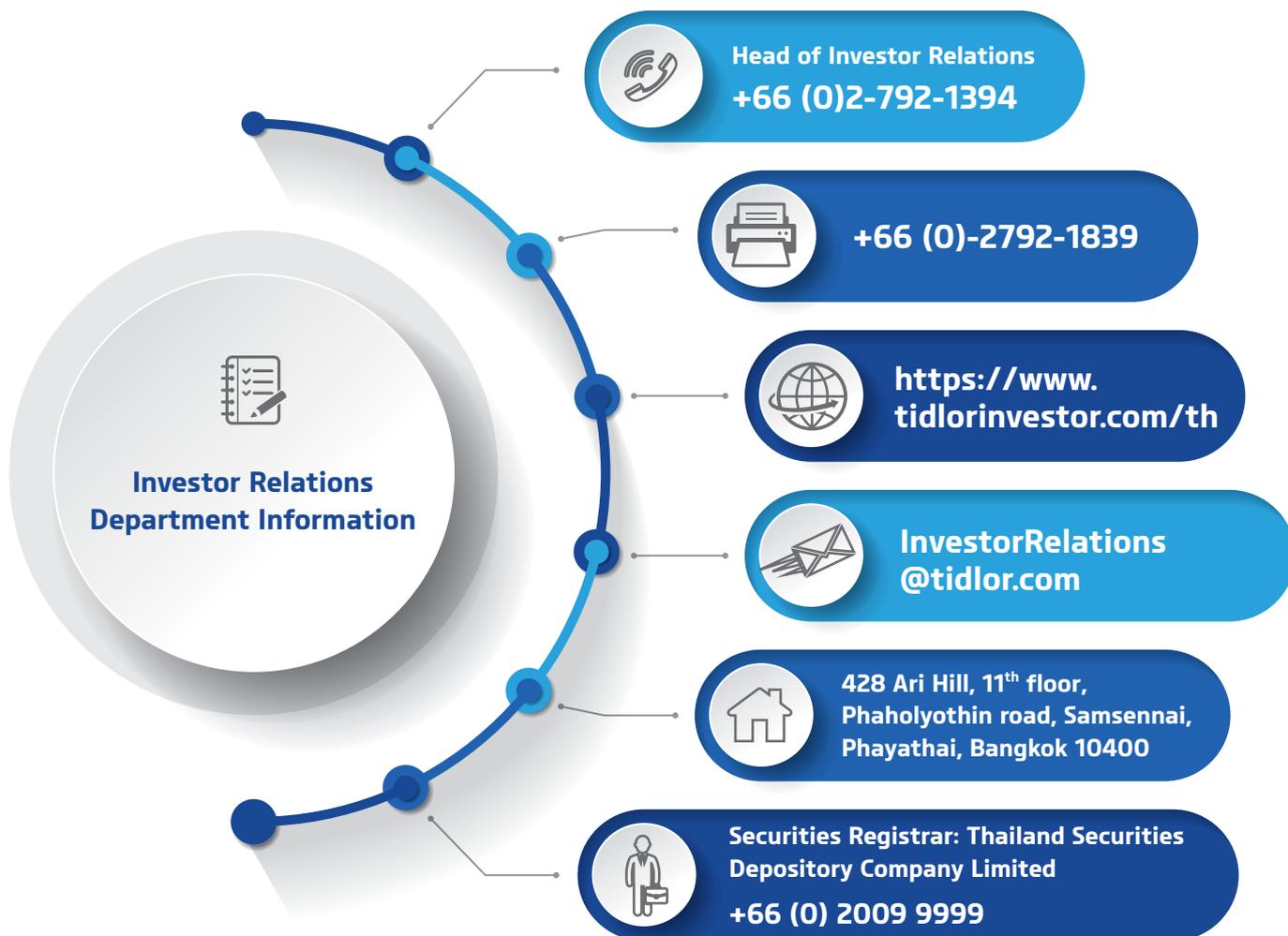
The Company has established the Investor Relations Department to create accurate understanding and maintain good relationships with all parties related such as retail investors, institutional investors, general investor, securities analysts, and domestic and international fund managers, including other related agencies and the general public, so that all parties related to the Company will equitably receive accurate and complete information.

Moreover, the Company places importance on providing information to analysts, investors, and related stakeholders on a regular basis through analyst meetings, investor meetings and roadshows, conference calls and important conferences. Moreover, interested parties can also make appointments with the Company to gain deeper understanding of the business. The Company also prepares analyst meeting assessment in order to develop its investor relations to be more effective.

The Investor Relations' activities in 2021 were as follows:

<b>Activity</b>	<b>Number of Times</b>
<b>Shareholders, investors and analysts visited the Company's operating site (Site Visit)</b>	2
<b>One-on-One Meeting</b>	92
- Conference Call Meeting	
- Online Virtual Meeting	
<b>Group Meeting</b>	9
- Conference Call Meeting	
- Online Virtual Meeting	
<b>Analyst and Fund Manager Meeting</b>	6
<b>Investor Conference</b>	1
- Thailand Focus 2021	
Online Virtual Meeting	
<b>SET Opportunity Day Activity</b>	1

Additionally, the Investor Relations has adopted digital operating model to apply at work, for instance, reducing printing documents by using meeting documents in digital format to better take care of the environment.



### 6.3 Audit Fee

For the fiscal year ended December 31, 2021, the Company's Annual General Meeting of Shareholders for the year 2021 held on April 20, 2021 resolved to appoint Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, an auditor authorized by the SEC Office, to be the Company's auditor for the year 2021, and approved the payment of audit fee to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited in the amount of Baht 2.45 million.

#### Non-Audit Fee

The Company's board of directors had passed the resolution the non-audit fee to Deloitte Touche Tohmatsu Jaiyos Company Limited in the amount of Baht 19.0 million which was the service relate to the issuance and offering the newly issued ordinary shares of the Company for the year 2021.

# Report on Key Performance in Corporate Governance

## 1. Summary of the Performance of the Board of Directors in the Past Year

In 2021, the Board of Directors reviewed the vision and core values to keep them up-to-date and in line with the long-term business direction; approved key issues concerning the Company's direction, operating policies, business plans and annual budget; reviewed adequacy of internal control process and appropriate risk management process; and supervised and monitored the management's operations in accordance with the policies, strategies and business plans that are set effectively and in conformity with the laws and regulations of the relevant official agencies and the resolutions of the shareholders' meeting. The management shall report operating results to the Board of Directors meeting on a monthly basis.

### 1.1 Nomination, Development and Performance Evaluation of the Board of Directors

To nominate directors and executives, the Board of Directors shall appoint a committee to be responsible for the nomination and selection of persons possessing knowledge, abilities and experiences that are beneficial to the Company's long-term operation and in line with the business direction, strategies and sustainable development in order to hold the position of directors of the Company.

The Company determines the director nomination process by considering a candidate who has appropriate qualifications and does not have any prohibited characteristics to perform the duty of a director in accordance with the rules of the relevant official authorities and the Company's Articles of Association, as well as considering the proportion, number, and board diversity policy, for instance, gender, race, nationality, age, skill, knowledge, competence, experience and independence by using a Board Skill Matrix as information for consideration. In the event of nominating an independent director, a candidate shall possess the qualifications of an independent director as specified by the Company.

The Remuneration and Nomination Committee shall nominate director candidates to be the Company's directors by accepting nomination of director candidates and providing opportunities for shareholders to nominate persons to be elected as directors. In the event that a director retires by rotation and is nominated to be a director for another term, the Remuneration and Nomination Committee shall consider the nominated candidate's past performance such as meeting attendance and participation, etc. With regard to the Remuneration and Nomination of the Managing Director, the Remuneration and Nomination Committee shall consider candidates who have skills, knowledge, abilities, and experiences necessary and beneficial to the Company's business operations, as well as performances of qualified candidates, including their outstanding visions that can lead the organization toward success.

#### **Qualifications of the Company's Directors**

- (1) Directors must not be insolvent person or an incompetent person.
- (2) Directors must not be banned under the law on Supervision of Financial Institutions, either Thai or foreign law, provided that such prohibited characteristics are related to corruption, fraud / managing work in violation of law or in contrary to the order of the regulator / acting in contravention of the laws or acting unfairly or in an exploiting manner.
- (3) Directors must not be sentenced to imprisonment by the court's final judgment on offences pursuant to the prescribed section and it has not yet surpassed an interval of three years after either the person completed the term of imprisonment or the suspension of sentence period ended.
- (4) Director should not operate under similar business nature and significant competition to the Company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, of any other companies operating under similar business nature and significant competition to the company, unless have informed the shareholders' meeting before the appointment.
- (5) Directors and independent directors shall have Qualifications as specified in relevant law, the regulation that governs the Company, the Company article of association, and the principle of corporate good governance. They should have diversified skill, experienced and professional ability that is beneficial to the Company and including the nomination process of the Remuneration and Nomination Committee.

- (6) The directors must dedicate their time to fully perform their duties. In case a director holds any or several following positions: chairman of the board, director or authorized signatory director in other companies, the director is permitted to hold such position(s) and must exercise due care to prevent any impact on his/her performance as a director.
- (7) The director should not hold the director positions in listed companies in the Stock Exchange of Thailand more than 5 companies, including director positions in the Company.
- (8) Directors shall not be directors of any existing entity or any entity in the future which is a subsidiary of Strategic Shareholder operating in the business similar to businesses of the Company.

#### **Appointment, Removal and Term of position of the Company's Director**

1. At each Annual General Meeting, at least one third (1/3) of the directors shall resign by rotation, if the number of directors cannot be divided by three, then the closest number to one third (1/3) of the directors shall resign. The directors to be resigned from position shall be the directors who have been in position for the longest time. At the Annual General Meeting, the agenda for election of directors shall be determined to select directors individually, whereas each shareholder shall have the number of votes equivalent to the number of shares held by the shareholder and is entitled to one vote per one share.
2. Director who has resigned by rotation may be re-elected as director.
3. Apart from resignation by rotation, directors may be removed in the following events: (a) death, (b) voluntary resignation, (c) unqualified or be legal ineligible, (d) shareholders' meeting passed a resolution for the removal of director with no less than three quarters of the number of shares attending the meeting with right to vote and with total number of shares of no less than half of the total number of shares held by the shareholder attending the meeting with the right to vote, and (e) court ordered resignation.
4. Any director who wished to resign may submit a letter of resignation to the Company and such resign action will be effective from the day the Company receives said letter.
5. A director is to retire when reaching the age of 75 years. If a director reaches the age of 75 years while holding the directorship position, the director is permitted to hold office until the end of such term of position. If the director has not yet reached the aged of 75 years at the time of nominating for election, the director may be re-elected for another term.

#### **Qualifications of Independent Director**

The Company has a policy to appoint independent directors at least one-third (1/3) of the total number of directors and shall not be less than three members. Independent directors shall be independent from controls of the management and the major shareholders, and shall not have any involvement or interest in finance and business administration. Independent directors shall be fully qualified in accordance with the relevant rules of the Capital Market Supervisory Board, the SEC and the relevant laws.

1. An independent director holds no more than 1 percent of all shares with voting rights of the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Company. This is inclusive of shares held by anyone who is affiliated with such independent director.
2. An independent director is not being or having been a director which is not an independent director, employees, staff, consultant with monthly salary or entity with controlling authority over the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Company, unless such person has resigned from such positions during a two-year period prior to the appointment.
3. An independent director shall not have connection by blood or legal registration as father, mother, spouse, sibling, son/daughter or spouse of son/daughter of another director. Further, an independent director has no such connection with an executive, a major shareholder, and an entity with controlling authority or an individual who will be nominated as director, executive or entity with controlling authority over the Company, a subsidiary or an associated company.

4. An independent director has no business relationship with the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Company in such a manner that may obstruct their exercise of independent discretion. Further, an independent director is not a significant shareholder or an entity with controlling authority over a party with business relationship with the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Company, unless having been free from the aforementioned nature during a two-year period prior to the appointment.
5. An independent director is neither being nor used to be an auditor of the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Company, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Company unless the foregoing status has ended no less than 2 years.
6. An independent director is neither being nor used to be a professional service provider, including legal advisor or financial advisor who receives service fee exceeding Baht 2 million from the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority of the Bank, and not being a significant shareholder, controlling person or partner of the said professional service provider during a two-year period prior to the appointment.
7. An independent director is not being a director appointed as a representative of the Company's director, major shareholder, or shareholder related to major shareholder.
8. An independent director is not undertaking a business of the same nature and in competition with the Company or a subsidiary company, or not being a significant partner of a partnership, or executive director, employee, staff, advisor with monthly salary, or hold shares exceeding 0.5 percent of the total number of shares with voting rights of any other companies operating the business of the same nature and in competition with the Company, a subsidiary or an associated company.
9. An independent director shall not have any other characteristics that prohibit the expression of independent opinion towards the business group. However, consideration of the duration of the above relationships is in accordance with the notification of the Capital Market Supervisory Board.

#### **Term of position of Independent Director**

The Company's independent director shall continuously hold position for a period of not more than nine years from the date of first appointment as an independent director, unless the Board of Directors deems it appropriate to consider extending the term of position of an independent director according to rationale and necessity.

#### **Executive Development and Succession Plan**

To ensure sustainable business operations, the Company has established the succession plan for the management level and positions in main lines of work by mainly considering performance, potential and readiness of each individual. The Company provides adequate preparation for a successor, which includes knowledge, ability and essential skills development according to a position.

#### **Board Performance Assessment**

To comply with the principles of good corporate governance, the Board of Directors and the sub-committees shall conduct the performance assessments at least once a year. The Company has adapted the assessment forms prepared by the Stock Exchange of Thailand (SET) to suit the nature and structure of the Board of Directors. The assessments consist of the assessments of the Board of Directors and of committee members on an individual basis and the assessments of the Board of Directors and of committee members as a whole.

To consider and review the performances, including problems and obstacles in the past year, the assessments results will be analyzed and summarized in order to use as guidelines for further performance improvements and developments. Full score of assessment for each topic is four. The assessment results include the following topics:

1. Structure and qualifications of the Board of Directors,
2. Roles, duties and responsibilities of the Board of Directors,
3. The Board of Directors meeting,
4. Performances of directors,
5. Relationships with the Management

### Director's Self-development and Executive Development

The Company realizes the importance of enhancing knowledge and developing potentials of the directors and executives. The Company therefore encourages the directors and executives to attend training courses, activities and seminars organized by reputable institutions that involve in continuous development and enhancement of knowledge, such as the Office of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), the Thai Institute of Directors Association (Thai IOD), and public and private educational institutions. All directors and Head of Finance and Accounting Department had already passed the training courses related to the performance of duties. In 2021, the directors had attended the training courses to develop their potentials and enhance their knowledge, with details as follows:

	IOD Course
Mr. Phonganant Thanatrai	Role of Chairman Program 47/2021 Board Remuneration and Nomination Program 11/2021
Mr. Nathapol Luepromchai	Director Accreditation Program 180/2021
Dr. Vasin Udomratchatavanich	Director Certification Program 306/2021
Mr. Minke Brian Hong	Director Certification Program 313/2021
Mr. Supawat Likittanawong	Director Accreditation Program 173/2020, Director Certification Program 302/2021
Mr. Patara Yongvanich	Director Accreditation Program 135/2017, Director Certification Program 313/2021
Mr. Santitarn Sathirathai	Director Accreditation Program 180/2021

As 2021 was the first year that the Company became a member of the Stock Exchange of Thailand (SET), the Company's senior Management Team and related employees attended the training courses through electronic media on Sustainability Reporting by Industry Group: Financial Business Group, and Basic Rules of the Stock Exchange of Thailand (SET).

### 1.2 Meeting Attendance and Remunerations for Directors and Committee Members

1. The Company shall hold the Board of Directors meeting regularly and at least once a month, except with extreme circumstance, as the Chairman of the Board deems it appropriate that the meeting cannot be held. The dates of meetings and important agenda items must be scheduled and set in advance for the whole year. However, a special meeting may be called in case of necessity and urgency. The Board of Directors may determine to hold the meeting by electronic media and it shall have the same effect as the physical meeting held, pursuant to a legally determined procedure, and in accordance with the laws, rules, regulations, announcements, requirements or any other relevant criteria.
2. All directors have the duty to attend each of the Board of Directors meetings except when a director has other important or cause and necessity.

3. A meeting requires not less than half of all directors to constitute a quorum and a resolution of the meeting shall be by majority vote. In case of tied vote, the Chairman shall have an additional vote as the casting vote. A minimum quorum of at least two-thirds for board decisions at the time of voting is required.
4. The Chairman of the Board and the Managing director have the duty to jointly consider matters to be included in the agenda of a Board of Directors meeting. However, other directors including independent directors will also have opportunities to review and may provide opinion (if any) on the agenda items before delivering a notification of the meeting to all directors. Such matters need to be reviewed by the relevant committees reporting to the Board of Directors in advance, except any confidential or other agendas which are endorsed by the Managing director and to be directly submitted by the Chairman to the Board of Directors meeting.
5. The Corporate Secretary, appointed by the Board of Directors, has the duty to deliver a notification of the meeting and supporting documents, which contain all necessary and adequate information for the Board of Directors, at least seven days before the meeting date, except where there is urgency for additional agenda to protect the Company's benefits.
6. If there is any particular agenda that director has a conflict of interest directly or indirectly, the director must inform the Board of Director and must not participate in or take part in decision-making or voting such agenda. This information must be recorded in the resolution of such agenda.
7. The Board of Directors has the duty to encourage the non-executive directors to have meetings as necessary or at least once a year, without presence of the executive directors, to discuss issues or problems relating to the management and formulate guidelines for improvement or provide useful suggestions to the management. Summary of comments from the meeting will be reported to the Managing director for acknowledgement.
8. The year 2021 was the second year of the Covid-19 2019 outbreak and each country had taken strict precautionary measures as well as international travel controls. The Company therefore arranged the Board of Directors meetings in the form of an e-Meeting by using Microsoft Team system to enable its directors in Thailand and abroad to attend the meetings and express their opinions continuously among one another. The directors identified themselves at the e-Meeting media before attending the meetings. Audio and video of all meeting attendees were recorded throughout the session and traffic data of all meeting attendees was kept as evidence, along with compliance with processes as required by law.
9. Minutes of meeting include meeting date, starting and finishing times, lists of directors who attended and did not attend the meeting, summary of main points of the matters presented, discussed issues and recommendations of the Board of Directors, as well as explanations provided by the Management, resolutions of the Board of Directors in sufficient details and signatures of the chairman of the meeting and the meeting minutes taker. In case any director has a stake in any matter, such director shall not participate in the consideration and abstain from voting on such matter. The corporate secretary shall check the information in advance and notify all directors before the meeting starts as well as record it in the minutes of meeting. In addition, in case the meeting is held in the form of e-Meeting, information as required by law shall be specified in the minutes of meeting, such as the method of identifying attendees and lists of informants and meeting system controllers. In addition, lists of directors attending the meeting will be specified separately between the directors attending the meeting in a meeting room and the directors attending the meeting via electronic media.
10. After the meeting has approved the minutes of meeting, the corporate secretary shall deliver copies of the minutes to related internal and external departments within a specified period. The Board of Directors encourages non-executive directors to meet each other in order to discuss various issues covering organizational culture, human resource management and future business direction, and also provides opportunities for discussing various problems independently without participation of the Management. Then, a summary of opinions shall be reported to the Managing Director for acknowledgment. In 2021, there was one meeting of non-executive directors, held on November 25, 2021.

Details about the meeting attendances and remunerations for directors and committee members are as follows:

	The Board of Directors 14 Meetings	The Audit Committee 4 Meetings	The Remuneration and Nomination Committee 6 Meetings	The Risk Management Committee 5 Meetings	The Investment Committee 2 Meetings
1. Mr. Chandrashekar Subramanian Krishoolndmangalam <sup>(a)</sup>	14/14			4/5	
2. Ms. Kesara Manchusee <sup>(b)</sup>	14/14	4/4	6/6		
3. Mr. Piyasak Ukritnukun	14/14				2/2
4. Mr. Phonganant Thanatrai <sup>(c)</sup>	13/14		5/6		
5. Dr. Vasin Udomratchatavanich <sup>(d)</sup>	13/14		6/6		
6. Mr. Nathapol Luepromchai <sup>(e)</sup>	13/13				2/2
7. Mr. Minke Brian Hong <sup>(c)</sup>	12/14		6/6		
8. Mr. Elcid Vergara <sup>(c)</sup>	14/14		6/6	4/5	2/2
9. Mr. Schwin Chairavanont <sup>(c)</sup>	13/14				
10. Mr. Supawat Likittanawong <sup>(b)</sup>	14/14	4/4			2/2
11. Mr. Patara Yongvanich <sup>(b)</sup>	14/14	4/4			2/2
12. Mr. Santitarn Sathirathai <sup>(f)</sup>	13/14				

**Remarks:**

- (a) Mr. Chandrashekar Subramanian Krishoolndmangalam was reappointed by the Extraordinary General Meeting of Shareholders No. 3/2019 held on November 4, 2019, to be the Company's director.
- (b) Being appointed by the Extraordinary General Meeting of Shareholders No. 1/2020 held on March 6, 2020, to be the Company's independent director and the member of the Audit Committee.
- (c) Being appointed by the Extraordinary General Meeting of Shareholders No. 2/2019 on held February 28, 2019, to be the Company's director.
- (d) Dr. Vasin Udomratchatavanich was appointed by the Extraordinary General Meeting of Shareholders No. 2/2020 held on June 15, 2020, to be the Company's director.
- (e) Mr. Nathapol Luepromchai was appointed by the Board of Directors Meeting No. 1/2021 held on January 28, 2021, to be the Company's director.
- (f) Mr. Santitarn Sathirathai was appointed by the Extraordinary General Meeting of Shareholders No. 3/2020 held on December 14, 2020, to be the Company's independent director.

**Monetary Compensation**

**(1) Director Remuneration**

For the year ended December 31, 2020, the 2021 Annual General Meeting of Shareholders held on April 20, 2021 resolved and determined the remunerations of the Board of Directors and the sub-committees of the Company for the year 2021, with details as follows:

- (a) Meeting Allowance for Directors

None, in accordance with the policy of the Company's major shareholders which prohibits directors nominated by the major shareholders from receiving remunerations for holding positions in the Company.

(b) Monthly Remuneration

The Company pays monthly remunerations to the independent directors only, at the following rates:

The Board of Directors and the Sub-committees	Chairman (Baht)	Director (Baht)
The Board of Directors	140,000	80,000
The Audit Committee	50,000	30,000
The Remuneration and Nomination Committee	40,000	20,000

The following table shows the monetary remunerations of directors in the form of monthly remuneration.

(c) Remuneration for the Year Ended December 31, 2021

From January 1 to December 31, 2021, the Company paid remunerations to directors in the form of monthly remuneration in the total amount of Baht 5,400,000 by the detail as follows;

(d) Other compensation

None

Remuneration for the year ended December 31, 2021

	Director Remuneration (Baht) from January 1 to December 31, 2021				
	The Board of Directors	The Audit Committee	The Remuneration and Nomination Committee	The Risk Management Committee	Total
1. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-
2. Mr. Phonganant Thanatrai	-	-	-	-	-
3. Mr. Schwin Chairavanont	-	-	-	-	-
4. Mr. Elcid Vergara	-	-	-	-	-
5. Mr. Minke Brian Hong	-	-	-	-	-
6. Ms. Kesara Manchusee <sup>(a)</sup>	960,000	600,000	240,000	-	1,800,000
7. Mr. Supawat Likittanawong	960,000	360,000	-	-	1,320,000
8. Mr. Patara Yongvanich	960,000	360,000	-	-	1,320,000
9. Mr. Santitarn Sathirathai	960,000	-	-	-	960,000
10. Dr. Vasin Udomratchatavanich	-	-	-	-	-
11. Mr. Piyasak Ukritnukun	-	-	-	-	-
12. Mr. Nathapol Luepromchai	-	-	-	-	-
<b>Total</b>	<b>3,840,000</b>	<b>1,320,000</b>	<b>240,000</b>	<b>-</b>	<b>5,400,000</b>

**Remark**

<sup>(a)</sup> Ms. Kesara Manchusee was appointed as the member of the Remuneration and Nomination Committee according to the resolution of the Board of Directors Meeting No. 5/2020 held on May 28, 2020.

## **(2) Executive Remuneration**

For the year ended December 31, 2021, the Company paid remunerations to nine executives in the form of salaries, bonuses and other compensations such as contributions to the provident fund, contributions to the Social Security Fund, and accrued vacation days, etc., totalling Baht 89.4 million, respectively.

### **Other Remuneration**

None

## **1.3 Supervision of Subsidiaries and Associated Companies**

The Company does not have a subsidiary or an associated company.

## **1.4 Compliance with the Corporate Governance Policy and Practices**

### **1) Prevention of Conflicts of Interest**

To have guidelines for performing duties with good faith and without seeking personal benefits that conflict with the Company's interests and in accordance with the Securities and Exchange Act B.E. 2535 (1992) and the amendments, the Company has established the conflict of interest prevention policy, with details as follows:

- (1) Directors must strictly comply with the Company's policy for Handling Material Non-Public Information (MNPI) and and policy for conflict of interest.
- (2) Directors must avoid any possible or expected conflict of interest. In case there is a conflict of interest, the directors shall handle such conflict of interest fairly without delay.
- (3) Directors must inform the Company without delay when they have interest directly or indirectly, in any agreement entered into by the Company or when there is a doubt that there may be a conflict of interest.
- (4) Directors must submit their Report of Interest to the Company on regularly basis for any changes circumstance.
- (5) Directors who are nominated by the Strategic Shareholder shall not disclose or use any confidential information of the Company to the Strategic Shareholder and/or any party in the manner which may cause conflict of interest with the Company, for example, the financial information which is not yet publicly available.
- (6) Directors who are nominated by Bank of Ayudhya Public Company Limited shall not disclose or use any confidential information of the Company to Bank of Ayudhya Public Company Limited and/or any party in the manner which may cause conflict of interest with the Company, for example, the financial information which is not yet publicly available.
- (7) Directors who are nominated by Bank of Ayudhya Public Company Limited shall not vote in the Board of Directors' meeting in the agenda relating to business of the Company which may have conflict with any existing entity or any entity in the future which is a subsidiary of Bank of Ayudhya Public Company Limited operating in the business similar to business of the Company.
- (8) The connected transactions must be executed transparently as normal business under the condition(s) stipulated by laws and regulations for the benefit of the Company based on an arms' length basis and not by means of benefit transfer from the Company to other related persons. Execution of the related party transactions must be considered and approved by the authorized person and/or the Board of Directors, based on the transaction type and value. In addition, the Audit Committee must provide comments on the necessity and appropriateness of these transactions.

## 2) Supervision of the Use of Inside Information

The Company realizes the importance of protecting the use of its inside information which is material information that has not yet been made public to benefit oneself or others. Therefore, the Company has a policy to prohibit its directors, executives, employees and staff members as well as related persons from seeking benefits for oneself or others, whether directly or indirectly and with or without receiving compensation, by disclosing a variety of information that may affect the price of the Company's securities, or disclosing information considered confidential and important which will cause damage or disadvantage to the Company, or disclosing the Company's confidential and/or inside information which has not yet been disclosed to the public, or trading the Company's securities by using inside information. The company has established a non-public information policy and prevention of use of inside information, which can be summarized as follows:

- (1) During the term of position the directors and their related persons\*, are required to report to the Securities and Exchange Commission (SEC) of any changes in holding the Company securities and derivatives. The report shall be complete within three business days after the date of transaction, in compliance with the rules and method stipulated by SEC. In addition, it is also required to report the changes to the Board of Directors, as per determined requirement and method.
- (2) The directors and their related persons\*, the sale or transfer Company's securities which received during the term of position, can be made only after ninety days from the acquisition date, unless permitted by the Managing Director or other designated persons.
- (3) Employees are prohibited from using non-public information for their own interests.
- (4) When the information that is not made publicly available, directors, service providers and related employees are unable to subscribe, purchase or sell or arrange for other people to subscribe, buy or sell securities related to non-public information. Employees are also prohibited from transmitting or disclosing non-public information (directly or indirectly) to a third party. Related directors, executives and employees are prohibited from trading the Company's securities for a period of 30 days before and 3 business days after public disclosure of results.
- (5) Related employees must use and protect non-public information received from others, including strictly complying with the requirements, whether specific or implied, at least at the same level as maintaining the Company's confidential information.
- (6) Employees of the designated departments must disclose their securities holding periodically as prescribed by the Company.
- (7) An employee knowing that another employee has violated the non-public information and insider trading protection policy and the conflict of interest prevention policy, such employee shall report the matters to an executive supervisor and the Compliance Department.
- (8) Directors, executives and employees are prohibited from intentionally allowing non-public information leakage even if it is for the benefit of any transaction.

\*Related person mean spouses or cohabitating partners; minor children; and juristic persons where the directors including their related persons hold shares at an aggregate amount exceeding 30 percent of a juristic person's total voting rights, and such aggregate shareholding is the largest proportion in the juristic person.

### **3) Anti-Bribery and Corruption**

The Company is committed to conducting business with transparency, honesty and in accordance with the law, good corporate governance guidelines as well as adheres to combating all forms of bribery and corruption. The Company has performed as follows:

- (1) The company has joined to declare its intention as a member of “Thai Private Sector Collective Action Coalition against Corruption (CAC)”. The Company was granted a certified membership of Thai Private Sector Collective Action Coalition against Corruption in 2014 and has been certified for the latest membership renewal in 2019 successfully.

In addition, the Company also conducts a self-evaluation for anti-corruption system development on a yearly basis according to CAC standards. The Internal Audit Department shall verify completeness of all processes and report the results to the Audit Committee and the Board of Directors for acknowledgment.

- (2) The Company has established guidelines for anti-bribery and all forms of corruption. The prohibition of accepting or giving bribes and incentives is prescribed in the good corporate governance principles, to which all directors and employees must strictly adhere. In addition, the Board of Directors has approved policies and measures on anti-bribery and corruption which covers bribery gifts and benefits, charitable donations and event funding, facilitating payments or other benefits, including giving money or political support. Such policies and measures are reviewed annually. In 2021, the Company had already reviewed such policies and no donations were made to any political-related organizations, agencies, projects or activities.
- (3) The Company places importance on communicating policies and measures to prevent bribery and corruption in order to lead to appropriate actions and implementations both inside and outside the organization. There is continuous internal communication through the Company’s internal communication channels. A wide range of channels have been established for employees to report clues and complaints as well as the channel for those who may have stakes with the Company through the Company’s website.

### **4) Receipt of Information, Clues and Complaints**

The Company has established various complaints taking channels (Whistleblowing Channel) for employees to inform information, clues and complaints, which include supervisors entrusted by whistleblowers, executives of the Internal Audit Department and the Compliance Department, and ombudsperson who has been appointed by the Managing Director, as well as the whistleblowing channel for external stakeholders via [www.tidl.or.com](http://www.tidl.or.com). Moreover, the Company has established a working group to consider complaints and respond to whistleblowers who provide contact information, including measures to protect whistleblowers and employees who refuse to take bribes or approach to fraud and corruption without relegating, penalizing or negatively affecting employees, even if such actions would cause the organization to lose business opportunities.

In addition, the Company has formulated the Policy for Whistleblowing in writing, which has been approved by the Board of Directors, with regular reviews, as well as operating regulations which stipulates procedures for handling of complaints.

The Company has also promoted refusal to accept gifts during festivals or other occasions to stakeholders through the Company’s website, along with sending letters and electronic mails to notify suppliers in order to request for cooperation to refrain from giving gifts and receptions to the Company’s executives and employees.

In 2021, there were nine matters reported through various channels. According to the investigations, they included non-compliance with the Company's operating regulations or work rules. The Company had already taken appropriate actions to handle each matter according to prescribed procedures.



## 2. Promoting the Exercise of Rights of Shareholders

The Company places emphasis on equal rights of all groups of shareholders, therefore, it is stipulated in writing in the Company's good corporate governance principles to ensure that shareholders are entitled to equal fundamental rights, namely the right to attend the shareholders' meeting, the right to authorize another person to attend the meeting and vote on behalf of a shareholder, the right to vote for appointment or removal of individual directors, the right to vote on appointment and remuneration of auditor, the right to vote on important business activities, the right to receive dividends, the right to express opinions and ask questions at the shareholders' meeting and the right to receive sufficient and timely information. In addition, the Company has attached significance to disclosure of accurate, complete, timely and transparent information to shareholders, and set a policy to promote the rights of shareholders.

## 3. Equitable Treatment of Shareholders

The Company has placed importance on equitable treatment of shareholders, whereas the Board of Directors has established the good corporate governance principles by taking into account the rights of shareholders and treating all shareholders fairly and equitably, with details as follows:

1. Providing information prior to the shareholders' meetings and notifying voters that one share is entitled to one vote.
2. Protecting the rights of shareholders
  - Since November 15 to December 31, 2021, the Company had provided the shareholders with opportunities to propose agendas for consideration in the Annual General Meeting of Shareholders, including nominated persons who were fully qualified and did not have any prohibited characteristics for being considered and elected to be the Company's directors at the same general meeting of shareholders, according to the rules set by government authorities and the Board of Directors. The Company had also announced the rules through the information dissemination system of the Stock Exchange of Thailand (SET) as well as the Company's website to notify shareholders about the rights and methods for proposing agendas.
  - The Company holds transparent and efficient general meeting of shareholders and complies with the Company's Articles of Association and relevant laws, whereas consideration and voting are in accordance with order of predetermined meeting agendas, along with consideration and resolution on electing the Company's directors individually and consideration on director remuneration, including the appointment of auditors and approval of audit fees and other agendas as specified in the meeting invitation letter.



## Internal Control and Related party Transactions

### 1. Summary of the Board's Opinions on the Internal Control and the Risk Management

The Company recognizes the significance of good internal control system and deems as an important duty to undertake and ensure that the Company has appropriate and sufficient internal control system for effective operational supervision in accordance with goals, objectives, and related laws and regulations, including protecting assets from fraud, preparing accurate and reliable accounting and financial reports and disclosing complete and adequate information on a timely manner. Therefore, the Company has established the Internal Audit Department to audit various departments as well as Related party transactions and prevention of conflicts of interest. The Internal Audit Department reports directly to the Company's Audit Committee to ensure that the internal audit is supervised independently, efficiently and effectively.

The Board of Directors at the meeting No. 2/2022 held on February 21, 2022, with the presence of independent directors and the Audit Committee, considered and acknowledged evaluation results of the Company's internal control system, which was presented by the Head of Internal Audit. The evaluation included considerations for the Company's internal control system in five key elements according to the guidelines of The Committee of Sponsoring Organizations of Treadway Commission ("COSO"), which comprise:

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information and Communication
- (5) Monitoring Activities

The Board of Directors opined that the Company's internal control system was sufficient, appropriate and consistent with the Company's size of the business and the current situation. However, the internal control system should be continuously developed and monitored in order to accommodate changes due to changing risk factors, in accordance with the internal audit process and the corporate governance determined by the Company.

### Head of Internal Audit Department

The Audit Committee Meeting No. 4/2020 held on November 12, 2020 resolved to approve the appointment of Mr. Rattanasak Srichumsin to be the Head of Internal Audit Department as he had appropriate and sufficient qualifications, educational background, experience and training for supervising internal audit functions.

## 2. Persons or Juristic Persons Who May Have Conflicts of Interest

The persons or juristic persons who might have conflicts of interest and entered into transactions with the Company for the year ended December 31, 2020 and 2021 were as follows:

Persons or Juristic Persons Who May Have Conflicts of Interest	Nature of Business	Relationship with the Company
1. Ayudhya Capital Services Company Limited	Personal loan and credit card	<ul style="list-style-type: none"> <li>The Company's major shareholder is Bank of Ayudhya Public Company Limited, directly holding 100% of total shares.</li> </ul>
2. Ayudhya Capital Auto Lease Public Company Limited ("AYCAL")	Auto financing	<ul style="list-style-type: none"> <li>The Company's major shareholder is Bank of Ayudhya Public Company Limited, directly holding 100% of total shares.</li> </ul>
3. Bank of Ayudhya Public Company Limited ("BAY")	Commercial bank	<ul style="list-style-type: none"> <li>The Company's major shareholder, directly holding 30% of total shares (as of December 31, 2021, it directly held 50% of total shares).</li> </ul>
4. Siam Realty and Services Security Company Limited ("SRS")	Car rental and personnel services	<ul style="list-style-type: none"> <li>The Company's major shareholder is Bank of Ayudhya Public Company Limited, directly holding 100% of total shares.</li> </ul>
5. Krungsri Ayudhya Card Company Limited	Personal loan and credit card	<ul style="list-style-type: none"> <li>The Company's major shareholder is Bank of Ayudhya Public Company Limited, directly holding 100% of total shares.</li> <li>There is one common director with the Company, namely Mr. Phonganant Thanatrai.</li> <li>Mr. Phonganant Thanatrai who is the Company's director served as the director of Krungsri Ayudhya Card Company Limited.</li> </ul>
6. Mr. Patara Yongvanich	-	Independent Director
7. Mr. Schwin Chairavanont	-	Director

### 3. Related party transactions between the Company and Persons or Juristic Persons Who May Have Conflicts of Interest

Related party transactions between the Company and the persons who may have conflicts of interest for the year ended December 31, 2020 and 2021 were as follows:

#### 3.1 Related party transactions between the Company and the persons who may have conflicts of interest that will not continue in the future or are not considered as Related party transactions in the future.

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
1. Ayudhya Capital Services Company Limited	Asset item				
	<p>The Company purchased the information technology system license.</p> <p><u>Purchase intangible asset</u></p>	56,630	-	<ul style="list-style-type: none"> <li>The service fee was the cost of the product plus the profit margin (Cost Plus), which was reasonable price and worth more than hiring an external service provider to prepare such system.</li> </ul>	The transaction was the reasonable and necessary support of the Company's normal business and did not cause any disadvantage to the Company, whereas the service fee was calculated from cost plus margin.
2. Ayudhya Capital Auto Lease Public Company Limited ("AYCAL")	Revenue item				
	<p>The Company subleased parts of three branch offices for being areas for selling products and services of AYCAL.</p> <p><u>Other income</u></p>	(4)	-	<ul style="list-style-type: none"> <li>The sublease rates paid by AYCAL to the Company were the same rates as the rental fees that the Company paid to the third party. They were calculated in proportion to the areas that AYCAL had subleased from the Company; including withholding taxes, property taxes, and water and electricity charges in proportion to the areas that AYCAL had subleased from the Company.</li> <li>Reversing entries for the year 2020 was caused by the termination of the Nonthaburi branch contract as of October 15, 2019. Prior to the termination of the said contract, the Company had recorded the income derived from rental charge of such area. Therefore, the Company reversed the accounting entries by termination contract which in accordance the contract conditions. At present, the sublease contracts for the other 2 areas have already been terminated.</li> </ul>	<p>The transaction was a sublease. The sublease rates were comparable to the rental fees that the Company paid to the third party. They also included other expenses such as withholding taxes, property taxes, and water and electricity charges.</p> <p>Therefore, it is considered that the said transaction does not cause the Company to be disadvantaged and is reasonable.</p>

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
	Expense item				
	<p>The Company had used information technology system service, information technology infrastructure and data backup from AYCAL.</p> <p><u>Service fee</u></p>	4,430	-	<ul style="list-style-type: none"> <li>The transaction was use of service for support normal business of the company.</li> <li>The service fee was the cost of the product plus the profit margin (Cost Plus), and comparable to the service fees that AYCAL provides service to other companies in the Bank of Ayudhya PCL. group.</li> <li>Currently, the information technology system service contract from AYCAL has expired on June 30, 2020.</li> </ul>	The transaction was the reasonable and necessary support of the Company's normal business and did not cause any disadvantage to the Company, whereas the service fee was calculated from cost plus margin. After the termination of the contract, the Company has created and developed the information technology system by himself.
	<p>The Company had used AYCAL services including appraisal, management, storage and allocation of properties foreclosed for remarketing, with a 3-year contract term.</p> <p><u>Service fee</u></p>	139	-	<ul style="list-style-type: none"> <li>The transaction was use of service for support normal business of the company.</li> <li>It was expected that using AYCAL services would be the most beneficial to the Company because AYCAL had experienced personnel and was able to manage costs better than the Company, especially in terms of economy of scale.</li> <li>Currently, the Company already terminated the service contract made with AYCAL for appraisal, management, storage and allocation of properties foreclosed for remarketing since April 1, 2019.</li> </ul>	The transaction was the reasonable and necessary support of the Company's normal business and did not cause any disadvantage to the Company, whereas the service fee was comparable to the transaction made with the third party. After the termination of the contract, the Company has used its internal staff to work accordingly.

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
	Asset item				
	The Company purchased the information technology system license.  <u>Purchase intangible asset</u>	10,759	-	<ul style="list-style-type: none"> <li>The service fee was the cost of the product plus the profit margin (Cost Plus), which was reasonable purchase price and worth more than hiring an external service provider to prepare such system.</li> </ul>	The transaction was the reasonable and necessary support of the Company's normal business and did not cause any disadvantage to the Company, whereas the service fee was calculated from cost plus margin.
3. Mr. Schwin Chairavanont	Expense item				
	The Company hired Mr. Schwin Chairavanont to provide strategic advice on managing various stakeholders and finding new partners for the Company.  <u>Service fee</u>	1,400	-	<ul style="list-style-type: none"> <li>Mr. Schwin Chairavanont is knowledgeable and competent person with experience as COO and Honorary Director at Open Forest (USA), Asset Management Business from 2019 to present and previously held Executive Director at Aura Group (Singapore), the asset management and investment banking business, from 2015 to 2017. The Company hired Mr. Schwin Chairavanont to provide strategic advice on managing various stakeholders and finding new partners for the Company. The Company paid service fee to Mr. Schwin Chairavanont on a monthly basis. The service fee rate was comply with the Company's policy relating to hiring and external consultant. However, the Company terminated the employment contract made with Mr. Schwin Chairavanont since July 31, 2020.</li> </ul>	The transaction was the reasonable and necessary support of the Company's normal business and did not cause any disadvantage to the Company, whereas the service fee was comparable to the transaction made with the third party (Arm's Length Basis).

### 3.2 Related party transactions between the Company and persons who may have conflicts of interest that are likely to occur continuously in the future.

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
1. Bank of Ayudhya Public Company Limited ("BAY")	Revenue items				
	Interest income from deposits with BAY			<ul style="list-style-type: none"> <li>The Company had deposited money in savings accounts and fixed deposit accounts with BAY. The Company had obtained normal interest rates which BAY provided to general juristic persons.</li> </ul>	The transaction was the reasonable and necessary support of the Company's normal business, and did not cause any disadvantage to the Company, whereas the interest rates received were comparable to those offered to the general juristic person by other commercial banks (Arm's Length Basis).
	<u>Interest income</u>	8,359	7,652		
	<u>Cash and cash equivalent</u>	942,069	3,957,596		
	<u>Current contract assets</u>	11	49		
<u>Other non-current assets</u>	3,135	3,145			
	The Company subleased the premises of two branch offices in order to be the areas for offering products and services to BAY's customers with a contract term of 3- year period.			<ul style="list-style-type: none"> <li>The sub-lease rates paid by BAY to the Company were the same rates as the rental fees that the Company paid to the third party. They were calculated in proportion to the areas that BAY had subleased from the Company.</li> </ul>	The transaction was a sublease. The sublease rates were comparable to the rental fees that the Company paid to the third party; therefore, such transaction did not cause any disadvantage to the Company and was reasonable.
<u>Other income</u>	259	255			
<u>Deferred income</u>	227	201			
<u>Other non-current liabilities</u>	67	67			
<u>Other current assets</u>	-	230			
	The Company subleased the premise of one branch office for installing the Auto Lobby with a contract term of 3-year period.			<ul style="list-style-type: none"> <li>The sub-lease rate paid by BAY to the Company was the same rate as the rental fee that the Company paid to the third party. It was calculated in proportion to the area that BAY had subleased from the Company.</li> </ul>	The transaction was a sublease. The sublease rates were comparable to the rental fees that the Company paid to the third party; therefore, such transaction did not cause any disadvantage to the Company and was reasonable.
<u>Other income</u>	165	145			
<u>Other current assets</u>	41	12			
	The Company subleased the premises of branch offices to BAY for installing automated teller machines (ATM)			<ul style="list-style-type: none"> <li>According to the lease agreements, the rental rates were comparable to the rental rates that BAY paid to the third party for installing automated teller machines (ATM) in nearby areas.</li> </ul>	The transaction was normal business operations which was based on the market price and entered into in accordance with the same principle applied to the transactions entered into with the third party (Arm's Length Basis).
<u>Other income</u>	216	180			
<u>Other current assets</u>	36	15			

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
	Expense items				
	The Company had leased or subleased parts of BAY branch offices to open the Company's branches.			<ul style="list-style-type: none"> <li>The Company had leased or subleased parts of BAY branch offices to open the Company's branches because the areas were in good locations, convenient and known by customers well. The details of the contract can be classified into 2 types:               <ol style="list-style-type: none"> <li>The lease rates of areas owned by BAY, totalling 7 locations, were calculated in proportion to the areas and the market lease rates appraised by BAY's Collateral Appraisal Department. The average period of the lease agreements was about 3 years.</li> <li>The sublease rates of areas owned by the third party, totalling 10 locations, were the same rates as the rental fees that BAY rent from the third party. The sublease rates were calculated in proportion to the subleased areas and the market subleased rates appraised by BAY's Collateral Appraisal Department. The average period of the lease agreements was about 3 years.</li> </ol> </li> </ul>	The transaction was a sublease. The sublease rates were comparable to the rental fees that the Company rent from the third party and /or the market price; therefore, such transaction did not cause any disadvantage to the Company and was reasonable.
<u>Service fee</u>	1,629	1,268			
<u>Rights of use assets - net</u>	1,086	1,172			
<u>Other non-current assets</u>	608	404			
<u>Lease liabilities - net</u>	1,544	1,542			

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
	<p>For working capital of the Company's business operations, borrowings from BAY were in the form of short-term borrowings, long-term borrowings and issuance of the Company's debentures.</p> <p><u>Interest expense</u> 518,290 387,468</p> <p><u>Service fee</u> 2,822 6,174</p> <p><u>Accrued expenses</u> 16,239 6,048</p> <p><u>Short-term borrowings</u> 2,600,000 3,300,000</p> <p><u>Long-term borrowings</u> 10,180,000 8,820,000</p> <p><u>Long-term debentures</u> 1,144,800 295,200</p> <p><u>Deferred expense for issuing debentures</u> 4,620 3,648</p>			<ul style="list-style-type: none"> <li>The company used BAY's credit services which consisted of short-term and long-term borrowings with interest rates and fees that were comparable to interest rates and fees of general financial institutions.</li> <li>In addition to using BAY's credit services, the Company also issued debentures for operating business, with BAY being the underwriter of the debentures. However, BAY's debenture underwriting fee was comparable to the market price and in accordance with the same principle applied to the transactions entered into with the third party.</li> <li>The granting of BAY's credits and services to persons who may have conflicts of interest was also subject to BAY's policy, which determines that the Related party transactions entered into with members in BAY's financial group were subject to terms and conditions with the same interest rates or service charges as for the transactions entered into with general customers with the same levels of risk.</li> </ul>	To increase liquidity in the business operations, the transactions were normal business operation which was based on the market price and entered into in accordance with the same principle applied to the transactions entered into with the third party (Arm's Length Basis).

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
	<p>To manage risks caused by fluctuations in interest rates of borrowings, the Company therefore used BAY's interest rate swap (IRS) service.</p> <p><u>Service fee</u> 4 (3)</p> <p><u>Loss on cash flow hedge</u> 337 104</p> <p><u>Other current financial liabilities</u> 341 441</p>		<ul style="list-style-type: none"> <li>The Company therefore used BAY's Interest Rate Swap (IRS) service to manage risks caused by fluctuations in interest rates of borrowings. The exchange rate of the contract was comparable to the exchange rates of general financial institutions.</li> <li>The granting of BAY's credits and services to persons who may have conflicts of interest was also subject to BAY's policy, which determines that the related party transactions entered into with members in BAY's financial group were subject to terms and conditions with the same interest rates or service charges as for the transactions entered into with general customers with the same levels of risk.</li> </ul>	To increase liquidity in the business operations, the transaction was a normal business operation which was based on the market price and entered into in accordance with the same principle applied to the transactions entered into with the third party (Arm's Length Basis).	
	<p>The Company had used BAY's information technology services; information technology infrastructure.</p> <p><u>Service fee</u> 23,075 2,335</p> <p><u>Prepaid expense</u> 469 -</p> <p><u>Amounts due to related parties</u> 5,303 148</p>		<ul style="list-style-type: none"> <li>The transaction was the service that supported the Company's normal business.</li> <li>The service fee was the cost of the product plus the profit margin (Cost Plus) or average market price, which was comparable to the service fee that BAY provided to other companies in the banking group.</li> <li>The service fee was the cost of the product plus the profit margin (Cost Plus) because BAY could manage costs better than the Company, especially in terms of economy of scale.</li> </ul>	The transaction was the reasonable support of the Company's normal business and did not cause any disadvantage to the Company, whereas the service fee was calculated from cost plus margin.	

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
	<p>The Company paid a referral fee to BAY when referring a customer to the Company and such customer then used the Company's credit services.</p> <p><u>Service fee</u> 8,315 8,916</p> <p><u>Deferred commission</u> 7,319 6,337</p> <p><u>Amounts due to related parties</u> 1,290 1,372</p>			<ul style="list-style-type: none"> <li>Fees could be categorized into 2 types:               <ol style="list-style-type: none"> <li>Individual referral fee, divided into referral fees for motorcycle and car loans;</li> <li>Promotional fees.</li> </ol> </li> <li>Fees for referring customers for motorcycle and car loans were comparable to the fee rates that NTL provided to other referrals.</li> <li>Promotional fees were given to BAY's branches or branch officers, whereas BAY was not a beneficiary. The payments were made via BAY only.</li> </ul>	<p>To motivate employees to sell products and services, the transaction was a normal business operation which was based on the market price and entered into in accordance with the same principle applied to the transactions entered into with the third party (Arm's Length Basis). The fees were also provided to the third party, whereas the payment was made through BAY only. Therefore, such transaction did not cause any disadvantage to the Company and was reasonable.</p>

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
	<p>The Company had used employee training service provided from BAY with a contract term of 3-year period.</p> <p><u>Service fee</u> 581 22</p> <p><u>Amounts due to related parties</u> 581 556</p>	581	22	<ul style="list-style-type: none"> <li>The Company had paid the service fee with the rate as stipulated in the agreement. The service fee was the cost of the service plus the profit margin (Cost Plus) or market price, which was comparable to the service fee that BAY provided to other companies in the banking group.</li> <li>To use BAY's employee training service, the Company expected to gain maximum benefit due to the fact that BAY had experienced personnel and was able to manage costs better than the Company, especially in terms of economy of scale regarding employee training.</li> </ul>	The transaction was the support of the Company's normal business, which was necessary and reasonable and did not cause any disadvantage to the Company, whereas the service fee was calculated from cost plus margin (Cost Plus) and/or the market price and entered into in accordance with the same principle applied to the transactions entered into with the third party (Arm's Length Basis).
	<p>The Company provided services to BAY's customers to conduct E-KYC transactions at Krungsri i-CONFIRM service points at the Company's branches.</p> <p><u>Fee and service income</u> - 2</p>	-	2	<ul style="list-style-type: none"> <li>The agreement had conditions and fee rate which was comparable to fee rate third party provide services to BAY.</li> </ul>	The transaction was a normal business operation which was based on the market price and entered into in accordance with the same principle applied to the transactions entered into with the third party (Arm's Length Basis).

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
	Liabilities item				
	BAY received Sinopharm and Moderna vaccines for the Company. <u>Amounts due to related parties</u>	-	1,293	<ul style="list-style-type: none"> <li>BAY received vaccines for the companies in the BAY Group. The Company would pay for the vaccine according to the market price. The payment for vaccines was made via BAY only.</li> </ul>	The transaction was the support of the Company's normal business, which was necessary and reasonable. It did not cause any disadvantage to the Company and could save cost while the price was comparable to the market price (Arm's Length Basis),
2. Mr. Patara Yongvanich	Revenue item				
	The Company provided loan service to Mr. Patara Yongvanich.  Loans  Interest income	-  -  -	25  1	<ul style="list-style-type: none"> <li>The Company's lending service was provided according to normal trading conditions with a comparable interest rate with the transaction made with the third party.</li> </ul>	The transaction was the support of the Company's normal business, which was necessary and reasonable. It did not cause any disadvantage to the Company. The interest rate was based on the company's interest rate announcement given to third parties (Arm's Length Basis),
3. Siam Realty and Services Security Company Limited ("SRS")	Expenses item				
	The Company has used a car rental service provided by SRS.  <u>Service fee</u> <u>Interest expense</u> <u>Rights of use assets - net</u> <u>Amounts due to related parties</u> <u>Lease liabilities - net</u>	46,230 2,602 75,468 12 74,771	39,285 1,377 36,865 - 76,149	<ul style="list-style-type: none"> <li>The transaction was the use of service for the Company's normal business supports.</li> <li>The Company had paid the service fees as stipulated in the agreement with the rate per car. The service fee was the cost of the service plus the profit margin (Cost Plus).</li> </ul>	The transaction was the support of the Company's normal business, which was necessary and reasonable and did not cause any disadvantage to the Company, whereas the service fee was calculated from cost plus margin (Cost Plus) and/or the market price and entered into in accordance with the same principle applied to the transactions entered into with the third party (Arm's Length Basis).

Persons/Juristic Persons Who May Have Conflicts of Interest	Characteristics of Related party Transactions	Transaction Value (Thousand Baht)		Rationale and Necessity of the Related party Transactions	Opinion of the Audit Committee
		2020	2021		
4. Krungsri Ayudhya Card Company Limited	Liabilities item  The Company had used corporate credit card service for expenses that require quick disbursement  <u>Amounts due to related parties</u>	222	1,052	<ul style="list-style-type: none"> <li>The Company had used Krungsriayudhya Card Company Limited's corporate credit card service so that its employees could pay expenses that needed to be paid quickly.</li> <li>The use of Krungsriayudhya Card Company Limited's corporate credit card service was subject to normal trading conditions and the service fee rate was comparable to transactions with the third party (Arm's Length Basis). The Company had never paid after the end of the specified period, thus causing no interest burden from the use of such credit card service.</li> </ul>	To enable quick payment of certain expenses, the transaction was therefore the support of the Company's normal business, which was necessary and reasonable and did not cause any disadvantage to the Company, whereas the service fee rate was comparable to transactions with the third party (Arm's Length Basis).

### 3.3 Rationale and Necessity of the Related party Transactions

The Company's Audit Committee Meeting No. 1/2022 held on February 21, 2022 considered the Company's related party transactions for the fiscal year ended December 31, 2021, along with asking for information from the Company's management, and reviewing various documents and information as specified in the notes to the financial statements that had been audited by the Company's auditor. The Audit Committee agreed that the Company's related party transactions in the fiscal year ended December 31, 2021 were normal business transactions or supports of the Company's normal business. Such transactions were entered into in accordance with general trading conditions, in the same manner that a sensible person would act with a general counterparty in the same situation with bargaining power that is without influence as the counterparty is a person who may have conflicts of interest.

#### Measures and Procedures for Approval of related party Transactions

To enter into a transaction that is related to a related party transaction, the Company will comply with the rules prescribed in the Securities and Exchange Act B.E. 2535 (1992) (and the amendments), including regulations, notifications, orders or requirements of the Securities and Exchange Commission (SEC), the Capital Market Supervisory Board (CMSB) and the Stock Exchange of Thailand (SET) as well as the regulations on disclosure of related party transactions and other relevant rules. In this regard, stakeholders will not be able to participate in the approval of such transaction.

#### (a) Transaction under a trade agreement with general commercial terms

With regard to a related party transaction that is a normal business transaction or a normal business supporting transaction under a trade agreement with general commercial terms and is beneficial to the Company's business or operations, in the case of entering into a related party transaction under the approval authority of the Management, the department requesting for such transaction shall decide the related person, such as the Financial Planning and Analysis Department (FP&A), the Tax Department, or the Compliance Department in accordance with the procedures for requesting approval prescribed in the regulations and the Company's authority, as such transaction is under a trade agreement in the same

manner to which a sensible person would enter into with a normal counterparty in the same situation, with commercial bargaining power but without influence in being a director, executive or related person. The Management will prepare a summary report of such transaction and report to the Audit Committee meeting and the Board of Directors meeting on a quarterly basis.

In this regard, a transaction in accordance with general trading terms refers to the terms with fair prices and conditions and do not cause benefits transfer, which include prices and conditions as follows:

- Prices and conditions received or provided by the Company to the general public,
- Prices and conditions received or provided by related person to the general public, and
- Prices and conditions that the Company can indicate that other companies in the same industry also provide such prices and conditions to the general public.

(b) Transaction under a trade agreement that is not in accordance with general commercial terms

With regard to a transaction under a trade agreement that is not in accordance with general commercial terms, the Company shall consider and provide opinions on the necessity and reasonableness of entering into such transaction, whereas the Audit Committee shall verify it prior to proposing to the Executive Committee and/or the Board of Directors and/or the shareholders' meeting (as the case may be) for consideration and approval. The Company shall comply with the law on securities and exchange, regulations, notifications, orders or requirements of the Capital Market Supervisory Board (CMSB), the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC), including the disclosure requirements of related transactions or connected transactions, acquisition or disposition of the Company's significant assets (if any), as well as other relevant rules and accounting standards prescribed by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King, and the Company will disclose such related party transactions in the notes to the Company's financial statements that have been audited or reviewed by the Company's auditor.

In the event that the Audit Committee does not have the expertise to consider a potential related party transaction, the Company shall appoint a person possessing knowledge, expertise or special expertise, such as an auditor, a property appraiser or an expert in related field, who is independent from the Company and persons who may have conflicts of interest with the Company, to provide opinions on the said related party transaction for supporting the decision of the Audit Committee and/or the Board of Directors and/or the shareholders' meeting (as the case may be) to ensure that entering into such transaction is necessary and reasonable, by taking into account the benefits of the Company and shareholders.

### **3.4 The Policy on Future Related party Transactions**

In the future, if there is any connected transaction or related party transaction to be entered into, the Company shall comply with the Securities and Exchange Act, regulations, notifications, orders or requirements of the Capital Market Supervisory Board (CMSB), the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). However, entering into such transaction must not be removal or transfer of benefits between the Company or the Company's shareholders. It must be a transaction that the Company has taken into account the best benefits of the Company and all shareholders.

In the case of a normal transaction or a normal business support activity that is expected to occur continuously in the future, the Company shall conduct it in accordance with the rules and guidelines for general trading with prices and conditions that are appropriate, fair, reasonable and verifiable. To enter into such transaction, it will be made in accordance with principles related to an agreement with general commercial terms as approved by the Board of Directors meeting. In this regard, the Management shall prepare a summary of such transaction to be reported at the Audit Committee meeting on a yearly basis in order to accompany the preparation of Form 56-1 One Report.

Disclosure of the Company's connected transactions or related party transactions are in accordance with the laws and the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as the accounting standards relating to the Company or related persons of the Federation of Accounting Professions.

# Details of Directors

## Mr. Chandrashekar Subramanian Krishoolndmangalam

**Position** Chairman, Authorized Director and Chairman of Risk Management Committee

**Age** 59 years

**Nationality** Indian

### Education

- Master in Commerce, Bombay University, India

### Training

- Certificate from Thai Institute of Directors (IOD)
- Strategic IT Governance (for non-IT), Year 2017
- Director Certification Program Class No. 112/2009

### Other Position in Listed Company

2007 - Present Chief Risk Officer, Senior Executive Vice President and Executive Committee Member, Bank of Ayudhya PLC

### Other Position

- 2020 - Present Director and Authorized Director, SB Finance Company, Inc
- 2016 - Present Director, Hattha Bank PLC. (Formerly, Hattha Kaksekar Limited)
- 2015 - Present Director and Authorized Director, Ayudhya Development Leasing Co., Ltd.
- 2015 - Present Chairman and Authorized Director, Krungsri Ayudhya AMC Co., Ltd.

### Experience (in last 5 years)

- 2014 - 2019 Director and Authorized Director, Krungsri Factoring Co., Ltd.
- 2008 - 2020 Director and Authorized Director, Ayudhya Capital Auto Lease PLC

**Date of taking the position of director** 18 August 2015

**Chairman** 28 January 2021

### Attendance for year 2021

**Board of Director meeting** 14/14

**Risk Management Committee** 4/5

### Number of shareholding (as of 31 December 2021)

None <sup>(1)</sup>

**Relationship among other management** None

## Mr. Piyasak Ukritnukun

**Position** Managing Director, Authorized Director, Member of Investment Committee and Chairman of Senior Management Team

**Age** 40 years

**Nationality** Thai

### Education

- Bachelor of Business Administration, International program, Thammasat University

### Training

- Certificate from Thai Institute of Directors (IOD)
- Directors Accreditation Program Class No. 113/2014
- Directors Certification Program Class No. 207/2015
- Board Matters and Trends Class No. 4/2017
- Board Nomination and Compensation Program Class No. 6/2019
- Diploma Examination Class No. 45/2015

### Other Position in Listed Company

- None

### Other Position

- 2021- Present Senior Advisor, F88 Financial Service in Vietnam

### Experience (in last 5 years)

- 2013 - Present Chairman of Senior Management Team, Ngern Tid Lor Public Company Limited

### Date of taking the position of director

1 November 2013

### Attendance for year 2021

**Board of Director meeting** 14/14

**Investment Committee** 2/2

### Number of shareholding (as of 31 December 2021)

400,000 shares or 0.02% <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup> Including spouse and minor children

## Mrs. Kesara Manchuree

**Position** Independent Director, Chairman of Audit Committee and Member of Remuneration and Nomination Committee

**Age** 61 years

**Nationality** Thai

### Education

- Master of Science in Finance, Golden Gate University, San Francisco, USA
- Bachelor of Art in Economics, Thammasat University

### Training

- ASEP “Advanced Senior Executive Program” Evanston, Illinois, USA Sasin and Kellogg School of Management, Senior Executive Program, Chulalongkorn University
- Certificate, Capital Market Academy Leadership Program, The Stock Exchange of Thailand, Class 4
- Certificate from Thai Institute of Directors (IOD)
  - Director Certification Program Class No. 82/2006
  - The Role of Chairman Program Class No. 46/2020

### Other Position in Listed Company

- 2020 - Present Independent Director and Chairman of Audit Committee, Interlink Telecom PLC.
- 2018 - Present Chairman and Chairman of Sustainable Committee, N R Instant Produce PLC.

### Other Position

- 2020 - Present Independent Director and Chairman of Audit Committee, Commerce Group Co., Ltd.
- 2018 - Present Chairman, and Chairman of Sustainable Committee, TSFC Securities PLC.
- 2019 - Present Independent Director and Chairman of Audit Committee, KTBST Holding PLC.
- 2018 - Present Independent Director and Chairman of Audit Committee, KTBST Securities (Thailand) PLC.
- 2018 - Present Chairman and member of Audit Committee, WE Asset Management Co., Ltd.
- 2016 - Present Honorary Member, Thammasat University Council Committee.
- 2020 - Present Honorary Member, Khon Kaen University Council Committee.

### Experience (in last 5 years)

- 2014 - 2018 CEO, The Stock Exchange of Thailand
- 2013 - 2014 Senior Executive Vice President, The Stock Exchange of Thailand
- 2004 - 2014 Managing Director, Thailand Futures Exchange PLC.

**Date of taking the position of director** 6 March 2020

### Attendance for year 2021

**Board of Director meeting** 14/14

**Audit Committee** 4/4

**Remuneration and Nomination Committee** 6/6

### Number of shareholding (as of 28 August 2021)

1,000,000 shares or 0.04% <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup> Including spouse and minor children

## Mr. Phonganant Thanattrai

**Position** Director, Authorized Director and Member of Remuneration and Nomination Committee

**Age** 57 years

**Nationality** Thai

### Education

- MBA., Thammasat University
- Bachelor of Business Administration (Marketing), Assumption University

### Training

- Strategic IT Governance (for non-IT), Year 2017
- Certificate from Thai Institute of Directors Association (IOD)
- Role of the Chairman Program (RCP) No.47/2021
- Board Nomination and Compensation Program (BNCP) No. 11/2021
- Director Certification Program (DCP), Class No.289/2020
- Corporate Governance for Capital Market Intermediaries (CGI - English), No.3/2015

### Other Position in Listed Compan

Bank of Ayudhya PLC

- Oct 2021 - Present Head of Retail and Consumer Banking and Executive Committee Member
- 2012 - Present First Executive Vice President

### Other Position

- 2021 - Present Chairman (Authorized Signatory), Krungsri Securities PLC
- 2021 - Present Chairman (Authorized Signatory), Krungsri Asset Management Co., Ltd.
- 2019 - Present Director (Authorized Signatory), Krungsri Ayudhya Card Co., Ltd.

### Experience (in last 5 years)

Bank of Ayudhya PLC

- Jan - Sep 2021 Acting Head of Retail Banking and Distribution Group
- 2019 - Apr 2021 Acting Head of High Net-Worth Division
- 2017 - 2020 Head of Retail Banking and Distribution Group
- 2015 - 2019 Acting Head of Provincial Branch Business Division
- 2015 - 2017 Acting Head of Metropolitan Branch Business Division
- 2015 - 2016 Head of Distribution Group
- 2015 - 2019 Director, Krungsri Ayudhya Card Co., Ltd.
- 2017 - 2018 Director (Authorized Signatory), Krungsri Securities PLC
- 2014 - 2017 Director (Authorized Signatory), Krungsri Asset Management Co., Ltd.
- 2017 - 2018 Director (Authorized Signatory), Total Services Solution PLC

### Date of taking the position of director

28 February 2019

### Attendance for year 2021

**Board of Director meeting** 13/14

**Remuneration and Nomination Committee** 5/6

### Number of shareholding (as of 31 December 2021)

None <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup> Including spouse and minor children

## Mr. Vasin Udomratchatavanich

**Position** Director and Member of Remuneration and Nomination Committee

**Age** 48 years

**Nationality** Thai

### Education

- Ph.D. in Technology Management, Stevens Institute of Technology
- Master of Engineering, Stevens Institute of Technology
- Bachelor of Engineering, Kasetsart University

### Training

- Bangkok Sustainable Banking Forum 2019  
“An Industry Wake-up Call”, Year 2019
- Certificate from Thai Institute of Directors (IOD)  
- Director Certification Program Class No. 306/2021  
- Certificate of Director Accreditation Program Class No. 176/2020

### Other Position in Listed Company

Bank of Ayudhya PLC

- 2020 - Present First Executive Vice President
- 2019 - Present Chief Human Resources Officer, Executive Committee Member and Secretary to the Nomination and Remuneration Committee

### Other Position

- 2019 - Present Director, Krungsri Nimble Co., Ltd.

### Experience (in last 5 years)

- 2014 - 2020 Executive Vice President, Human Resources Group, Bank of Ayudhya PLC

**Date of taking the position of director** 15 June 2020

### Attendance for year 2021

**Board of Director meeting** 13/14

**Remuneration and Nomination Committee** 6/6

### Number of shareholding (as of 31 December 2021)

None <sup>(1)</sup>

**Relationship among other management** None

## Mr. Nathapol Luepromchai

**Position** Director/  
Member of Investment Committee

**Age** 47 years

**Nationality** Thai

### Education

- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master of Science Faculty of Engineering, Mahidol University
- Bachelor of Science Faculty of Science, Kasetsart University

### Training

- Certificate from Thai Institute of Directors (IOD),  
Director Accreditation Program Class No. 180/2021

### Other Position in Listed Company

- 2014 - Present Executive Vice President, Division Head, Mortgage Loan Division, Bank of Ayudhya PLC

### Other Position

- None

**Experience (in last 5 years)** -

### Date of taking the position of director

28 January 2021

### Attendance for year 2021

**Board of Director meeting** 13/13

(He was appointed as director on 28 January 2021)

**Investment Committee** 2/2

### Number of shareholding (as of 31 December 2021)

None <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup> Including spouse and minor children

## Mr. Minki Brian Hong

**Position** Director, Chairman of Remuneration and Nomination Committee

**Age** 49 years

**Nationality** American

### Education

- Bachelor of Arts in Business Economics and Political Science, Brown University

### Training

- Certificate from Thai Institute of Directors (IOD), Director Certification Program Class No. 313/2021

### Other Position in Listed Company

- None

### Other Position

- 2022 - Present Director, Starlight TopCo Limited (Hong Kong)
- 2022 - Present Director, Starlight Universe Limited (Hong Kong)
- 2021 - Present Director, Southeastasia Retail Inc. (Philippines)
- 2021 - Present Managing Partner, South East Asia, CVC Capital Partners (Hong Kong)
- 2020 - Present Director, CVC Asia Pacific Limited (Hong Kong)
- 2015 - Present Director, Asia Link Dewa Pte. Ltd. (Singapore)
- 2013 - Present Director, Asia Outsourcing Singapore Pte. Ltd. (Singapore)

### Experience (in last 5 years)

- Evaluated and advised on potential investment opportunities. Activities include deal origination, development of investment thesis, due diligence, and deal terms and structure.
- Monitoring of selected portfolio investments including active board member participation and direct engagement with company management with a focus on implementation of identified key initiatives.
- Co-lead coverage for South East Asia region and lead for Financial Services sector, managing team of nine investment professionals.
- Completed investment in SoutheastAsia Retail Inc. a membership-only warehouse club in Philippines.
- Completed IPO of Ngern Tid Lor, debuts its shares, TIDLOR, in the Stock Exchange of Thailand.
- Completed investment in Fast Logistics a transport and warehousing business in Philippines.
- Completed investment in a non-bank auto finance company Ngern Tid Lor in Thailand.
- Completed investment in Asia Commercial Bank in Vietnam.
- Completed investment into LOLC Singapore for acquisition of 35% effective interest in PRASAC Microfinance of Cambodia.

### Date of taking the position of director

28 February 2019

### Attendance for year 2021

**Board of Director meeting** 12/14

**Remuneration and Nomination Committee** 6/6

**Number of shareholding (as of 31 December 2021)**

None <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup> Including spouse and minor children

## Mr. Elcid Vergara

**Position** Director, Authorized Director, Member of Remuneration and Nomination Committee, Member of Risk Management Committee and Member of Investment Committee

**Age** 43 years

**Nationality** Thai

### Education

- Master of Economics, London School of Economics and Political Science (LSE)
- Bachelor of Economics, Harvard University.

### Training

- Certificate from Thai Institute of Directors (IOD), Director Accreditation Program Class No. 177/2020.

### Other Position in Listed Company

- None

### Other Position

- 2015 - Present Managing Director, South East Asia, CVC Capital Partners.

**Experience (in last 5 years)** -

### Date of taking the position of director

28 February 2019

### Attendance for year 2021

**Board of Director meeting** 14/14

**Remuneration and Nomination Committee** 6/6

**Risk Management Committee** 4/5

**Investment Committee** 2/2

### Number of shareholding (as of 31 December 2021)

None <sup>(1)</sup>

**Relationship among other management** None

## Mr. Schwin Chiaravanont

**Position** Director and Authorized Director

**Age** 30 years

**Nationality** Thai

### Education

- Bachelor of Science in Economics and Business from the University of North Carolina at Chapel Hill, Emphases in Corporate Finance and Entrepreneurship at the Kenan-Flagler Business School

### Training

- Certificate from Thai Institute of Directors (IOD), Director Certification Program No. 270/2019
- Bloomberg Capital Market Lab Certified

### Other Position in Listed Company

- None

### Other Position

- Co-Founder & Director, Blueprint Forest
- Co-Founder & Managing Partner, 9 Basil
- Co-Founder & Director, 2W Group (Direct Family Office)
- Innovation Committee, UNC Kenan-Flagler Business School

**Experience (in last 5 years)** -

### Date of taking the position of director

28 February 2019

### Attendance for year 2021

**Board of Director meeting** 13/14

### Number of shareholding (as of 31 December 2021)

None <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup> Including spouse and minor children

## Mr. Supawat Likittanawong

**Position** Independent Director, Member of Audit Committee and Member of Investment Committee

**Age** 48 years

**Nationality** Thai

### Education

- Master of Business Administration, Darden Graduate School of Business Administration, University of Virginia
- Bachelor of Science in Accounting with Honors, Thammasat University

### Training

- Certificate from Thai Institute of Directors (IOD)
  - Directors Certification Program Class No. 302/2021
  - Directors Accreditation Program Class No. 173/2020

### Other Position in Listed Company

- None

### Other Position

- 2020 - Present Director, Devakam Apothecary Hall Co., Ltd.
- 2020 - Present Director, BCL Property Co., Ltd.
- 2008 - Present Partner, Lakeshore Capital Thailand

**Experience (in last 5 years)** -

**Date of taking the position of director** 6 March 2020

### Attendance for year 2021

**Board of Director Meeting** 14/14

**Audit Committee Meeting** 4/4

**Investment Committee Meeting** 2/2

### Number of shareholding (as of 31 December 2021)

1,000,000 shares or 0.04% <sup>(1)</sup>

**Relationship among other management** None

## Mr. Patara Yongvanich

**Position** Independent Director, Member of Audit Committee and Chairman of Investment Committee

**Age** 47 years

**Nationality** Thai

### Education

- Master of Business Administration, Cornell University
- Master of Science (Industrial Engineering), Stanford University
- Business of Science (Mechanical Engineering), Cornell University.

### Training

- Certificate from Thai Institute of Directors (IOD)
  - Directors Certification Program Class No. 313/2021
  - Directors Accreditation Program Class No. 134/2017

### Other Position in Listed Company

- 2014 - Present Independent Director and Member of Audit Committee, Humanica PLC.

### Other Position

- 2021 - Present Director, Relationship Republic Co., Ltd.
- 2013 - Present Managing Director, Asia, Rhipe Technology (Thailand) Co., Ltd.

**Experience (in last 5 years)** -

**Date of taking the position of director** 6 March 2020

### Attendance for year 2021

**Board of Director Meeting** 14/14

**Audit Committee Meeting** 4/4

**Investment Committee Meeting** 2/2

### Number of shareholding (as of 31 December 2021)

1,000,000 shares or 0.04% <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup> Including spouse and minor children

## Dr. Santitarn Sathirathai

**Position** Independent Director

**Age** 40 years

**Nationality** Thai

### Education

- Ph.D. in Public Policy, Specializing in Finance and Economic Development, Harvard University
- Master of Economics, London School of Economics and Political Science (LSE)
- Master of Public Administration in International Development, Harvard University
- Bachelor of Economics, London School of Economics and Political Science (LSE)

### Training

- Certificate from Thai Institute of Directors (IOD), Director Accreditation Program Class No. 180/2021

### Other Position in Listed Company

- None

### Other Position

- 2018 - Present Group Chief Economist and Managing Director, Sea, Singapore
- 2018 - Present Advisor, TaejaiDotCom
- 2003 - Present Guest Lecturer, Faculty of Economics, Chulalongkorn University

### Experience (in last 5 years)

- 2010 - 2018 Head of Emerging Asia Economics Research, Credit Suisse AG, Singapore

### Date of taking the position of director

14 December 2021

### Attendance for year 2021

**Board of Director Meeting** 13/14

### Number of shareholding (as of 31 December 2021)

750,000 shares or 0.03% <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup> Including spouse and minor children

# Detail of Senior Management Team

## Mr. Veerapat Viriyakovitya

**Position** Head of Financial and Accounting Department and Secretary of Investment Committee

**Age** 44 years

**Nationality** Thai

**Education**

- Master of Business Administration (Finance), Indiana University

**Training**

- DBD e-Learning Relating to Accounting
- Certificate from Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) Class 122/2015
- Corporate Governance for Executives (CGE) Class 3/2015

**Other Position in Listed Company**

- None

**Other Position**

- None

**Experience (in last 5 years)**

- 2012 - Present Head of Financial and Accounting, Ngern Tid Lor Public Company Limited

**Number of shareholding (as of 31 December 2021)**  
1,000,000 shares of 0.04% <sup>(1)</sup>

**Relationship among other management** None

## Mr. Siu Bong Tso

**Position** Head of Marketing and Business Development; and Information Technology Department

**Age** 47 years

**Nationality** Chinese (Hong Kong)

**Education**

- Bachelor of Science (Computer Science) from the University of Hong Kong

**Training**

- Certificate from Thai Institute of Directors (IOD) Director Certificate Program Class No. 256/2018

**Other Position in Listed Company**

- None

**Other Position**

- None

**Experience (in last 5 years)**

- 2015 - Present Senior Management of Marketing and Business Development; and Information Technology Department, at Ngern Tidlor Public Company Limited

**Number of shareholding (as of 31 December 2021)**  
1,430,000 or 0.06% <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup> Including spouse and minor children

## Mrs. Athitaya Phoonwathu

**Position** Head of Human Resource Management and Insurance Broker and Secretary of Remuneration and Compensation Committee

**Age** 47 years

**Nationality** Thai

### Education

- Master's Degree, Organization Development, Pittsburg State University
- Bachelor's Degree Business Administration, Chulalongkorn University.

### Training

- InsurTech Connect Asia 2021: The Future of Insurance is here, institute at Clarion Events PTE. LTD., Batch 1/2021
- Corporate Governance for Executives (CGE 11/2018) Thai Institute of Directors Association

### Other Position in Listed Company

- None

### Other Position

- None

### Experience (in last 5 years)

Ngern Tidlor PCL.

- 2019 - Present Head of Human Resources and Insurance Broker
- 2016 - 2018 EVP Human Resources and Insurance Broker

### Number of shareholding (As of 31 December, 2021)

1,000,000 shares or (0.04%) <sup>(1)</sup>

**Relationship among other management** None

## Mr. Thanya Kitchainukul

**Position** Head of Credit Department and Secretary of Risk management Committee

**Age** 63 years

**Nationality** Thai

### Education

- Bachelor's Degree, Faculty of Law, Chulalongkorn University

### Training

- Thai Institute of Directors Association
- Risk Management Program for Corporate Leader (RCL 23/2021) Thai Institute of Directors Association
- Director Accreditation Program (DAP 169/2020)

### Other Position in Listed Company

- None

### Other Position

- None

### Experience (in last 5 years)

- 2018 - Present Head of Credit Department/ Ngern Tidlor PCL.

### Number of shareholding (As of 31 December, 2021)

1,000,000 Shares or (0.04%) <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup> Including spouse and minor children

## Miss Chaweemas Yamyim

**Position** Head of Branch Development & Sales Management and Collections Department

**Age** 50 years

**Nationality** Thai

### Education

- Master of Business Administration  
Ramkhamhang University

### Training

- Corporate Governance for Executive (CGE) :  
Thai Institute of Directors
- Advanced Business Analysis Batch 2 :  
Chula Unisearch, Chulalongkorn University
- Senior Leadership Development Program :  
Lead Business Institute

### Other Position in Listed Company

- None

### Other Position

- None

### Experience (in last 5 years)

Ngern Tidlor PCL.

- 2019 - Present Head of Branch Development & Sales Management and Collections Department

### Number of shareholding (As of December 31, 2021)

1,000,000 shares or (0.04%) <sup>(1)</sup>

**Relationship among other management** None

## Miss Piano Watcharapolmek

**Position** Head of Operations & Operational Risk Management Department

**Age** 45 years

**Nationality** Thai

### Education

- Master's Degree, Business Administration,  
California State University, Long Beach
- Bachelor's degree, Business Administration,  
Chulalongkorn University

### Training

- Risk Management Program for Corporate Leader (RCL 23/2021) Thai Institute of Directors Association
- Credit Lab Core Training Batch 1/2021 Institute at SM Tech
- The Emerging COO : Driving Innovation and Operational Excellence (COO) Stanford Business School Graduate School of Executive Education (August 2019)
- Corporate Governance for Executives (CGE 2018) Thai Institute of Directors Association

### Other Position in Listed Company

- None

### Other Position

- None

### Experience (in last 5 years)

- 2018 - Present Ngern Tidlor PCL.  
Head of Operations & Operational Risks Department.
- 2010 - 2017 Bank of Ayudhya PLC  
SVP Operations & Operational Risks

### Number of shareholding (As of December 31, 2021)

500,000 Shares or (0.02%) <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup>Including spouse and minor children

## Mrs. Duangporn Utaipat

**Position** Head of Compliance Department

**Age** 64 years

**Nationality** Thai

### Education

- Master's Degree Business Administration (Finance and Banking) National Institute of Development and Administration
- Bachelor's degree Department of Accountancy, Chulalongkorn Business School

### Training

Thai Institute of Directors Association

- Advanced Audit Committee Program 33/2019
- Director Certification Program 259/2018
- NTL Corporate Governance for Executives 8/2017

### Other Position in Listed Company

- None

### Other Position

- None

### Experience (in last 5 years)

Ngern Tidlor PCL

- 2019 - Present Head of Compliance Department
- 2018 - Present Advisor
- 2007 - 2018 SVP Operations & Operational Risks

### Number of shareholding (As of December 31, 2021)

670,000 share or (0.03%) <sup>(1)</sup>

**Relationship among other management** None

## Miss Nipa Vanichavat

**Position** Head of Business Support and Central Service Department

**Age** 51 years

**Nationality** Thai

### Education

- Master's Degree, School of language & Communication National Institute of Development and Administration.
- Bachelor's degree Faculty of Education, Chulalongkorn University

### Training

Thai Institute of Directors Association

- How to Develop a Risk Management Plan 20/2018
- Corporate Governance for Executives 7/2016

### Other Position in Listed Company

- None

### Other Position

- None

### Experience (in last 5 years)

- 2015 - Present Head of Business Support and Central Service Department/ Ngern Tidlor PCL.

### Number of shareholding (As of December 31, 2021)

550,000 shares or (0.02%) <sup>(1)</sup>

**Relationship among other management** None

Remark : <sup>(1)</sup>Including spouse and minor children

# 3

## Financial Statements

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**The economy has been pretty bad due to the COVID-19 outbreak.**

My income amount differs from before. Moreover, I got COVID Infected. During such time, I had only expenses without money coming in and experienced difficult situation as I did not have money to buy rice to eat. I ever borrowed from informal source with the interest rate of twenty percent. I could not go on with that. Thanks Ngern Tid Lor for the opportunity given that saved my life during the COVID-19 crisis.

**Miss Anchalee Loamo**

Ngern Tid Lor's Client, King Kaew Branch.

”



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on clients' voices

# Report of the Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for the Company's financial statements and all financial information appearing in the One-report 2021. These financial statements have been prepared in accordance with Thai Financial Reporting Standards. The Company has chosen appropriate accounting policies applied on consistent basis, including careful consideration together with prudent and the best estimations where necessary and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unmodified opinions. The financial statements reflect the true and fair financial position and operating results of the Company and its subsidiaries, thus being useful to all shareholders and investors.

The Board of Directors has also adopted and maintained appropriate and effective systems of risk management and internal control so that we can be reasonably assured that accounting records are accurate, complete and adequate to maintain the assets of the Company and these controls also identify weaknesses requiring preventive measures against fraud or other significant irregularities in the operations of the Company. In this regard, the Board of Directors has appointed an Audit Committee, independent directors, to be responsible for reviewing the quality of financial reporting and internal control mechanisms appropriately and efficiently and reviewing the Company's performance in accordance with the laws relevant to the business of the Company including the related party transactions to ensure that the aforementioned transactions are reasonable and optimized to the Company. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee which is presented in this One-report.

The Board of Directors is of the opinion that the Company's internal controls are satisfactory and allow for reasonable confidence in the reliability of the Company's financial statements for the year ended December 31, 2021.



**Mr. Chandrashekar Subramanian**  
Krishoolndmangalam  
Chairman of the Board



**Mr. Piyasak Ukritnukun**  
Managing Director



## Management Discussion and Analysis (MD&A)

### Overview Performance

In regard to overall performance of the year ended December 31, 2021, the Company had total revenue of 12,047.1 million baht, an increase of 1,488.2 million baht or 14.1% compared to the same period of the previous year, as a result of loans growth and growth in fee and service income. The Company's main sources of income included interest income from loans and hire-purchase receivables which accounted for 81.6% of total revenues, and fee and service income as well as other income which accounted for 18.4% of total revenue. The growth in fee and service income was driven by growth in non-life insurance and life insurance products. The Company's main expenses were service and administrative expenses which accounted for 81.0% of the total expenses, increased by 786.9 million baht or an increase of 13.6% when compared to the same period of the previous year, as a result of the Company's increasing staffs to support branch expansion to be in line with growing customer base and business expansion continuously, as well as an increase cost of information technology and digital transformation. The Company had a profit for the year of 3,168.9 million baht, an increase of 752.8 million baht or 31.2% from the previous year.

As of December 31, 2021, the Company had total assets of 66,525.4 million baht, an increase of 13,189.9 million baht or 24.7% from December 2020. The main assets of the Company were loans and hire-purchase receivables. The receivables increased by 10,127.0 million baht or 19.7%. An increase in receivables was a result of aggressive marketing campaign, launching new products and continuous branch expansion.

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Remark: the following is the description of the Company's financial position and performance prepared in accordance with Thai Financial Reporting Standards.

As of December 31, 2021, the Company had total liabilities of 44,120.4 million baht, an increase of 2,533.4 million baht or 6.1% from the end of 2020. Most of the Company's liabilities were long-term debentures and long-term borrowings from financial institutions. These correspond to new loan issuance and maintain the net interest margin to ensure consistent profits.

As of December 31, 2021, the Company had total shareholders' equity of 22,405.0 million baht, an increase of 10,656.5 million baht or 90.7% from the end of 2020, mainly due to the listing on the Stock Exchange of Thailand in May 2021, and an increase in net profit in 2021.

## 1. Summary of Annual Operating Results and Analysis of Operating Results and financial Status

### 1.1 Profit and Loss Statement

The following table presents the net profit for the year 2021. The details are as follow:

#### 1.1.1 Revenue

Unit: Million Baht	2019	2020	2021	Growth rate	
				Increase/ (Decrease)	%
Interest income on hire-purchase receivables	1,663.0	1,204.8	1,111.6	(93.2)	(7.7)
Interest income on loans	5,972.2	7,530.5	8,713.1	1,182.6	15.7
Fees and service income	1,803.3	1,792.0	2,197.1	405.1	22.6
Other income	19.4	31.6	25.3	(6.3)	(19.9)
<b>Total revenues</b>	<b>9,457.9</b>	<b>10,558.9</b>	<b>12,047.1</b>	<b>1,488.2</b>	<b>14.1</b>

**Interest income on hire-purchase receivables** for the year 2021 at 1,111.6 million baht, a decrease of 93.2 million baht or 7.7% from the previous year, mainly due to a change in customer demand from hire purchase to loan products (e.g. vehicle title loans) that can attract more customers since loan documentation and procedures are simpler.

**Interest income on loans** increased from the previous year by 1,182.6 million baht or 15.7%, mainly due to a continuous loans expansion and the opening of new branches to thoroughly support customers, including an offering of Tidlor Card, all of which resulted in customers having continuous access to loans despite the difficulty of traveling during the lockdown, as well as changing consumer behaviour from using the Company's hire purchase to using loan products according to the reasons aforementioned.

**Fees and service income** increased from the previous year by 405.1 million baht, mainly due to the expansion of non-life insurance and life insurance brokerage businesses through various channels such as branches, telesales, and online channels as well as Areegator platform. For income other than fees from the non-life and life insurance businesses, there was a slight decrease due to a decrease in fee collection such as debt collection fees and late fee on overdue repayment.

**Other income** of the Company for the year ended December 31, 2021 amounted to 25.3 million baht, a slight decrease from the previous year at 19.9% from 31.6 million baht for the year ended December 31, 2020. This was mainly due to a decrease in interest income from cash deposits.

### 1.1.2 Operating expenses

The following table presents operating expenses for the year 2021. The details are as follow:

Unit: Million Baht	2019	2020	2021	Growth rate	
				Increase/ (Decrease)	%
Service and administrative expenses	5,168.2	5,772.0	6,558.9	786.9	13.6
Bad debts and doubtful accounts	531.0	-	-	-	-
Loss arising from de-recognition of financial assets measured at amortised cost	-	583.3	624.8	41.5	7.1
Finance costs	1,005.6	1,178.0	1,121.1	(56.9)	(4.8)
Reversal of impairment loss determined in accordance with TFRS 9	-	(1.7)	(210.7)	209.0	12,605.4
<b>Total operating expenses</b>	<b>6,704.8</b>	<b>7,531.6</b>	<b>8,094.1</b>	<b>562.5</b>	<b>7.5</b>

**Service and administrative expenses** were 6,558.9 million baht, an increase of 13.6% from 5,772.0 million baht for the same period of the previous year, which was consistent with the branch expansion and the business expansion, the growth of insurance business, and Tidlor Card, including increasing costs of information technology and digital transformation.

**Finance costs** was 1,121.1 million baht, a decrease of 56.9 million baht or 4.8%, mainly due to a decrease in interest-bearing debt during such period as a result of efficient financial cost management leading to the interest expense had dropped continuously. The Company was affirmed “A” by TRIS Rating in May 2021.

**Loss arising from de-recognition of financial assets measured at amortised cost** was 624.8 million baht, an increase of 7.1% from 583.3 million baht compared to the same period of the previous year. This was because the figure for the same period of the previous year was unusually low due to massive debt relief measures to support a large number of customers during the first wave of the COVID-19 situation.

**Reversal of impairment loss determined in accordance with TFRS 9** amounted to 210.7 million baht, an increase from the same period of the previous year at 1.7 million baht, due to loan portfolio growth while portfolio quality was at a better continuously. As a result, the allowance for credit losses was reduced to an appropriate level to reflect good quality currently.

### 1.1.3 Profit before income tax

Profit before income tax for the year ended December 31, 2021 was 3,953.0 million baht, an increase of 30.6% from 3,027.3 million baht for the year ended December 31, 2020, mainly due to significant increases of interest income and fees and service income and fees from insurance brokerage business.

### 1.1.4 Net profit for the year

According to the above reasons, the Company’s net profit for the year ended December 31, 2021 was 3,168.9 million baht, an increase of 31.2% from 2,416.1 million baht in the previous year, as a result of the portfolio growth in lending and insurance businesses.

## 1.2 The Company's Financial Position

The following table presents the Company's statement of financial position as of December 31, 2021. The details are as follows:

Unit: Million Baht	2019	2020	2021	Growth rate	
				Increase/ (Decrease)	%
Cash and cash equivalents	446.4	1,265.2	3,994.7	2,729.5	215.7
Loans and hire-purchase receivables	47,979.4	51,331.2	61,458.2	10,127.0	19.7
Allowance for expected credit loss	(2,702.1)	(2,763.2)	(2,610.9)	(152.3)	(5.5)
Other current assets	775.9	776.2	944.8	168.6	21.7
Other non-current assets	1,911.5	2,726.1	2,738.6	12.5	0.5
<b>Total assets</b>	<b>48,411.1</b>	<b>53,335.5</b>	<b>66,525.4</b>	<b>13,189.9</b>	<b>24.7</b>

**Cash and cash equivalents** as of December 31, 2021, the Company's cash and cash equivalents amounted to 3,994.7 million baht, an increase of 2,729.5 million baht compared to 1,265.2 million baht in the previous year, as a result of the preparation of funds for debt repayment due in January 2022.

**Loans and hire-purchase receivables** as of December 31, 2021 were 61,458.2 million baht, an increase of 10,127.0 million baht or 19.7%, mainly due to growth of the Company's loan business as a result of the expansion of branch network and other sales channels such as agents, telesales and digital channels, including representing of Tidlor Card that makes it convenient for customers to access funding sources continuously without having to rely solely on branches.

**Other current assets** as of December 31, 2021 increased from the same period of the previous year by 168.6 million baht or 21.7%, mainly due to prepaid expenses and current contract assets.

**Other non-current assets** as of December 31, 2021, slightly increased from the same period of the previous year by 12.5 million baht or 0.5%.

## 1.3 Quality of loan receivables and hire-purchase receivables

The following table presents the quality of the Company's loan and hire-purchase receivables as of December 31, 2021. The details are as follows:

Unit: Million Baht	2020		2021		Growth Rate	
	Amount	%	Amount	%	Increase/ (Decrease)	%
Performing	38,409.6	74.8	47,769.0	77.7	9,359.4	24.4
Under-performing	12,071.6	23.5	12,957.0	21.1	885.4	7.3
Non-performing	850.0	1.7	732.2	1.2	(117.8)	(13.9)
<b>Total loans and hire-purchase receivables</b>	<b>51,331.2</b>	<b>100.0</b>	<b>61,458.2</b>	<b>100.0</b>	<b>10,127.0</b>	<b>19.7</b>
<u>Less</u> allowance for expected credit loss	(2,763.2)	(5.4)	(2,610.9)	(4.2)	(152.3)	(5.5)
<b>Net loans and hire-purchase receivables</b>	<b>48,568.0</b>	<b>94.6</b>	<b>58,847.3</b>	<b>95.8</b>	<b>10,279.3</b>	<b>21.2</b>

According to the table presents of loan and hire-purchase receivables, it can be seen that performing loans did not have significant increase in credit risk as of December 31, 2021 compared to December 31, 2020 increased by 9,359.4 million baht or 24.4% due to loan portfolio growth. Non-performing loans decreased by 117.8 million baht or 13.9%, reflecting efficient portfolio management and resulting in better credit quality compared to the same period of the previous year.

#### 1.4 Liabilities and Shareholders' Equity

The following table presents liabilities and shareholders' equity of the Company as at December 31, 2021. The details are as follows:

Unit: Million Baht	2019	2020	2021	Growth rate	
				Increase/ (Decrease)	%
Borrowings from financial institutions and debentures	37,093.1	39,065.0	41,185.3	2,120.3	5.4
Other liabilities	1,972.1	2,522.0	2,935.1	413.1	16.4
Total liabilities	39,065.2	41,587.0	44,120.4	2,533.4	6.1
Total Shareholders' equity	9,345.9	11,748.5	22,405.0	10,656.5	90.7
<b>Total liabilities and shareholders' equity</b>	<b>48,411.1</b>	<b>53,335.5</b>	<b>66,525.4</b>	<b>13,189.9</b>	<b>24.7</b>

**Borrowings from financial institutions and debentures** as of December 31, 2021 amounted to 41,185.3 million baht, an increase of 2,120.3 million baht or 5.4% compared to 39,065.0 million baht, mainly due to an increase in long-term debentures.

**Other liabilities** as of December 31, 2021 increased of 413.1 million baht or 16.4% from the same period of the previous year. as a result of an increase in accrued expenses, tax payable, and lease liabilities in line with the increase in number of branches and normal operating business.

**Total Shareholders' equity** as of December 31, 2021 was equal to 22,405.0 million baht or an increase of 90.7% from 11,748.5 million baht as of December 31, 2020.

The Company's issued and paid-up share capital and share premium account as of December 31, 2021 was equal to 16,016.0 million baht, an increase of 8,520.3 million baht from the same period of the previous year, mainly due to the listing on the Stock Exchange of Thailand in May 2021.

Retained earnings as of December 31, 2021 was 6,393.1 million baht, an increase of 3,224.2 million baht from the same period of the previous year, and an increase of 3,168.9 million baht from net profit of 2021.

#### 1.5 Liquidity and Funding Sources

The Company's cash requirements consist mainly of the following:

- Cash used to support loan disbursement;
- Cash used for paying commitment expenses such as rental contracts; and
- Cash used for the repayment of bank borrowings and other financial instruments

The Company's sources of liquidity include cash flow from operations, bank loan borrowings and issuances of debentures. The key terms of such financing instruments include, but are not limited to, maintaining a certain debt-to-equity ratio and ensuring that our major shareholders maintain a controlling interest in the Company. In addition, the Company continues to comply with aforementioned requirements and did not have any default in payment of trade payables, interest-bearing liabilities or other financing obligations.

The Company has managed liquidity by performing duration matching between assets and liability to ensure that the Company has the ability to meet payment obligations effectively, as well as maintains the net interest margin to ensure the Company on making consistent profits.

## 1.6 Cash Flow Analysis

The following table presents the Company's cash flow analysis as of December 31, 2021. The details are as follow:

Unit: Million Baht	2019	2020	2021	Growth rate	
				Increase/ (Decrease)	%
Net cash from operating activities	(5,303.2)	(235.0)	(5,892.8)	(5,657.8)	2,407.6
Net cash from investing activities	(507.0)	(443.1)	(498.6)	(55.5)	12.5
Net cash from financing activities	5,809.8	1,496.9	9,120.9	7,624.0	509.3
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(0.4)</b>	<b>818.8</b>	<b>2,729.5</b>	<b>1,910.7</b>	<b>233.4</b>

**Net cash from operating activities** For the year ended December 31, 2021 and December 31, 2020, net cash used for the Company' operating activities amounted to 5,892.8 million baht and 235.0 million baht, respectively. These were in line with the 20% growth in loans and hire-purchase receivables in 2021 as a result of continued branch expansion, representing of Tidlor Card for motorcycle loans, and special interest rate campaign for truck segments, all of which had been well response from customers, leading to portfolio expansion even though businesses were facing the COVID-19 situation and city lockdown in the past year.

**Net cash flow used in investing activities** For the year ended December 31, 2021 and December 31, 2020, net cash used in the Company investing activities amounted to 498.6 million baht and 443.1 million baht, respectively, mainly due to cash paid for purchases of leasehold improvement and equipments to support branch expansion and investing in information technology to support business expansion and digital transformation.

**Net cash flows from financing activities** For the year ended December 31, 2021 and December 31, 2020, net cash from the Company's financing activities amounted to Baht 9,120.9 million and Baht 1,496.9 million, respectively. In 2021, net cash from financing activities increased by 7,624.0 million baht from 2020, mainly due to fundraising and listing on the Stock Exchange of Thailand, as well as increasing new borrowings, all of which were in line with the expansion of loans and hire-purchase receivables and schedule debt repayments.

## 1.7 Important Financial Ratios

	2019	2020	2021
<b>Profitability ratio</b>			
Interest Margin (%)	17.4	17.6	17.4
Funding Cost (%)	2.3	2.4	2.0
Net interest margin (%)	15.1	15.2	15.4
Net profit margin (%)	23.3	22.9	26.3
Return on equity (ROE) (%)	26.4	22.9	18.6
Return on asset (ROA) (%)	5.0	4.7	5.3
<b>Operating efficiency ratio</b>			
Current Ratio (times)	1.1	1.8	1.2
Net debt to EBITDA ratio (times) (Net debt to EBITDA ratio = interest bearing liabilities - cash and cash equivalents - short-term investments / EBITDA)	8.9	7.7	6.3
Interest coverage ratio (times) (Interest Coverage Ratio: ICR = earnings before tax and finance costs / finance costs)	3.7	3.6	4.5
Debt service coverage ratio (times) (Debt Service Coverage Ratio: DSCR = EBITDA/ interest bearing short-term debt + current portions of interest bearing debts)	0.2	0.5	0.3
Debt-to-equity ratio (Debt to Equity Ratio: D/E = total liabilities / total shareholders' equity))	4.2	3.5	2.0
<b>Financial ratio</b>			
Current portion of interest-bearing debts due within 1 year to total interest-bearing debt (times)	0.5	0.3	0.5
Borrowings from financial institutions to total liabilities (times)	0.7	0.7	0.6
<b>Asset quality ratio</b>			
Non-performing loans to total loans and hire-purchase receivables	1.3	1.7	1.2
Expected credit loss to non-performing loans	438.8	325.1	356.6
Credit cost	1.2	1.2	0.7

### **Interest margin**

Interest margin ratio for the year ended December 31, 2021 was 17.4%, decreased from 17.6% for the year ended December 31, 2020, mainly due to an increase in the proportion of the portfolio for vehicles with more than 4 wheels, which has lower interest rate than other types of loans, as a result of positive response to the special interest rate campaign for supporting truck business operators in the last year.

### **Funding cost**

The decrease in funding cost ratio from 2.4% for the year ended 31 December 2020 to 2.0% for the year ended 31 December 2021 was mainly due to lower interest rates on bank loans and issuance of new debentures after TRIS Rating upgraded the Company rating from A- to A in May 2021.

### **Net Interest Margin**

For the year ended December 31, 2021 and December 31, 2020, the Company had net interest margin (NIM) of 15.4% and 15.2%, respectively. The change in net interest margin was a result of changes in interest margin ratio and funding cost ratio as detailed above.

### **Net Profit Margin**

The net profit margin increased from 22.9% for the year ended 31 December 2020 to 26.3% for the year ended 31 December 2021, mainly due to the increase of the Company's total revenue. This was due to its expansion of lending business and insurance brokerage business, reduction of financial cost, and maintaining debt quality at a good level. As a result, credit costs were reduced in the same direction.

### **Debt to Equity Ratio**

As of December 31, 2021 and December 31, 2020, the Company's debt to equity ratio was 2.0 times and 3.5 times, respectively. In addition to equity increase from operating profit, the significant decrease in debt to equity ratio in 2021 was a result of being listed on the Stock Exchange of Thailand.

### **Non-performing loans to total loans and hire-purchase receivables**

A decrease from 1.7% for the year ended 31 December 2020 to 1.2% for the year ended 31 December 2021 was due to prudent underwriting and efficient debt management during uncertainty from COVID-19. The Company also support customers continuously on debt relief programs.

### **Expected credit loss to non-performing loans**

Expected credit loss to non-performing loans was changed from 325.1 for the year ended 31 December 2020 to 356.6 for the year ended 31 December 2021 aligned with a decrease of non-performing loans to total loans and hire-purchase receivables.

## 1.8 Capital expenditures

### 1.8.1 Capital expenditure incurred

For the year ended December 31, 2021 and December 31, 2020, the Company had capital expenditures relating to rental building improvements for branch expansion equal to 122.7 million baht and 74.9 million baht, respectively, to support branch expansions. In addition, the Company also had capital expenditures related to hardware and software as the information technology investment equal to 217.3 million baht and 370.6 million baht for the year ended December 31, 2021 and December 31, 2020, respectively to actively invest in digital transformation.

### 1.8.2 Capital expenditure budget

During 2022 to 2024, the Company expects to invest in improving its existing branches and expand branch approximately 500 additional branches, which will cost around 300 million baht for branch renovation. Moreover, the Company will invest approximately 270 million baht per year in the information technology and digital systems to strengthen the businesses.

However, the above investment plans depend on many factors including economy, politics and social conditions, and legal or regulatory changes, as well as the Company's business plans and strategies. These factors may affect the capital expenditure budget, directly or indirectly. Therefore, the Company may revise the capital expenditure budget as appropriate.

### 1.8.3 Contractual commitments

The following table presents the Company's contractual commitments under office space lease and service contracts, and future rental payments as of December 31, 2021. The details are as follows:

Unit: Million Baht	2019	2020	2021	Growth rate	
				Increase/ (Decrease)	%
Less than 1 year	383.5	117.8	109.3	(8.5)	(7.2)
1-5 years	288.4	142.0	87.7	(54.3)	(38.2)
Longer than 5 years	4.4	-	-	-	-
<b>Total</b>	<b>676.3</b>	<b>259.8</b>	<b>197.0</b>	<b>(62.8)</b>	<b>(24.2)</b>

### 1.8.4 Commitments and Contingent Liabilities

As of December 31, 2021 and December 31, 2020, the Company had credit facility for bank guarantee for business operations of 6.0 million baht in each year.

As of December 31, 2021 and December 31, 2020, the Company had unused overdrafts credit facilities from banks of Baht 40.0 million and Baht 20.0 million, respectively.

As of December 31, 2021, the Company had been granted credit facility for short term borrowings from bank of Baht 8,800.5 million and for long-term borrowings from banks of Baht 30,398.0 million and USD 100.0 million.

As of December 31, 2020, the Company had been granted credit facility for short-term borrowings from banks of Baht 9,800.5 million and for long-term borrowings from banks of Baht 30,348.0 million.

In 2011, the Company was sued to the Civil Court for the infringement case for a material amount and was sued to the Bangkok North Municipal Court for fabricated false documents. These cases are still temporarily suspending.

## 2. Factors or situations that may have significant impact on financial status or operation in the future (Forward Looking)

Operating business in the past year amid the new wave of COVID-19 in the middle of the second quarter, and continued with the lockdown in 29 provinces during the following quarter, the Company had implemented a wide range of measures to support customers, including responding to the assistance measures prescribed by the Bank of Thailand, in order to survive the crisis together. In spite of slow vaccine procurement and the Thai economy is in a recovery period while the future situation is uncertain, the Company continues to closely monitor the situation and adjust the business model and plan on a regular basis to ensure that they are consistent with the changing situation, as well as operate business prudently.

According to the situation and future events that may occur, which may significantly affect the results of operations, the issues related can be summarized as follows:

1. The situation of the COVID-19 outbreak and the lockdown measures enforced in red zones or economic zones that may delay economic recovery, including the vaccination slowdown in the future, all of which have affected the business sector, while purchasing power has decreased domestically and internationally.
2. Delayed implementations of the economic policy and the tourism policy may result in a slowdown in investment in the business and financial sectors.
3. Although the government has formulated policies to stimulate the economy and restore the flow of money in the system, the ongoing impact may cause an increase in household debt which may result in declining demand in the financial services sector.



# Report of the Independent Certified Public Accountants

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS**

**NGERN TID LOR PUBLIC COMPANY LIMITED**

## **Opinion**

We have audited the financial statements of Ngern Tid Lor Public Company Limited (the “Company”), which comprise the statement of financial position as at December 31, 2021, and the related statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ngern Tid Lor Public Company Limited as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

## **Basis for Opinion**

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p><b>Allowance for expected credit losses</b></p> <p>The allowance for expected credit losses (“ECL”) on loans and hire-purchase receivables and provisions for loan commitments are considered to be a matter of most significance as they require the application of judgment, estimation and the use of subjective assumptions by management of the Company.</p> <p>The Company has applied the Thai Financial Reporting Standard No. 9 - Financial Instruments (“TFRS 9”). This standard requires the Company to recognize impairment loss based on expected credit losses.</p> <p>The ECL is measured based on forward-looking information basis related to repayment of debtors by calculating on a probability- weighted credit losses with respective risk of expected cash shortfalls either based on credit events arising in the 12 months from the reporting date or based on credit events arising over the lifetime of the financial instrument; depending on the significant increase in credit risk (“SICR”) since initial recognition.</p>	<p>Based on our risk assessment, we established an audit approach including internal controls and substantive testing as a basis for our opinion. Accordingly, we have performed the following procedures amongst others. Our procedures include:</p> <p>We have assessed the design and implementation of the internal controls related to the process and policy for methodology, calculation and post model adjustment of the ECL and; we have assessed the internal control system in this process, including automated controls in the IT systems.</p> <p>We collectively assessed loans and hire-purchase receivables regarding the appropriateness of allowance for expected credit losses and the recognition at the financial reporting date as follows:</p> <ul style="list-style-type: none"> <li>□ For the collectively assessed loans and hire-purchase receivables, we have performed, amongst the others, the following procedures: <ul style="list-style-type: none"> <li>□ With the involvement of our internal specialist, we have analyzed the applied methodology for estimating ECL, including the adequacy of risk parameters applied, post model adjustment and compliance with the requirements of TFRS 9.</li> <li>□ Independent recalculation by our internal specialist on sample basis of the value of ECL for selected portfolios of loans and hire-purchase receivables in the collective assessment method.</li> </ul> </li> </ul>

Key Audit Matters	Audit Responses
<p><b>Allowance for expected credit losses</b> (continued)</p> <p>The post model adjustment may also be recorded by the Company using credit expert assumptions and judgment where the inputs, assumptions and/or modelling techniques do not capture all relevant risk factors in respect to the current economic conditions and market circumstances.</p> <p>Accounting policy for the allowance for expected credit losses, and detail of allowance for expected credit losses were disclosed in Notes 4.6 and 7 to the financial statements, respectively.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Our audit procedures included reconciliation of the data used in the ECL calculation to confirm the accuracy and completeness of the recognition of loans and hire-purchase receivables and loan commitments that are the basis for the calculation of impairment losses and provision, as well as the value of these ECL and provisions for loan commitments.</li> <li><input type="checkbox"/> In respect of post model adjustment, based on current economic conditions and market circumstances, our audit procedures included the evaluation of the design and implementation of internal control in this process. We assessed the completeness and appropriateness of the assumptions, input data and performed the calculation of the post model adjustment with support from our internal specialist.</li> <li><input type="checkbox"/> For the IT systems and individual data processing systems used in the ECL calculation, we have assessed the relevant effectiveness of application controls and general controls with the involvement of our internal IT specialists.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Chavala Tienpasertkij  
Certified Public Accountant (Thailand)  
Registration No. 4301

**BANGKOK**  
February 21, 2022

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**Ngern Tid Lor Public Company Limited**  
**Statements of Financial Position**  
**As at December 31, 2021**

UNIT : THOUSAND BAHT

	Notes	2021	2020
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6.1	3,994,739	1,265,233
Current portion of loans and hire-purchase receivables	7	21,792,601	20,035,028
Other current receivables			
Receivable from payment agents		320,604	322,487
Current contract assets		309,679	232,114
Prepaid expenses		183,919	86,088
Value-added tax paid in advance for customers		9,922	9,715
Other current assets		61,586	49,313
Properties foreclosed	8	59,082	76,435
<b>Total Current Assets</b>		<b>26,732,132</b>	<b>22,076,413</b>
<b>NON-CURRENT ASSETS</b>			
Loans and hire-purchase receivables - net of current portion	7	37,054,685	28,533,003
Leasehold improvement and equipment	9	1,394,382	1,301,907
Goodwill	10	294,001	294,001
Other intangible assets other than goodwill	11	332,019	381,720
Deferred tax assets	12	621,019	664,310
Other non-current assets	13 and 30	97,161	84,168
<b>Total Non-current Assets</b>		<b>39,793,267</b>	<b>31,259,109</b>
<b>TOTAL ASSETS</b>		<b>66,525,399</b>	<b>53,335,522</b>

Notes to the financial statements form an integral part of these statements

**Ngern Tid Lor Public Company Limited**  
**Statements of Financial Position (Continued)**  
**As at December 31, 2021**

UNIT : THOUSAND BAHT

	Notes	2021	2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	14 and 33.1	3,300,000	2,600,000
Other current payables			
Amounts due to related parties	33.1	4,421	7,408
The Revenue Department payable		93,475	85,089
Accrued expenses		1,178,005	994,869
Other current payables		240,172	294,020
Short-term debenture	15	999,368	-
Current portion of long-term borrowings	16	8,049,734	4,559,663
Current portion of long-term debentures	17	7,826,893	3,398,262
Current portion of lease liabilities	18	340,159	284,354
Current income tax payable		413,780	318,993
Current provision for employee benefits	19.2	10,809	9,515
Other current financial liabilities	20	441	341
Other current liabilities		46,034	45,045
<b>Total Current Liabilities</b>		<b>22,503,291</b>	<b>12,597,559</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings-net of current portion	16	13,220,000	20,768,747
Long-term debentures-net of current portion	17	7,789,354	7,738,305
Lease liabilities-net of current portion	18	368,898	345,889
Non-current provision for employee benefits	19.1	120,164	91,058
Other non-current liabilities		118,736	45,429
<b>Total Non-current Liabilities</b>		<b>21,617,152</b>	<b>28,989,428</b>
<b>TOTAL LIABILITIES</b>		<b>44,120,443</b>	<b>41,586,987</b>

**Ngern Tid Lor Public Company Limited**  
**Statements of Financial Position (Continued)**  
**As at December 31, 2021**

UNIT : THOUSAND BAHT

	Notes	2021	2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
	21		
Authorized share capital			
2,318,984,570 ordinary shares of Baht 3.7 each		8,580,243	8,580,243
Issued and paid-up share capital			
2,318,984,570 ordinary shares of Baht 3.7 each, fully paid		8,580,243	-
2,108,167,870 ordinary shares of Baht 3.7 each, fully paid		-	7,800,221
Ordinary shares premium accounts		7,435,763	720,034
RETAINED EARNINGS			
Appropriated			
Legal reserve	22	617,198	458,751
Unappropriated			
Other components of shareholders' equity		(4,126)	4,110
TOTAL SHAREHOLDERS' EQUITY		22,404,956	11,748,535
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>66,525,399</b>	<b>53,335,522</b>

Notes to the financial statements form an integral part of these statements

**Ngern Tid Lor Public Company Limited**  
**Statements of Profit or Loss and Other Comprehensive Income**  
**For the year ended December 31, 2021**

UNIT : THOUSAND BAHT

	Notes	2021	2020
<b>REVENUES</b>			
Interest income on hire-purchase receivables		1,111,604	1,204,777
Interest income on loans		8,713,071	7,530,509
Fee and service income	24	2,197,169	1,791,986
Other income		25,290	31,590
<b>Total Revenues</b>		<b>12,047,134</b>	<b>10,558,862</b>
<b>EXPENSES</b>			
Service and administrative expenses	25	6,558,930	5,771,951
<b>Total Expenses</b>		<b>6,558,930</b>	<b>5,771,951</b>
<b>PROFIT FROM OPERATING ACTIVITIES</b>			
		5,488,204	4,786,911
Loss arising from de-recognition of financial assets measured at amortised cost		(624,782)	(583,281)
Finance costs		(1,121,051)	(1,177,972)
Reversal of impairment loss determined in accordance with TFRS 9		210,655	1,658
<b>PROFIT BEFORE INCOME TAX</b>		<b>3,953,026</b>	<b>3,027,316</b>
INCOME TAX EXPENSE	27	(784,120)	(611,173)
<b>PROFIT FOR THE YEAR</b>		<b>3,168,906</b>	<b>2,416,143</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Components of other comprehensive income (loss) that will be reclassified to profit or loss			
Losses on cash flow hedges	20	(108)	(272)
Income tax relating to components of other comprehensive income (loss) that will be reclassified to profit or loss		22	54
<b>Total components of other comprehensive income (loss) that will be reclassified to profit or loss</b>		<b>(86)</b>	<b>(218)</b>
Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
Losses on re-measurements of defined benefit plans	19.1	(10,187)	(4,417)
Income tax relating to components of other comprehensive income (loss) that will not be reclassified to profit or loss	12	2,037	884
<b>Total components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>		<b>(8,150)</b>	<b>(3,533)</b>
<b>Total other comprehensive loss for the year, net of tax</b>		<b>(8,236)</b>	<b>(3,751)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>3,160,670</b>	<b>2,412,392</b>
<b>BASIC EARNINGS PER SHARE</b>	28 BAHT	1.41	1.15
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES</b>	28 SHARES	2,246,787,070	2,106,033,021

Notes to the financial statements form an integral part of these statements

# Ngern Tid Lor Public Company Limited

## Statements of Changes in Shareholders' Equity

### For the year ended December 31, 2021

UNIT : THOUSAND BAHT

Notes	Issued and Paid-up Share Capital		Share Premium Accounts		Retained Earnings		Other components of shareholders' equity			Total Shareholders' Equity
	Preference	Ordinary	Preference	Ordinary	Appropriated	Unappropriated	Losses on cash flow hedges	Gains (losses) on re-measurements of defined benefit plans	Total other components of shareholders' equity	
<b>Balances as at January 1, 2020</b>										
Preference shares decrease	8,214	-	199,800	520,234	337,945	470,082	-	7,861	7,861	9,336,143
Ordinary shares increase	(8,214)	-	-	-	-	-	-	-	-	(8,214)
Transfer of share premium account from preference shares to ordinary share	-	8,214	-	-	-	-	-	-	-	8,214
Legal reserve	-	-	(199,800)	199,800	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	-	120,806	(120,806)	-	-	-	-
<b>Balances as at December 31, 2020</b>	-	7,800,221	-	720,034	458,751	2,765,419	(218)	(3,533)	4,110	2,412,392
<b>Balances as at January 1, 2021</b>	-	7,800,221	-	720,034	458,751	2,765,419	(218)	4,328	4,110	11,748,535
Increase in ordinary shares	-	780,022	-	6,715,729	-	-	-	-	-	7,495,751
Legal reserve	-	-	-	-	158,447	(158,447)	-	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	3,168,906	(86)	(8,150)	(8,236)	3,160,670
<b>Balances as at December 31, 2021</b>	-	8,580,243	-	7,435,763	617,198	5,775,878	(304)	(3,822)	(4,126)	22,404,956

Notes to the financial statements form an integral part of these statements

**Ngern Tid Lor Public Company Limited**  
**Statements of Cash Flows**  
For the year ended December 31, 2021

UNIT : THOUSAND BAHT

	Notes	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the year		3,168,906	2,416,143
Adjustments to reconcile income to cash received (paid)			
Income tax expense		784,120	611,173
Finance costs		1,121,051	1,177,972
Depreciation and amortization		794,794	700,028
Loss arising from de-recognition of financial assets measured at amortized cost		624,782	583,281
Reversal of impairment loss determined in accordance with TFRS 9		(210,655)	(1,658)
Loss on disposals and impairment of properties foreclosed		231,359	434,228
Loss on disposals and write-off leasehold improvement, equipment and intangible assets		3,824	12,679
Loss on impairment and write-off other assets		11,147	47,251
(Gain) loss from change in fair value attributable to change in credit risk		(4)	4
Short-term employee benefit expenses		1,294	1,446
Long-term employee benefit expenses	19.1	19,300	13,100
Profit from operations before changes in operating assets and liabilities		6,549,918	5,995,647
Operating assets (increase) decrease			
Loans and hire-purchase receivables		(11,029,190)	(4,735,959)
Receivable from payment agents		1,883	99,573
Current contract assets		(77,373)	(98,226)
Prepaid expenses		(94,857)	11,346
Value-added tax paid in advance for customers		(574)	(32,356)
Other current assets		(12,598)	(1,054)
Other non-current assets		(12,988)	(6,830)
Operating liabilities increase (decrease)			
Amounts due to related parties		(2,987)	2,976
The Revenue Department payable		8,386	(99,488)
Accrued expenses		170,392	(3,028)
Other current payables		39,911	(45,343)
Other current liabilities		989	1,112
Other non-current liabilities		73,269	(946)
Cash received (paid) for operating activities		(4,385,819)	1,087,424
Proceeds from sales of properties foreclosed		717,653	600,363
Interest income on hire-purchase receivables and loans		(9,824,675)	(8,735,286)
Cash received from interest income on hire-purchase receivables and loans		9,228,824	8,552,071
Proceeds from long-term employee benefits		-	3,093
Cash paid for long-term employee benefits		(656)	-
Cash paid for interest expenses		(984,147)	(1,105,228)
Cash paid for income tax expense		(643,983)	(637,404)
Net cash used in operating activities		(5,892,803)	(234,967)

**Ngern Tid Lor Public Company Limited**  
**Statements of Cash Flows (Continued)**  
For the year ended December 31, 2021

UNIT : THOUSAND BAHT

	Notes	2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash paid for purchases of leasehold improvement and equipment	6.2	(376,540)	(255,447)
Proceeds from sales of equipment		1,550	3,431
Cash paid for purchases of intangible assets	6.2	(123,581)	(191,046)
Net cash used in investing activities		<u>(498,571)</u>	<u>(443,062)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash received from short-term borrowings	6.3	14,900,000	27,228,131
Cash repayments for short-term borrowings	6.3	(14,200,000)	(32,230,000)
Cash received from long-term borrowings	6.3	12,350,000	18,530,000
Cash repayments for long-term borrowings	6.3	(16,410,000)	(9,800,000)
Cash received from issuance of short-term debenture	6.3	1,000,000	-
Cash repayments for short-term debentures	6.3	-	(2,000,000)
Cash received from issuance of long-term debentures	6.3	7,800,000	3,275,734
Cash repayments for long-term debentures	6.3	(3,400,000)	(3,100,000)
Cash repayments for transaction costs from borrowing and issuance of debentures	6.3	(22,489)	(9,197)
Cash repayments for lease liabilities	6.3	(392,382)	(397,815)
Cash received from increase in share capital	21	7,495,751	-
Net cash provided by financing activities		<u>9,120,880</u>	<u>1,496,853</u>
Net increase in cash and cash equivalents		2,729,506	818,824
Cash and cash equivalents as at January 1,		<u>1,265,233</u>	<u>446,409</u>
<b>Cash and cash equivalents as at December 31,</b>	6.1	<u><u>3,994,739</u></u>	<u><u>1,265,233</u></u>

Notes to the financial statements form an integral part of these statements

**Ngern Tid Lor Public Company Limited**  
**Notes to the Financial Statements**  
For the year ended December 31, 2021

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# Ngern Tid Lor Public Company Limited

## Notes to the Financial Statements

### For the year ended December 31, 2021

#### 1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY

Ngern Tid Lor Public Company Limited (the “Company”) was registered in Thailand on October 24, 2006. The Company’s registered address is at 428 Ari Hills Building, 9<sup>th</sup> - 15<sup>th</sup> Floor, Phahonyothin Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok 10400. The principal business of the Company is to provide loans and hire purchase for all types of vehicles, non-life insurance broker and life insurance broker directly.

On December 17, 2020, the Company registered its conversion to a public company limited with the Department of Business Development, Ministry of Commerce and changed the Company’s name from Ngern Tid Lor Co., Ltd. to Ngern Tid Lor Public Company Limited.

As at December 31, 2021 and 2020, the major shareholders are Bank of Ayudhya Public Company Limited (“the Bank shareholder”) which is incorporated in Thailand, by holding 30% and 50 %, respectively, of the Company’s issued and paid-up share capital and Siam Asia Credit Access PTE LTD which is registered in Singapore, by holding 25% and 50%, respectively, of the Company’s issued and paid-up share capital.

The immediate and ultimate parent company of the Bank shareholder are MUFG Bank, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan.

The ultimate shareholder of Siam Asia Credit Access PTE LTD is group of investors led by CVC Capital Partners Asia Fund IV.

The Company has extensive transactions and relationships with the related companies. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company operated without such affiliations.

#### **Coronavirus Disease 2019 Pandemic**

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

## **2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

- 2.1 These statutory financial statements have been prepared in Thai Baht and in the Thai language in conformity with Thai Financial Reporting Standards (“TFRSs”) issued by Federation of Accounting Professions (“TFAC”) and accounting practices generally accepted in Thailand.
- 2.2 The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2021 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding “the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560” and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562” dated December 26, 2019, which was effective for financial periods beginning on or after January 1, 2020 onwards.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 4).
- 2.4 The English version of the financial statements have been prepared from the Thai version of the financial statements prepared by law. In the event of any conflict or different interpretation of the two different languages, the Thai version financial statements in accordance with the law is superseded.

## **3. THAI FINANCIAL REPORTING STANDARDS AFFECTING THE PRESENTATION AND DISCLOSURE IN THE FINANCIAL STATEMENTS FOR THE CURRENT PERIOD**

During the year, the Company has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting, including the accounting guidances issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should comply with all relief measures specified in this accounting treatment guidance.

The relief measures related to accounting treatment were as follows:

Significant relief measures for debtors affected by the COVID-19 pandemic from Bank of Thailand (the “BOT”) announcement.

The first phase of measures to help debtors from BOT

On February 28, 2020, the BOT has issued measures of classification of debtors who are non-performing loan (Non-NPL) in case the Company believes that the debtors can perform obligations under a debt restructuring agreement, the Company can immediately classify debtors as stage 1 (normal) debtors or performing debtors. This kind of debt restructuring will also be deemed pre-emptive, and will not be deemed as Troubled Debt Restructuring (TDR). These measures will be effective between January 1, 2020 to December 31, 2021.

The second phase of measures to help debtors from BOT

On June 19, 2020, the BOT issued the second phase of additional measures to help retail debtors during the outbreak of COVID-19, as follows:

- 1) Reducing the interest rate ceiling, service charge and penalty charge (“interest”) for credit cards and personal loans in general by 2% to 4% per annum, starting from August 1, 2020.
- 2) Temporary increasing credit card and personal loan credit limit from 1.5 times to 2 times of debtors’ income for debtors who have income lower than 30,000 Baht per month, starting from August 1, 2020 to December 31, 2021.
- 3) The second phase of minimum relief measures for retail debtors by expanding the scope and period of assistance to retail debtors who do not have non-performing loans (Non-NPL) as of March 1, 2020.

### The third phase of measures to help debtors from BOT

On May 14, 2021, the BOT issued the third phase of additional measures to help retail debtors during the outbreak of COVID-19, as follows:

- 1) The third phase of minimum relief measures for retail debtors by expanding the scope and period of assistance to retail debtors who do not have non-performing loans (Non-NPL) as of March 1, 2020.
- 2) Channels and periods to contact for the relief measures by providing the channels to their debtors for request the assistance (opt-in) from May 17, 2021 until December 31, 2021.
- 3) Reducing the interest rate ceiling, service charge and penalty charge (interest) for credit cards and personal loans in general by 2% to 4% per annum, starting from August 1, 2020.
- 4) Reducing the minimum repayment rate of credit card for 2021 is not lower than 5% of total outstanding balance, for 2022 is not lower than 8% of total outstanding balance and from 2023 onwards is not lower than 10% of total outstanding balance.
- 5) Temporary increasing credit card and personal loan credit limit from 1.5 times to 2 times of debtors' income for debtors who have income lower than 30,000 Baht per month, starting from August 1, 2020 to December 31, 2021.

To reduce the impact of the outbreak of COVID-19 on the economy as a whole, and urgent relief measures in accordance with the BOT's announcement. The Company has imposed measures to assist customers in all customer segments since April 1, 2020, through the grace period of principal and/or interest payments, interest reduction, reducing the installment amount and extending the installment period.

### The Rent Concessions related to COVID-19

The Company elected to adopt the practical expedient relating to COVID-19 related Rent Concessions according to the amendments to TFRS 16 "Leases". The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Any reduction in lease payments affects only payments originally due on or before June 30, 2022 and there is no substantive change to other terms and conditions of the lease.

The Company's management has adopted such aforementioned practical expedient in the preparation of the financial statements for the year ended December 31, 2021.

### Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Amendment to Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”) added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 “Insurance Contracts”, Thai Financial Reporting Standards No. 7 “Financial Instruments: Disclosures”, and Thai Financial Reporting Standards No. 9 “Financial Instruments”, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards which have been announced in the Royal Gazette on December 22, 2021, as follows:

- Thai Financial Reporting Standards No. 1 “First-time Adoption of Thai Financial Reporting Standards”, to be effective for the financial statements for the periods beginning on or after January 1, 2022 onwards.
- Accounting Treatment Guidance on “Guidelines regarding the provision of financial assistance to the debtors who are impacted by the COVID-19”, which the objective is to grant the temporary relief measures for entities helping their debtors who are impacted by the COVID-19 with the supporting period during January 1, 2022 to December 31, 2023 or until any changes announced from the Bank of Thailand. The entities who elect to apply these temporary relief measures should disclose such fact in the financial statements.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when they become effective. The Company’s management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company in the period of initial application.

## 4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies were as follows:

### 4.1 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and deposits at financial institutions where maturity period are not exceeding or less three months and not used as collateral.

### 4.2 Financial assets

#### Classification and measurement

All financial assets are recognised under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction fees and costs, except for those financial assets classified as at fair value through profit or loss. Transaction fees and costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss. The financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For the purpose of solely payments of principal and interest (“SPPI”) test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model does not depend on management’s intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The classification and measurement requirements for financial assets are described below:

#### Debt instruments at amortised cost

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are SPPI, are subsequently measured at amortised cost.

Such debt instruments include “Loans and hire-purchase receivables” in the statement of financial position. Subsequent to initial recognition, these debt instruments are measured at amortised cost using the effective interest method. Gains and/or losses are recognised in profit or loss upon derecognition, reclassification or impairment, and through the amortisation process.

Interest income calculated using the effective interest method is recognised in profit or loss. A modification gain or loss is recognised in profit or loss when the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

#### Reclassifications

If the business model under which the Company hold financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

#### Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Company renegotiates loans in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Modification without derecognition means the non-substantial modification arising from renegotiation or modification of the contractual cash flows of financial assets that has not resulted in derecognition (Modified financial assets). In this case, a modification gain or loss which is the difference between the existing gross carrying amount and the present value of the renegotiated or modified contractual cash flows discounted by the original effective interest rate (“OEIR”) or the credit-adjusted effective interest rate for purchased or originated credit-impaired (“POCI”) financial assets shall be recognised in profit or loss. Any costs of fees incurred as part of the modification shall be adjusted to the carrying amount of the modified financial assets and amortised over the remaining term of the modified financial asset.

#### Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 4.3 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company designates certain derivatives as hedges of the cash flow.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### 4.4 Hedge accounting

#### General hedge

The Company designates qualifying derivatives as hedging instruments in respect of interest rate risk in cash flow hedges as appropriate.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that results from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

#### Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in the cash flow hedging reserve, a separate component of OCI, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to profit or loss.

Amounts previously recognised in OCI and accumulated in shareholder's equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. If the Company no longer expects the transaction to occur that amount is immediately reclassified to profit or loss.

The discontinuation is accounted for prospectively. Any gain/loss recognised in OCI and accumulated in equity at that time remains in shareholder's equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in shareholder's equity is reclassified and recognised immediately in profit or loss.

#### Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in profit or loss.

### 4.5 Loans and hire-purchase receivables

Loans are initially recognised at fair value, plus transaction fees and costs and modification gain or loss and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit loss.

Hire-purchase receivables are stated at the principal amounts net of unearned interest income adjusted by unamortised transaction costs and fees, including modification gain or loss, less allowance for expected credit loss.

Accrued interest receivables are calculated using the contractual rate. Unearned interest income is interest income calculated by using the effective interest method, deducted by accrued interest receivables.

#### 4.6 Allowance for expected credit losses

The Company recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset’s effective interest rate (“EIR”). The ECL is adjusted with a management overlay where considered appropriate.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset’s expected cash flows using the asset’s OEIR, regardless of whether it is measured on an individual basis or a collective basis.

In subsequent reporting period, if the credit quality of the financial assets and financial commitments improves so that there is no longer a significant increase in credit risk since initial recognition, then a loss allowance can be recognised based on 12-month ECL. The changes in the reversal of loss allowance are recognised in profit or loss as an impairment gain or loss.

## Credit-impaired financial assets

A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

The Company assesses whether debt instruments measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower’s financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit impairment including meeting the definition of default. The definition of default includes unlikelihood to pay indicators and a backstop if amounts are overdue for 90 days or more.

### Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (“PD”) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Company; or
- The borrower is unlikely to pay its credit obligations to the Company in full.

### Significant increase in credit risk

The Company monitors all financial assets and issued loan commitments that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort, based on the Company’s historical experience and expert credit assessment.

As a back-stop when an asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

#### Write-off of financial assets

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering financial assets in their entirety or portion thereof. A write-off constitutes a derecognition event. Write-offs are recognised in the statement of profit or loss and other comprehensive income.

Bad debts recovered from written off receivables will be recognised in the statement of profit or loss and other comprehensive income.

Loss allowances for ECL were presented in the statement of financial position as follows:

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- For loan commitments: as a provision; and where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component. The Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

#### 4.7 Properties foreclosed

Properties foreclosed consist of repossessed vehicles. The repossessed vehicles are stated at the lower of the outstanding loan principal including accrued interest and accrued value-added tax (only when applicable) or fair value.

Fair value of the repossessed vehicles is based on the estimated selling price less cost of sell according to risk that might incur of each repossessed vehicle.

Allowance for impairment of the repossessed vehicle is calculated by basing on cost of foreclosed assets deducting with expected selling price of repossessed vehicles where estimated from historical selling price and other related cost incurred for those repossessed vehicles in the same type. Loss on impairment is recognised as expenses in the statements of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other income or service and administrative expenses in the statements of profit or loss and other comprehensive income.

#### 4.8 Leasehold improvement and equipment

##### Recognition and measurement

Leasehold improvement and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling, removing the items, restoring the site on which they are located and capitalized borrowing costs.

When parts of an item of leasehold improvement and equipment have different useful lives, they are accounted for each significant component separately.

Gains or losses on disposal of item of leasehold improvement and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvement and equipment and are recognized in other income or service and administrative expenses in the statements of profit or loss and other comprehensive income in the fiscal years as incurred.

#### Subsequent costs

The cost of replacing a part of an item of leasehold improvement and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs incurred on maintenance leasehold improvement and equipment are recognized as expenses in the statements of profit or loss and other comprehensive income as incurred.

#### Depreciation

Depreciation is calculated based on the depreciable amount of leasehold improvement and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as expenses in the statements of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of assets. The estimated useful lives were as follows:

	New assets purchase	Used assets purchase
Leasehold improvement	Contractual period	Contractual period
Furniture, fixtures and equipment	5 years	3 years
Motor vehicles	5 years	3 years

## 4.9 Lease

### *As a lessee*

#### Short-term leases and leases of low-value assets

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as leases with the underlying asset value not exceed Baht 150,000) (e.g. tablet, mobile phone, copy machine and printer). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

## Right-of-use assets

A lease that has a lease term of more than 12 months and for which the underlying asset exceeds Baht 150,000 shall be recognised for a right-of-use asset at cost which consists of the amount of the initial measurement of the lease liability (that is the present value of the lease payments that are not paid at the commencement date, discounted by the incremental borrowing rate), any lease payments made at or before the commencement date less any lease incentives receivable, any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented in “leasehold improvement and equipment” in the statement of financial position.

The Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Leasehold improvement and Equipment” policy.

## Lease liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term that are not paid, discounted by the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lease under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

Lease liability is presented in the separate line in the statement of financial position. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest (using the effective interest method) and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified or the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Variable lease payment that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Service and administrative expenses” in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### 4.10 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets of the business acquisition in the past. Goodwill is an intangible asset with an indefinite useful life.

Goodwill is presented in the statement of financial position and is carried at cost less allowance for impairment. Goodwill is tested annually for impairment by comparing its recoverable value with carrying value. Impairment loss will recognize as an expense when recoverable value is lower than carrying value. Allowance for impairment losses on goodwill is not reversed. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

#### 4.11 Other intangible assets other than goodwill

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and allowance for impairment, if any.

##### Amortisation

- Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised by using the straight-line method over their estimated useful lives from 1 year to 10 years.
- Expenditure on acquired trademark is capitalized. Prior to January 1, 2009, trademark was amortised using the straight-line method over a period of 10 years. The Company has changed accounting policy to stop amortisation since January 1, 2009.
- Expenditure on customer lists is capitalized and amortised using the straight-line method over their useful life of 3 years.

Amortisation incurred is recognised as service and administrative expenses in the statements of profit or loss and other comprehensive income.

There is no revaluation for intangible assets but they will be reviewed for the impairment on an annual basis or when there are any indications for impairment, and impairment loss, if any, is recognized as expenses.

#### 4.12 Financial liabilities

Financial liabilities are initially recognised at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest method, except when the liabilities are held at fair value through profit or loss.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The financial liabilities measured at amortised cost, which is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

The effective interest rate is the method in used in the calculation of the amortised cost of financial liability over the time. Effective interest rate is the rate that exactly discounts estimated future cash flows (includes all fees and costs received or paid that associated with EIR, transaction costs, and all other premiums or discounts.) through the expected life of the financial liability or, a shorter period, to the amortised cost of a financial liability.

Interest expense and EIR amortisation are recognised in the statement of profit or loss and other comprehensive income.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable are recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing financial liability or part of it as an extinguishment of the original financial liability and the recognition of a new financial liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective date is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

#### 4.13 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## 4.14 Employee benefits

### 4.14.1 Provident fund

The Company operates a provident fund, the assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged as employee expenses in the statement of profit or loss and other comprehensive income for the reporting period to which they relate.

### 4.14.2 Provision for post-employment benefits

#### Legal severance payment plan

This provision represents the benefit retiring employees will receive as determined by the Labor Protection Act.

The provision of this plan is considered unfunded defined benefit obligations and is separately measured by an actuary using the Projected Unit Credit Method to determine the present value of employee benefit cash flows to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as employee expenses in the statement of profit or loss and other comprehensive income.

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss when the plan amendment is effective.

Actuarial gains (losses) are recognized in other comprehensive income.

### 4.14.3 Benefit from carried forward leave

The benefit from cumulative carried forward leave is recognized as a current liability in the statement of financial position and employee expenses in the statement of profit or loss and other comprehensive income.

## 4.15 Recognition of revenue

### Interest income

Interest income for all financial instruments except for those measured or designated as at FVTPL are recognized as interest income in profit or loss using the effective interest method.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and costs received or paid between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any allowance for expected credit loss).

For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

#### Fee and service income

Fee and service income other than those that are an integral part of EIR, are recognized based on contracts with customers in the amount of consideration that the Company expected to receive upon service providing. The timing of recognition depends on whether the Company satisfies a performance obligation by providing services to a customer over time or at a point in time.

#### Fee and service income from brokerage insurance service

Fee and service income from brokerage insurances are recognised on an accrual basis and when the service is rendered.

#### Income from late charge

Income from late charge fee is recognised on an accrual basis less allowance from estimated uncollectible late fee

#### Other fee and service income

Other fee and service incomes other than late charge and fee income from brokerage insurance are recognized when the service is rendered and payment is made.

### 4.16 Recognition of expenses

Fee and service expenses with regards to services are accounted for as the services are received.

Other expenses are recognised on an accrual basis.

### 4.17 Finance costs

Finance costs comprise interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit or loss and other comprehensive income using the effective interest method.

## 4.18 Income tax

Income tax expense (income) consists of current tax and deferred income tax.

### 4.18.1 Current tax

Current tax is tax payable which is calculated based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the statement of financial position date.

### 4.18.2 Deferred income tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized at the statement of financial position date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the statement of financial position date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expense or income related to profit or loss are presented in the statement of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in the shareholders' equity in the same or different period, they will be recognized directly in the shareholders' equity.

## 4.19 Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the year by the weighted average number of ordinary shares outstanding during the year. In case of share capital increase, the number of share is weighted according to time of subscription received. The Company did not have any ordinary share equivalents outstanding which would have a dilutive effect on earnings per share.

## 4.20 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, fair value measurements were categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

## 4.21 Critical accounting judgment

The preparation of the financial statements in conformity with Thai Financial Reporting Standards also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. In this regard, the management had made judgments and estimates in material respects, which affected the amount and disclosure of information in the financial statements as follows:

### 4.21.1 Allowance for expected credit losses

Significant increase of credit risk: ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis; the financial instruments are grouped on the basis of shared risk characteristics. The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used: The Company uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

The Company measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period.

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario: When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. In its measurement of ECL, the external and internal information are used to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data published by governmental bodies and monetary authorities.

The Company uses multiple scenarios to model about macroeconomic factors on ECL. The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. In addition to the base case scenario the Company uses the probability weighting which is the base scenario has the highest weighting, since it is the most likely outcome and the weighting of the upside and downside scenarios depend on the probability of the scenario.

Probability of default: PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Fair value measurement and valuation process: In estimating the fair value of a financial asset or a liability, the Company uses market-observable data to the extent it is available. Where such Level 1 inputs are not available the Company uses valuation models to determine the fair value of its financial instruments. Refer to Note 35 for more details on fair value measurement.

#### 4.21.2 Allowance for properties foreclosed

The Company estimates the allowance for impairment of properties for sale when there is a decline in net realizable value. In consideration of net realizable value, the Company considers the appraised value of the car together with other factors which can affect the realizable value such as related selling expenses, holding costs and discounted future expenses.

#### 4.21.3 Impairment of assets

Leasehold improvement and equipment and other non-current assets, including goodwill and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may be lower than recoverable amount. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of its fair value less cost of sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

#### 4.21.4 Employee benefits

The present value of the employee benefit obligation depends on a number of factors that are used in actuarial calculations using a number of assumptions, including the discount rate or any changes in assumptions will have an effect on the value of the obligation.

The Company considers the appropriate discount rate each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Company considers using market yield of government bonds, which is the same currency as the benefits will be paid and the maturity is close to the time required to pay the related obligations. Refer to Note 19 for more details on employee benefits.

#### 4.21.5 Provision for contingent liabilities

The Company provides a provision for undrawn loan commitments according to TFRS 9 applying the same methodology as determining allowance for expected credit losses for financial assets of the same debtor.

## 5. RISK MANAGEMENT

The Company has established a risk management policy as a framework for managing various risks in a systematic manner and in accordance with the business plan. The risk management committee has an important role in formulating risk management policies and strategies in order to make the risk management at an appropriate level within the acceptable risk limits. In addition, the Company has developed tools, processes and also defines the roles, duties and responsibilities of all stakeholders to ensure that the monitoring and control of risks to be on a regular basis and keep up with changing situations.

The Company's financial instruments principally comprise cash and cash equivalents, loans and hire-purchase receivables, other financial assets, other current payables, borrowings, debentures, and other financial liabilities. The financial risks associated with these financial instruments and how they are managed are described below.

### 5.1 Credit risk

The Company has credit risk from the counterparty or a borrower may default on its contractual obligations and agreements. Such default may be caused by the counterparty's inability to pay due to financial encumbrances or their intention not to abide by the contractual agreements, resulting in a loss to the Company. The Company is exposed to credit risk primarily with respect to loan and hire-purchase receivables, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position.

#### *Loan and hire-purchase receivables*

The Company manages credit risk from loans and hire purchase receivables by determining policies and procedures for controlling the lending appropriately. There is an ongoing review of credit risk. A credit grant is assessed for every customer who has requested a credit exceeding the set limit. In addition, the Company regularly monitors the outstanding balance of debtors.

The Company determines the target of loan growth that strives for the risk-adjusted return within acceptable risk levels under stress conditions, by taking into account economic outlook and potential market opportunities. The Company sets the criteria for credit approval and proposes it for approval from the board of directors or the authorized board of directors. The Company has used a credit scoring tool for monitoring the client's status after credit approval. The Company uses behaviour scoring to assess customers' risk level resulting in the Company's capability in determining risk-adjusted returns or interest rates, including determining the appropriate strategy for portfolio management. Moreover, the Company has employed collection scoring to define risk-based collection strategies and optimized collection efficiency.

In the credit approval process, the Company considers the customer's ability to repay and the loan objectives as key factors in making credit decisions. The Company has separated the business unit responsible for maintaining customer relationship and the business unit that performs credit analysis and approval in order to maximize the effectiveness of the credit approval process.

#### Expected Credit Losses measurement

The key inputs used in ECL measurement are probability of default ("PD"), loss given default ("LGD") and exposure at the time of default ("EAD") where 12-month ECL estimate is the product of 12-month PD, LGD, and EAD discounted by an effective interest rate to the reporting date and lifetime ECL estimate is the product of lifetime PD, LGD, and EAD discounted to the reporting date in the similar manner.

These variables are closely and regularly monitored especially during the pandemic period. However, as a result of very limited availability of reasonable forward looking information plus a high uncertainty on the impact of COVID-19, the Company shall apply long-term macroeconomic forecasts instead of point-in-time forecasts in which the Company expects at least 3 years for the economy to return close to pre-COVID.

Where applicable, the Company incorporates forward looking adjustment in credit risk factors in measuring the customer credit risk, considering the impact of multiple probability-weighted futures forecast economic scenario. The three macroeconomic scenarios are applied to reflect an unbiased probability weighted range of possible future outcomes; namely

- Base Scenario: Representing the most-likely condition that continues to prevail, and
- Upper and Lower Scenario: These scenarios are set in relative to base scenario and provide the outlook of better and worse case economic outlook based on subject matter expert judgement.

In certain circumstance, where the incorporation of forward looking information cannot be explicitly reflected through the expected credit loss model or economic scenario, the Company may set aside the additional provision based on the supporting rationale and such treatment shall not contradict with the applicable accounting standard.

The adequacy of allowance for expected credit losses is reviewed and approved by Head of Credit Department and Head of Finance and Accounting Department. The Company has allocated allowance for expected credit losses to portfolios as appropriate. Therefore, the Company does not expect any significant losses from credit granting. In addition, the Company has no significant concentrations of credit risk due to a large and diverse customer base, including from using credit scoring for credit approval.

#### *Financial instruments and cash deposits*

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. The transactions are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate risk through counterparty's potential failure to make payments.

## 5.2 Market risk

Market risk is the risk arising from changes in interest rates, foreign exchange rates, equity prices and commodity prices which affects the Company's operation and financial performance.

The Company has established a market risk management policy to control market risk under the risk ceiling approved by the Board of Directors. The risk ceiling is also reviewed to reflect the scope, volume and complexity of the transaction, and changing market and business situation.

#### Interest rate risk

Interest rate risk is the risk arising from changes in interest rates which may affect the value of the Company's financial instruments, or may cause volatility in the Company's earnings, or financial assets and liabilities, both in the current reporting period and in the future. The Company has employed various tools to manage interest rate risk, and various risk frameworks to be used to measure, monitor, and control. If there is a significant change, the Company must further report to the risk management committee and the Board of Director in order to determine the risk management practices later.

Financial assets and liabilities, classified by type of interest rate, as of December 31, were shown below:

**As at December 31, 2021**

	Unit : Thousand Baht			
	Floating interest rate	Fixed interest rate	No interest bearing	Total
<b>Financial Assets</b>				
Cash and cash equivalents	3,841,181	-	153,558	3,994,739
Loans and hire-purchase receivables	-	58,847,286	-	58,847,286
Other current financial assets	-	-	640,205	640,205
<b>Financial Liabilities</b>				
Short-term borrowings	-	3,300,000	-	3,300,000
Other current payables	-	-	1,516,073	1,516,073
Short-term debenture	-	999,368	-	999,368
Long-term borrowings	-	21,269,734	-	21,269,734
Long-term debentures	-	15,616,247	-	15,616,247
Other current financial liabilities	-	441	-	441

**As at December 31, 2020**

	Unit : Thousand Baht			
	Floating interest rate	Fixed interest rate	No interest bearing	Total
<b>Financial Assets</b>				
Cash and cash equivalents	1,003,422	-	261,811	1,265,233
Loans and hire-purchase receivables	-	48,568,031	-	48,568,031
Other current financial assets	-	-	564,316	564,316
<b>Financial Liabilities</b>				
Short-term borrowings	-	2,600,000	-	2,600,000
Other current payables	-	-	1,381,386	1,381,386
Long-term borrowings	-	25,328,410	-	25,328,410
Long-term debentures	-	11,136,567	-	11,136,567
Other current financial liabilities	-	341	-	341

**Foreign exchange rate risk**

The Company has no foreign exchange risk since the Company's financial transactions are in Thai Baht.

**5.3 Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its obligations as they fall due because of an inability to liquidate assets or obtain sufficient funding in a timely manner at an appropriate cost which could result in losses.

The Company manages its liquidity risk under the risk ceiling approved by the Board of Directors according to liquidity risk management policy, by sourcing for short-term and long-term funding. Moreover, the Company set up various tools and limits for risk measurement, monitoring and control, and reporting. The Company also ensures that its liquidity position is suitable and sufficient for operations under both normal and critical situations.

Financial liabilities, classified by remaining contractual maturity analysis, as of December 31, were as follows:

		Unit : Thousand Baht			
As at December 31, 2021		Contractual Maturity			
	At call	Within 1 year	Over 1 year to 5 years	Over 5 years	Total
<b>Financial liabilities</b>					
Short-term borrowing	3,300,000	-	-	-	3,300,000
Other current payables	1,516,073	-	-	-	1,516,073
Short-term debenture	-	999,368	-	-	999,368
Long-term borrowing	-	8,049,734	13,220,000	-	21,269,734
Long-term debentures	-	7,826,893	7,789,354	-	15,616,247
Other current financial liabilities	-	441	-	-	441
Total financial liabilities	4,816,073	16,876,436	21,009,354	-	42,701,863
		Unit : Thousand Baht			
As at December 31, 2020		Contractual Maturity			
	At call	Within 1 year	Over 1 year to 5 years	Over 5 years	Total
<b>Financial liabilities</b>					
Short-term borrowing	2,600,000	-	-	-	2,600,000
Other current payables	1,381,386	-	-	-	1,381,386
Long-term borrowing	-	4,559,663	20,768,747	-	25,328,410
Long-term debentures	-	3,398,262	7,738,305	-	11,136,567
Other current financial liabilities	-	-	341	-	341
Total financial liabilities	3,981,386	7,957,925	28,507,393	-	40,446,704

## 6. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

6.1 Cash and cash equivalents as at December 31, consisted of the following:

	Unit : Thousand Baht	
	2021	2020
Cash on hand	13,998	151,117
Current accounts	139,560	110,694
Savings accounts	3,841,181	1,003,422
Cash and cash equivalents	3,994,739	1,265,233

Cash and cash equivalents as at December 31, 2021 and 2020, were presented net of deposits at banks for premium that the Company received from policy holders by Baht 648.36 million and Baht 459.64 million, respectively. The Company is required to submit these premiums to insurers and not use or exploit from premiums or deduct any expenses stated in the brokerage contracts except for interest or other benefits arising from deposits.

6.2 Significant non-cash transactions for the years ended December 31, were as follows:

	Unit : Thousand Baht	
	2021	2020
Other current payables for leasehold improvement and equipment acquisition as at January 1,	58,372	24,106
<u>Add</u> Purchases of leasehold improvement and equipment	322,305	289,713
<u>Less</u> Cash payments for purchases of leasehold improvement and equipment	(376,540)	(255,447)
Other current payables for leasehold improvement and equipment acquisition as at December 31,	4,137	58,372
Other current payables for intangible assets acquisition as at January 1,	38,404	6,829
<u>Add</u> Purchases of intangible assets	87,357	222,621
<u>Less</u> Cash payments for purchases of intangible assets	(123,581)	(191,046)
Other current payables for intangible assets acquisition as at December 31,	2,180	38,404

6.3 Changing in liabilities from financing activities for the years ended December 31, were as follows:

	Unit : Thousand Baht			
	Balance as at January 1, 2021	Net cash flow received (paid) from financing activities	Non-cash changes	Balance as at December 31, 2021
Short-term borrowings	2,600,000	700,000	-	3,300,000
Short-term debenture	-	999,010**	358*	999,368
Long-term borrowings	25,328,410	(4,060,000)	1,324*	21,269,734
Long-term debentures	11,136,567	4,378,501**	101,179*	15,616,247
Lease liabilities	630,243	(392,382)	471,196	709,057
<b>Total</b>	39,695,220	1,625,129	574,057	41,894,406

	Unit : Thousand Baht			
	Balance as at January 1, 2020	Net cash flow received (paid) from financing activities	Non-cash changes	Balance as at December 31, 2020
Short-term borrowings	7,558,340	(5,001,944)**	43,604*	2,600,000
Short-term debenture	1,997,621	(2,000,156)**	2,535*	-
Long-term borrowings	16,599,164	8,728,050**	1,196*	25,328,410
Long-term debentures	10,937,959	168,718**	29,890*	11,136,567
Lease liabilities	1,057	(397,815)	1,027,001	630,243
<b>Total</b>	37,094,141	1,496,853	1,104,226	39,695,220

\* Non-cash changes including deferred costs for borrowings and deferred costs for issuance of debentures.

\*\* Net cash flows received (paid) from financing activities included net transaction costs from borrowing and issuance of debentures.

## 7. LOANS AND HIRE-PURCHASE RECEIVABLES

Loans and hire-purchase receivables as at December 31, were as follows:

### (1) Classified by loan types

As at December 31, 2021

	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Loans	18,717,077	32,581,395	127,130	51,425,602
<u>Add</u> Accrued interest receivables	1,119,556	-	-	1,119,556
	19,836,633	32,581,395	127,130	52,545,158
<u>Less</u> Allowance for expected credit losses	(853,109)	(1,401,220)	(5,467)	(2,259,796)
Loans	18,983,524	31,180,175	121,663	50,285,362
Hire-purchase receivables	4,024,943	7,378,950	90,382	11,494,275
<u>Less</u> Unearned interest income	(1,100,668)	(1,475,882)	(4,684)	(2,581,234)
	2,924,275	5,903,068	85,698	8,913,041
<u>Less</u> Allowance for expected credit losses	(115,198)	(232,543)	(3,376)	(351,117)
Hire-purchase receivables	2,809,077	5,670,525	82,322	8,561,924
Total loans and hire-purchase receivables	21,792,601	36,850,700	203,985	58,847,286

As at December 31, 2020

	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Loans	17,393,736	24,838,751	84,059	42,316,546
<u>Add</u> Accrued interest receivables	523,705	-	-	523,705
	17,917,441	24,838,751	84,059	42,840,251
<u>Less</u> Allowance for expected credit losses	(959,061)	(1,369,566)	(4,635)	(2,333,262)
Loans	16,958,380	23,469,185	79,424	40,506,989
Hire-purchase receivables	4,239,702	6,364,900	51,530	10,656,132
<u>Less</u> Unearned interest income	(998,971)	(1,163,239)	(2,971)	(2,165,181)
	3,240,731	5,201,661	48,559	8,490,951
<u>Less</u> Allowance for expected credit losses	(164,083)	(263,367)	(2,459)	(429,909)
Hire-purchase receivables	3,076,648	4,938,294	46,100	8,061,042
Total loans and hire-purchase receivables	20,035,028	28,407,479	125,524	48,568,031

(2) Classified by type of classification

As at December 31, 2021

	Unit : Thousand Baht	
	Loans and accrued interest receivable	Allowance for expected credit loss
Performing	41,640,091	850,419
Under-performing	10,340,127	945,058
Non-performing	564,940	464,319
Total	<u>52,545,158</u>	<u>2,259,796</u>

	Unit : Thousand Baht	
	Hire-purchase receivables after deduction of unearned interest income	Allowance for expected credit loss
Performing	6,128,891	83,318
Under-performing	2,616,864	141,314
Non-performing	167,286	126,485
Total	<u>8,913,041</u>	<u>351,117</u>

As at December 31, 2020

	Unit : Thousand Baht	
	Loans and accrued interest receivable	Allowance for expected credit loss
Performing	32,481,754	889,944
Under-performing	9,708,899	879,354
Non-performing	649,598	563,964
Total	<u>42,840,251</u>	<u>2,333,262</u>

	Unit : Thousand Baht	
	Hire-purchase receivables after deduction of unearned interest income	Allowance for expected credit loss
Performing	5,927,872	107,214
Under-performing	2,362,646	154,437
Non-performing	200,433	168,258
Total	<u>8,490,951</u>	<u>429,909</u>

The Company managed excess reserves in accordance with the BOT's guidelines, BOT. ForNorSor. (23) Wor. 1603/2562 by gradually reducing excess reserves on the first day within 5 years to be in compliance with TFRS 9 and as appropriate to be in line with the Company's business operations. In the third quarter of 2020, the Company released the excess reserve adopted on the first day and recorded it as management overlay in preparation for the upcoming economic instability from COVID-19.

(3) Allowance for expected credit losses for the years ended December 31, were as follows:

As at December 31, 2021

Unit: Thousand Baht

	Allowance for expected credit losses			
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total
Balance as at January 1, 2021	997,158	1,033,791	732,222	2,763,171
Transfer between stage	(19,808)	45,003	(25,195)	-
Remeasurement of loss allowance	(302,627)	(10,996)	211,388	(102,235)
New financial assets originated or purchased	658,613	499,467	214,609	1,372,689
Financial assets that have been derecognised	(399,599)	(480,893)	(542,220)	(1,422,712)
Balance as at December 31, 2021	933,737	1,086,372	590,804	2,610,913

As at December 31, 2020

Unit: Thousand Baht

	Allowance for expected credit losses				
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	General impairment	Total
Balance as at January 1, 2020	446,056	974,476	621,650	659,930	2,702,112
Transfer between stage	(109,603)	157,351	(47,748)	-	-
Changes due to modifications that did not result in derecognition	406,093	(406,093)	-	-	-
Remeasurement of loss allowance	(9,256)	75,528	146,144	(659,930)	(447,514)
New financial assets originated or purchased	540,582	981,835	546,261	-	2,068,678
Financial assets that have been derecognised	(276,714)	(749,306)	(534,085)	-	(1,560,105)
Balance as at December 31, 2020	997,158	1,033,791	732,222	-	2,763,171

(4) Loans and hire-purchase receivables under the relief measure program

The Company has adopted these Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy” and significant relief measures for debtors affected by the COVID-19 pandemic from Bank of Thailand (the “BOT”) announcement in the preparation of the financial statements for the years ended December 31, 2021 and 2020, as follows:

Classification

The Company adheres to Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who are affected from the situations that affected Thailand’s economy”. The debt classification which has no credit impairment is a class that does not have a significant increase in credit risk (Stage 1 Performing) immediately after analysing the status and business of the debtor that the debtor is able to comply with the debt restructuring agreement. As for debt that has credit impairment but still has the potential to operate business, the Company can classify the debt as a class that does not have a significant increase in credit risk (Stage 1 Performing) if the debtor has made a payment under the new debt restructuring agreement for 3 consecutive months or 3 payment periods, whichever is longer.

## Reserve

The Company adheres to TFRS 9 Financial instruments, which specifies the Expected Credit Loss by considering the past, present and future economic conditions under various assumptions. Therefore, in estimating the credit losses that are expected to occur, the Company considers future economic factors that reflect the effects of the pandemic of COVID-19, both in the short and long term, including considering the management's discretion to have post model adjustment (Management Overlay) from the values obtained from the model to another level so that the Company's reserves are able to sufficiently cope with the increase in default payments of loan and hire-purchase receivables affected by this situation. In case, the debtors have unused credit line, the Company adheres to Accounting Treatment Guidance on "The temporary relief measures for entities supporting their debtors who are affected from the situations that affected Thailand's economy", by calculating the expected credit losses from outstanding loans, only for the drawdown amount.

As of December 31, 2021, and 2020, the loans and hire-purchase receivables under the relief measure program accounted for equal to Baht 4,571.64 million and Baht 14,146.84 million, respectively.

As aforementioned, the Company is continuing to closely monitor and evaluate impact on the significant relief measures to alleviate the impact of COVID-19 outbreak announced by the BOT.

### (5) Loans and hire-purchase receivables modified and troubled debt restructuring

For the year ended December 31, 2021, loans and hire-purchase receivables that were modified while they had a loss allowance measured at an amount equal to lifetime ECL were as follows:

	<b>Unit: Thousand Baht</b>
<b>Loans and hire - purchase receivables modified during the year</b>	
Amortised cost before modification	230,169
Net modification loss	34,224

## **8. PROPERTIES FORECLOSED**

Properties foreclosed as at December 31, were as follows:

	<b>Unit : Thousand Baht</b>	
	<b>2021</b>	<b>2020</b>
Repossessed vehicles	87,632	129,332
<u>Less</u> Allowance for impairment	<u>(28,550)</u>	<u>(52,897)</u>
Properties foreclosed	<u>59,082</u>	<u>76,435</u>

## 9. LEASEHOLD IMPROVEMENT AND EQUIPMENT

The movements of leasehold improvement and equipment for the years ended December 31, were as follows:

As at December 31, 2021

	Unit : Thousand Baht				
	Balances as at January 1, 2021	Additions	Disposals/ write - off	Transfer in (out) adjust	Balances as at December 31, 2021
<b>Cost:</b>					
Leasehold improvement	851,117	120,616	(8,224)	2,067	965,576
Furniture, fixtures and equipment	872,169	188,579	(11,575)	2,801	1,051,974
Motor vehicles	52,774	4,414	(2,482)	-	54,706
Right-of-use assets	979,305	451,860	(154,160)	-	1,277,005
Total cost	<u>2,755,365</u>	<u>765,469</u>	<u>(176,441)</u>	<u>4,868</u>	<u>3,349,261</u>
<b>Accumulated depreciation:</b>					
Leasehold improvement	(653,059)	(108,341)	7,948	-	(753,452)
Furniture, fixtures and equipment	(437,885)	(165,518)	10,172	-	(593,231)
Motor vehicles	(44,202)	(5,363)	2,482	-	(47,083)
Right-of-use assets	(322,209)	(389,250)	150,333	-	(561,126)
Total accumulated depreciation	<u>(1,457,355)</u>	<u>(668,472)</u>	<u>170,935</u>	<u>-</u>	<u>(1,954,892)</u>
Total	1,298,010				1,394,369
Leasehold improvement and equipment in progress	3,897	8,696	-	(12,580)	13
Leasehold improvement and equipment	<u>1,301,907</u>				<u>1,394,382</u>

As at December 31, 2020

	Unit : Thousand Baht					
	Balances as at January 1, 2020	Effect from adoption TFRS 16	Additions	Disposals/ write - off	Transfer in (out) adjust	Balances as at December 31, 2020
<b>Cost:</b>						
Leasehold improvement	786,097	-	74,858	(9,480)	(358)	851,117
Furniture, fixtures and equipment	689,103	-	199,405	(23,104)	6,765	872,169
Motor vehicles	53,844	-	-	(5,943)	4,873	52,774
Right-of-use assets	-	769,952	240,747	(31,394)	-	979,305
Total cost	<u>1,529,044</u>	<u>769,952</u>	<u>515,010</u>	<u>(69,921)</u>	<u>11,280</u>	<u>2,755,365</u>
<b>Accumulated depreciation:</b>						
Leasehold improvement	(545,131)	-	(117,535)	9,607	-	(653,059)
Furniture, fixtures and equipment	(326,975)	-	(132,121)	21,211	-	(437,885)
Motor vehicles	(43,865)	-	(6,233)	5,896	-	(44,202)
Right-of-use assets	-	-	(338,890)	16,681	-	(322,209)
Total accumulated depreciation	<u>(915,971)</u>	<u>-</u>	<u>(594,779)</u>	<u>53,395</u>	<u>-</u>	<u>(1,457,355)</u>
Total	613,073					1,298,010
Leasehold improvement and equipment in progress	5,285	-	15,450	(8)	(16,830)	3,897
Leasehold improvement and equipment	<u>618,358</u>					<u>1,301,907</u>

Depreciation for the years ended December 31,

2021

Thousand Baht 668,472

2020

Thousand Baht 594,779

As at December 31, 2021 and 2020, costs of fully depreciated leasehold improvement and equipment of the Company but still in used were Baht 791.76 million and Baht 713.48 million, respectively.

## 10. GOODWILL

Goodwill as at December 31, were as follows:

	Unit : Thousand Baht	
	2021	2020
Cost	909,216	909,216
<u>Less</u> Accumulated amortisation	(74,481)	(74,481)
<u>Less</u> Allowance for impairment	(540,734)	(540,734)
Goodwill	<u>294,001</u>	<u>294,001</u>

As at December 31, 2021 and 2020, the Company performed the goodwill impairment testing by revision of estimated cash flows which calculated from forecast profit covering a five-year period. Estimated profit beyond the five-year were extrapolated using a zero growth rates. The discount rate was at 15% which was the expected rate of return from purchasing the business. As the result of testing, the Company found that the fair value of goodwill as at December 31, 2021 and 2020 were higher than amount previously reported that no additional impairment exists.

## 11. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

Other intangible assets other than goodwill as at December 31, were as follows:

As at December 31, 2021

	Unit : Thousand Baht			
	Balances as at January 1, 2021	Additions	Transfer in (out) adjust	Balances as at December 31, 2021
<b>Cost:</b>				
Software	606,471	61,103	53,500	721,074
Trademark	20,000	-	-	20,000
Customer list	3,000	-	-	3,000
Other intangible assets	295	-	-	295
Total cost	<u>629,766</u>	<u>61,103</u>	<u>53,500</u>	<u>744,369</u>
<b>Accumulated amortisation:</b>				
Software	(283,458)	(126,322)	-	(409,780)
Trademark	(3,638)	-	-	(3,638)
Customer list	(3,000)	-	-	(3,000)
Total accumulated amortisation	<u>(290,096)</u>	<u>(126,322)</u>	<u>-</u>	<u>(416,418)</u>
Total	339,670			327,951
Intangible assets under installation	42,050	26,254	(64,236)	4,068
Intangible assets	<u>381,720</u>			<u>332,019</u>

As at December 31, 2020

	Unit : Thousand Baht				
	Balances as at January 1, 2020	Additions	Disposals	Transfer in (out)	Balances as at December 31, 2020
<b>Cost:</b>					
Software	413,130	186,243	(7,935)	15,033	606,471
Trademark	20,000	-	-	-	20,000
Customer list	3,000	-	-	-	3,000
Other intangible assets	295	-	-	-	295
Total cost	436,425	186,243	(7,935)	15,033	629,766
<b>Accumulated amortisation:</b>					
Software	(186,997)	(105,249)	6,594	2,194	(283,458)
Trademark	(3,638)	-	-	-	(3,638)
Customer list	(3,000)	-	-	-	(3,000)
Total accumulated amortisation	(193,635)	(105,249)	6,594	2,194	(290,096)
Total	242,790				339,670
Intangible assets under installation	45,680	36,378	-	(40,008)	42,050
Intangible assets	288,470				381,720
<b>Amortization for the years ended December 31,</b>					
2021					Thousand Baht 126,322
2020					Thousand Baht 105,249

## 12. DEFERRED TAX ASSETS

Deferred tax assets and deferred tax liabilities as at December 31, were as follows:

	Unit : Thousand Baht	
	2021	2020
Deferred tax assets	726,605	761,966
Deferred tax liabilities	(105,586)	(97,656)
Net	621,019	664,310

Movements of deferred tax assets and deferred tax liabilities during the years, were as follows:

As at December 31, 2021

	Unit : Thousand Baht			
	As at January 1, 2021	Items as recognised into profit or loss	Items as recognised into other comprehensive income	As at December 31, 2021
<b>Deferred tax assets</b>				
Allowance for expected credit losses	708,886	(67,041)	-	641,845
Depreciation and amortisation of assets	6,068	12,651	-	18,719
Interest paid	4,116	16,584	-	20,700
Provision for employee benefits	19,222	4,063	2,037	25,322
Other provisions	21,667	(3,812)	-	17,855
Other	2,007	135	22	2,164
Total deferred tax assets	761,966	(37,420)	2,059	726,605
<b>Deferred tax liabilities</b>				
Amortisation	(97,656)	(7,930)	-	(105,586)
Total deferred tax liabilities	(97,656)	(7,930)	-	(105,586)
Net	664,310	(45,350)	2,059	621,019

As at December 31, 2020

	Unit : Thousand Baht				
	As at January 1, 2020	Cumulative of change in accounting policies	Items as recognised into profit or loss	Items as recognised into other comprehensive income	As at December 31, 2020
<b>Deferred tax assets</b>					
Allowance for expected credit losses	661,463	395	47,028	-	708,886
Depreciation and amortisation of assets	5,158	-	910	-	6,068
Interest paid	-	-	4,116	-	4,116
Unearned fee	23,382	-	(23,382)	-	-
Provision for employee benefits	15,213	-	3,125	884	19,222
Other provisions	19,773	-	1,894	-	21,667
Other	-	-	1,940	67	2,007
Total deferred tax assets	<u>724,989</u>	<u>395</u>	<u>35,631</u>	<u>951</u>	<u>761,966</u>
<b>Deferred tax liabilities</b>					
Amortisation	(91,396)	2,039	(8,299)	-	(97,656)
Total deferred tax liabilities	<u>(91,396)</u>	<u>2,039</u>	<u>(8,299)</u>	<u>-</u>	<u>(97,656)</u>
Net	<u>633,593</u>	<u>2,434</u>	<u>27,332</u>	<u>951</u>	<u>664,310</u>

### 13. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of the following:

	Unit : Thousand Baht	
	2021	2020
Rental deposits (see Note 31)	97,006	84,285
Other deposits	5,464	5,233
Restricted deposits (see Note 30)	3,145	3,135
Other assets	10,377	9,695
<u>Less</u> Allowance for impairment	<u>(18,831)</u>	<u>(18,180)</u>
Total other non-current assets	<u>97,161</u>	<u>84,168</u>

### 14. SHORT-TERM BORROWINGS

Short-term borrowings as at December 31, consisted of the following:

	Unit : Thousand Baht	
	2021	2020
Short-term borrowings	3,300,000	2,600,000
Total	<u>3,300,000</u>	<u>2,600,000</u>

As at December 31, 2021, short-term borrowings were unsecured borrowings with term of maturity 1 year from the Bank shareholder of Baht 3,300 million, bearing interest rate at an agreed fixed interest rate per annum. Interest is payable on a monthly basis, and repayment of principle is within December 2022.

As at December 31, 2020, short-term borrowings were unsecured borrowings with term of maturity 1 year from the Bank shareholder of Baht 2,600 million, bearing interest rate at an agreed fixed interest rate per annum. Interest was payable on a monthly basis. Short-term borrowings were repayable on demand.

## 15. SHORT-TERM DEBENTURE

Short-term debenture was as follows:

Unit : Thousand Baht					
Debenture	Period	Date of issue	Maturity date	Interest rate (% p.a.)	As at December 31, 2021
1	1 year	August 19, 2021	August 19, 2022	0.97	1,000,000
<b>Total</b>					1,000,000
<u>Less</u> Deferred transaction costs for issuance of debentures					(632)
<b>Short-term debenture</b>					<u>999,368</u>

The above debenture is registered, unsubordinated and unsecured debenture, which was offered to the institutional investors and/or high net worth investors specified in the Notification of Securities and Exchange Commission. Par value of debentures of Baht 1,000 each. Interest is payable every 6 months and payment of principal due under the debentures shall be made together with the final interest payment at the maturity date.

Short-term debenture contains the covenants to maintain certain financial ratios as specified in the relevant term and conditions. As at December 31, 2021, the Company was still within those relevant covenants.

## 16. LONG-TERM BORROWINGS

Long-term borrowings as at December 31, were as follows:

	Unit : Thousand Baht	
	2021	2020
Long-term borrowings	21,270,000	25,330,000
<u>Less</u> Deferred borrowing expense	(266)	(1,590)
<b>Total</b>	<u>21,269,734</u>	<u>25,328,410</u>
<u>Less</u> Current portion of long-term borrowings	(8,049,734)	(4,559,663)
<b>Long-term borrowings - net of current portion</b>	<u>13,220,000</u>	<u>20,768,747</u>

As at December 31, 2021 and 2020, long-term borrowings represented unsecured borrowings with repayment within 1 year of Baht 8,050 million and Baht 4,560 million, respectively, bearing interest rate ranging from 2.62% to 3.59% per annum and 2.96% to 4.05% per annum, respectively, and long-term unsecured borrowings of Baht 13,220 million and Baht 20,769 million, respectively, bearing interest rate ranging from 2.04% to 3.81% per annum and 2.00% to 3.81% per annum, respectively. Long-term borrowings are due in 2022 - 2024.

To hedge interest rate risk, as at December 31, 2021 and 2020, the Company had outstanding commitments under interest rate swap agreements with the Bank shareholder. Under such agreements, the Company will be charged at fixed interest rate in exchange for floating interest rate at plus a fixed percent per annum. The interest swap agreement gradually matures in November 2022, in line with the terms of borrowing repayment.

Long-term borrowings contain the covenants to maintain certain financial ratios as specified in the relevant term and conditions. Conditions in the borrowing agreements of the Company with certain financial institutions, prescribing that there is maintaining of the shareholding percentage of major shareholders in the Company and other financial ratios subject to the terms of each borrowing agreement. As at December 31, 2021 and 2020, the Company was still within those relevant covenants.

## 17. LONG-TERM DEBENTURES

Long-term debentures as at December 31, were as follows:

	Unit : Thousand Baht	
	2021	2020
Long-term debentures	15,616,247	11,136,567
<u>Less</u> Current portion of long-term debentures	<u>(7,826,893)</u>	<u>(3,398,262)</u>
Long-term debentures - net of current portion	<u>7,789,354</u>	<u>7,738,305</u>

Unit : Thousand Baht						
Debenture	Period	Date of issue	Maturity date	Interest rate (% p.a.)	As at December 31, 2021	As at December 31, 2020
1	4 years	December 14, 2017	December 14, 2021	2.71	-	1,500,000
2	5 years	December 14, 2017	December 14, 2022	3.00	450,000	450,000
3	2 years	July 24, 2019	July 24, 2021	2.68	-	1,900,000
4	2.5 years	July 24, 2019	January 24, 2022	2.80	4,000,000	4,000,000
5	3 years	April 2, 2021	April 2, 2024	3.00	2,500,000	-
6	2 years	April 2, 2021	April 2, 2023	2.65	1,000,000	-
7	2 years	April 7, 2021	April 21, 2023	2.45	300,000	-
8	2 years	August 19, 2021	August 19, 2023	1.17	4,000,000	-
9	1.5 years	1 October 2020	1 April 2022	-	3,400,000	3,400,000
<u>Less</u> Discount on debentures					<u>(20,765)</u>	<u>(103,688)</u>
<b>Total</b>					<u>3,379,235</u>	<u>3,296,312</u>
<u>Less</u> Deferred transaction costs for issuance of debentures					<u>(12,988)</u>	<u>(9,745)</u>
<b>Long-term debentures</b>					<u>15,616,247</u>	<u>11,136,567</u>

The above debentures are registered, unsubordinated and unsecured debentures, which were offered to the institutional investors and high net worth investors specified in the Notification of Securities and Exchange Commission. Par value of debentures of Baht 1,000 each. Interest is payable every 6 months and payment of principal due under the debentures shall be made together with the final interest payment at the maturity date. Furthermore, the above debentures also included zero-coupon debentures.

Some debentures contain the covenants to maintain certain financial ratios and/or shareholding percentage of major shareholders in the Company as specified in the relevant term and conditions. As at December 31, 2021 and 2020, the Company was still within those relevant covenants.

On March 19, 2021, the Debenture holder's meeting approved the amendment to the terms of the Company's debentures No. 4/2017 Series 2 due in 2021 and Series 3 due in 2022 from the maintaining the status of being an associate company of the Bank shareholder by having at least 50% of the total shares of the Company held by the Bank shareholder to be maintaining the status of being an associate of the Bank shareholder by having at least 30% of the total shares of the Company held by the Bank shareholder.

## 18. LEASE LIABILITIES

Lease liabilities as at December 31, were as follows:

As at December 31, 2021

	Unit : Thousand Baht			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Future minimum lease payments	354,090	379,554	-	733,644
Less Deferred interest expenses	(13,931)	(10,656)	-	(24,587)
Present value of the minimum lease payments	340,159	368,898	-	709,057

As at December 31, 2020

	Unit : Thousand Baht			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Future minimum lease payments	297,234	332,341	26,428	656,003
Less Deferred interest expenses	(12,880)	(12,550)	(330)	(25,760)
Present value of the minimum lease payments	284,354	319,791	26,098	630,243

## 19. PROVISION FOR EMPLOYEE BENEFITS

19.1 The Company operates post-employment benefits plans under the Labor Protection Act, which are considered as unfunded defined benefit plans.

Amounts recognised in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans were as follows:

	Unit : Thousand Baht	
	2021	2020
Current service costs	17,771	11,903
Interest on obligations	1,529	1,197
	19,300	13,100

Movements in the present value of the defined benefits obligation for the years ended December 31, were as follows:

	<b>Unit : Thousand Baht</b>	
	<b>2021</b>	<b>2020</b>
Opening balance of defined benefit obligation	91,058	72,495
Current service costs	17,771	11,903
Interest on obligations	1,529	1,197
Actuarial (gain) loss arising from		
- Experience	3,873	5,359
- Financial Assumption	(23,313)	(2,968)
- Demographic	29,627	2,026
Benefits paid during the year	(656)	-
Transfer employee between related companies	275	1,046
Closing balance of defined benefits obligation	<u>120,164</u>	<u>91,058</u>

For the years ended December 31, 2021 and 2020, the actuarial losses were recognised in other comprehensive income in the amount of Baht 10.19 million and Baht 4.42 million, respectively.

The principle actuarial assumptions used to calculate the provision under the defined benefit plans as at December 31, were as follows:

	<b>2021</b>	<b>2020</b>
Financial assumptions		
Discount rate	0.52 - 3.52 %	0.51 - 2.98 %
Average rate of salary increase	5.7%	6.0%
Turnover rate	4% - 20%	5% - 23%
Retirement age	60 years	60 years

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the provision for employee benefits as at December 31, were as follows:

	<b>Unit : Thousand Baht</b>	
	<b>2021</b>	<b>2020</b>
Discount rate		
Discount rate, decrease of 1 percent	19,783	15,052
Discount rate, increase of 1 percent	(16,402)	(12,465)
Salary rate		
Salary rate, decrease of 1 percent	(16,121)	(12,128)
Salary rate, increase of 1 percent	19,030	14,329

- 19.2 The outstanding balance of current provision for employee benefits as at December 31, 2021 and 2020 were Baht 10.81 million and Baht 9.52 million, respectively.

## 20. OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities as at December 31, consisted of the following:

	Unit : Thousand Baht	
	2021	2020
Derivative liability for cash flow hedges	441	341
Total	441	341

The tables below summarise the derivatives designated as hedging instruments in qualifying cash flow hedge relationships as at December 31, were as follows:

Unit : Thousand Baht				
As at December 31, 2021				
Cash flow hedges	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Line item in the statement of financial position where the hedging instrument is located
		Assets	Liabilities	
Interest rate risk - Interest Rate Swap	500,000	-	441	Other current financial liabilities

Unit : Thousand Baht				
As at December 31, 2020				
Cash flow hedges	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Line item in the statement of financial position where the hedging instrument is located
		Assets	Liabilities	
Interest rate risk - Interest Rate Swap	500,000	-	341	Other current financial liabilities

As at December 31, 2021 and 2020, the Company had an interest rate swap agreement designated as a hedging instrument with the contractual amount of Baht 500 million, whereby the Company receives variable interest based on the BIBOR rate plus a margin and pays interest at an agreed fixed rate.

The hedged item is considered to be economically related to a hedging instrument because interest rate swap contracts are in line with the terms of long-term loans with variable interest rates (i.e. principal amount, maturity date, payment date). The Company assesses the hedge effectiveness by comparing changes in the fair value of the hedging instrument with changes in the fair value of the hedged item for the hedged risk.

For the years ended December 31, 2021 and 2020, the proportion of changes in the fair value of the hedging instrument to the change in the fair value of the hedged item were 100%, so the hedging ineffectiveness were not recognised in the statements of profit or loss and other comprehensive income.

The amounts relating to items designated as hedged items in qualifying cash flow hedge relationships to manage the exposure of the Company to interest rate risk were as follows:

Cash flow hedges	Book value of the hedged item		Unit: Thousand Baht
	As at December 31, 2021	2020	Line item in the statement of financial position in which the hedged item is included
Interest rate risk			
- Aggregated exposure of Borrowings	500,000	500,000	Long-term borrowings

Reconciliation of loss on cash flow hedges which recognised in the shareholders' equity that relate to cash flow hedge relationships of the Company for the years ended December 31, were as follows:

Cash flow hedges	Unit : Thousand Baht	
	2021	2020
<b>Balance as at January 1,</b>	(218)	-
Effective portion of changes in fair value of interest rate swaps	(108)	(272)
Income tax related to amounts transferred	22	54
<b>Balance as at December 31,</b>	<b>(304)</b>	<b>(218)</b>

## 21. SHARE CAPITAL

On December 14, 2020, the Extraordinary General Meeting of Shareholders No. 3/2020 had a resolutions to approve the change of the Company's status from a company limited to a public company limited, and approved the change of the par value of the ordinary shares and prefer shares from Baht 37 to Baht 3.7, resulting in a change in the number of shares from 210,816,787 shares to 2,108,167,870 shares. The meeting also approved an increase the authorized share capital through the issue of 210,816,700 new ordinary shares with a par value of Baht 3.7 each, resulting to the total authorized share capital of 2,318,984,570 shares, and the authorized share capital increased from Baht 7,800,221,119 to Baht 8,580,242,909. The new ordinary shares were allocated to the Initial Public Offering and reserved part of such amount for offering and allotment to principal investors on a private placement basis and/or persons as a further specified and over allotment of shares in the process of allotment of shares in excess of the number of shares distributed, once authorized by the SEC. The Company registered the increase of its authorized share capital with the Department of Business Development, Ministry of Commerce on December 17, 2020. In addition, the Extraordinary General Meeting of Shareholders No. 3/2020 had a resolution to approve the conversion of preferred shares to ordinary shares. The Company registered the share conversion from 2,220,000 preferred shares to 2,220,000 ordinary shares with the Department of Business Development, Ministry of Commerce on December 18, 2020.

On January 28, 2021, the Board of Directors' Meeting No. 1/2021 had a resolution to transfer of premium on preferred shares of Baht 199,800,000 to premium on ordinary shares. As a result, the Company had premium on ordinary shares amounting to Baht 720,033,757, which was in line with the conversion of preferred shares into ordinary shares on December 18, 2020.

During April 22 - 26, 2021, the Company offered for sale of newly issued ordinary shares to the directors, management, employees of the Company and to the initial public offering and during April 28 - 30, 2021, offered to institutional investors and initial purchasers in other country in total 907,428,600 shares, comprising (1) 210,816,700 newly issued ordinary shares offered by the Company (2) 284,144,300 existing shares offered by Bank of Ayudhya Public Company Limited and (3) 412,467,600 existing shares offered by Siam Asia Credit Access PTE LTD. Par value per ordinary share is of Baht 3.7 each, and the offering price was of Baht 36.5 per share. Furthermore, the Company allocated over-allotment shares of 136,114,200 shares by borrowed from Bank of Ayudhya Public Company Limited and Siam Asia Credit Access PTE LTD.

Expenses directly related to the issuance of IPO shares of Baht 199.1 million were deducted from the share premium received from the issuance of IPO shares. The Company had the increase of share premium of Baht 6,715.7 million.

The Company registered the change in its issued and paid-up capital with the Ministry of Commerce on May 6, 2021 and shares of the Company began trading on the Stock Exchange of Thailand since May 10, 2021.

## **22. LEGAL RESERVE**

Section 116 of the Public Limited Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward, if any, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

## **23. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issues new shares or sells assets to reduce debt.

## 24. FEE AND SERVICE INCOME

Fee and service income for the years ended December 31, were as follows:

	Unit : Thousand Baht	
	2021	2020
Commission from brokerage of non-life insurance and life insurance	1,287,819	827,893
Other compensation from brokerage of non-life insurance and life insurance	598,872	318,695
Other fee incomes	282,870	621,333
Other service incomes	27,608	24,065
Total	<u>2,197,169</u>	<u>1,791,986</u>

## 25. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, were as follows:

	Unit : Thousand Baht	
	2021	2020
Employee expenses	3,175,252	2,701,698
Rental and service expenses	87,257	95,895
Advertising and promotion expenses	434,368	389,297
Professional service fees	902,822	760,843
Depreciation and amortisation	794,794	700,028
Taxes and duties	316,309	290,941
Utility expenses	205,644	180,883
Loss on impairment of properties foreclosed	216,967	314,105
Others	425,517	338,261
Total	<u>6,558,930</u>	<u>5,771,951</u>

## 26. PROVIDENT FUND

The Company has established a registered provident fund for those employees who have elected to participate. The contributions from the employees are deducted from their monthly salaries, and the Company matches the individuals' contributions. The provident fund is managed by an authorized financial institution in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended December 31, 2021 and 2020, provident fund contributions recorded as expenses were Baht 76.58 million and Baht 62.77 million, respectively.

## 27. INCOME TAX EXPENSE

For the years ended December 31, income tax expense consisted of the following:

	<b>Unit : Thousand Baht</b>	
	<b>2021</b>	<b>2020</b>
Current tax		
Current year	754,190	635,365
Income tax relating to components of other comprehensive income (loss)	-	(13)
Tax adjustment for prior years	(15,420)	3,153
	<u>738,770</u>	<u>638,505</u>
Deferred tax		
Changes in temporary differences	45,350	(27,332)
	<u>45,350</u>	<u>(27,332)</u>
Total income tax expenses	<u>784,120</u>	<u>611,173</u>

Reconciliation of effective tax rate for the years ended December 31, were as follows:

	<b>2021</b>		<b>2020</b>	
	<b>Thousand Baht</b>	<b>Tax Rate (%)</b>	<b>Thousand Baht</b>	<b>Tax Rate (%)</b>
Profit before income tax expense	3,953,026		3,027,316	
Income tax expense at the tax rate	790,605	20.00	605,463	20.00
Tax effect of income and expense that are not exempted for tax purposes	8,935	0.23	2,557	0.08
Tax adjustment for prior years	(15,420)	(0.39)	3,153	0.10
Income tax expense per the statements of profit or loss and other comprehensive income	<u>784,120</u>	<u>19.84</u>	<u>611,173</u>	<u>20.18</u>

The Company used a tax rate of 20% for the corporate income tax and deferred tax calculation for the years ended December 31, 2021 and 2020.

## 28. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2021 and 2020 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of issued ordinary shares during the year as follows:

	Unit : Thousand Baht	
	2021	2020
Profit for the years attributable to ordinary shareholders of the Company	3,168,906	2,416,143
Number of issued ordinary shares at January 1, (Thousand shares)	2,108,168	2,105,948
Effect of shares issued on May 6, 2021 (Thousand shares)	138,619	-
Effect of share conversion to convert preferred shares to ordinary shares on December 18, 2020 (Thousand shares)	-	85
Weighted average number of ordinary shares outstanding (Thousand shares)	2,246,787	2,106,033
Basic earnings per shares (Baht per share)	1.41	1.15

## 29. OPERATING SEGMENTS

The business segment results are prepared based on the Company internal management reporting which reflects the organizational management structure. The operating results by business segment provided to chief operating decision maker to make decisions about allocating resources to, and assessing the performance of, operating segments is measured in accordance with Thai Financial Reporting Standard. The chief operating decision maker has been identified as the Board of Directors.

The business segment is financial service to customers. The products and services available to customers are loans and hire purchase for all types of vehicles and non-life insurance broker. During the current year, the Company has not changed the structure of the operating segments.

Operating segment by business for the years ended December 31, were as follows:

	Non-life insurance broker		Hire-purchase and lending services		Total	
	2021	2020	2021	2020	2021	2020
<b>For the year ended December 31,</b>						
Interest income on hire-purchase receivables	-	-	1,111,604	1,204,777	1,111,604	1,204,777
Interest income on loans	77,655	59,097	8,635,416	7,471,412	8,713,071	7,530,509
Fee and service incomes	1,093,188	812,728	1,103,981	979,258	2,197,169	1,791,986
Other incomes	2,463	2,616	22,827	28,974	25,290	31,590
<b>Total income</b>	<b>1,173,306</b>	<b>874,441</b>	<b>10,873,828</b>	<b>9,684,421</b>	<b>12,047,134</b>	<b>10,558,862</b>
Service and administrative expenses					6,558,930	5,771,951
<b>Total expense</b>					<b>6,558,930</b>	<b>5,771,951</b>
Profit from operating activities					5,488,204	4,786,911
Loss arising from de-recognition of financial assets measured at amortised cost					(624,782)	(583,281)
Finance costs					(1,121,051)	(1,177,972)
Reversal of impairment loss determine in accordance with TFRS 9					210,655	1,658
<b>Profit before income tax expenses</b>					<b>3,953,026</b>	<b>3,027,316</b>
Income tax expenses					(784,120)	(611,173)
<b>Net profit for the years</b>					<b>3,168,906</b>	<b>2,416,143</b>

	Non-life insurance broker		Hire-purchase and lending services		Total	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Cash and cash equivalents	2,561	2,616	3,992,178	1,262,617	3,994,739	1,265,233
Loans and hire-purchase receivables	1,226,521	771,390	57,620,765	47,796,641	58,847,286	48,568,031
Other assets	12,569	9,145	3,670,805	3,493,113	3,683,374	3,502,258
<b>Total assets</b>	<b>1,241,651</b>	<b>783,151</b>	<b>65,283,748</b>	<b>52,552,371</b>	<b>66,525,399</b>	<b>53,335,522</b>

## Geographic information

The Company has operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

## Major customers

For the years 2021 and 2020, the Company had no major customer with revenue of 10 percent or more of the Company's revenues.

### 30. RESTRICTED BANK DEPOSITS

As at December 31, 2021 and 2020, the Company had a fixed deposit of Baht 1.1 million for maintaining assets in non-life insurance brokerage business as specified in Non-Life Insurance Act B.E. 2535 and additional amendment and the Notification of the Office of Insurance Commission regarding rules and conditions for license issuance and renewal of non-life insurance broker and the business operation of a juristic person licensed as a non-life insurance broker B.E. 2562.

As at December 31, 2021 and 2020, the Company had a fixed deposit of Baht 2 million for maintaining assets in life insurance brokerage business as specified in Life Insurance Act B.E. 2535 and additional amendment and the Notification of the Office of Insurance Commission regarding rules and conditions for license issuance and renewal of life insurance broker and the business operation of a juristic person licensed as a life insurance broker B.E. 2562.

### 31. OPERATING LEASES AND SERVICES COMMITMENTS

The Company had commitment under agreements for office space lease and services. The future rental payments as at December 31, were as follows:

	Unit : Thousand Baht	
	2021	2020
Due within 1 year	109,259	117,774
Due over 1 year but not over 5 years	87,739	141,997
	<u>196,998</u>	<u>259,771</u>

As at December 31, 2021 and 2020, the Company paid rental deposits under the terms of the lease agreements of Baht 97.01 million and Baht 84.28 million, respectively.

For the years ended December 31, 2021 and 2020, operating lease and service agreements were recorded as expenses in the statement of profit or loss and other comprehensive income amounting to Baht 87.26 million and Baht 95.89 million, respectively.

## 32. COMMITMENTS AND CONTINGENT LIABILITIES

- 32.1 As at December 31, 2021 and 2020, the Company had credit facility for bank guarantee for business operations of Baht 6 million in each year.
- 32.2 As at December 31, 2021 and 2020, the Company had unused overdrafts credit facilities from banks of Baht 40 million and Baht 20 million, respectively.
- 32.3 As at December 31, 2021, the Company had been granted credit facility for short-term borrowings from banks of Baht 8,801 million, and for long-term borrowings from banks of Baht 30,398 million and USD 100 million.

As at December 31, 2020, the Company had been granted credit facility for short-term borrowings from banks of Baht 9,801 million, and for long-term borrowings from banks of Baht 30,348 million.

- 32.4 In 2011, the Company was sued to the Civil Court for the infringement case for a material amount and was sued to the Bangkok North Municipal Court for fabricated false documents. These cases are still temporarily suspending.

## 33. RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Company by common shareholders or directors. Transactions with related parties are conducted at market prices or, where no market price exists, at contractually agreed prices.

The names of the related companies that have relationship with the Bank shareholder and the parent company and/or the same common directors were as follows:

General Card Services Limited  
Total Services Solutions Public Company Limited  
Krungsri Ayudhya Card Company Limited  
Tesco Card Services Limited  
Lotus's General Insurance Broker Limited  
Lotus's Life Assurance Broker Limited  
Krungsri General Insurance Broker Ltd.  
Krungsri Life Assurance Broker Ltd.  
Ayudhya Capital Auto Lease Public Company Limited  
Ayudhya Card Services Company Limited  
Ayudhya Development Leasing Company Limited  
Siam Realty and Services Security Company Limited  
Krungsri Asset Management Company Limited  
Sri Ayudhya Capital Public Company Limited  
Hattha Bank Public Company Limited  
Ayudhya Capital Services Company Limited  
Krungsri Securities Public Company Limited

33.1 Balances with related parties as at December 31, were as follows:

Balances / Company names	Relationship	Unit : Thousand Baht	
		2021	2020
<b>Cash and cash equivalents</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	3,957,596	942,069
<b>Loans</b>			
Director		25	-
<b>Deferred commissions</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	6,337	7,319
<b>Current contracts assets</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	49	11
<b>Prepaid expenses</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	-	469
<b>Other current assets</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	533	1,244
<b>Right-of-use of assets (presented in “Leasehold improvement and equipment”)</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	1,172	1,086
Siam Realty and Services Security Company Limited	Related company	36,865	75,468
		<u>38,037</u>	<u>76,554</u>
<b>Purchase of intangible assets</b>			
Ayudhya Capital Auto Lease Public Company Limited	Related company	-	10,759
Ayudhya Capital Services Company Limited	Related company	-	56,630
		<u>-</u>	<u>67,389</u>
<b>Other non-current assets</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	3,549	3,743
<b>Short-term borrowings</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	3,300,000	2,600,000
<b>Amounts due to related parties</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	3,369	7,174
Siam Realty and Services Security Company Limited	Related company	-	12
Krungsri Ayudhya Card Company Limited	Related company	1,052	222
		<u>4,421</u>	<u>7,408</u>
<b>Accrued expenses</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	6,048	16,239
<b>Other current financial liabilities</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	441	341
<b>Other current liabilities</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	201	227
<b>Long-term borrowings</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	8,820,000	10,180,000
<b>Long-term debentures</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	295,200	1,144,800
<b>Deferred transaction cost for issuance of debentures</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	3,648	4,620

		Unit : Thousand Baht	
Balances / Company names	Relationship	2021	2020
<b>Lease liabilities</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	1,542	1,544
Siam Realty and Services Security Company Limited	Related company	76,149	74,771
		<u>77,691</u>	<u>76,315</u>
<b>Other non-current liabilities</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	67	67

33.2 Significant transactions with related parties for the years ended December 31, were as follows:

		Unit : Thousand Baht	
Transactions / Company names	Relationship	2021	2020
<b>Interest income on loans</b>			
Director		1	-
<b>Fee and service incomes</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	2	-
<b>Other income</b>			
- Interest income			
Bank of Ayudhya Public Company Limited	Major shareholder	7,652	8,359
- Other income			
Bank of Ayudhya Public Company Limited	Major shareholder	580	640
Ayudhya Capital Auto Lease Public Company Limited	Related company	-	(4)
		<u>580</u>	<u>636</u>
<b>Service and administrative expenses</b>			
- Service fee expenses			
Bank of Ayudhya Public Company Limited	Major shareholder	18,712	36,426
Ayudhya Capital Auto Lease Public Company Limited	Related company	-	4,569
Siam Realty and Services Security Company Limited	Related company	39,285	46,230
Director		-	1,400
		<u>57,997</u>	<u>88,625</u>
<b>Finance costs</b>			
- Interest expense			
Bank of Ayudhya Public Company Limited	Major shareholder	387,468	518,290
Siam Realty and Services Security Company Limited	Related company	1,377	2,602
		<u>388,845</u>	<u>520,892</u>
<b>Gain (loss) on cash flow hedges</b>			
Bank of Ayudhya Public Company Limited	Major shareholder	(104)	(337)

Transactions with related parties were conducted on normal terms of business. All service fees were charged at the rates agreed by the Company and those related parties.

33.3 Key management and director's compensation for the years ended December 31, were as below:

	Unit : Thousand Baht	
	2021	2020
Short-term employee benefits	94,817	95,501
Post-employment benefits	1,675	1,344
	<u>96,492</u>	<u>96,845</u>

## Benefits paid to directors and persons with management authority

The Company had no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Company did not significantly sell, give or lease any properties to directors, executive officers, or their related parties, or did not purchase or lease any assets from those persons.

### 33.4 Significant agreements with related companies

#### IT and management service agreement

On May 4, 2018, the Company entered into the agreement with the Bank shareholder for use of information technology and management services for the period of five years commencing on January 1, 2018. The agreement shall be extended for another year unless earlier terminated. The Company is committed to pay service fees as specified in the agreement.

#### Vehicle rental agreement

On December 1, 2010, the Company entered into the agreement with a related company. The agreement is effective since December 1, 2010 and shall be extended for another year unless earlier terminated. The Company is committed to pay service fees as specified in the agreement.

#### Marketing support agreement

On February 22, 2019, the Company entered into the agreement with the Bank shareholder for referral service. The agreement is effective since December 31, 2019 and shall be extended for another year unless earlier terminated. The Company is committed to pay service fees as specified in the agreement.

## 34. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Classification of financial assets and financial liabilities as at December 31, were as below:

As at December 31, 2021

	Unit : Thousand Baht		
	Financial instrument measured at amortised cost	Derivative liabilities	Total
<b>Financial assets</b>			
Cash and cash equivalents	3,994,739	-	3,994,739
Loans and hire-purchase receivables	58,847,286	-	58,847,286
Other financial assets	640,205	-	640,205
	<b>63,482,230</b>	<b>-</b>	<b>63,482,230</b>

	Unit : Thousand Baht		
	Financial instrument measured at amortised cost	Derivative liabilities	Total
<b>Financial liabilities</b>			
Short-term borrowings	3,300,000	-	3,300,000
Other current payables	1,516,073	-	1,516,073
Short-term debenture	999,368	-	999,368
Long-term borrowings	21,269,734	-	21,269,734
Long-term debentures	15,616,247	-	15,616,247
Other current financial liabilities	-	441	441
	<b>42,701,422</b>	<b>441</b>	<b>42,701,863</b>

As at December 31, 2020

	Unit : Thousand Baht		
	Financial instrument measured at amortised cost	Derivative liabilities	Total
<b>Financial assets</b>			
Cash and cash equivalents	1,265,233	-	1,265,233
Loans and hire-purchase receivables	48,568,031	-	48,568,031
Other financial assets	564,316	-	564,316
	<b>50,397,580</b>	<b>-</b>	<b>50,397,580</b>
<b>Financial liabilities</b>			
Short-term borrowings	2,600,000	-	2,600,000
Other current payables	1,381,386	-	1,381,386
Long-term borrowings	25,328,410	-	25,328,410
Long-term debentures	11,136,567	-	11,136,567
Other current financial liabilities	-	341	341
	<b>40,446,363</b>	<b>341</b>	<b>40,446,704</b>

### 35. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

Fair value is the price that would be received from selling an asset or paid for transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, the most liquid market where the Company is able to access.

Fair value measurement of financial assets and liabilities are determined according to the following hierarchy:

Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date

Level 2 - Quoted price in active market for similar assets or liabilities, the quoted price for identical or similar assets in inactive market and other valuation technique where significant inputs used to measure the fair value are observable

Level 3 - Using techniques where significant inputs used to measure the fair value are unobservable

Carrying amount of financial assets and liabilities as at December 31, were as follows:

	2021			2020		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
<b>Unit : Thousand Baht</b>						
<b>Financial assets</b>						
Cash and cash equivalents	-	3,994,739	3,994,739	-	1,265,233	1,265,233
Loans and hire-purchase receivables	-	58,847,286	58,847,286	-	48,568,031	48,568,031
Other financial assets	-	640,205	640,205	-	564,316	564,316
<b>Total</b>	<b>-</b>	<b>63,482,230</b>	<b>63,482,230</b>	<b>-</b>	<b>50,397,580</b>	<b>50,397,580</b>
<b>Financial liabilities</b>						
Short-term borrowings	-	3,300,000	3,300,000	-	2,600,000	2,600,000
Other current payables	-	1,516,073	1,516,073	-	1,381,386	1,381,386
Short-term debenture	-	999,368	999,368	-	-	-
Long-term borrowings	-	21,269,734	21,269,734	-	25,328,410	25,328,410
Long-term debentures	-	15,616,247	15,616,247	-	11,136,567	11,136,567
Other current financial liabilities	441	-	441	341	-	341
<b>Total</b>	<b>441</b>	<b>42,701,422</b>	<b>42,701,863</b>	<b>341</b>	<b>40,446,363</b>	<b>40,446,704</b>

### Financial liabilities measured at fair value

Classification of financial liabilities measured at fair value by the level of fair value hierarchy as at December 31, were as follows:

	2021				2020			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Unit : Thousand Baht</b>								
<b>Financial liabilities</b>								
<b>Other current financial liabilities</b>								
Derivative liabilities								
- Interest Rate Swap	-	441	-	441	-	341	-	341

There were no transfers of financial assets and liabilities measured at fair value between level 1 and level 2 for the years ended December 31, 2021 and 2020.

Valuation technique for financial assets and liabilities measured at fair value were as follows:

#### Derivatives

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate and credit valuation adjustments which are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Company may not receive the full market value of the transactions.

#### Financial assets and liabilities not measured at fair value

Classification of financial assets and liabilities which are not measured at fair value by the level of fair value hierarchy as at December 31, were as follows:

	Unit : Thousand Baht				Level of fair value hierarchy
	2021		2020		
	Book value	Fair value	Book value	Fair value	
<b>Financial assets</b>					
Cash and cash equivalents	3,994,739	3,994,739	1,265,233	1,265,233	Carrying amount
Loans and hire-purchase receivables	58,847,286	58,939,676	48,568,031	48,930,810	Level 3
Other financial assets	640,205	640,205	564,316	564,316	Carrying amount
<b>Financial liabilities</b>					
Short-term borrowings	3,300,000	3,300,000	2,600,000	2,600,000	Level 3
Other current payables	1,516,073	1,516,073	1,381,386	1,381,386	Carrying amount
Short-term debenture	999,368	999,609	-	-	Level 2
Long-term borrowings	21,269,734	21,263,198	25,328,410	25,526,429	Level 3
Long-term debentures	15,616,247	15,724,557	11,136,567	11,230,377	Level 2

The methods used by the Company for asset and liability estimation not measured at fair value were as follows:

For financial assets which have short-term maturity, including cash and cash equivalents, other financial assets such as receivable from payment agent, contract asset, and value-added tax paid in advance for customers, and financial liabilities which have short-term maturity such as other current payable, their carrying amounts in the statement of financial position approximate their fair value.

For loans and hire-purchase receivables, their fair values were estimated by discounting expected future cash flow by the current market interest rate of the loans and hire-purchase receivables with similar terms and conditions.

Short-term borrowings had the carrying values close to the fair values because these financial instruments were matured in a short time.

For short-term and long-term debentures, their fair values were determined by using the yield curve as announced by the Thai Bond Market Association as at the end of last working day of the reporting period.

Long-term borrowings which had interest rate close to the market rates, the fair value was estimated according to the book value shown in the statements of financial position.

Long-term borrowings with fixed interest rate, the fair value was estimated by discounting expected future cash flow by the current market interest rate of the borrowings with similar terms and conditions.

### **36. EVENTS AFTER THE REPORTING PERIOD**

On February 21, 2022, the Board of Directors' Meeting No.2/2022 had passed the following resolutions to the Annual General Meeting of Shareholders to consider and approve the following matters:

36.1 To approve the appropriation of the legal reserve of Baht 158 million.

36.2 To approve dividend payment from the results of the operations of the year ended December 31, 2021 to the shareholders. The dividends are divided into

- The dividend payment in cash at the rate of Baht 0.274 per share with the total amount not exceeding approximately Baht 635 million, and
- The dividend payment with ordinary shares of the Company in the ratio of 13 of current shares for 1 dividend share with the total amount not exceeding approximately Baht 660 million (178,383,428 ordinary shares with a par value of Baht 3.7 per share) which is equivalent to the amount of dividend at the rate of Baht 0.285 per share. In case any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash instead of stock dividend payment at the rate of Baht 0.285 per share

The determination of the list of shareholders entitled to receive dividend payment (Record date) shall be April 29, 2022. The dividend payments are scheduled to be made on May 20, 2022.

36.3 To approve the increase of the Company's registered share capital from the current registered capital of Baht 8,580,242,909 (2,318,984,570 ordinary shares with a par value of Baht 3.7 per share) to be Baht 9,240,261,593 (2,497,367,998 ordinary shares with a par value of Baht 3.7 per share) by issuing 178,383,428 newly issued ordinary shares with a par value of Baht 3.7 per share to accommodate the distribution of stock dividend of not more than 178,383,428 shares.

### **37. AUTHORIZATION OF THE FINANCIAL STATEMENTS**

These financial statements were approved by the Board of Directors of the Company for issuance on February 21, 2022.

# General Information

## 1. Company Information (as of December 31, 2021)

<b>Name of company</b>	: Ngern Tid Lor Public Company Limited	
<b>Company registration number</b>	: 0107563000355	
<b>Business type</b>	: Providing lending and hire-purchase financing services, non-life and life insurance brokerage and other related services	
<b>Address</b>	: 428 Ari Hills, 9 <sup>th</sup> -15 <sup>th</sup> Floor, Phahonyothin Road, Samsennai, Phayathai, Bangkok 10400	
<b>Phone number</b>	: 08-8088-0880	
<b>Facsimile</b>	: 0-2792-1888	
<b>Website</b>	: www.tidlor.com	
<b>E-mail</b>	: InvestorRelations@tidlor.com	
<b>Registered capital</b>	: 8,580,242,909 Baht (as of December 31, 2021)	
<b>Paid-up capital</b>	: 8,580,242,909 Baht (as of December 31, 2021)	
<b>Type and total number of shares</b>	: 2,318,984,570 ordinary shares,	
<b>Securities registrar</b>	Thailand Securities Depository Company Limited (TSD) 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand Telephone : 02 009-9999	
<b>Debenture registrar</b>	Bank of Ayudhya Public Company Limited Head Office: 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Telephone: 1572	
<b>Auditor</b>	Nomination list of Certified Public Accountants Mr. Chavala Tienpasertkij and/or Mr. Kasiti Ketsuriyonk and/or Mrs. Nisakorn Songmanee and/or Mr. Yongyuth Lertsurapibul Deloitte Touche Tohmatsu Jaiyos Audit Company Limited 3 South Sathorn Road, Yannawa, Sathon, Bangkok 10120 Telephone: 0-2676-5700	Certified Public Accountant Registration Number 4301 8833 5035 6770

## 2. Legal Dispute

As of December 31, 2021, the Company did not have legal dispute, whether as claimant party or responding party, particularly a case that was not yet convicted by final judgment or decision, which had negative impacts on assets greater than 5 percent of the shareholders' equity or 10 percent of current assets.



**Ngern Tid Lor Public Company Limited**

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