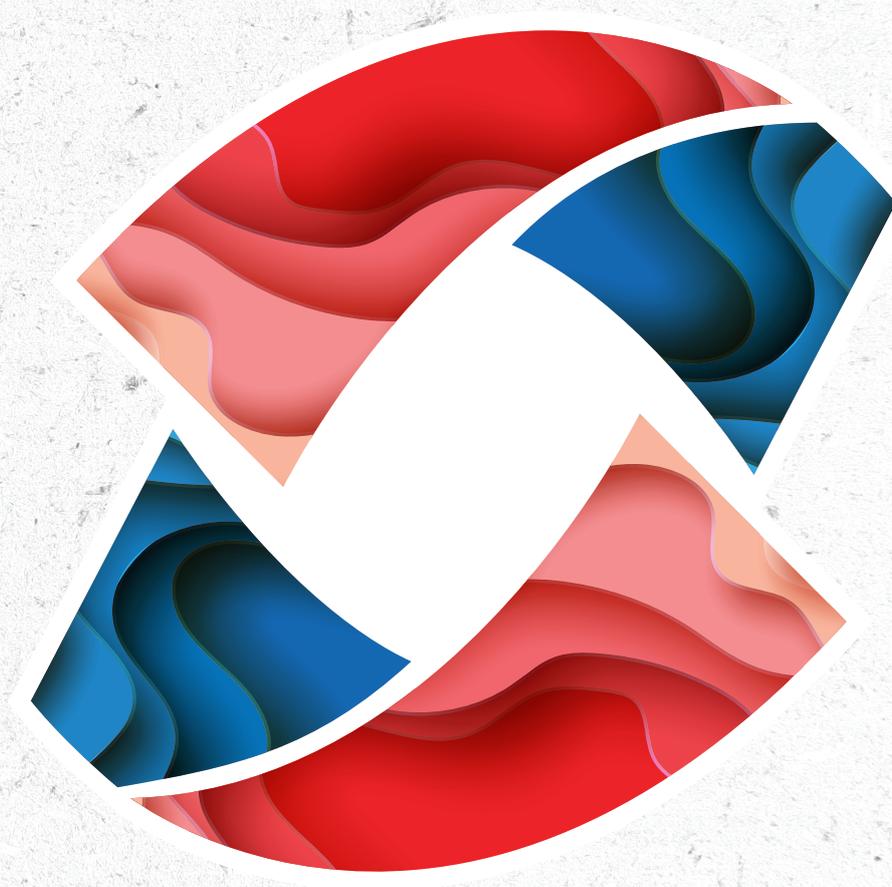




Form 56-1
One Report 2023



WHY & HOW

What we believe and How 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.



CORE VALUES



1

**Sustainable Impact
by Creating Opportunities**

2

Sense of Ownership with Gratitude

3

Candid Teamwork

4

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

5

Thirst for Wisdom and Self-Development

6

Experiment to Lead Change

7

Work Smart, Party Hard

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MESSAGE FROM CHAIRMAN



2023 has been an extraordinary chapter in our journey, marked by resilience, innovation, and unwavering commitment. Our team navigated the headwinds with skill and determination in the face of domestic and global economic challenges. I am deeply grateful to our clients, partners, team members, and all stakeholders for their tireless collaboration, which has enabled us to meet our expectations.

Financially, our lending and insurance divisions have delivered robust performances, showcasing the effectiveness of our strategic decisions. The economic slowdown posed challenges. Inflation caused by geo political instability and rise in oil prices resulted in rate rises in Thailand. The MPC rate at 2.5% is at the highest in recent years, causing a rise in cost of funds. The management

top priority has been long term safety and soundness and ensure that our company is steered safely through these turbulent times. The interest rate caps in the motorcycle hire purchase also saw further challenges. Despite these challenges TIDLOR, demonstrated solid performance in 2023 compared with the peers, generating revenues of 18,972.1 Million Baht and a net profit of 3,790.4 Million Baht., still growing by 4% despite the challenging market conditions. Our strategic focus on technology and digital innovation has ensured success of the TIDLOR applicatio-a virtual service center that has been embraced by more than 78% of our clients. Expanding our service channels, we have strategically increased our branch network to 1,678 branches nationwide and focus on efficient

management of operating expenses as reflected in the continuously decreasing cost to income, which aligns with our direction of lower financial costs.

I am delighted to announce that we have continued a TRIS rating of an “outstanding senior unsecured debentures rating at level A with stability” for three consecutive years since we were listed on the Stock Exchange of Thailand. Additionally, we are proud to be recognized as an Excellent Good Corporate Governance (CGR) by the Thai Institution of Directors.

Throughout 2023, while the global economy faced persistent sluggishness, TIDLOR remained unwavering in its commitment to conducting business with sustainability at its core. We adhere to the principles of good corporate governance and implement robust risk management practices. Our dedication extends beyond financial success to support the development of economic, social,

and environmental balance. Aligned with the United Nations’ Sustainable Development Goals (SDGs), our sustainable development initiatives aim to create long-term growth and returns for the maximum benefit of all stakeholders, contributing to the betterment of society and the nation.

I express my deepest gratitude to all our employees, executives, and stakeholders for their invaluable contributions. The Board of Directors, representing the epitome of professionalism, remains committed to supervising TIDLOR’s businesses with independence and neutrality for the long-term benefit of shareholders and stakeholders alike.

As we embark on the journey, I am confident that TIDLOR will continue to thrive, innovate, and create lasting value. Together, let us shape a future where prosperity is synonymous with sustainability.

Thank you for your trust and continued support.
Sincerely,



Mr. Chandrashekar Subramanian Krishoolndmangalam
Chairman of the Board

MESSAGE FROM MANAGING DIRECTOR



I am pleased to announce that 2023 was another solid year of sustainable operating performance and business growth for your company. Despite experiencing many headwinds, surprises, and turbulence, our company managed to end up in a stronger position than when the year started. We grew shareowners' wealth by another 3.79 billion Baht a growth of 4% while also expanding our balance sheet by 97.5 billion Baht (20%) and our borrower base by 144,610 (16%). Further, we sold 8.7 billion Baht (25%) as the amount of non-life insurance premiums.

While at first glance, the single-digit net earnings growth may seem modest when compared to that of previous periods, if considered against the backdrop of one of the tougher business environments Thailand has experienced in years one in which many nonbank operators' earnings either shrank or drifted into negative territory my opinion is that your company fared rather well. After all, navigating a ship through rough waters requires more preparation and skill than when the skies are clear and the waters calm.

We believe that the growth our company experienced was of fundamentally high quality and, more importantly, sustainable. While taking the business to new heights, we took steps to clean up our loan portfolio, ending the year with lower non-performing loan ("NPL") levels at 1.45%, a 13bps decline from the end of the previous fiscal year. Our cost-to-income ratio also gravitated lower to 54.9% despite visible margin compression caused by the steepest rise in interest rates in recent memory. Substantially, the mix of our cost base continued to evolve gradually to become flexible and scalable as we continued to pay down our technical debt and allocate our resources toward developing higher-quality IT assets. Your management team accomplished all of this while pursuing our financial inclusion mission; investing in our management bandwidth by giving emerging leaders larger roles; and continuing to develop our people, technology, partnerships, and new business initiatives. Thus, the runway for Ngern Tid Lor remains long, and our future remains bright. If we measure the quality of our achievements beyond

just a single earnings indicator or a few derivative financial metrics, 2023 was another year we can be proud of.

In last year's letter, I allocated considerable space to topics concerning risk, competition, accounting, and technology. Less visible, though no less important, is our company's financial inclusion mission and culture, the building blocks of which are our core values. Since household debt and informal debt remain critical national issues, in this letter, we share our perspective on inclusive finance, a topic NTLers care deeply about, from the vantage point of an operator. We are mindful that regulators, politicians, academics, and economists may disagree with what we have to say. Perhaps next year, we will dive deep into the topic of people and culture to detail our values-based approach to company-building.

This year's letter is separated into two sections. The first section expresses my personal views on financial inclusion. After having been an observer, analyst, and practitioner in this space for over a decade, I believe I have finally grasped this social problem well enough to propose a potential framework for a solution. This section is written with a broader set of stakeholders in mind and, hopefully, will help clarify some misconceptions about industry practices.

The second section recaps last year's performance and is mainly intended to help shareowners understand the context in which we operate and the principles by which we make decisions to manage your company.

SECTION 1: Our thoughts on financial inclusion and impact

1. Interest rates grab all the headlines, but there is much more to inclusive finance
2. Our four-point plan to reduce loan sharks and inequality
3. Our first impact report card

SECTION 2: Performance-related topics

1. Taking stock of actual events versus what we expected
2. Our lending business unit
3. Our insurance brokerage unit
4. Summary and thoughts about next year

SECTION 1. INCLUSIVE FINANCIAL SERVICES AND IMPACT

In my first two annual letters, I reiterated our company's mission to help marginalized members of society participate in the formal financial sector and that intentionality is a prerequisite for inclusive finance. I will expand on this to clarify how NTLers' belief in social impact, driven by our genuine desire to help the underbanked, leads to superior product design and translates into business performance. We anchor our organization to this issue not because it makes for good headlines and branding but rather because it benefits society, ensures strength and sustainability for our business, and reflects what NTLers deeply value. Working hard to strike a balance between our purpose, profits, and people is what makes this company special.

This topic is particularly relevant given the news cycles prevalent during the drafting of this letter. In the late fourth quarter of 2023, the Thai government announced a plan to combat the problem of illegal moneylenders, equating the problem to modern-day slavery. While this initiative by the government may seem in line with NTL's overall goals toward poverty alleviation, I found myself concerned about potential misconceptions related to the treatment of interest rates held by the public as well as public officials. It is important here to state clearly and unequivocally that our company is not aligned with any political party. This statement, however, should not be interpreted as betraying our lack of opinions on specific policies

and practices. Being able to separate the politics from the policies is vital to our organization's role in society.

As an organization, NTL has been outspoken for years sometimes unpopularly so on the need to improve financial access, transparency, literacy, and standards. As a prominent organization striving to be part of the solution to the problem of inequality, we feel obliged to share our views that have been shaped by both theoretical and practical experiences and synthesized into insights, initiatives, and actionable ideas.

Additionally, it is worth noting that we perceive the topics of impact and inclusive finance to be inseparable from being a good business operator in this space. We can point to empathy and an understanding of our clients' natural biases and limitations as the source for our past innovative product and service solutions. Besides, we are also convinced that our organization's future commercial success will be led by passionate champions for inclusive finance.

Impact in microlending is not just about low interest rates; in fact, they are probably too low if we want to further promote inclusive finance.

The most visible subject of debate among pundits, policymakers, politicians, and practitioners is interest rates. Today, Thailand's title loan industry yield is capped at 24% APR, and the regulations are rather prescriptive about other aspects of lending, including payment hierarchy, marketing messages, and collections fees. However, most public discussions involving academics, public figures, and regulators tend to focus on interest rates, with the majority of them holding the opinion that at the current ceiling for this product (i.e., 24% APR), interest rates are too high and burdensome to borrowers. It is not uncommon to hear the label "usurious" being used when discussing this topic.

In contrast, we have found that the borrowers themselves generally hold the opposite view. It is critical to understand the reason behind this.

For over a decade, our company's leaders have been active observers of customer behavior and students of microfinance. Below, we share six insights we have derived based on this experience serving the underbanked. The lessons we have learned after overcoming our own experience biases as salaried employees lead us to offer three reasons why a 24% annualized interest rate does not cause the self-employed to feel the pain of sticker shock. Being able to empathize and see the world through the eyes of the borrowers is the first step to designing solutions that are comprehensive, feasible, viable, responsible, desirable, and sustainable. Additionally, we also share three insights that are relevant to serving the underbanked.

Further, I also argue why this 24% APR, which is the regulatory interest rate ceiling, should be raised in the short-to-medium term if Thailand wants to combat the societal problem of loan sharks sustainably.

Insight 1. Sensitivity to interest rates is driven by velocity: a lesson from a Nicaraguan merchant.

The first reason why NTL's borrowers can easily afford a 24% APR relates to the concept of velocity. To explain this, I provide you with a passage from the book *What the CEO Wants You To Know* by management guru Ram Charan, who states the following:

Many years ago, I took a group of MBA students to an open-air market near Managua, Nicaragua. There merchants (almost all women) sold everything from pineapples to shirts and necklaces. We approached a woman selling clothing in a small shop, and I asked her how she got the money to pay for her merchandise.

She said she borrowed it, paying 2.5 percent interest a month. One fast-thinking student did the math 2.5 percent multiplied by twelve months and announced that the interest rate was a whopping 30 percent a year. The woman gave me a disapproving look and said in Spanish that the student was wrong. Compounded month to month, the rate was 34 percent annually. How much margin did she make? Just 10 percent. So how could she survive borrowing money from loan sharks charging 34 percent a year? We had to ask. Annoyed by the stupidity of the question, she made several sweeping circular motions through the air. Her gesture meant rotation rotation of inventory, or turning the stock over. She knew intuitively that earning a good return had two ingredients profit margin and velocity. If she sold a blouse for \$10, she made just \$1 in profit. To pay the interest on the loan and to restock her cart, she had to sell her wares again and again during the day. The more she sold, the more “10 percents” she accumulated. The word “velocity” describes this idea of speed, turnover, and movement. Think of raw materials moving through a factory and becoming finished products, and think of those finished products moving off the shelves to the customer. That’s velocity.

This example is about someone earning 10% gross profit margins per unit of inventory and paying 2.5% monthly interest (34% compounded annually). Now imagine a trader who is selling food or those silicone mobile phone cases often found in shopping mall retail spaces. The margins on consumer goods are significantly higher than 10%, usually around 60-75%, which means that they earn 200-300% return on each case they sell. In this example, the interest rate of 2.5% per month is a relatively small cost. If the velocity of their inventory is twice per month, the cost to finance each round

of inventory turnover is only 1.25% of revenues. Using this example, it is understandable why a small business owner would be willing to pay even 10% or up to 30% per month, which is a normal interest rate charged by moneylenders across Thailand.

In our years of evaluating the incomes of micropreneurs, we have never encountered retail merchants or food cart vendors charging margins as low as 10%, as mentioned in the Nicaragua-based example; typically, unit gross profits are 50% (which is double their cost of goods or raw materials), and even that is somewhat on the lower end of the spectrum when it comes to retail transactions.

To validate this for yourselves, try interviewing your favorite shop house food vendor and ask them about how much their rent and raw materials cost, the daily wage paid to their employee (if any), and how often they need to restock. Simple calculations should help you appreciate that gross margins are high and that the majority of costs are driven by overhead and distribution, not raw materials. Although the above example is for a trader in Central America, it can be applied to virtually any country as fundamental retail economics and borrower behavior are fairly common and consistent worldwide.

The part of this anecdote that I find less relatable, however, is that the Nicaraguan woman understood the concept of compounding. We have not found this to be the case among underbanked borrowers in Thailand. Our experience has been that consumers on the lower end of the socio-economic pyramid prefer loan prices quoted in simple or flat monthly interest rates because it is easier for them to calculate their interest burden and installments using a calculator. In fact, most college-educated employees who did not study finance in college struggle to distinguish between flat-rate loans and annualized percentages, and even fewer have the ability to perform the conversion themselves.

This concept of simplifying communications for the less financially literate has been promoted by microfinance practitioners globally and also receives support from customer-centric design companies such as IDEO, which has a Bill and Melinda Gates Foundation-sponsored program called Last Mile Money. In their online Financial Confidence Playbook, Last Mile Money specifically advises designers of inclusive finance interfaces to completely “let go of percentages and explain terms in intuitive language.” Simply put, this entails highlighting the absolute cash outlay (read: monthly, weekly, or daily installment amount), which is a more useful figure for borrowers to determine affordability, along with just including the interest rate for transparency purposes. This suggestion contrasts with the well-intentioned and recent “responsible lending” policy issued by the regulators, which mandates that lenders prominently publish an APR-formatted interest rate when communicating with potential borrowers.

Insight 2. Borrowers rationally prioritize affordability over interest rates, which are related but separate considerations: lessons from observing loan sharks and studying financial diaries of the self-employed.

The second reason why NTL’s borrowers can easily afford a 24% APR is that borrowers of this nature tend to perceive installment size as the price of a loan, not the interest rate. This is not dissimilar to how most people think about affordability when buying tangible goods. The determination of whether or not an item is “affordable” is made when comparing the cash outlay (or price) with the funds the buyer has to deploy. If the price of the item is higher than the funds the buyer has available, the item is considered unaffordable, and vice versa. Similarly, for loans to the underbanked, affordability is related to installment size or how much cash outlays the borrower will have to make. This distinction between whether the cost of

a loan includes borrowed principal or only the interest component seems to be a topic of confusion when discussing the cost of a loan. An online search for “cost of a loan” will yield multiple definitions.

Our customers are in the camp that treats the entire amount to be repaid (principal plus interest) as the cost of a loan. Specifically, they are most concerned with the installment size and repayment terms. Understanding the nature of our clients’ intermittent cash flows should help explain this behavior.

Compare, for example, the cash flows of a rice farmer with those of a motorcycle taxi driver. Rice farmers harvest their crops once or twice a year depending on a variety of factors, including the amount of rainfall, the geographic location of their plot of land, and their planting methods. These seasonal activities will cause farmers’ cash flows to spike and be concentrated during those periods of harvesting and planting. This is in contrast with the situation of a motorcycle taxi driver in Bangkok, whose income fluctuates with the daily weather, holiday season, and random traffic conditions. When these borrowers come to us for a loan after first prioritizing that the amount of funds they can get will suit their immediate needs, their next question is about the installment size and repayment terms, not interest rates. Because of the erratic nature of their cash inflows, the rational choice for these borrowers is to select a loan that has a lower installment (i.e., one they can afford) to minimize the chances that they will fall behind.

Out of the over 2.5 million borrowers we have served over the last five years, 70% were self-employed farmers, micro-entrepreneurs, and small business owners whose incomes fluctuated widely depending on their income source. Notably, nearly all of them exhibit this behavior of choosing affordable installment sizes over minimizing interest rates.

Within NTL, we educate our employees to recognize that, unlike the self-employed, salaried employees are unable to invest the borrowed funds in inventory and increase their income after taking out a loan. Therefore, unless they are reducing their monthly installments and consolidating debts, they should not borrow from us. Moreover, while we do not promote title loans for consumptive purposes, it is impossible to distinguish the true purpose of borrowing because money is fungible.

To illustrate, consider the following story about fungibility and loan purpose that I recall from my training at the Boulder Institute of Microfinance:

A microfinance company in India lent money to a woman who wanted to buy a sewing machine to generate income for her family. The day after the loan was disbursed, the lender sent an employee on a site visit to confirm that the disbursed funds were, in fact, used to buy a productive asset. The employee returned to report that the company's purpose had been fulfilled, and everyone felt good about their role in financial inclusion. However, what the employee was unable to uncover during their site visit was that the day before the borrower applied for a loan, her husband dipped into the family savings jar and purchased a television at a similar price to that of the sewing machine. So, did the lender finance the TV or the sewing machine?

There are multiple lessons to take away from this anecdote. First, for designers of regulations, there is a natural limit to what prescriptive, well-intentioned policies regarding income assessment, borrowing purpose, and collateral type can achieve. The lender in this example had to incur the cost of the employee traveling to confirm the purpose of borrowing, only to render the entire activity ineffective. Second, it highlights an issue with

financial literacy, planning, and discipline within the borrowers' household, a topic that we will revisit later.

Insight 4. Loan terms, service quality, and collections standards are more important than interest rates.

While loan pricing, amount, and availability receive most of the attention when it comes to microcredit, what most observers overlook is how customers are treated after they receive those loans. It is critical to understand that once a borrower receives cash, their relationship with their lender lasts for as long as it takes to pay off those loans. Specifically, this relationship encompasses elements that should include transparency in loan agreements (ideally in the form of plain-language contracts), collections notifications, the provision of receipts upon repayment, social network monitoring for complaints, round-the-clock call centers, self-service apps, compliance with collections laws, sustainable delinquent account resolution procedures, and support for customers to establish and maintain a credit profile. It is in this post-disbursement stage that the practices of licensed lenders diverge from informal sources and account for all the differences.

Moneylenders are a deceptively appealing option for those in need of loans because the borrowing experience is frictionless. Such lenders are often members of communities and ostensibly approachable, hassle-free, easygoing, flexible, and fast to disburse. In terms of the process, they easily beat licensed title loan operators in their proximity, speed, certainty of approval, and familiarity because they do not have to comply with any regulations or guidelines related to KYC or responsible lending. In exchange for their guaranteed approval, they demand high

interest rates and impose unreasonably short and frequent repayment schedules. Moreover, these lenders often do not provide any documentation and freely ignore a borrower's repayment capacity because they do not plan to adhere to any relevant laws. Their approach when customers fall behind on installments is to apply a combination of charging high late payment fees, using verbal abuse, threatening family members, causing social embarrassment, and, in the worst cases, inflicting physical harm.

However, unfortunately, while collections practices are just as important as the size, speed, and affordability of the loan obtained, few borrowers shop around and compare these elements when they are desperate to secure funds quickly and only come to realize their mistake once it is too late. This behavior is understandable. When the already fragile cash flows of low-income borrowers experience a sudden disruption, their immediate priority is to find money quickly to relieve the stressful situation. The natural reaction is to reach out to people they know for help. Oftentimes, misplaced trust in friends, neighbors, or friends of friends essentially, anyone familiar entraps unsuspecting borrowers and lures them to engage in borrowing from the wrong people. This is akin to a situation where when someone breaks your leg, you rush to the nearest hospital immediately, and you do not stop or take the time to interview the doctor treating you once you get there because you just want the pain to end. People with financial emergencies behave similarly.

Thus, our view is that financial inclusion entails financial security and peace of mind for the economically vulnerable throughout their entire relationship with us, not just at the loan approval phase. When people are stressed, they tend to make bad decisions and often become blind to risks.

At NTL, we try to address borrowers' emergency needs quickly while ensuring transparent processes and documentation. We also design flexibility into our loan features to help clients better manage their cash flows. We are continually trying to provide more optimized solutions without incurring any additional cost or risk. Since our interest charges are already a fraction of those charged by moneylenders, the challenge at hand is to find ways to profitably deliver these loans competitively with less friction upfront while providing superior service standards afterward. Beyond access to quality loans, the value we provide clients is peace of mind.

Insight 5. Risk-based pricing is a good concept and catchy phrase but an incomplete idea. Cost-based pricing is more appropriate.

Many well-intentioned policymakers and academics have been promoting the concept of risk-based pricing. If a customer is lower risk, the lender should charge less interest and vice versa. Theoretically, this approach focuses on fairness and is intended to reduce the interest rates charged to higher-quality borrowers who likely have a lower credit cost while also increasing the interest rates charged to weaker borrowers to compensate for the costs associated with delinquency. Ideally, if lenders can charge more for riskier borrowers, they will be more willing to lend. Lenders themselves tend to agree with it and, to a certain extent, try to put this concept of relative risk and relative reward into practice.

However, where definitions matter is that operators appreciate that risk ultimately results in credit losses, which is another type of cost more precisely, credit cost. So, if we extend this logic, we should arrive at the same conclusion that risk-based pricing is a subset of cost-based pricing and that the principle behind risk-based pricing is not different from that behind cost-based pricing in that it aims to optimize profit margins.

We propose then that pricing based on risk is incomplete, as it misleads casual observers to criticize retail lenders for the relatively large gap observed between their net interest margin (yield minus their cost of borrowing, or NIM) and credit costs. Where non-operators and salaried government officials disagree with lenders is on the cost to serve. For a licensed operator to deliver the critical elements of compliance and customer service that we mentioned above, lenders have to make substantial investments and incur ongoing expenses, which include investments in IT systems, credit analysts, rental costs of branches, training costs of employees, staff salaries, layers of processes needed to ensure compliance with relevant laws and regulatory standards, and overhead costs related to governance. The costs that should also be reflected in lending yields include variable costs, fixed costs, and hybrid costs, all of which behave a bit differently with regard to scale, growth, and investment cycles. The differences in the cost mix will reflect different business strategies and capabilities.

The following is an excerpt from an article titled “Why are microfinance interest rates so high?” where Elisabeth Rhyne, former managing director of the Center for Financial Inclusion, summarizes the importance of cost when considering the appropriateness of interest rates:

The arithmetic of tiny loans. Interest rates face an uncompromising arithmetic of three main cost elements, all context-specific. How big are the loans? What is the maximum loan officer caseload? How much are loan officers paid? A lender making \$1,000 loans in a dense city market with a labor market that allows modest loan officer salaries can charge a much lower interest rate (think Bolivia, with rates in the 20s) than a lender making \$100

loans in the rural parts of a middle-income country where loan officers earn a lot (think Mexico with rates in the 60s).

Notice the absence of the cost of risk in the three cost elements. The economics of smaller loans are more sensitive to the cost to serve. We can explain this through an extreme and simplified example of a new branch that services only motorcycle title loan clients who borrow on average 25,000 Baht at the maximum interest rate, with a 24-month contract. Let us assume that borrowers at this imaginary branch have not missed any installment payments and pay exactly on their due dates (which is obviously impossible). Let us also assume this branch has two employees who are being paid 15% over the current minimum wage, along with standard staff benefits, a nominal rental rate of 15,000 Baht per month, and moderate utility expenses. The capacity of this branch will be limited to how much these two employees can accomplish in an eight-hour workday. To earn enough interest income to pay for only the direct monthly costs of this single branch, we would need to originate over 180 new clients per month. Over a year, these two staff members would have to be able to service over 2,160 clients. Further, within a month, they would have to process loan repayments for each of those clients, an activity that takes time away from servicing new borrowers. So, at this break-even point, after a year, the average cost to operate this branch is 11% of the outstanding loan balance.

Again, this is assuming zero delinquency and no credit or collections costs, so no cost of risk. The economics for a single branch assuming these modest direct costs already fail to make commercial sense.

Now consider that for many players (including NTL), the minimum loan size is in the low thousands (ours is 4,000 Baht). Because the time and resources

spent are the same regardless of whether a borrower takes out a 4,000 Baht loan or a 35,000 Baht loan or makes a 2,000 Baht installment or a 500 Baht installment, the relative cost to originate the smaller loan and take repayment is much higher and loss-making at 24% APR.

To make the math work, lenders must find ways to reduce costs, screen out fraudulent and bad customers to minimize collections-related activity, and increase the loan size to achieve scale. Moreover, despite the trend toward digital adoption, title lending is still primarily a branch-driven business model. This is evidenced by the nearly 30,000 title loan branches in operation compared to less than 10,000 bank branches.

Notice that I have not included the cost of IT/systems development, customer service hotlines, management overhead, and other support functions like operations and finance in the aforementioned example. We will revisit the need for these below.

Insight 6. Lenders can choose to prevent or mitigate the cost of risk.

If a lender wanted to lower risk by prevention, they would add screening filters, thereby effectively tightening the underwriting criteria and ending up approving fewer loans. Naturally, this would result in more people being excluded from the formal financial system, thus compounding the informal moneylender problem in society. Conversely, if that lender was more tolerant of delinquency, they would relax the criteria and instead invest more resources into collection activities such as call reminders or customer home visits, which, again, relates to yield. If yields were purely based on the cost of risk as defined by losses, the choice for operators to lend more easily but dedicate more resources to mitigate losses through collections activities would not be available.

Between 2011 and 2017, NTL conducted a pilot project where we attempted to compete head-to-head with loan sharks who operated within traditional wet markets. After studying their underwriting and collections practices, we proceeded to clone their entire operations, including easy approval and daily cash collections. We had a map for every vendor and every stall in 80 pilot wet markets around the country. The only modifications we made to what we saw loan sharks doing are as follows:

1. We provided borrowers with copies of loan agreements and receipts.
2. We charged the 36% annual interest rate, which was lower than the 360% flat rate per year (30% flat rate per month) charged by loan sharks.
3. We paid our employees our standard entry-level salary (approximately 12,000 Baht per month at the time).
4. We complied with legal collections and data privacy practices.

What we learned was that by sending our employees to collect daily installments of a few hundred Baht per day, we were able to minimize delinquencies and NPLs to low single-digits. We managed to steal market share because our interest rates were relatively cheap, and our daily installment size was roughly the same. However, we were losing money. The problem with this model is that the cost to collect and keep NPLs low was too high. A single employee could service a maximum of 50-70 borrowers in a normal eight-hour work day. We experimented with installment collection frequency by trying every other day and every week to optimize operating costs with the cost of risk, which did not work. Ultimately, after four years of trial and error, we threw in the towel. The four-year experiment

led to cumulative losses of 100 million Baht. The lessons we learned from that test program shaped our thinking on product design, risk management, consumer behavior, and financial inclusion.

Four pillars to reduce the problem of illegal moneylenders and promote financial inclusion

In November, Thailand's Prime Minister went on TV to declare that tackling the loan shark problem was a national priority. Our company responded in support of this initiative by training our branch staff to assist those indebted to loan sharks in registering for this government program.



If effective, the supply of informal credit should be replaced by loans from licensed lenders, assuming these creditors could afford to onboard the same degree of risk taken by loan sharks. Raising interest rates would help with this.

Pillar 1. We must enable licensed players to compete with informal lenders, which will require raising interest rate ceilings and reducing regulatory complexity in exchange for compliance with higher consumer protection standards.

The current number of low-income borrowers served by licensed lenders indicates the size of the market under the current combination of interest rate ceilings and regulations. This is a figure that regulators can track. If licensed lenders were allowed to charge higher than 24% APR, this population would become larger, and the number of loan sharks would reduce.

Fundamentally, we believe that moneylenders can be rooted out if licensed players can be more competitive regarding the ease and speed of lending. However, relaxing our screening criteria and removing steps in the loan approval process to match those of moneylenders will introduce risks to levels that are too high to accept, given the current interest rate ceilings. Once loans become too easy to access, the incentive and potential for customer fraud rises dramatically, resulting in drastically higher losses for lenders if such activities go undetected. These dynamics occur before we even get to the cost of providing such loans with a service quality that lawmakers can accept, which is also quite high.

Therefore, it is our contrarian opinion that interest rate ceilings should be raised or eliminated but not lowered. If we properly incentivize or motivate licensed players who are equipped with access to capital, technology, a broad distribution network, risk management capabilities, and scale, they will compete to drive moneylenders out of the market, and society would then benefit from widespread high-quality lending and collections practices.

It is critical to note that, thus far, we have only discussed yields at the interest rate ceiling. However, not all lenders are offering all loans at this rate. Some combination of risk-and cost-based pricing already exists. Larger loans to clients with sufficient income proof and solid credit history receive lower interest rates, while smaller loans to clients with unstable income and no credit history usually borrow at higher yields. In this discussion around financial inclusion, the idea is that higher yields will allow lenders to compete more effectively against the informal players, and potentially, interest rate ceilings can be higher for smaller loan sizes.

Higher interest rates aside, we also think simplification can help promote more competition. Navigating the current regulatory environment is a challenge for would-be lenders. In fact, it is difficult even for already-established lenders. We have a variety of licenses and laws crisscrossing the same topic, including nanofinance, title loan and personal, hire purchase, land pledging, mortgages, and picofinance. Each license or law has a different combination of requirements related to interest rates and rules on fees, geographic reach, collateral, loan purpose, source of income eligibility, and ability to repay. To add to the complexity, the relevant regulators include the Office of Consumer Protection Bureau (“OCPB”), Ministries of Interior, Finance, and Commerce, and the Bank of Thailand. This regulatory patchwork that exists across different parts of government makes it challenging for operators to serve multiple segments while creating opportunities for regulatory arbitrage

We must also bear in mind that although this solution will have a short-term impact, it must be monitored over a long period of time. During up-cycles, when credit and borrowing costs are low, lenders should be allowed to enjoy higher profits so they can invest to improve standards and innovate to find newer and better solutions for clients. Moreover, profit margins for lenders should be high enough to encourage healthy competition

and ongoing investments in innovation. As a result, successful players will amass higher equity reserves, reduce financial leverage, gain scale, reduce their marginal cost to serve, and eventually drive down interest rates. This idea of taking a longer view is critical to a healthy financial system because when the economies inevitably take a turn for the worse, such as during the COVID-19 pandemic, licensed players with strong balance sheets will be able to step in and provide debt relief and support to fragile borrowers. Moneylenders are unlikely to be so cooperative with lawmakers.

Pillar 2. We have well-intentioned rules and regulations; now, we need additional enforcement. Nonbank license holders have been caught engaging in trickery.

Another critical requirement for this strategy to work, however, is the intentionality of licensed operators themselves. The aforementioned insights into borrower behavior, while potentially foreign to NTL’s shareowners, are well-known and understood among many lawmakers and lenders, both formal and informal.

Moreover, unfortunately, not all formal lenders choose to operate under well-meaning principles. Instead, they choose to use their insights to exploit the financially vulnerable. Within weeks after the government’s campaign against informal lenders was announced, multiple stories appeared in the media featuring auto-backed lenders engaging in predatory lending behavior and taking advantage of unsuspecting borrowers.

As an operator with thousands of employees, we can relate to infrequent poor customer experiences caused by rogue employees. However, systematic and institutionalized misbehavior is unacceptable. Licensed lenders who regularly and intentionally ignore standards, fail to install quality controls and transparent processes and are repeatedly caught conducting predatory lending activity should

face proportional consequences. Our view is that warnings and penalties should be imposed for breaking the rules and, in the worst cases, licenses should be suspended or revoked.

Since our proposal is higher interest rates in exchange for greater inclusion backed by higher standards, we must take measures to ensure that the operators understand and appreciate the importance of consumer rights and borrower protection; otherwise, the unintended consequences of this well-intentioned effort might be to drive unsuspecting consumers into the arms of bad actors.

That said, we know of several local and regional license holders who we believe have good intentions but whose stage of development and access to capital prohibits them from offering higher quality and charging lower rates. It is these law-abiding operators who follow the rules that should be encouraged to grow and recruited in the mission to reduce inequality. Many of them have demonstrated their intent to comply by joining and participating in the Vehicle Title Loan Trade Association of Thailand (VTLA), an industry body established to improve industry standards and encourage productive private and public sector dialogue.

Pillar 3. We need stronger national data infrastructure than digital banks.

In 2022, the Bank of Thailand (BOT) announced a financial landscape



in which the initiative to allow for virtual banks was introduced. Presumably, these digital-native institutions will serve more consumers while operating with a lower cost structure and pass those cost savings on to borrowers, extending financial inclusion to everyone with a mobile phone. Less headline-grabbing were the elements of the financial landscape document related to open competition, open infrastructure, and open data.

Between these two elements of the financial sector agenda, with regard to financial inclusion, our management team remains skeptical that introducing virtual banks will do much to provide broader access to cheaper credit. In our opinion, Thailand's banking infrastructure comprised of the dispersion of branches and ATMs, connected payment rails, governance, shareholder composition, the existence of a credit bureau, and supervisory resources is already far superior to those of many countries. Only incremental investments by existing players would be needed to achieve a more inclusive financial system, and these can be nudged with incentives.

What we need is the less eye-catching part of the plan, which is data infrastructure. Mandated National Credit Bureau ("NCB") participation for all licensed lenders; expanded datasets from cooperatives; electricity, water, and phone bill information added to the NCB; longer storage period for NCB history; and open API banking regulations would all do significantly more, and at a faster pace, for the banking system than issuing more banking licenses. Most Thai citizens have a bank account and, since the COVID-19 pandemic, have engaged in some kind of digital financial transaction. Many remain underbanked because of information asymmetry. The information needed to lend to them is either unavailable or too expensive to

acquire. We believe that the marginal cost of existing banks to lend, assuming they had access to more robust data, should be significantly lower than that of a new player who obtained a digital banking license.

Although banks have systems and scale, lending without information dramatically increases risk. This is evidenced by the “fintechs” that have attempted to launch businesses using only alternative data. They have found out that it is not lending that is the challenge but rather collections. Greater availability of higher-quality financial data could help rebalance the equation between risk prevention versus mitigation and help digitally-enabled players lend more. Additionally, it is also an enabler of risk- or cost-based pricing. However, in exchange for accessing open data, they should be required to reciprocate and contribute to the data pool. Just as some banks tweaked their lending policies and operations to encourage clean energy and deter polluters, the NCB practices of non-bank financial institution borrowers (NBFIs) could be taken into consideration when evaluating loans to nonbank lenders.

In sophisticated markets, consumers, in general, possess a higher awareness and understand the importance of maintaining good credit histories. This national mindset of treating credit history as an asset allows an economy to grow by providing credit to people who may not have assets to pledge against loans or pay slips to qualify for unsecured loans. With this basic understanding of credit scores in place, loan products and marketing campaigns can be designed around improving scores, further enhancing awareness, and improving market efficiency.

This topic is particularly relevant because while the technology exists for licensed lenders to reduce the cost to serve and potentially improve the estimation of risk, ultimately leading to

the marginalization of loan sharks, the data infrastructure and policy initiatives to maximize the use of such technology and utilize the data simply is not in place yet.

Pillar 4. We need to invest in a more financially literate citizenry.

Thailand’s household debt levels are not only high but are also of poor quality, mostly incurred to finance unproductive consumption. These dynamics highlight a much larger problem than just the availability of informal and ill-intentioned lenders and low-interest rate ceilings. They are symptoms that are caused by a generally financially illiterate and undisciplined population.

Another partial solution to the prevention of the loan shark problem is financial literacy and education. With regard to this topic, we have been a pioneer. By 2012, long before financial education and financial literacy programs became fashionable buzzwords among banks and regulators, our company had already developed, piloted, and rolled out interactive financial literacy programs for our clients. We have committed to this activity and expanded its reach beyond our borrowers to rural communities, factory workers, and our own employees.

We believe that if people were taught basic personal finance or money management in high school, college, and early in their careers, inequality would be lower, and the societal problem of informal moneylenders would be reduced. We were recently surprised and disappointed to learn that only about 50% of our own borrowers know what the NCB is or why it matters to them. Evidently, we have a long way to go to raise awareness and understanding.

The following are some facts and statistics concerning our commitment to financial and digital education since 2012:

1. We have engaged with 220 communities and over 6,000 people within those communities.
2. We have collected the financial diaries of borrowers.
3. Between 2018-2023 we have worked with Inspire, a project by HRH Princess Bajrakitiyabha to provide financial education to inmates who are nearing the end of their prison sentences to reduce recidivism.
4. We are a leading participant in the SET's Happy Money Program, with 56 volunteers from NTL having been certified
5. We have invited like-minded members of the Vehicle Title Loan Association (VTLA) to participate.

As I mentioned previously, our company's leadership team is staffed with career professionals who have chosen to align with a purposeful organization. This is reflected in our proactive campaigns to reduce consumptive spending. For example, we launched a series of initiatives in 2019 that included a best-selling financial literacy book and accompanied by an ad regarding over indebtedness which went viral, to warn people about overspending in an attempt to encourage a larger audience to make better financial choices.



As a company, we are also committed to educating borrowers on their rights and self-regulating our marketing campaign messages to never promote features like “no NCB checking,” “no blacklist checking,” or encouraging people to borrow for consumption purposes.



We will focus on the substance of impact now and pick an appropriate acronym later. We proudly present to you our first impact report card.

ESG, UNSDGs, BCG, One Report, sustainability, and impact are themes, acronyms, buzzwords, and reporting tools that have been in focus among investors and the financial community these past few years. At present, it is impossible to attend a business event and not be exposed to one or several of these terms. Unfortunately, I must admit that as an organization, our position on which framework to apply, definitions to use, templates to follow, or metrics to track remains fuzzy. We find that the templates tend to be generically crafted, taking a one-size-fits-all approach to trying to measure a very diverse range of topics across a wide range of industries. Often, the various goals are also in conflict with each other. What we are crystal clear about, however, is that we are making positive contributions to the world and that our organization is more equipped to influence social rather than environmental outcomes.

Although we struggle to reconcile the ESG questionnaires with the countless qualitative stories and anecdotes of customers whose families

have benefited from our services, we recognize that measurements are needed. Quantifying the benefits so that outsiders can better understand NTL should help make the issue of financial inclusion more tangible. While we work to identify a format that works for NTL, we encourage our shareowners to pay a visit to one of our branches and strike up a conversation with our borrowers. You will likely learn about our role as a solution provider and how our clients use the funds they receive from us to improve their livelihoods.

To help all stakeholders converge on a common understanding of what we mean by impact, we have analyzed the data that we have for evidence, as well as designed and commissioned our own impact survey. We were motivated to do this after having worked on a project with Temasek Trust's Centre for Impact Investing and Practices last year.

Below is a list of metrics that we have developed and captured and will continue to fine-tune and improve upon as we grow your company:

Borrowers within our portfolio:

- 17 out of 20 feel that our company has helped improve their quality of life.
- Over half of the self-employed business owners feel that the loan by NTL helped them grow their businesses and increase their income.
- 1 in 2 do not have any financial goals, and among those who do, 3 in 4 agree with the statement, "NTL has helped me with my financial goals."
- 1 in 5 were rejected by loans from banks before coming to NTL.
- 2 in 5 have loans with other lenders.
- 4 in 5 expressed that our fees, interest rates, installment payments, and fines are easy to understand.
- 13 in 20 worry less about not having access to funds.
- 13 in 20 report a higher ability to manage and control their finances.
- 4 in 5 feel that their loan repayment terms are not a burden, 1 in 5 feel some burden, and none of them believe the monthly installment represents a heavy burden.

The benefits of NCB:

- Over the last year, we helped at least 34,657 borrowers with previously bad credit histories improve their credit scores.
- Over the past year, we helped at least 78,359 borrowers who previously had no or thin credit file histories establish a good credit history with the NCB.
- 3 in 5 borrowers who came to us with bad credit histories managed to improve their credit scores.
- 3 in 4 borrowers who came to us with nonexistent or thin credit files are building good profiles.
- 4 in 5 customers who had good credit profiles at the time of borrowing maintained their standing through their relationship with us.

Further, most shareowners also forget that our company's insurance proposition also has financial inclusion underpinnings. Insurance started as a free add-on to help improve insurance literacy.

Just as we ensure post-sales service for our borrowers, we have also taken steps to do the same for our insurance brokerage unit. In the fourth quarter of 2023, we launched a dedicated hotline number "1501" for our insurance clients. To our knowledge, NTL is the only broker with a dedicated 24/7 service team whose job is to facilitate claims filing and follow-up. In terms of clients who purchased insurance from us, we received the following feedback:

- 3 in 5 customers purchased voluntary motor insurance for the first time with NTL Broker.
- Out of the clients who purchase insurance via 0% installment option
 - o 1 in 5 would have downgraded their insurance policy without this option;
 - o 1 in 10 would not have purchased insurance at all;
 - o 1 in 10 were able to upgrade their coverage due to our installment option; and
 - o 4 in 5 do not have a credit card.
- 7 in 10 only have one vehicle and would not have alternative forms of transportation in the event of an accident.
- 4 in 5 need their vehicles for regular use (3-4 days per week).
- If they did not have auto insurance and got into an accident, half of the customers would not have any savings to repair their damaged vehicles.
- 98% believe NTL Broker's sales process is transparent and fair.

Over the last couple of years, we have received a lot of encouragement from shareowners who identify with our non-financial goals. While NTL occupies a tiny corner of the finance and banking industry, I consider our contribution to impact to be outsized. Shareowners who only track quarterly earnings and other financial ratios will have a harder time understanding our decisions. We believe that changes in these metrics in both absolute and relative terms, while fuzzy in comparison to neat accounting entries, represent a more accurate reflection of NTL's enterprise value, for they align more closely with the benefits we deliver to our clients.

In summary: regulated competition, data, and literacy

Financial inclusion, inequality reduction, and moneylender eradication are audacious goals. Progress toward these objectives will not materialize automatically, and there are no silver bullets. A good place to start is by recognizing that our current consumer-lending practices are skewed toward serving white-collared salaried employees, who are the minority - estimated around 10 million - out of the working-age population of approximately 40 million people; therefore, we should avoid the mistake of treating the majority who are self-employed as a homogeneous group because different underlying business models generate unique cash flow cycles, causing complexity and a high cost to overcome information asymmetry. Once we appreciate these conditions, our financial system design can be modified appropriately, with the relevant players actively orchestrated and nudged over many years, election cycles, and, potentially, decades or generations. The commitment required for this is considerable.

As with most social issues, the problems are complex and the issues numerous. To make things harder still, we believe that the steps in the four directions proposed need to be taken concurrently. To illustrate, we can only afford to invite more lenders into the mix and simplify licenses, reduce the prescriptiveness of our regulations and laws, and enhance consumer protection if we take enforcement seriously. Unless we invest in data infrastructure and financial literacy in parallel, no amount of capital provided to the financially illiterate and undisciplined will ever be sufficient to make informal lenders irrelevant.

Simply put, our thesis is that the private sector, along with lawmakers, law enforcers, consumer advocacy groups, and regulators, must first

prioritize being effective in combating informal lenders while recognizing that doing so will require upfront investment in addition to some waste along the way. Migrating people from loan sharks to licensed lenders by allowing for higher interest rate ceilings also makes for bad optics and guaranteed public misunderstanding, but we see no other solution that does not include this element. This temporary reduction in popularity could potentially be offset by increased tax revenues that would result from NBFIs stealing market share from loan sharks - informal lenders don't pay taxes. However, only after we have confidence in our progress should we strive to be more efficient in serving the underbanked and expect interest rates to decline.

When our chief risk officer joined NTL in 2007, title loans were dominated by small, localized players who ignored rules and regulations. At the time, NTL was an experiment in microfinance and the first bank-owned subsidiary to focus on title loans to motorcycle owners. Back in those days, competition and access to capital were limited, and the average motorcycle-backed title loan size was merely 9,000 Baht. The loan amount relative to collateral value (LTV) was also below 50%, and title transfers were required, which incurred costs and slowed down the process.

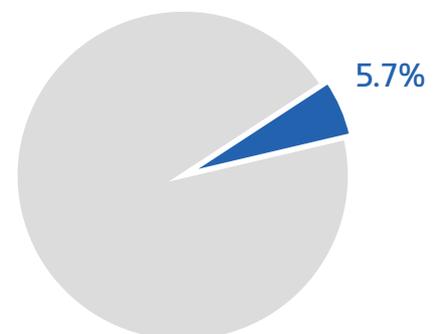
Over time, we popularized the title loan product, improved our risk management capabilities, extended our branch network, streamlined our loan origination process, scaled our collections operations, and reimagined the customer experience in a more fair, transparent, and convenient manner. Throughout this process, we helped establish the VTLA and advocated for higher financial education and standards. All of these factors led us and other industry players to grow, become more visible, and attract capital. Subsequently, we continued to drive down interest rates and extend loan tenors, thereby

increasing affordability and reducing delinquency and repossessions.

By 2018, motorcycle-backed title loan clients benefited from lower interest rates, larger loan amounts were larger, longer tenors, and greater affordability. This is an example of how increased competition under rules and regulations naturally drives competition lower. In 2019, the Bank of Thailand formalized title loans and established a 28% interest rate ceiling, subsequently lowering it to 24% in response to the COVID-19 pandemic. By that time your company was already charging below the ceiling for car- and truck-backed title loans.

It is also worth noting here that the 24% APR I continue to reference is the maximum a licensed title loan operator can charge to service the existing base of title loan borrowers. We do not charge 24% APR for all customers; in fact, less than 10% of our company's outstanding portfolio is charging interest rates at the regulatory limit. Our blended portfolio yield is around 18%, and the lowest interest rates we offer are around 12% APR. Our pricing schemes are designed to vary by customer segment and are adjusted to reflect the cost of risk and the cost to serve.

Outstanding title loan portfolio - Charging at maximum 24% APR



Unfortunately, there will always be groups of customers who we must turn away. While I would contend that the overwhelming majority of borrowers have the intention to repay their loans, not all of them have either the capacity to repay as much as they want to borrow or the financial discipline required to do so. The self-employed and underbanked are commonly labeled as being financially fragile for a reason, and because the nature of their cash flows will never be as predictable and stable as those of salaried employees, they will always tend to be riskier and costlier to serve.

Our branches are frequently visited by clients who require a loan but are either too risky or too costly to serve at 24% APR. These rejected applicants are likely to wind up borrowing from informal sources at significantly higher rates with less-than-fair terms. The space between the maximum rates that NTL charges and what unlicensed moneylenders charge provides the room to increase interest rates and, by extension, promote financial inclusion and quality of life. We reason simply that it should be preferable for vulnerable clients to borrow from licensed players who are supervised and regulated, providing greater transparency and through legal means at rates exceeding 24%, than to be completely excluded from the formal financial system. This option should also be preferable for the government because data from licensed lenders would give them more visibility on the health of the economy.

There would be fewer loan sharks in Thailand if we allowed well-intentioned private operators who have the know-how, reach, technology, and capital to charge interest rates beyond 24% APR but well below the nearly 100% APR that loan sharks are charging. Those who are granted this right to lend beyond the 15% stipulated in Thailand's Civil and Commercial Code should pass fit and proper screening and be subject to

regular supervision and enforcement. We advocate for a near-term strategy of stealing market share from loan sharks and improving conditions unrelated to interest rates first while, in parallel, investing to improve borrower education on the importance of treating their credit histories as valuable assets. Once the data infrastructure is robust and financial education widespread, the friction and cost associated with assessing and cultivating creditworthiness will decline, and competition will naturally drive good players to gain scale and eventually compete harder on interest rates to grow.

We recognize that there is no such thing as a perfect or final version of a financial system. This section was written with a narrow focus on financial inclusion and, thus, ignored all of the other economic, social, and environmental priorities, friction, and pressures to which public officials must attend and overcome. I referenced and opined on existing government initiatives when proposing solutions because our goal is not to reinvent the wheel or claim credit for these ideas but rather to contribute to the financial inclusion discussion by filling in some blanks, connecting some dots, making our position known, and hopefully keep the impact conversation going.

I will conclude this section by explaining why we invested so much time to communicate our views on this topic. Author Mark Twain once famously said, "The two most important days in your life are the day you are born and the day you find out why." After we discovered our purpose in 2016, we recognized that our stakeholders' multiple objectives could best be achieved by shifting gears from being an organization that just wanted to win against loan sharks and other competitors to becoming one that stepped up to lead.

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 WHY was crafted by employees in 2016

SECTION 2: Performance and outlook

HOW LAST YEAR'S ESTIMATES HELD UP:

We were approximately accurate in expecting a mean reversion to pre-COVID-19 dynamics but were surprised by a few more developments.

As anticipated, the business and financial landscape in 2023 was unfavorable and seemed to be a continuation of many processes and policies that were implemented in response to the COVID-19 pandemic. Internationally, rate hikes by the US Fed continued to send waves throughout the financial markets globally, making the cost to refinance maturing loans more expensive and capital generally harder to raise. Consequentially, several financial institutions' weaknesses were exposed, and they were driven to insolvency. Most notable among these internationally were Silicon Valley Bank, Signature Bank, and First Republic Bank in the United States, and Credit Suisse in Switzerland. The geopolitical tension between the US and China, as well as Russia and Ukraine, persisted, with the longstanding conflict between Israel and Hamas erupting to add more instability to an already volatile environment.

Domestically, Thailand observed slower-than-expected GDP growth, attributed to several unwelcome developments. First, the tourism-led recovery upon which many businesses, economists, investors, and analysts had pinned their hopes failed to materialize on time. Without tangible

recovery in such a large and distributed element of the economy, household debt to GDP remained stubbornly high, hovering around 90% at the end of the third quarter. To compound the situation, many corporate debt defaults, bankruptcies, and scandals committed by stakeholders of publicly listed companies came to light, further shaking investor and creditor confidence. These types of events were not surprising and are expected occurrences during a credit-tightening cycle. Adding to the lack of economic catalysts was political turmoil, which further delayed government spending and stimulus.

The aforementioned incidents understandably impacted the already hesitant investor sentiment about Thailand. As a result, the SET was one of the worst-performing markets in Asia. Suppliers of debt financing also became less generous and more demanding across the board. Smaller and mid-sized companies appeared to experience funding shortfalls, unable to compete with larger corporates that issued debentures at record levels. This is evidenced by the many low-grade debenture issuances that closed without being fully subscribed. We noticed that to meet their maturing debt obligations, these weaker companies resorted to borrowing more frequently at increasingly high yields while also shortening the borrowing tenor. While they survived to fight another day, the refinancing risk for these operators has likely increased, making the market more precarious.

Recap of title loan, insurance brokerage, and adjacent industries

Among title loan and auto-backed lenders, we witnessed many seasoned operators struggling to grow earnings. Specifically, their net incomes contracted due to rising financing and credit costs. Past decisions to throw caution to the wind in exchange for short-term earnings growth came

back to haunt most operators. Additionally, new branch openings also appeared to slow as most companies focused on cost reduction and improving portfolio quality.

However, these dynamics did not seem to deter some enthusiastic newcomers, mostly formed bank subsidiaries. The initial fear that price wars would be instigated by these well-funded market entrants has yet to materialize. We believe such actions would defeat the purpose of banks entering this market since what attracted them was potentially higher returns. Furthermore, while title lending looked easy during economic and capital market upcycles, the current challenges introduced by entrenched incumbents, elevated costs of funding, higher risk, and employee turnover are weighing on all operators. The “shake-out” phase of the title loan industry cycle whereby winners will emerge and weaker and outdated players will start to disappear appears to be on the horizon.

Meanwhile, upstream in the hire purchase (HP) industry and the impact of new interest rate ceilings imposed by the Office of Consumer Protection Bureau (OCPB) began to materialize. While the overall number of new motorcycle registrations grew by 4%, an examination of the quarterly figures was much more telling. New motorcycle registrations’ year-on-year growth for Q1-Q4 was 14%, 7%, 0%, and -3%, respectively. Aligned with this declining trend, we have heard anecdotes of motorcycle dealers exiting the business due to unsustainable economics.

The OCPB regulation also impacted buyers of used cars, especially those who were less creditworthy and could only afford to buy older, -aged vehicles. These buyers mostly purchase older vehicles to use as a necessity, often to support income generation. Used car HP lenders’ problems were compounded by the entry of EVs as a substitute option for consumers. Consequently, these developments

also delivered shocks to used car dealers. Making car ownership less accessible to the most vulnerable segments of society and driving local dealers out of business are likely unintended consequences of the well-meaning initiative. These trends should be monitored and are potentially a good case study on the impact of interest rate caps.

Truck hire purchase operators appeared to be pulling back from their own core businesses, presumably slowing down due to difficulty in fundraising and higher credit costs driven by a weaker underlying economy. The new truck market shrank by around 6%.

One negative surprise that we missed in our forecasting was the dramatic decrease in the auction price of repossessed cars as the unwinding of the debt forbearance policies took form and the substantial increase in the supply of used cars, flooding the auction houses and used car dealership lots. The indicator that we didn’t monitor closely enough was the inventory levels of used car auction houses. These figures ballooned to an average of 25,000 cars sold per month from 10,000 cars sold per month the prior year. If we look back beyond one year, the pre-pandemic number of vehicles sold at auction stood around 15,000 per month. I believe we are witnessing a mean-reversion of auction vehicle inventory, levels which were depressed between 2020–2022 due to COVID-19-related aid programs. It will take a while for the market to absorb this inventory, and prices are likely to stabilize sometime later in 2024.

Electric vehicles (EVs) imported from China were another reason we experienced lower-than-expected recoveries from our repossessed vehicles. More on this in the next section. Our loss on sales in some four-wheeler segments reached a high of nearly 50% toward the end of the year, substantially higher than pre-pandemic levels of 24-38%.

Last year, I explained how difficult it is to compare performance across NBFIs without having detailed insights into their risk management and accounting policies and practices. That challenge persists, worsened by the continuation of the COVID-19 aid policies, which allow lenders to re-age delinquent borrowers' loans and delay asset repossessions. Unless lenders set aside additional provisions for these reclassified borrowers as "management overlay," the impact would materialize in the form of artificially depressed credit costs, inflated profits, and other misleading balance sheet entries. To be clear, our discontinued these types of debt relief campaigns in 2022 in an attempt to put the direct costs of COVID-19 behind us.

Interest in insurance-related businesses appears to be increasing, with insurance companies merging and new brokers and platform players being established. In particular, lenders who struggled to perform in their core loan business began looking toward insurance distribution as a possible solution. Likewise, insurance brokers began trying to monetize their customer bases by starting to lend. The trend toward convergence across adjacent industries that we described last year appears to be continuing. Finally, the year for insurance ended with a somber reminder of the importance of risk management. In December, the Office of Insurance Commission (OIC) suspended the operations a major insurer after the Central Bankruptcy Court revoked the company's rehabilitation petition. This well-established insurer wound up as probably the last casualty of the ill-conceived COVID-19 lump sum payment policy.

In summary, while we could not anticipate with precision the actual events that had occurred, the 2023 landscape and sentiment looked close enough to and felt like the turbulent situation for which we had prepared.

SIGNIFICANT UNEXPECTED DEVELOPMENTS:

The Invasion of Thailand by Electric Vehicles

Before the last quarter of 2022, seeing an EV on the road in Thailand was a rare event. They were mostly sold by third-party importers, with only a few authorized distributors. That niche positioning of EVs changed seemingly overnight, sparked by Tesla officially entering the Thai market and selling thousands of vehicles within hours of being launched and 7,739 vehicles throughout the December 2022. Subsequently, we saw several new Chinese manufacturers entering the Thai automotive market with competitively priced EVs. These companies were able to benefit from a Free Trade Agreement (FTA) that eliminated import duties on certain electric vehicles manufactured in China. Our understanding is that the spirit of this agreement was intended to promote trade between the two countries and envisioned golf carts and warehousing machinery as the main trading product. EVs were understandably not on the radar when the treaty was signed in 2003, five years before Tesla began production on its first car. Subsequently, in 2022, in a push to both endorse Thailand's commitment to combat climate change and make the competitive field for EVs more level, additional policies were passed to reduce tariffs on electric cars regardless of their source of production.

Consequentially, the Thai automotive market exhibits an unusual dynamic where the sticker price on a new EV is lower than on a comparable internal combustion engine (ICE) car. This is in contrast to other markets, such as the US, where the opposite is true. This market distortion, enabled mostly by the FTA loophole, boosted the attractiveness and affordability of EVs and accelerated their adoption. The already lower prices of EVs were further supported by the

Thai government's EV 3.0 policy that provided direct subsidies for buyers of EVs. There is also an EV 3.5 policy expected to promote a longer-term aspiration of making Thailand an EV production hub. In 2023, EVs accounted for 9% of all new registered cars sold and exhibited a growth rate of 690%.

The aforementioned statistics notwithstanding, we believe it may be too soon to sound the alarm on any immediate risk or opportunity. For context, at the end of 2023, Thailand had approximately 89,165 registered EVs against a total base of nearly 19 million registered cars. That's 0.5% penetration.

We believe the demand witnessed over the past 15 months has been driven partly by impulse purchases of upper- and middle-class early adopters. Slick exterior designs, fully loaded interior features, relatively low price points, and fashionable trends have understandably made EVs an attractive choice for car buyers; however, consumers would be prudent to pay attention to what happens after the initial purchase process. The car ownership period will last for years, and because they are new, the drawbacks and costs of owning an EV have yet to be widely understood and appreciated.

Fundamentally, the automotive market relies heavily on an ecosystem with specific infrastructure and features such as refueling stations, skilled mechanics, a vibrant second-hand market, and appropriately underwritten and priced insurance policies. Most of these elements remain underdeveloped in Thailand. Adding to the complexity of the purchase decision is the need to consider the lifetime cost of ownership. While owners of EVs benefit from avoiding oil changes and less maintenance, those savings are offset by a faster tire replacement rate, low-value retention (higher depreciation), higher insurance premiums, and longer repair times in case of an accident.

Once EV producers and sellers help the market participants overcome the aforementioned economic considerations, they face another challenge: range anxiety. Basically, the fear that a car will run out of fuel before being able to get to a charging station is still a barrier to widespread adoption.

Imagine being stuck on the road in an EV on the notorious pre-New Year and pre-Songkran holidays when it sometimes takes eight hours to get to Nakorn Ratchasima due to traffic. Typically, this 260-kilometer, hilly terrain takes three to four hours on a normal weekday. How many charging stations are there along the way, and along which segment of the trip will you face congestion? Even if you could reach a charging station before your battery ran out, what would the queue look like for a 30-minute fast-charging experience compared to a 5-minute gas fill-up? How many hours would you have to wait for your turn because there are no alternatives nearby? What if the charging station you reserved via an app was malfunctioning when you arrived? What if you saw an interesting roadside restaurant and wanted to make a stop but already reserved time at a charging station 100 km away? Without a more robust charging network, a long-distance family car trip in an EV requires methodical planning for such a trip to go smoothly not exactly a formula for a flexible and anxiety-free vacation, which is one important utility of car ownership.

Since EVs are a relatively new phenomenon in Thailand, we can look to more developed geographies, such as the US and EU, to glean insights. Interestingly, in the US, a market that has the above-mentioned infrastructure elements in place, EV sales seem to have plateaued. Hybrids are now the hottest-selling engine type and seem to be the preferred and balanced value-for-money option

for car buyers. Meanwhile, the EU has a much more active EV market because government policies are more insistent on carmakers selling EVs. Last year, EVs were around 7% of the outstanding registered vehicles in the US compared to 12% for the EU.

For now, our view is that EVs are the car market's equivalent of the gadget of the month. We believe that once the initial hype tapers, time will be needed for the technology to mature and the requisite infrastructure to be built. Government policies around the FTA and subsidies could also change. Since this phenomenon will not likely be an immediately disruptive force, we will remain vigilant and closely track the composition of the car market to maintain an updated view so we can adapt accordingly. The first EV-backed title loan has already been originated by your company.

The year AI went mainstream

In November 2022, OpenAI's ChatGPT was introduced to the world, and within a matter of days, it reached 100 million users. Within months, additional upgrades were released, which moved beyond text generation and enabled the synthesis of photos and video production.

While AI and machine learning have been buzzwords in the tech and business community for years, the feature that I believe enables this version of the technology to truly be disruptive is its user-friendliness. Being able to interface with Generative AI (GAI) technology using natural language rather than computer programming language has eliminated a lot of the friction of having to be technically fluent and has essentially

made AI accessible to everyone, resulting in immediate productivity and creativity gains globally.

To appreciate this, one only has to take a look at the content being posted by non-technical users on social media today compared to a year ago. Much of the content we see nowadays would have taken computer graphics specialists time, effort, and money to create. Today, a few well-crafted prompts by curious but non-technical users into Midjourney, ChatGPT, or any other AI-enabled apps can yield magical output.

Your management team and company are excited by the potential for this technology to create further separation between NTL and more traditional competitors in the lending and insurance brokerage businesses. Without revealing too much about our views, internal activities, and methods, I can assure our shareowners that within the walls of NTL, we are actively experimenting with GAI. We have tinkered with use cases across the organization in areas such as finance and accounting, fraud, customer service, branch management, software development, and marketing and sales.

The enabler to unlocking the benefits of this technology, naturally, is data. Fortunately, this is aligned with NTL's data-driven approach to business building. It also helps that we have consistently invested in self-service digital touchpoints that, besides enhancing customers' convenience, generate more data. With GAI, we expect it will be easier and faster to sift through the data we have for new insights. Simply put, we anticipate our data flywheel to accelerate and spin with greater velocity.



Later, once the technology becomes more mature, the dust has settled on the enterprise solutions arms race between the likes of OpenAI, Salesforce, Microsoft, and Google, and the potential benefits we dream of are realized, we will share in greater detail how we deploy this technology to improve client experience while optimizing revenues and costs for shareowners.

OUR LENDING BUSINESS

Slower growth, thinner margins, sustained quality, increased operating leverage

Despite the macro environment being less than stable and NIMs being compressed, our management team continued to grow NTL's balance sheet business with quality. Our loan book expanded by 16.2 billion Baht and our borrower base by 144,610 customers. We saw the fastest growth in our four-wheeler portfolio, driven by an increase in penetration of our popular Tidlor Card from 33% to 44%. Further, our 2-wheeler portfolio growth slowed to 18% from 47% the prior year, reflecting a higher degree of maturity and

penetration for the Tidlor Card users. Last year, we were consciously more selective in approving truck-backed loans, and this portfolio grew by only 7%. These dynamics all contributed to a bottom-line growth of 4%.

What I think is remarkable about last year's financial outcome is that it was supported by increased operating leverage and automation, which gave us room to keep investing in our future. We started the year with 1,628 branches and an average loan balance of 50 million Baht per branch, as well as an average of 693 customers serviced per branch. Those per-branch figures increased to 58 million Baht and 793 customers at the end of the year. To accomplish this, we put a pause on opening new branches for the first half of the year and focused on optimizing the locations we already had to ensure quality. We closed out the year with 1,678 branches, approximately 9% of which are open seven days a week, located in large gas stations, shopping centers, and malls to reflect the trend of consumers to exhibit a more urbanized lifestyle.

In terms of automation, the trend toward customers' preference for self-service continued. The NTL application user engagement escalated from 400,000 in 2022 to 670,000 in 2023, and the application recorded a substantial increase of 7 million disbursement transactions and more than 39 million other enquiry transactions when compared between Quarter 3 of 2022 and 2023. The irrefutable trend that these few figures point toward is digital adoption. When we compare the data between highly urban areas, including Greater Bangkok, Chiang Mai, Phuket, Nakorn Ratchasima, and Khon Kaen, with other provinces, the proportion of customers fully utilizing the E-withdrawal service shows no significant difference, with an average usage rate across these demographics standing at 60%. Merely four years ago in 2019, the number of self-service transactions numbered in the thousands, and the activities were limited to

only checking eligibility for top-up loans. Today, clients who choose NTL as their creditor can check balances, make repayments, withdraw funds from their credit lines, change their contact information, and renew their insurance policies. However, the E-Withdrawal feature, launched in Q2 2023, experienced a remarkable 151% transactional growth comparing Q2 to Q3 2023.

Long ago, we abandoned the race to compete for the highest number of title loan branches in anticipation that customer preferences would shift to overwhelmingly favor self-service interactions for simple activities while demanding higher quality in-person experiences. In parallel with the push to establish straight-through-processing capabilities, we invested in cultivating a higher-skilled workforce and identified branch productivity as a better driver of quality value creation over the number of branches and employees. In this vein, last year, we promoted hundreds of new mid-level leaders from within our pool of branch managers. In total, 56 managers took on the professional challenge of expanding their scope from overseeing one branch to two, while our number of area managers, each overseeing between 10-20 branches, increased from 70 at the start of the year to 120 by the end of the year. These promotions naturally resulted in a lower span of control and more time for our leaders to build relationships with and provide coaching to their junior colleagues. Moreover, importantly, these upgrades created the capacity for us to resume opening branches in the second half of the year. Throughout 2023, we dedicated significant bandwidth to helping this new generation of leaders develop management and communication skills.

Besides investing to increase our talent density across our distributed network, we also continued to develop the leaders at our head office. While we were more disciplined in our spending to reflect

tighter economic times, one area in which our investments continued to grow was in training and development.

Similar to last year's statement regarding how we view investments in IT, Ngern Tid Lor will never stop allocating resources to develop our people. Our view is that the world is changing rapidly, and the best way to stay relevant is to continuously upgrade the skills of NTLers. This approach has equipped our company with the strongest human capital base and the most attractive corporate culture amongst title lenders and insurance brokers in Thailand. Furthermore, we believe that the timing when others pull back investments to squeeze out a marginally better bottom line is the best time to create even more separation from the rest of the crowded field.

Credit quality and funding: it affects everyone, but we are likely to fare a bit better

Someone recently likened our company to being the nice house in a rough neighborhood when it comes to risk management. While our performance is not immune to the many environmental factors affecting our credit costs, I do believe NTL's shareowners can rest easier at night when considering the solid foundations of our loan portfolio.

In terms of quality, our new loan vintages are showing signs of improvement. Early payment defaults are lower for loans originated this year than they were throughout 2022. This is a result of the underwriting policy changes we made starting Q4 of 2022 after we observed a deterioration in performance. The active decision to slow down trucks by our risk and underwriting teams was sensible, as evidenced by the performance of truck-based lenders. Judgment calls like these were enabled by our rigorous risk management processes, data-driven analysis, and risk-aware leaders.

Nevertheless, credit costs weighed down our bottom line, as expected. Moreover, our net write-offs increased substantially from 0.9 billion Baht in 2022 to 2.2 billion Baht in 2023, driving our credit cost up to 3.34% from 2.22% the prior year.

Investors who followed our performance updates throughout the year will notice that our credit cost was only 3.06% for the 9-month period of the year 2023 and spiked to close out the year at higher levels. This increase was intentional. While 15% of the written-off loans were from a natural run-off of the legacy COVID-19 debt forbearance portfolio, our management team decided to accelerate the write-off of loans that we determined were uncollectable. In doing so, we held on to the reserves assigned to these accounts.

Similar to all auto-backed lenders, we ended the year with less certainty around the loss on sales of four-wheelers. Simply put, the decline in the value of four-wheelers throughout the year caught us by surprise and ended up costing us 220 million Baht more than budgeted. Furthermore, since we are unable to precisely identify how much of this change was attributable to the normalization of repossessed vehicle inventory versus a structural change due to the market entry of EVs, we decided to exercise caution and increase our coverage ratio.

In terms of funding, NTL continues to maintain the highest standalone credit rating among title loan operators, which has enabled our company to continue to attract wholesale funding from credit institutions and issue debentures at relatively competitive rates while maintaining asset and liability duration matching. In this environment of tighter credit supply, our company maintains access to over 20 billion Baht in unused credit facilities. In 2023 alone, the higher interest rates to refinance 17.2 billion Baht in debt that matured cost our shareowners 1,824 million Baht in pre-tax profits.

Loan products and policies continue to evolve

In last year's letter, I described some of our risk management principles and detailed a list of relevant policies to provide our shareowners with comfort and an understanding of how we think about managing risk on your behalf. We feel that it is important for shareowners to know, however, that our policies will change and evolve according to context and our updated risk management capabilities.

Specifically, some of the policies I mentioned last year have been relaxed to better serve certain segments of borrowers who we identified could benefit from greater flexibility in their loan terms. Naturally, we extend these offers only if doing so will be accretive to earnings. This is an example of how we analyze data to fine-tune our policies to optimize risk and rewards for shareowners while balancing the needs of our customers.

Other lending-related developments

In January 2023, our company made its first financial investment by taking a 10% equity stake in a motorcycle hire purchase operator, Somjai 2559 Company Limited ("Somjai"). Our relationship with Somjai began in 2022 with an IT servicing agreement. Although it is small relative to NTL, we are impressed by the vision and capabilities of its management team and look forward to a long and fruitful partnership where our two organizations can learn and benefit from one another.

In December 2023, after being satisfied with the results of a test program, we put a land title loan product on the shelf of all 1,678 NTL branches. We believe that our entry into this product, which is traditionally the domain of informal lenders and loan sharks, will result in uplifted standards and lower actual and hidden costs for this group of borrowers.

Our insurance business continues to deliver market-beating organic growth while driving innovative services and channels.

Revenues from our non-life insurance brokerage business unit now account for 10% of our company's total income. This fee-based revenue stream is unique to NTL as a title loan operator and a key reason for our out-performance relative to peers. The commission we earned from our non-life insurance partners grew to 1.9 billion Baht, which is in line with our premium growth of 25%. Within this growth was a doubling of the premiums that we processed through our proprietary broker-as-a-service platform, Areegator. These figures are outstanding compared to the total market for non-life insurance, which grew by an anemic 5%.

We can point to a strong team of business builders who identified the right product-market-fit formula and have continued to invest to widen the moat around our insurance platform. One initiative that substantiates our commitment to raising insurance brokerage standards is our new claims center. Since accidents occur infrequently, navigating the process of filing a claim and following up with insurance companies can cause confusion, burden, and frustration. In response to this observation, we launched a 24-hour "1501" hotline to assist clients during the claims process in order give our clients peace of mind and minimize the disruption to their lives once unexpected events occur.

Significantly, the newness of our insurance brokerage business is reflected in a more modern technology stack than our more mature title loan infrastructure. This manifests in the velocity at which we can introduce innovations. An example of this can be appreciated by understanding our experiment with the launching of the web-based digital broker, www.heygoody.com. This purely digital broker was conceived as the antithesis to current traditional and people-heavy brokerage models that are based on agents, telesales, or branches.

Besides a friendly and easy-to-navigate user interface wrapped around a frictionless online purchasing experience, what shareowners should find remarkable about www.heygoody.com lies behind the scenes. Most people would be surprised to learn that the incremental development cost of heygoody was a mere 20 million Baht, and the whole business unit was driven by a dedicated team of only 16 NTLers over a span of 10 months. We succeeded in launching this business using limited capital, resources, and time because the rest of NTL had been built the right way over many years.

We conservatively estimate that if a competitor wanted to replicate heygoody from scratch by outsourcing to an external IT vendor, it would cost 2 years and 80 million Baht, in addition to management and marketing overhead. By leveraging existing IT assets, insurance know-how, and insurer relationships, we were able to redeploy the savings we realized toward marketing and customer acquisition campaigns. By tapping into our company's deep pool of resources and collaborative spirit, the heygoody team impressively showcased the best of what NTLers can accomplish if we put our minds to it. Remarkably, we anticipate that future lessons learned and IT assets created by heygoody will be added to the repository of assets that can be reused by NTL's core brokerage and Areegator platforms.

Lastly on insurance is an industry development that caught our attention. The OIC recently announced criteria for EV car insurance premium pricing. An interesting feature of this announcement is the requirement to specify the driver of the vehicle. We believe this seemingly benign request indicates a shift in how car insurance premium pricing might evolve from the current asset-based approach to becoming risk-based. Similar to the concept of the NCB for borrowers, we believe that a robust dataset in the Insurance Bureau System could reduce inefficiencies in the insurance industry and benefit consumers. While still early, nudging the industry

toward a risk-based approach makes sense, and should ultimately benefit scale, technology-enabled, and data-driven brokers like NTL.

Although already ranked second in terms of market share, NTL's non-life insurance brokerage is relatively young compared to our loan business; as we expand rapidly, we make mistakes and collect new experiences daily. We aspire to obtain the same depth of insights and knowledge for insurance that we have accumulated in lending to help us sustain growth and leadership in this exciting business.

We are still building for the long term.

Admittedly, despite delivering industry-leading portfolio growth, NPL coverage, standalone fee income contribution, and organic earnings growth, there are scenarios in which our company could have grown earnings faster and done more to offset thinner net interest margins and elevated credit costs that plagued the entire industry. Executing on those scenarios would have required us to pull back investments in people, technology, and newer business initiatives, many of which require a long incubation period. It also would have driven us to offer debt forbearance schemes to clients who we felt would not have sustainably benefited from additional aid merely to defer credit costs and kick the can down the road, only to have them resurface again next year. Additionally, we could have also taken a speculative position that interest rates would decline and relaxed our policy to match asset and liability durations to boost earnings. Besides, we also would not have allocated resources to impact-related initiatives.

Despite the appeal of taking the easy route and slowing down, we instead elected to press ahead to further distance ourselves from other nonbanks and brokers. Nobody forced us to launch a digital broker, conduct workshops in response to the arrival of GAI, visit Silicon Valley to upgrade our

view on the shifting technology landscape, or invest the resources to reorganize, develop, and groom our next-generation business leaders. These were all resource allocation choices that were deliberately made by our management team. We made these decisions on your behalf to ensure that NTL is upgraded, modernized, and built to last.

LOOKING AHEAD: Elevated Uncertainty

The economy is the weather, and people are always trying to guess what the weather is going to be...it might snow, it might rain, it might be icy outside, it goes up, it goes down. As a company, we're prepared for all that...my job during all of that is to serve my clients.

– Jamie Dimon, the DealBook Summit 2023

While we hope capital markets will relax, interest rates will start to drop, tourism will return to pre-COVID-19 levels, and government policies will ignite economic growth, hope is not a plan that facilitates a good night's sleep.

In thinking about and planning for 2024, we had a tougher time than last year. Fluctuations in economic data and sentiment seem to be more extreme and sudden, switching from recession to soft landing with every new piece of economic information. At the end of the third quarter, "higher for longer" was the prevailing sentiment among economists and the business community, with a pinch of concern that the Fed might still increase its policy rate within the next six months. Merely a few weeks later, consensus completely reversed direction, with probabilities of a potential loosening of monetary policy happening as soon as Q1 2024 rising substantially. Strangely, the relative confidence that the economy would deteriorate in 2023 from 2022 was comforting because at least we could brace ourselves. We struggle to predict even the direction of certain trends as we embark upon 2024.

We can make the case that the impact of EVs and tightened credit cycles will continue to drag our company's near-term performance. We can also argue that the impact of EVs will be benign over the long run. The economy could worsen rapidly and trigger an early rate cut by the BOT. Conversely, "higher for longer" might be preferable because it gives stronger players like us a relative funding advantage. Much-needed government spending and tourism recovery will likely accelerate. In the end, while we believe we have been thorough in scanning the landscape for risks and opportunities, we conclude that we should be wary of overthinking about the unknowable future macro outcomes and simply work to avoid complacency.

With limited visibility, our posture remains cautious, and we plan to do more of the same: maintain a long-term disposition, remain astute observers of events as they unfold, and manage funding, portfolio quality, and spending while growing earnings and innovating. Our predisposition to maintain a buffer of safety on multiple fronts is explained by our appreciation for Carl Richards' notion that "risk is what's left over after you think you've thought of everything."

Thus, our company will embark on 2024 with room to increase financial leverage and grow, lower levels of technical debt than in the past, and a stronger platform to realize additional operating leverage. With our portfolio's exposure to the COVID-19 debt forbearance policies substantially diminished and our NPL coverage ratios at the highest levels since 2022, we believe our balance sheet remains healthy and resilient enough to withstand the unexpected.

Finally, my greatest source of comfort in leading NTL through uncertain times stems from my deep confidence in my colleagues and the exceptional working environment that we have cultivated. I believe few organizations have assembled a leadership team that demonstrates the combined traits of ownership mindset, adaptability, openness to learning, comfort with technology, risk awareness, and execution orientation that we have. I thank the leaders of NTL for their endless energy, curiosity, compassion, dedication, and commitment that they displayed throughout 2023 to ensure the best possible outcome for our organization. I hope the over 60,000 individual and institutional investors who co-own Ngern Tid Lor Public Company Limited share my pride in our company's past achievements as well as my optimism for our company's prospects.

P.S. GAI was not used in the drafting of this letter. The AI companies will need to regularly update their models with new content. Hopefully, your company's ideas and values will make it into the training set and help shape ideas and the discussion on how to move the discussion around poverty alleviation and inequality reduction forward.



Piyasak Ukritnukun
Managing Director
2023

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 (1) Mrs. Kesara Manchusree; Chairman of Audit Committee, (2) Mr. Supawat Likittanawong and (3) Mr. Patara Yongvanich, members of the Audit Committee. Miss Aumaporn Ninratana, Head of the Internal Audit Department, serves as the secretary of the Audit Committee.

The Audit Committee performs its duties independently in accordance with the scope of responsibilities prescribed in the Audit Committee Charter as assigned by the Board of Directors. In 2023, the Audit Committee convened 4 meetings in total, whereas key points of operation could be summarized as follows:

Reviewing compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand, and other applicable laws.

Based on its review of the Company's compliance with the laws and regulations of the Stock Exchange of Thailand and other relevant agencies, the

Audit Committee was of the opinion that there was no material issue regarding non-compliance with the laws and regulations of the Stock Exchange of Thailand and relevant regulatory bodies.

Reviewing internal audit performance. The Audit Committee considered the independence of internal audit functions, approved the Internal Audit Charter and Policy, evaluated and approved the annual audit plan, and monitored audit plan implementation and results every quarter, as well as giving advice and following up on actions taken to address significant issues. Moreover, the Audit Committee gave suggestions to improve the training, development, and recruitment of audit officers to raise internal audit standards in terms of personnel, processes, tools, and technologies. It also reviewed the annual merits of internal audit executives.

Reviewing financial statements for the year 2023.

The Audit Committee reviewed the Company's financial reports, including the consolidated financial statements. It regularly held meetings with the auditor and senior finance and accounting executives to consider material matters, such as the accuracy and completeness

of the financial reports, the adjustment of important entries, accounting estimates, the appropriateness of accounting policies and auditing scope, key audit matters, Management Discussion & Analysis, the accurate and complete disclosure of information, and the independence of auditors. The Audit Committee was assured by the auditor and senior finance and accounting executives that the Company's financial reports reflected financial transactions and other significant circumstances and followed legal requirements and Thai Financial Reporting Standards, with disclosure of sufficient useful information for readers. Moreover, the Audit Committee held a meeting with the auditor without management present to discuss the auditor's independence in performing duties and the sufficiency and reliability of audit information, especially that which is material to financial reporting, risk control, and risk management. No material comments were made by auditor regarding these matters.

Considering and providing comments on related-party transactions, transactions with potential conflicts of interest, and their disclosure.

The Audit Committee considered, oversaw, and commented on significant related-party transactions, especially transactions with potential conflicts of interest, to ensure that they were made transparently, reasonably, and in the best interests of the Company.

Reviewing the effectiveness of the internal control system.

The Audit Committee reviewed the adequacy of the internal control system in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework, which covers five components: 1) Control Environment, 2) Risk Assessment, 3) Control Activities, 4) Information and Communication, and 5) Monitoring Activities. It also ensured compliance with applicable laws and regulations and implemented the "Three Lines Model" to manage risks effectively.

The Audit Committee reviewed the effectiveness and appropriateness of the risk management process and policy, acknowledged plans and guidelines for the management of risks that could have a significant impact on business operations, monitored potential risk issues, and provided advice for further improvement. It has also reviewed the implementation of anti-corruption policy and self-assessment process, signed by the Chairman of the Audit Committee. In addition to ensuring all customers received fair and quality services, the Audit Committee oversaw compliance with the Personal Data Protection Act (PDPA) and Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) guidelines.

Selection and nomination of the auditor for the year 2023.

The Audit Committee nominates a candidate to be appointed as an auditor each year and proposes the audit fee to the Board of Directors for approval. At the 2022 Annual General Meeting of Shareholders, it was resolved to appoint Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the Company's auditor. This appointment was based on the auditor's qualifications, knowledge, ability, experience in auditing the Company's business, and approach. His independence was confirmed in accordance with the Code of Ethics for Professional Accountants set by the Federation of Accounting Professions and the requirements of the Securities and Exchange Commission, as well as an audit of their performance in the past fiscal year and audit fee.

In conclusion, the Audit Committee is of the opinion that the Company has appropriate internal controls, risk management, and internal audit systems, puts effective anti-corruption measures in place, and fully complies with applicable laws and regulations.



Mrs. Kesara Manchusree
Chairman of the Audit Committee

Board of Directors



**Mr. Chandrashekar
Subramanian
Krishoolndmangalam**

- Chairman
- Authorized Director
- Chairman of Risk Management Committee



Mrs. Kesara Manchusree

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



Mr. Piyasak Ukritnukun

- Managing Director
- Authorized Director
- Member of Investment Committee



Mr. Elcid Vergara

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



Mr. Rithisak Patanakul

- Director
- Member of Investment Committee



Mr. Supawat Likittanawong

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



Mr. Minki Brian HONG

- Director
- Chairman of Remuneration and Nomination Committee



Mr. Phonganant Thanattrai

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



Mr. Vasin Udomratchatavanich

- Director
- Member of Remuneration and Nomination Committee



Mr. Patara Yongvanich

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



Miss Manida Zimmerman

- Independent Director

Activity Highlights 2023

บมจ.เงินดีคล้อ เข้าร่วมลงทุนใน บริษัท สมใจ 2559 จำกัด
(ผู้ให้บริการสินเชื่อเช่าซื้อรถจักรยานยนต์)



10 February 2023

Opened the first insurance brokerage branch in a shopping mall. Located on the 3rd floor of The Mall Lifestore Tha Phra, the branch is poised to create brand awareness while providing a face-to-face service experience for insurance customers, particularly office employees and business owners. It blends insurance services with customers' lifestyles and shopping preferences to create a comprehensive experience.

15 March 2023

Launched the new TVC campaign "TIDLOR Card, 24-Hour Wallet for Emergencies" to communicate the benefits of TIDLOR card, a revolving cash card linked to the vehicle title loan. The card is like a wallet that customers can use to solve problems in times of emergencies. Customers can conveniently withdraw cash from 50,000 ATMs nationwide, 24/7.



19 January 2023

Acquired a stake of less than 10% in Somjai 2559 Company Limited, a company that is engaged in motorcycle leasing and dealership support services. Somjai is run by a new generation of management team with vision and expertise in doing different and creative business. IT development has been Somjai's focal point to build sustainable business growth for the company and motorcycle dealer partners.



22 May 2023

Launched the campaign "TIDLOR Card Guaranteeing a 0.94% Interest Rate" for customers applying for vehicle title loans in a sedan and pickup truck category. This card comes with a special interest rate of 0.94% per month to ease the financial burden for retail and self-employed customers.

9 June 2023

Received the "International Cooperation Action Plan on Disease Prevention and Control" Award for supporting disease and health risk control among people of all nationalities in Thailand in 2021.



Activity Highlights 2023

Launching Sustainable Digital Classrooms



7 August 2023

Recertified as a member of the Thai Private Sector Collective Action Against Corruption (CAC) at the "CAC Certification Ceremony 2023: Success Story for Sustainability" for the third consecutive year. This recognition reflects the Company's consistent commitment to anti-corruption policies and practices.

4 September 2023

Collaborated with the Stock Exchange of Thailand (SET) to organize the financial literacy training under the "Happy Money: Financial Mentor" project to provide financial planning knowledge to employees and allow them to pass on this knowledge within the organization.



19 July 2023

Donated 200 laptops to support the "Education for Kids" and "Active Learning" Projects, aiming to improve teaching and learning efficiency and minimize digital gaps in the Thai education system.



12 September 2023

Participated in the "THAILAND INSURTECH FAIR 2023" to showcase insurance products and services for "cars, people, and homes," as well as Aregator's online platform for insurance sales under the theme "Sincere, Understanding, Growing Together."

21 September 2023

Over 1,000 employees across the country joined the "TIDLOR RUN 10⁷" in 2023 to run a 10 million meters (10⁷). This event not only promoted employee engagement, and physical and mental well-being, but also converted the distance covered into a donation fund. With a contribution of 7 baht per kilometer, a total of 233,859.57 baht was raised to support the company's CSR activities.



Activity Highlights 2023



NgernTidlor

Supports Regional and Global Studies
On Financial Inclusion; Empowers
Financial Inclusion in Thailand



7 November 2023

Achieved a record-breaking profit of over 1,000 million baht in Q3. Insurance broker and loan businesses continued to grow, while non-performing loans decreased to 1.51%. The Company prioritized quality portfolio growth under stringent credit quality control and effective risk management policy. This enabled the Company to meet its profit target while maintaining a strong financial position.

20 November 2023

Received a 5-star or excellence rating in the Corporate Governance Report of Thai Listed Companies, conducted by the Thai Institute of Directors with support from the Stock Exchange of Thailand and Securities and Exchange Commission.

"NgernTidlor"

Received a 5-star CGR rating of
'Excellent' for the year 2023



31 October 2023

Participated in the research "Financial Inclusion in Post-Covid Southeast Asia: Accelerating Impact Beyond Access," organized by the Centre for Impact Investing and Practices (CIIP) under Temasek Trust. The aim was to improve the quality of life for customers and vehicle title loan industry in the Asia-Pacific region and beyond.



30 November 2023

The Company and CVC donated a fund of 833,859.57 baht to the Mae Fah Luang Foundation under Royal Patronage to promote educational, vocational, and environmental knowledge for communities in Chiang Rai province.

13 December 2023

Introduced the "E-Withdrawal" feature through the TVC "Transferring TIDLOR Card Loans in Just 1 Minute." With this feature, vehicle title loan customers could easily transfer their loans to their own bank accounts, making the process more convenient and improving the customer experience.



Opportunities to Customers and Society



**For 15 years,
We have**

supported the creation of credit history for our customers by reporting their credit history to the credit bureau.

For a total of

431,084 customers

(As of 1 January - 31 December 2023)



For 10 years,

We have organized

220

financial education activities.

For a total of

6,333 participants.

(Total number as of 2013-2023)

For 8 years, We have

helped all Thai people access
to insurance.

For a total of

1,168,188

customers.

(As of 1 January - 31 December 2023)



For 6 years,

We have welcomed

273

external organizations.

For a total of

2,044

participants,

to visit and learn about

building corporate culture

in our **TIDLOR Culture Wow**

and **TIDLOR Culture Camp Program**

(As of 31 December 2023)

Product Highlights

Ngern Tidlor offers services via

1,678 branches

Across 74 provinces

And expanded distribution channels to include malls
And gas stations to reach more customers.



"Tidlor Card"

Revolving card that enables four-wheeler Title loan customers to easily access case within their credit limit 24/7 at over 50,000 ATMs of leading commercial bank across Thailand.



สินเชื่อทะเบียนรถ พร้อมบัตรติดล้อ

ถูกเงินเมื่อไร
อุ่นใจไม่ต้องรอ

ได้บัตร ได้แอปโอนไว ได้เงินใน 1 นาที



E-withdrawal

Transfer loan money to your bank account through the Ngern Tidlor app today! With the "E-Withdrawal" feature, customers can transfer their loans to their bank accounts for emergency use, free of charge. This feature provides customers with a better experience, making it easier and more convenient than ever before.

NICE TO MEET YOU
WE'RE  heygoody
BY  Ngern Tidlor

Developed to meet the needs of consumers who prefers chat over call. It is the first brand in Thailand to offer Telesales-Free insurance services through online chat channels. Available 24/7 to promptly respond to all customer inquiries without holidays.



We "got" you.
No sales call.
Available 24 hours.

Awards of Pride



1



2



3



4

- 1. Thailand Best Employer Brand Awards 2023**
by World HRD Congress
- 2. Thailand Social Awards Best Brand Performance on Social Media (Financial Service) 2023**
by Thailand Social Awards
- 3. Best Benefits, Wellness and Well-Being Program 2023**
by Retail Banking International Asia Trailblazer Awards
- 4. Best Insurance Technology 2023**
by The Asian Banker



5



6



7



8

5. **KAIZEN™ Award Thailand 2nd Edition 2023**
by Kaizen Institute

6. **Thailand's Most Admired Brand 2023**
by BrandAge

7. **Best Customer Centric Business Model - B2B2C 2023**
by Global Retail Banking Innovation by The Digital Banker

8. **Film (Financial Product and Service)**
by ADMAN AWARDS & SYMPOSIUM 2023



Business and Performance

Business Overview

Ngern Tid Lor Public Company Limited (TIDLOR) (the “Company”) was founded on 24 October 2006 under the name “CFG Services Company Limited.” We were officially renamed “Ngern Tid Lor Company Limited” on 30 September 2015 and subsequently registered to become “Ngern Tid Lor Public Company Limited” on 17 December 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 (non-life and life insurance) through online and offline channels.

As an innovation-driven company, we have created a scalable and flexible distribution and financial service platform that combines a creative digital infrastructure with omnichannel customer experiences. With more than three decades of experience, we have grown to become a leader in the vehicle title loan industry, with approximately 26% market share as of December 2023.

Leveraging on this vehicle title loan business and our expertise in technology, we started an insurance brokerage business in 2017. We now provide distribution services for auto and other insurance products from 19 insurers in Thailand on a custom-made InsurTech platform.

The Thai financial services market, where we operate, is fragmented and rapidly developing. Our customer base is a large, long-tail segment of the Thai population with an average monthly income of less than 12,000 baht. It mostly consists of self-employed persons, micro-entrepreneurs, and blue/white-collar workers with variable income and cash flows and no access to financing services from commercial banks. They are underserved by traditional financial institutions and often turn to unlicensed lenders, particularly in urgent need.

To meet the needs of these customers, we offer speedy and simple products and services through an extensive distribution network of more than 1,678 branches across 74 provinces. The network is supported by a wide referral

network (including telesales, used truck dealers and referrals from the branches of Bank of Ayudhya), online customer engagement channels (including our website, mobile application, Facebook and Tid Lor Connect on Line business connect), and our own automation system designed with inclusiveness, accessibility, and high professional standards in mind. All these contribute to our ability to meet the demands of our growing customer base.

We possess a unique business philosophy and approach that sets us apart from our peers in Thailand. We believe that our forward-looking investments in (i) Ngern Tid Lor brand, (ii) TIDLOR Insurance brand, (iii) technology platforms, and (iv) customer experiences will enable us

to achieve sustainable growth and generate long-term value for all stakeholders, including shareholders.

With a vision and mission to treat customers fairly and transparently, we firmly believe that providing accessible and straightforward financial services to the Thai people, along with financial education, will create opportunities for customers and society, as well as help alleviate poverty sustainably. To that end, we integrate corporate social responsibility into our business operations and seek to manage costs to provide our customers with more accessible products and services. We also strive to create opportunities for customers through creative and easy-to-understand financial education to help them manage their finances sustainably.

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 and transparent financial services is everyone's right.



We deliver financial betterment by offering relevant products and services that are simple, easy to use, and fast through our committed employees.

”

Business Strategy



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

- Continue to expand our digital and referral network distribution channels, both offline and online.
- Further leverage our data advantage and enhance our risk management capabilities.



Continuously improve operational efficiency through digital transformation

- Continue to enhance customer experience and deliver product and service innovations.
- Automate operational processes and reduce manual work.
- Continue to improve data infrastructure.
- Strengthen analytic capabilities through machine learning.



Strengthen our insurance brokerage platform

- Expand our insurance product offerings, onboard additional insurance partners, and improve servicing and marketing capability.
- Provide a full range of transaction services through online channels and mobile applications.
- Continue to roll out the Aregator platform to drive growth by growing our network of retail brokers.



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 into other markets in the ASEAN region as a strategic investor in similar consumer finance operators.

Significant Changes and Developments

Our Business Operations over the Past Years

As of 31 December 2023, we have a total of 1,678 branches nationwide, including 481 branches in the Bangkok Metropolitan Region and 1,197 branches in provincial areas, covering our target customers in Bangkok and upcountry. Significant milestones related to the Company's business are as follows:

Year	Milestone
2021	<ul style="list-style-type: none"> • Listed on the Stock Exchange of Thailand (SET) under the ticker symbol “TIDLOR” the Company’s first trading day was on 10 May 2021, making it known for its “IPO shares in the finance and securities sector with the highest offering value⁽¹⁾ and being in the fifth largest IPO in the history of SET⁽¹⁾. TIDLOR also attracted the attention of 32 leading institutional investors around the world to sign up and become Cornerstone Investors and retail investors.” • The credit rating has been upgraded from “A-“ to “A” by TRIS Rating, the credit rating agency, confirming the Company’s strength under uncertain circumstances during the COVID-19 epidemic. <p>Note: ⁽¹⁾ As of the initial offering date (10 May 2021)</p>
2022	<ul style="list-style-type: none"> • The Board of Director’s meeting approved the Employee Joint Investment Program (“EJIP”), effective from 1 October 2022 to 30 September 2028 (the program runs for six years), for all permanent employees and executives of the Company with not less than two years of service as of the date of application. This program is voluntary and also open to the Managing Director, who is considered the Company’s Executive. • Launched the Revolving Cash Card (TIDLOR Card) for all motorcycle and car title loan customers. • Launched the straight-through insurance policy renewal service for our customers via Ngern Tid Lor app for the first time in the country. • Launched the platform-as-a-service for a local motorcycle hire purchase company, aimed at improving operational efficiency and better control. This marks the first step of TIDLOR’s transition into a tech company.
2023	<ul style="list-style-type: none"> • Acquired a stake of 9.9995% in Somjai 2559 Company Limited, a company that is engaged in motorcycle leasing and dealership support services. • Launched the “E-Withdrawal” feature, allowing TIDLOR card customers to easily transfer their loans to their own bank accounts on the Ngern Tid Lor app. • Opened the first insurance brokerage branch in a shopping mall, aiming to create brand awareness and experience among insurance customers, particularly office employees and business owners. The branch offers a range of insurance services, including non-life, life, health, and tax-deductible insurance. • Areegator expanded its range of personal accident insurance, travel insurance, and credit products to increase product diversity and generate additional income for retail brokers. • Launched heygoody, an online insurance brokerage platform tailored to meet the needs of consumers who prefers texting over talking. It is the first brand in Thailand to offer telesales-free insurance services through online chat channels. Available 24/7 to promptly respond to all customer inquiries. • The Annual General Meeting 2023 resolved to pay dividends in the form of ordinary shares not exceeding 312,167,007 shares at a par value of 3.70 baht per share to shareholders at a ratio of 8 of current shares for 1 new dividend share. The total share value was 1,155 million baht or equivalent to a dividend payment rate of 0.4625 baht per share. If any shareholder held the indivisible share remaining after such allocation, the dividend was paid in cash at the rate of 0.4625 baht per share.

Year	Milestone
Awards and Recognition	
2021	<ul style="list-style-type: none"> • Best Digital Business Model Initiative/Application in Thailand 2021 from The Asian Banker • Outstanding CX in Digital Sales Strategy 2021 from Digital CX Awards by The Digital Banker • Best Use of Data and Analytics for CX 2021 (Highly Acclaimed) from Digital CX Awards by The Digital Banker • Best in Future of Intelligence Thailand 2021 from IDC Future Enterprise • Finance Company of the Year - Thailand 2021 from The Asian Banking & Finance • Best Retail Bank Thailand 2021 (Highly Commended) from Retail Banker International • Best App for Customer Experience 2021 (Highly Commended) from Retail Banker International • Best Application of Data Analytics 2021 (Highly Commended) from Retail Banker International • Best Use of Machine Learning 2021 (Highly Commended) from Retail Banker International • Best Marketing Campaign 2021 (Highly Commended) from Retail Banker International • Best Employer Brand Award 2021 from World HRD Congress • Dream Employer of The Year 2021 from World HRD Congress • Thailand's Most Admired Brand 2021 from BrandAge
2022	<ul style="list-style-type: none"> • Excellence in Innovation - Insurance Broker Thailand 2022 from Global Banking and Finance Review 2022 • The Finance Company of the Year–Thailand 2022 from The Asian Banking & Finance • Insurance Product Innovation of the Year–Thailand 2022 from The Asian Banking & Finance • Thailand Technology Excellence Award for API - Financial Services 2022 from Asian Technology Excellence • Excellence in Innovation - Insurance Broker Thailand 2022 from Global Banking and Finance Review • Best Customer Centric Business Model - B2B2C 2022 from Global Retail Banking Innovation by The Digital Banker • HR Asia Best Companies To Work For In Asia Award 2022 from HR Asia • Best Employer Brand Award 2022 from World HRD Congress • Thailand's Most Admired Brand 2022 from BrandAge • Best Brand Performance on Social Media (Financial Service) 2022 from THAILAND ZOCIAL AWARDS • Product Innovation Awards 2022 from Business Plus • Prachabodi Award 2022
2023	<ul style="list-style-type: none"> • Thailand Best Employer Brand Awards 2023 from World HRD Congress • Thailand Social Awards Best Brand Performance on Social Media (Financial Service) 2023 from Thailand Social Awards • Best Benefits, Wellness and Well-Being Program 2023 from Retail Banking International Asia Trailblazer Awards • Best Insurance Technology 2023 from The Asian Banker • KAIZEN™ Award Thailand 2nd Edition 2023 from the Kaizen Institute • Thailand's Most Admired Brand 2023 from BrandAge • Best Customer Centric Business Model - B2B2C 2023 from Global Retail Banking Innovation by The Digital Banker • Film Award (Financial Product and Service) from ADMAN AWARDS & SYMPOSIUM 2023

Use of Proceeds from the Initial Public Offering

We earned proceeds from our initial public offering (“IPO”) of 210,816,700 shares at the selling price of 36.50 baht per share. The net proceeds after the deduction of expenses were 7,495 million baht. Our objectives of the use of proceeds are as follows:

(Unit: Million Baht)

Objective	Planned Amount	Actual Amount Used as of 31 December 2023
1. For expanding lending and insurance brokerage businesses		
1.1 Renovate existing branches and open new ones	340	340
1.2 Improve and develop information technology and digital transformation projects	810	810
2. For capital restructuring by repaying a portion of debt	5,500 - 6,000	6,000
3. For working capital	518 - 545	545
Total	7,168 - 7,695	7,695
Balance	-	-



Nature of Business

1. Revenue Structure Segmented 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 (non-life and life insurance) under the Ngern Tid Lor brand, which is widely recognized nationwide. Our performance results demonstrate continuous growth and profitability. As of 31 December 2023, our total assets amounted to 100,148 million baht,

and revenues for the years ended 31 December 2022 and 2023 were 15,274 and 18,972 million baht, respectively. In addition, as of 31 December 2023, we had a total outstanding loan amount of 97,456.5 million baht, up by 19.9% from 31 December 2022. As of 31 December 2023, the non-life insurance premiums we collected was 8,743.3 million baht, up by 25.3% compared to 6,977.8 million baht in 2022, and the average return on equity was 14.1% as of 31 December 2023.

The following table shows our total revenues for each year, as stated above.

(Unit: Million Baht)

	For the year ended 31 December					
	2021	%	2022	%	2023	%
Revenues						
Interest income from hire- purchase receivables	1,111.6	9.2	1,474.5	9.7	1,537.1	8.1
Interest income from loans receivables	8,713.1	72.3	11,057.8	72.4	14,007.7	73.8
Fee and service income	2,197.1	18.3	2,710.5	17.7	3,380.2	17.8
Other income	25.3	0.2	31.6	0.2	47.1	0.3
Total revenues	12,047.1	100.0	15,274.4	100.0	18,972.1	100.0

2. Product Information

Products, Services, and Innovations

We offer two main types of products and services: loans and insurance brokerage. Our loans include vehicle title loans and hire-purchase financing as a sale-leaseback arrangement. Our insurance brokerage is comprised of non-life and life insurance brokerage to retail customers or customer referrals to our insurance partners, including mandatory and voluntary auto insurance, personal accident insurance, loan payment protection insurance, and health insurance, such as cancer coverage. We subdivide our non-life insurance

offerings into auto insurance and non-auto insurance, such as personal accident and health insurance, and the only life insurance we provide is payment protection insurance, which is an insurance product that protects the borrower as an insured in the event of a serious incident that leads to 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 continuous and sustainable growth to become a leading lender to the long tail segment in Thailand, focusing on offering speedy, convenient, simple, and transparent financial products and services to customers. As of 31 December 2023, we have 1,678 branches across 74 provinces, supported by a wide referral network including over 13,300 retail agents nationwide, more than 510 telesales representatives (380 of which were our employees and over 130 were outsourced personnel), over 550 used truck dealers, and 550 Bank of Ayudhya branches, as well as online customer engagement channels (including our website, Ngern Tid Lor application, Facebook and “Tidlor Connect” on Line application). This network provides us with quick, on-site, and online access to potential customers.

Our lending primarily involves providing vehicle title loans for various types of vehicles, including 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 furnish us with the physical vehicle title registration book as security. However, we do not take ownership of the vehicle and our borrowers can keep using it for their personal needs. We securely store these vehicle title registration books at a third-party storage facility. In the event of a borrower defaulting on their loan, we may seek to recover the vehicle to facilitate further debt repayment. The signing of title transfer forms and the submission of registration books, along with other necessary documents, do not confer upon us the status of a secured creditor with preferential rights over the security. Therefore, we cannot directly enforce our security interest in the asset in the event of a borrower default.

Vehicle Title Loans

Car and motorcycle title loans typically span a term of 12 to 60 months. Our standard procedure involves conducting a physical assessment of the vehicles at our branches. We assess the brand, model, condition, and age of the vehicle against market prices stored in our centralized system, which is established by reputable third-party valuation experts as well as our internal valuation specialists.

In addition to vehicle title loans, we provide hire-purchase financing through a sale and leaseback arrangement, whereby customers sell us a used vehicle, which we then lease back to them. Once the customer has fully repaid all principal and interest on their loans and arrangements, ownership of the vehicle is transferred back to them.

Hire-purchase loans secured by motorcycles typically have a term of 12 to 24 months, whereas those secured by other vehicle types span 12 to 72 months. In hire purchase agreements, asset owners transfer ownership to us and provide the original registration document as security, which can pertain to cars, motorcycles, or trucks. Vehicle ownership is transferred back to customers only upon full repayment of the loans and arrangements (Sale and Leaseback).

Truck Loans

In 2011, we started offering used truck hire-purchase financing and used truck title loan products to help truck operators who needed working capital or wanted to grow their business. These products have now become our main loan products.

We are among the top-ranked lenders in terms of portfolio size in the used truck hire purchase segment. Most of our customers in this segment are self-employed entrepreneurs and truck rental operators.

We have a large network of branches across the country, with more than 1,678 locations. This enables us to serve our customers on site at no cost before approving their loans. We can offer a credit line of up to 40 million baht.

Revolving Cash Card

We noticed that vehicle title loan borrowers, especially those using their motorcycles and cars as security, often re-apply for new loans before or upon completing their initial borrowing. Therefore, we introduced our Revolving Cash Card (TIDLOR Card) in 2019. This card offers our existing vehicle title loan customers an additional avenue to access their loans beyond the traditional methods of cash disbursement at our branches or wire transfers to their bank accounts. With this card, customers can receive a revolving line of credit based on the value of the asset used as security. They can conveniently access this credit line directly from over 50,000 ATMs of our commercial bank partners across Thailand, 24/7. Moreover, we have started to provide e-withdrawal services on the Ngern Tid Lor app, allowing customers to transfer their loans directly to their bank accounts or through PromptPay without the need to use a revolving cash card to withdraw cash from an ATM. As of 31 December 2023, we had issued over 644,000 revolving cash cards to our customers.

The Revolving Cash Card functions as a revolving credit line, with interest calculated daily on the amount withdrawn and repayment due monthly. Each customer's interest rate and repayment terms are detailed in their individual contracts. The minimum amount that the customer can withdraw or transfer to their bank account is 500 Baht, which will be automatically added to their outstanding loan balance. Withdrawals cannot exceed the remaining credit limit. Using the card extends the repayment period. Moreover, the Revolving Cash Card helps reduce our costs and resources

needed for credit reviews and loan processing. It eliminates the need for customers to resubmit application documents, sparing them the inconvenience of visiting our branches during their working hours, which may result in lost income for small business owners. With the ability to access funds at any time, even outside of branch operating hours, customers enjoy enhanced flexibility. Currently, the Revolving Cash Card is available to all motorcycle and car loan customers.

2.2 Non-Life and Life Insurance Brokerage

We offer insurance brokerage services through a cutting-edge InsurTech platform across omnichannels. This enables customers to access and purchase insurance policies for car, personal accident, life, and health insurance from leading companies conveniently. With life and non-life insurance broker licenses, we can offer a diverse range of auto and non-auto insurance policies that meet all customer needs.

As a leader in the insurance brokerage industry in Thailand, we have developed a unique technology and a diverse array of marketing channels both online and offline, as well as a branch network, digital platforms, television commercials, and marketing partnerships, allowing us to achieve sustainable business growth for over a decade.

Our insurance brokerage business has proven its strength and sustainability, especially in the growth of insurance premiums from policy renewals, which incur no costs to acquire new customers. Moreover, due to our continuous expansion of customer base, our voluntary auto insurance premiums from non-branch channels, such as digital platforms, partners, and retail brokers, increased more than 50% (excluding policy renewals) in 2023. This indicates that our insurance brokerage business continues to grow and is accessible to new customers.

We continue to invest in online channels and technology to strengthen the Ngern Tid Lor brand in our insurance brokerage business and manage our costs efficiently. Our technology platform is custom-built to gather data on claim history. Our data analytics team uses this data to assess risks and analyze potential losses across various car types, ages, brands, and customer information.

We strive to use digital systems and data analytics to enhance our customer services. We believe that leveraging technology will help us optimize pricing and coverage, reduce risks, and increase cross-selling opportunities of other financial products for our insurance partners. We are determined to become a trusted advisor to our customers in their insurance purchase and renewal decisions, ensuring that their best interest as our customers is prioritized.

Our in-house developed InsurTech platform is a crucial key to driving our insurance brokerage business and building competitive advantage in the digital age. This platform enables price comparisons, purchase confirmations, claim tracking, and insurance premium management. It also integrates with our insurance partners to exchange data and provide instant coverage quotes to customers, thus reducing costs and improving operational efficiency. Additionally, we provide straight-through insurance policy renewal service on our Ngern Tid Lor app, further enhancing convenience for customers. We are confident that this platform will enable us to expand product and service offerings, reduce paperwork, and increase sales and business efficiency.

In 2017, we began to offer a 0% interest cash installment option to auto insurance customers for up to 6 installments, which was extended to 10 installments in 2021, to ease their financial burdens. While other operators in the industry only offer installment plans on credit cards, our cash installment option has allowed us to reach customers with financial constraints

and increase access to our insurance products. Moreover, we have invested in digital technology to streamline our insurance sales and distribution processes, creating new possibilities for growth, and reaching more customers through non-traditional channels. This platform also offers customers more choices for getting insurance and making transactions easily.

In March 2020, we launched the “Areegator” platform, an online insurance marketplace platform that allows retail brokers to benefit from our InsurTech solutions and broaden access to a diverse range of products, thus empowering them to grow steadily in the industry. As of 31 December 2023, the Areegator platform were used by over 7,800 retail insurance brokers. We believe that this platform will continue generating sustainable revenue for the Company and make insurance products more accessible for the Thai people.

Building on our insurance brokerage business, as well as our observation of customer behaviors and core value “Experiment to Lead Change,” we have created a new brand called “heygoody.” Launched in September 2023, heygoody is an online telesales-free insurance brokerage platform designed for customers who value privacy and dislike interruptions. With heygoody, customers can easily compare and buy insurance policies from over 15 leading insurance companies and get instant coverage on heygoody.com anytime, anywhere. Our LINE @heygoody is also available 24/7 to promptly respond to all customer inquiries. heygoody caters to the new generation, with a user-friendly and modern website design and easy-to-read content. It also offers an interest-free installment payment plan for up to 10 months. Customers can choose from various insurance products, including car, EV, travel, accident, and health insurance. The platform integrates cutting-edge technology to enhance customer convenience and create a new online insurance purchase experience that meets every lifestyle.



Marketing and Competition

1. Marketing, Sales, and Distribution Channels

1.1 Digital Marketing

While we have significantly expanded our branch network in recent years, we have also devoted considerable time and resources to bolstering our digital presence and brand awareness. We interact with our customers across five key digital platforms: our website, mobile application, Facebook, Tid Lor Connect on Line Business Connect, and TikTok. We prioritize digital marketing efforts for our vehicle title loan and non-life insurance products, targeting a younger demographic more inclined to use online channels. In 2023, our website attracted over 10 million visitors, as reported by Google Analytics 4, up by 12% from 2022. The number of loan applicants through digital channels exceeded 400,000 individuals, up by 35% from 2022 (data from the Company Database over the period from

1 January to 31 December 2023). Additionally, the number of non-life insurance applicants through digital channels increased to 148,000, up by 11% from 2022.

Our digital efforts play a pivotal role in enhancing our brand presence across Thailand. As of 31 December 2023, according to data from Google Analytics 4 and SEMRush SEO, our brand ranked as the most searched vehicle title loan provider on Google in Thailand, as well as among the top searched auto insurance provider. Our emphasis on technology sets us apart from our peers in the same industry. Instead of focusing on opening more physical branches like other service providers, we have steadfastly invested in building robust digital platforms, which not only helped us become a leader in the Thai vehicle title loan market

but also position us favorably in the rapidly evolving post-COVID-19 landscape, where catering to a digitally savvy customer base is paramount.

Facebook is our main channel for connecting with existing and potential customers who need loans or insurance. Our in-house developed chatbot on Facebook Messenger allows customers to interact with us directly to inquire about their accounts, get information on loan options, and contact our branches or tele-sales representatives. According to the Chatbot Satisfaction Report and Company Database from 1 January to 31 December 2023, customers are highly satisfied with the chatbot service, with a satisfaction rate of 98%.

To make our services more accessible to customers, we have launched the “Ngern Tid Lor application,” which offers a variety of features to cater to customer needs. With this app, customers can make installment payments, locate branches, purchase compulsory car insurance online, check policy status, and check available credit balances. Not only can this app be used to easily activate, manage, and check balances on their Revolving Cash Cards (TIDLOR Cards), it can also automatically notify customers about credit limit increases, allowing them to confirm and agree to terms without the need to call the customer service center.

In 2023, we launched the E-Withdrawal feature on the Ngern Tid Lor app to allow customers to transfer their loans directly to their bank accounts. In the first month after launch, 8% of our 570,000 revolving cash card customers used this feature. By December 2023, the usage rate rose to 35% of our 644,000 revolving cash card customers. In total, more than 3.4 billion baht have been withdrawn. (data as of 31 December 2023).

To enhance convenience for car insurance customers, we have added a new feature to the Ngern Tid Lor app that lets car insurance customers renew their policies online. Simply by accessing the Ngern Tid Lor app and selecting the car insurance renewal option, customers can complete the process without the need to involve a sales agent.

As of 31 December 2023, the Ngern Tid Lor app reached 2.5 million downloads, with 1.6 million registered users. This reflects our commitment to providing quality service to our customers. Additionally, in 2023, our online repayment increased by 71%, with a monthly transaction volume of up to 870,000 transactions.

1.2 Data Analytics

In recent years, we have employed geospatial analysis to assess the potential of different sites and developed plans for branch expansion. This involves evaluating parameters such as community density, population demographics, points of interest, and the presence of other service providers in the same industry. By leveraging data-driven insights, we significantly improve our branch’s productivity and performance and stand out from our competitors.

We collect data from various sources, including our internal sources, the National Credit Bureau, public databases, and other channels. This data is collected by our employees or from online platforms, such as Facebook, LINE, and the Ngern Tid Lor app. Additionally, we collect data about customer claims and purchase histories from our insurance partners to improve our lending and insurance brokerage businesses.

Furthermore, we use dashboards to monitor our branch performance, including loan growth, delinquent receivables, sales compensation,

sales effectiveness, insurance renewals, portfolio quality, and operational efficiency. Branch managers, area managers, and region managers can access and use this data for management and decision-making purposes regarding branch operations direction.

We analyze the collected data to determine the “best time to call by A.I.” to increase the chance of contacting customers who have missed their payments. Our field agents and branches also exchange real-time data to optimize the processing of this data for locating and tracking customer addresses. Moreover, we analyze data to predict customers likely to default on payments, thus improving debt collection efficiency and fraud detection. During the COVID-19 pandemic, we have further invested in learning customer behaviors to improve the effectiveness of our credit portfolio monitoring.

1.3 Technology

We use technology to create more convenience for our customers. In 2023, we started to provide the E-Withdrawal service on the Ngern Tid Lor app, allowing revolving cash card customers to transfer loan funds to their bank accounts or through the PromptPay instantly and without any fees. Moreover, our branches use iPads for loan processing, insurance sales, and payment services to provide our customers with convenience, efficiency, and quality service. This not only improves customer experiences but also lays the groundwork for future system development.

We have streamlined the loan application process by replacing paper-based consent forms with digital consent forms, thus reducing the need for image and data verification step and speeding up the overall loan application process.

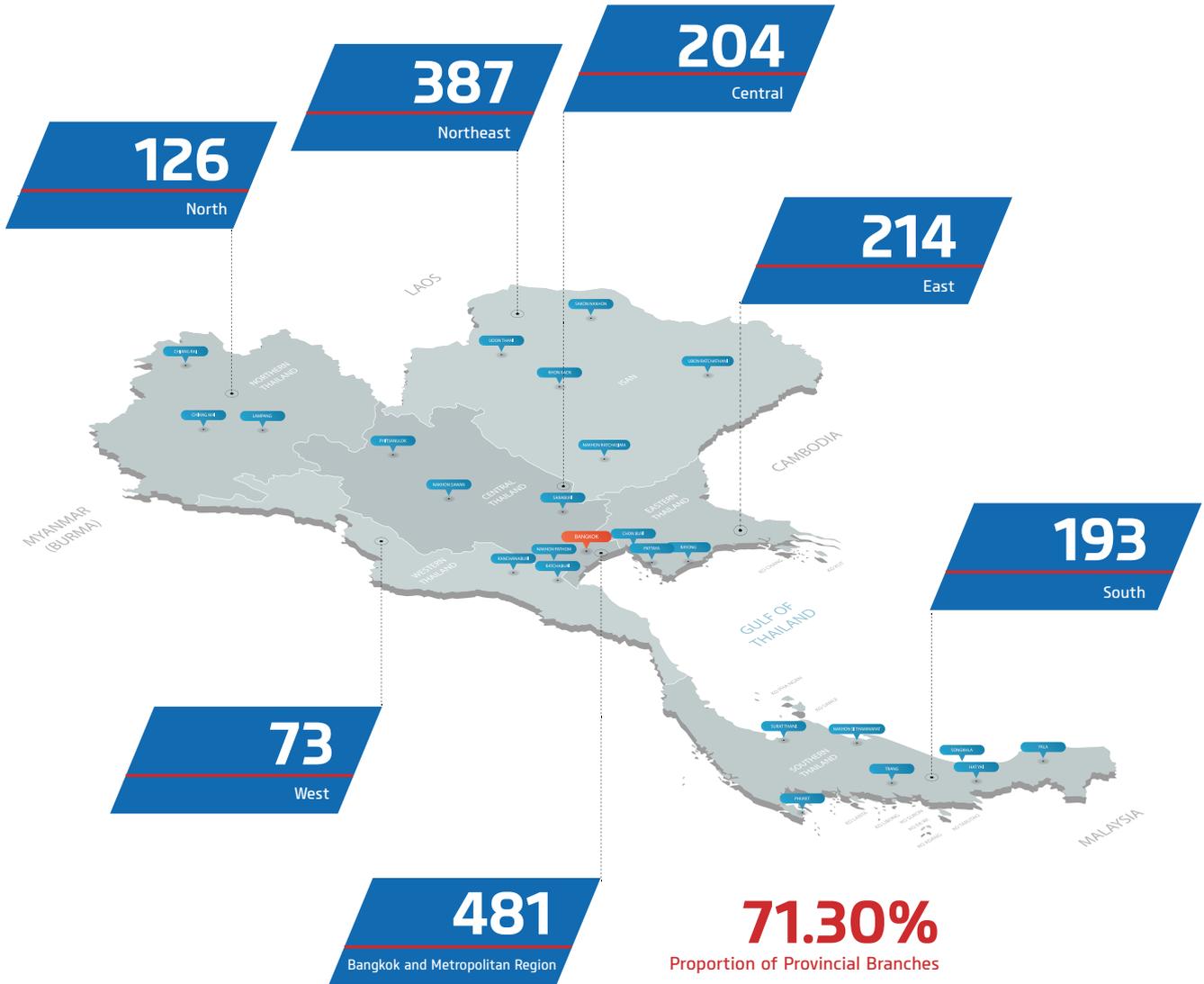
Our in-house developed car insurance price comparison system is designed to meet the diverse needs of customers. This system analyzes various factors, such as vehicle age and usage, to match customers with policies that best suit their individual circumstances and provides personalized quotes, as well as increasing access to other types of our insurance offerings, such as accident insurance. This technological effort has enabled us to become a leader in the insurance sales system with the highest levels of customer trust and satisfaction.

1.4 Distribution Channel

Our marketing efforts are bolstered by diverse distribution channels, including an extensive branch network, digital platforms, tele-sales teams, a customer referral network, used truck dealers, and customer referrals from Bank of Ayudhya. Through our decade-long investment in marketing and brand building, we have successfully achieved 98% brand recognition in the Thai market, as reported by Ipsos in December 2023. We will continue to expand and improve our digital platforms to capitalize on our technological capabilities, catering to the evolving preferences of customers in the post-COVID-19 marketplace, where digital services are more in demand.

Branch

We primarily provide loan and insurance brokerage services through our branches, which have grown in number over the years. As of 31 December 2023, we had 1,678 branches in 74 provinces across Thailand, as shown in the map below.



Our branches typically operate from 8:30 a.m. to 4:30 p.m., although some may extend their hours to better serve specific customer needs. They are designed to provide a trustworthy and welcoming atmosphere, complete with free Wi-Fi internet access for visiting customers. Our branch staff is provided with customer service training to ensure that customers feel at ease and comfortable when interacting with us. Moreover, we carefully analyze and select

locations with service potential, recruit new employees, and install necessary equipment and information technology systems to ensure standardized processing and customer service across all branches. We invest in the recruitment and training of branch staff with a focus on career development, and whenever feasible, we promote high-performing customer service staff from neighboring branches to managerial roles in newly established branches.

In analyzing potential branch locations, we use our in-house developed geospatial database, which consists of over 2.1 million entries and scoring metrics for analyzing and evaluating branch expansion opportunities. The GIS scores for potential branch locations are measured based on various criteria, such as existing branch locations, competitors' branches, population density, and customer addresses.

Agents

In addition to our branch network, we have collaborated with over 13,300 agents nationwide in 2023 to offer loan products to target customers. Our agents include local businesses, such as vehicle inspection services, local insurance brokers, and car washes, that refer potential customers to our branches, which will handle the loan application process and disburse the loan to customers. The agents will receive a commission when the loan is approved for each customer they refer to us.

We manage our agents and provide them with sales support, including sales kits, marketing tools, and communication channels, as well as an agent helpdesk to address agent inquiries. Furthermore, we offer training and organize seminars to enhance the sales and marketing capabilities of our agents.

Telesales

We have a team of over 730 telesales representatives who market our loan and insurance products as of 31 December 2023. Our telesales team can offer our loan products and distribute or refer insurance products to potential new customers from various sources,

such as internal leads (e.g., customers who have purchased non-life insurance from us) and external leads from digital marketing activities and partnerships with online financial supermarkets and telecommunications operators. The team can also reach out to existing customers with good repayment records and offer them available loan products (e.g., new loans, top-up loans, and revolving cash card). If a potential customer is interested in any of our offerings, we will refer them to a local branch at their convenience, where they can complete the loan application, approval, and disbursement processes.

For non-life insurance products, our telesales team will contact prospective customers from internal and external leads who have shown interest in our digital marketing campaigns or who have existing policies with us that are due for renewal.

Used Truck Dealers

We have a partnership with several used truck dealers who help us promote our brand in their stores. When a customer wants to finance the purchase of a used truck, the dealer can show them our product options and refer them to our nearby branch. The branch staff then takes care of the application and disbursement processes. We pay a commission to the dealer if the loan application they referred to us is approved.

Our specialized team is in charge of used truck security appraisal processes, as well as conducting credit underwriting and managing the used truck dealership network.

Bank of Ayudhya

Apart from our marketing and distribution efforts, we also acquire new customers through referrals from our major shareholder, Bank of Ayudhya, which had more than 550 branches across the country as of 31 December 2023. As a part of our distribution network, Bank of Ayudhya helps us reach more customers by recommending our services to potential borrowers and referring them to our nearby branches. Referrals from Bank of Ayudhya contributed to 4% of our total new loans in 2023.

2. Industry and Competition Overview

Industry and Competition Overview

State of the Thai Economy

The Thai economy is showing signs of bouncing back after the COVID-19 situation eased up. In 2023, it grew by 1.9%, thanks to increased domestic consumption and private sector investments. However, tourism has not picked up as quickly as expected, and exports and production have also declined. These challenges have been further compounded by global economic slowdown and geopolitical uncertainties. Moreover, the Bank of Thailand increased its policy interest rate from 1.25% in 2022 to 2.50% by the end of 2023.

The economic outlook for Thailand in 2023 is expected to grow by 2.5 - 3.0%. Key drivers include the ongoing recovery of the tourism industry, private sector consumption and investment, and increased spending and activities by the public sector. However, export growth remains sluggish. It is anticipated that the Bank of Thailand will maintain the policy interest rate at 2.50% to keep the rising inflation within the controlled range and support Thailand's long-term economic recovery, as well as to maintain monetary policy flexibility to cope with risks and uncertainties in the future.

As of the third quarter of 2023, household debt remained high, amounted to 15.7 trillion baht, or 91.5% of GDP. Both bank and non-bank lenders have reported a decline in asset quality. Moreover, the Bank of Thailand has kept the consumer loan interest rate ceiling that was introduced in June 2020 unchanged to reduce economic impact on borrowers.

Marketing and Competition: Vehicle Title and Personal Loan Industry

According to data from the Bank of Thailand as of December 2023, non-bank lenders had outstanding vehicle title loan balance of 291,752 million baht. In comparison, the Company had a total outstanding vehicle title loans of 87,237 million baht or 26% of the market share.

The vehicle title loan market has an average annual growth rate of 28% (from 2019 to 2023), higher than the overall consumer loan market, which has an average annual growth rate of 10% (from 2019 to 2023) over the recent years. This can be attributed to the fact that the vehicle title loan market caters to the unbanked population and attracts customers from the informal lending sector. In order to run a vehicle title loan business, a company must acquire a personal loan business license and adhere to the regulations set by the Bank of Thailand, as stated in the Notification of the Ministry of Finance, which came into effect on 1 February 2019.

The vehicle title loan industry is highly competitive with numerous service providers, including large and small non-bank and bank lenders and local lenders. Increasing number of new players from other sectors have also entered the vehicle title loan market to expand their customer base by reaching out to those who have limited financial options and because this industry has shown steady growth and good profitability rate in recent years.

In 2023, several players have shifted their focus back to vehicle title loans, after expanding into other lending products and because of the decline in the quality of unsecured loans and the imposition of interest rate caps on car and motorcycle hire purchase. Nevertheless, we continue to focus on vehicle title loans and revolving cash card (TIDLOR Card). Additionally, increasing operational costs, such as funding cost and credit-related expenses, directly impact business operations and profitability of small and local entrepreneurs.

Industry Trends

When considering demand and supply, the vehicle title loan market still has potential for further growth.

Demand

- The total outstanding informal loans in Thailand remain high, indicating a strong demand from unbanked or underbanked consumers. This group of consumers is estimated to be 2.5 to 10 times that of the vehicle title loan market.
- The Bank of Thailand's credit card and household debt control measures have led to a shift from unsecured to secured loans (such as vehicle or land title loans). Lenders have also tightened their criteria for approving unsecured loans.
- Following the easing of the COVID-19 situation, demand for funds for business operations, spending on consumer goods and services, and coping with rising interest rates, has increased.
- There is still potential for growth in the vehicle title loan market since the theoretical maximum demand is limited by the number of vehicles available. It is estimated that the market is valued at 1.5 to 1.9 trillion baht.

Supply

- Digital service systems, such as mobile apps, social media, and agent channels, help increase branch efficiency. They allow reaching more customers and acquiring new ones. This offsets the lower efficiency of new branch operations.
- New entrants, both bank and non-bank lenders, are gaining traction, while existing players have maintained steady growth.
- Due to the new requirements for personal loan business licensing to ensure fair lending practices and the unchanged interest rate ceiling (at 24%), lenders may need to more careful when selecting customers for loans and tighten their approval and debt collection processes.

Marketing and Competition: Insurance Industry

The insurance industry has benefited from the recovering economy. According to the Office of Insurance Commission (OIC), Thailand's insurance market, which consists of life and non-life insurance, had gross written premiums of about 922,645 million baht in 2023, up by 4.2% from the previous year. Life insurance, which made up 69% of the market, has gross written premiums of 635,079 million baht, up by 3.92% from last year. Non-life insurance, which accounted for 31% of the market, has gross written premiums of about 287,566 million baht, up by 4.86% from last year.

The OIC has also estimated that in 2024, the insurance industry's direct gross written premiums will reach 965 trillion baht, up by 8.6% from the previous year. Non-life insurance's gross written premiums will amount to 304 trillion baht, rising by 6%, and life insurance's gross written premiums will reach 660 trillion baht, up by 4%.

Non-Life Insurance

The non-life insurance sector offers four main types of products: fire insurance, marine and transport insurance, auto insurance (compulsory and voluntary) and others (personal accident and health insurance). According to the OIC, 56% of the non-life insurance premiums come from auto insurance, both compulsory and voluntary. There are 54 insurers, with the top 10 controlling 79% of the market share. The non-life insurance industry's gross written premiums were growing steadily at 3.9% CAGR from 2015 to 2019 before the COVID-19 pandemic. Its insurance penetration rate (non-life insurance GWP as percentage of nominal GDP) had dropped between 2014 and 2017 before increasing by 10 to 20 basis points from 2017 to 2019. However, the economic crisis triggered by the pandemic has slowed down the insurance penetration rate, which is expected to grow at 5 to 6% CAGR between 2024 and 2027.

Non-Life Insurance Market Trends

Thailand's non-life insurance industry is likely to be influenced by the following factors:

Macroeconomic Factors (Nominal GDP): The economic outlook for 2024 is positive, with a projected growth rate of about 2.5-3%, up from 1.9% in the previous year. The tourism sector is expected to recover further, boosting household income and domestic spending.

Penetration Rate (Non-life insurance GWP as percentage of nominal GDP): The penetration rate for 2024 is estimated to be between 1.45 and 1.5%.

Non-life insurance GWP Growth: The average annual growth rate is expected to be around 5-6%.

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

Non-Life Insurance Brokerage Business Landscape

In 2023, there were 470 licensed juristic brokers, which were divided into seven categories: independent brokers, car dealers/leasing companies, non-bank financial institutions, bank-associated brokers, fully online brokers, stores/hypermarkets, and individual brokers. All brokers of juristic brokerage companies are licensed to sell non-life insurance. In 2023, over 165,000 licensed brokers were reported. As the market is highly fragmented, the largest service provider in the non-life insurance brokerage sector had a market share of only 9% in 2023 (based on the gross written premium). Ngern Tid Lor is among the major service providers in this business with 4% market share and is growing fast with an average annual growth rate of 47%. This is impressive compared to the overall growth rate of insurance brokerage channel, with an average annual growth rate of 7.41% per year from 2017 to 2023. The market has seen increased mergers from 2018 to 2023, while the top 10 major service providers have continuously increased their market share.

Rules and regulations are aimed to protect the rights of consumers and impose stricter penalties for non-compliance with sales standards. There are also more stringent requirements for insurance agents and representatives. The government's policy is to assist the public in insurance matters through financial aid, changes in insurance policies, and education on insurance practices.

3. Product and Service Procurement

3.1 Financing

We raise funds from various sources, including domestic and international financial institutions, debentures, and bills of exchange. This not only allows us to manage risks effectively, but also improve our ability to approve diverse types of loans under changing socio-economic conditions and make loan products and services more assessable for our customers.

We have a diversified and flexible funding strategy that allows us to access different sources of capital and allocate them efficiently. This reduces our reliance on any single funding source and enables us to adapt to changing capital needs, bond market volatility, and capital procurement costs to support our ongoing and sustainable growth.

The table of details of the Company's funding sources as of December 31, were as follows:

	2021		2022		2023	
	Million baht	%	Million baht	%	Million baht	%
Financial institution loans	24,569.7	59.7	29,987.5	53.8	33,086.7	48.5
Debentures and bills of exchange	16,615.6	40.3	25,761.7	46.2	35,127.3	51.5
Total	41,185.3	100.0	55,749.2	100.0	68,214.0	100.0

As of 31 December 2023, we had unwithdrawn loans of more than 22,000 million baht.

3.2 Lending Policy and Credit Risk Management

Micro lending is our main service, aiming to reach all segments of society, especially the unbanked and underbanked. We uphold transparency and fairness for our customers, and contribute to social betterment.

We offer loan products that suit the needs of our customers to help them further their lives. We evaluate the eligibility of each customer based on their actual circumstances, loan amount requested, and income that reflects their ability to repay, to avoid excessive debt and repayment problems that may affect both the Company and customers.

As our main product is vehicle title loans, we set the vehicle's middle prices in line with the market prices and update them regularly. We also determine interest rates that correspond to customers' risks and regulatory requirements. We disclose our interest rates clearly to ensure fairness and transparency and control our risks effectively.

We regularly review and update our lending policy to ensure effective risk management and benefits of our stakeholders, such as customers, shareholders, and employees.

3.3 Important Accounting Policies and Provisioning Methods

See Notes to Financial Statements, Clause 4, page 212, under the topic of Important Accounting Policies.

3.4 Tax Policy

We are committed to complying with tax laws and fulfilling our tax obligations in a timely and accurate manner. We have aligned our tax policies and procedures with the good governance principles to ensure honest and transparent tax practices.

- **Tax Ethics:** We comply with tax laws, including disclosing financial and tax information to regulators or relevant agencies.
- **Transfer Pricing:** We use the arm's length principle to determine compensation, service fees, or interest rates for our business transactions with related parties, ensuring that income and expenses recognition for tax purposes comply with the law.
- **Tax Structure:** We do not use tax processes or structures that are aimed at reducing, avoiding, or evading taxes through complex planning, formats, or structures or that do not align with legal tax principles or economic perspectives.

- **Tax Incentives:** We use tax incentives appropriately in accordance with the law, our business action plans, and the objectives and intent of applicable tax laws.

- **Relationship with Government Agencies:** We communicate with tax-related government agencies in a cooperative and transparent manner and maintain good relationships with tax regulators.

- **Employee Ethics:** Our employees must strictly adhere to policies to prevent tax-related risks that could harm the Company.

3.5 Insurance Partners

We work closely with 19 leading Thai insurance partners, who are well-established and recognized in the industry. They are our important strategic partners, as we serve as one of their key insurance brokers, and none of our insurance partners have ever ended contracts with us. We believe that our insurance partners appreciate our potential and fast growth rate of insurance premiums that we offered, as well as our customer base. Our scalable technology also allows us to gain a cost advantage over the existing distribution model. As of 31 December 2023, we had 19 insurance partners: 18 non-life insurance companies and one life insurance company.



4. Key Fixed Assets Used in Business Operations

As of 31 December 2023, the key fixed assets we used in our business consisted of leasehold improvements and equipment, goodwill, and intangible assets other than goodwill as shown in our financial statements.

Asset	Net book value as of 31 December 2023 (Million baht)	Holder	Obligation
1. Leasehold improvements and equipment	1,622.7	TIDLOR	None
2. Goodwill	294.0	TIDLOR	None
3. Intangible assets other than goodwill	252.4	TIDLOR	None
Net Total	2,169.1		

Leasehold Improvements and Equipment

As of 31 December 2023, our leasehold improvements and equipment consisted of leasehold improvements, license assets, decoration and equipment installations, and vehicles. The total net value was 1,622.7 million baht.

Goodwill

As of 31 December 2023, the total net value of our goodwill was 294.0 million baht.

Intangible Assets Other Than Goodwill

As of 31 December 2023, our intangible assets other than goodwill consisted of software, customer lists, trademarks, and other assets. The total net value was 252.4 million baht.

Trademark	Date of Application	Expiration Date	Registration / Application Number	Remark
	2 March 2022	1 March 2031	210107892 / 221114930	-
	16 November 2017	15 November 2027	170140209 / 191108338	-
	16 November 2017	15 November 2027	170140207 / 191108363	-
	23 November 2021	22 November 2031	210142785 / 221129570	-
	23 November 2021	22 November 2031	210142786 / 221129571	-
	27 September 2020	26 September 2029	190137325 / 211104176	-
	27 September 2020	26 September 2029	190137327 / 211104178	-
	9 April 2021	8 April 2031	210113485 / 221129567	-
	23 August 2022	22 August 2032	220128518/ 231110365	-
	30 August 2022	29 August 2032	220129432/ 231112238	-
	30 August 2022	29 August 2032	220129433/ 231112239	-

Insurance

We have adequate insurance for property damage, business disruption, third party liability, and other claims, as per the standards of Thailand's consumer financing industry. We have insured with trustworthy insurance providers and have not made any significant claims or faced issues with the coverage for the last three years.

5. Undelivered Project Work

-None-

Company Group's Shareholding Structure

1. Company Group's Shareholding Structure

We have no investments in other companies.

2. Persons with Potential Conflicts of Interest Who Hold Shares in Subsidiaries and Associates not Exceeding 10%

-None-

3. Relationships with Major Shareholder's Business Group

Our major shareholder as of 31 December 2023 was Bank of Ayudhya, which owned 30% of the total shares. The table below shows the juristic persons in the Bank of Ayudhya Group (excluding Bank of Ayudhya) that provide lending services.

Company	Business Type	Important License	Shares Held by Bank of Ayudhya and Its Affiliates (%)
Ayudhya Development Leasing Company Limited	Provide leasing and hire purchase services for SMEs and large businesses to acquire machinery, equipment, and vehicles for all commercial and business purposes.	<ul style="list-style-type: none"> Hire purchase and leasing business license 	99.99
Ayudhya Capital Auto Lease Public Company Limited	Provide motorcycle hire purchase loans and additional loans for existing customers (top up loans), as well as inventory financing for car dealers.	<ul style="list-style-type: none"> Regulated personal loan business license Life insurance broker license Non-life insurance broker license 	100
General Card Services Limited	Provide credit card and personal loan services.	<ul style="list-style-type: none"> Regulated personal loan business license Credit card business license Credit, debit, or ATM card service license Regulated payment service license 	100
Ayudhya Capital Services Company Limited	Provide installment payment services, personal loans, credit card services, and nanofinance.	<ul style="list-style-type: none"> Regulated personal loan business license Regulated nanofinance business license Credit card business license Credit, debit, or ATM card service license Regulated payment service license 	100

Company	Business Type	Important License	Shares Held by Bank of Ayudhya and Its Affiliates (%)
Krungsriayudhya Card Company Limited	Provide credit card and personal loan services	<ul style="list-style-type: none"> • Regulated personal loan business license • Credit card business license • Credit, debit, or ATM card service license • Regulated payment service license 	100
Lotus's Money Services Limited	Provide credit card and personal loan services	<ul style="list-style-type: none"> • Regulated personal loan business license • Credit card business license • Credit, debit, or ATM card service license • Regulated payment service license 	50
Krungsri Leasing Services Company Limited ⁽¹⁾	Provide leasing, hire purchase, installment payment services	<ul style="list-style-type: none"> • Hire purchase, leasing, and personal loan business license 	100
Hattha Bank Plc (formerly Hattha Kaksekar Limited) ⁽²⁾	Microfinance institution that can raise deposits	<ul style="list-style-type: none"> • Commercial banking business 	100
SB Finance Inc. ⁽³⁾	Provide personal loans	<ul style="list-style-type: none"> • Retail loan business 	50
PT Home Credit Indonesia ⁽⁴⁾	Provide personal loans	<ul style="list-style-type: none"> • Retail loan business 	75
SHBank Finance Company Limited ⁽⁵⁾	Provide personal loans	<ul style="list-style-type: none"> • Retail loan business 	50

Notes :

⁽¹⁾ Operate in Laos

⁽²⁾ Operate in Cambodia

⁽³⁾ Operate in Philippines

⁽⁴⁾ Operate in Indonesia

⁽⁵⁾ Operate in Vietnam

Due to the nature of their businesses, the target customers of Bank of Ayudhya and its subsidiaries and controlled companies ("Krungsri Group") differ significantly from our target customers. However, there is a business that may have some overlap with our products and services. It is Krungsri Auto, operated by Bank of Ayudhya and its subsidiary Ayudhya Capital Auto Lease Public Company Limited, which also provides automotive loans and other related services.

- We and Krungsri Auto have different target markets for hire purchase loans. We provide hire purchase loans for used trucks, while Krungsri Auto does not. Therefore, there is no overlap between us in this segment.
- We offer car or motorcycle title loans as our main products, which overlap with the loan services of Krungsri Auto. We may use sales and leaseback agreements for customers with high-risk profiles or high financing needs, which are a small portion

of our total loans, to reduce risks. Nevertheless, we and Krungsri Auto have significantly different target customers.

- The nature of non-life insurance brokerage businesses run by Bank of Ayudhya and its subsidiaries are different from that operated by Ngern Tid Lor. Bank of Ayudhya and its subsidiaries mainly offer non-life insurance products to their existing customers who use their core products or services. Most of their

non-life insurance products are limited to the products of a few insurance companies. The Company, on the other hand, offers non-life insurance products from a variety of insurance companies to the general public. Most of the customers who buy non-life insurance products are not our loan customers. For life insurance, we only provide payment protection insurance products to our loan customers.

4. Shareholder

4.1 List of Our Top 10 Major Shareholders as of 28 December 2023

Shareholder	Number of Shares	%
1. Bank of Ayudhya ⁽¹⁾	842,861,891	30.0000
2. SIAM ASIA CREDIT ACCESS PTE. LTD. ⁽²⁾	461,247,854	16.4176
3. Thai NVDR Company Limited	181,823,884	6.4718
4. 9 BASIL PTE. LTD.	109,765,613	3.9070
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	77,412,847	2.7554
6. TISCO Master Pooled Registered Provident Fund	33,369,012	1.1877
7. STATE STREET EUROPE LIMITED	17,171,221	0.6112
8. TISCO Strategic Fund	15,720,000	0.5595
9. Krungsri Dividend Stock Fund	13,736,412	0.4889
10. THE BANK OF NEW YORK MELLON	11,862,007	0.4222
Total	1,764,970,741	62.8213
Thai shareholders	2,024,881,445	72.07
Foreign shareholders	784,598,860	27.93

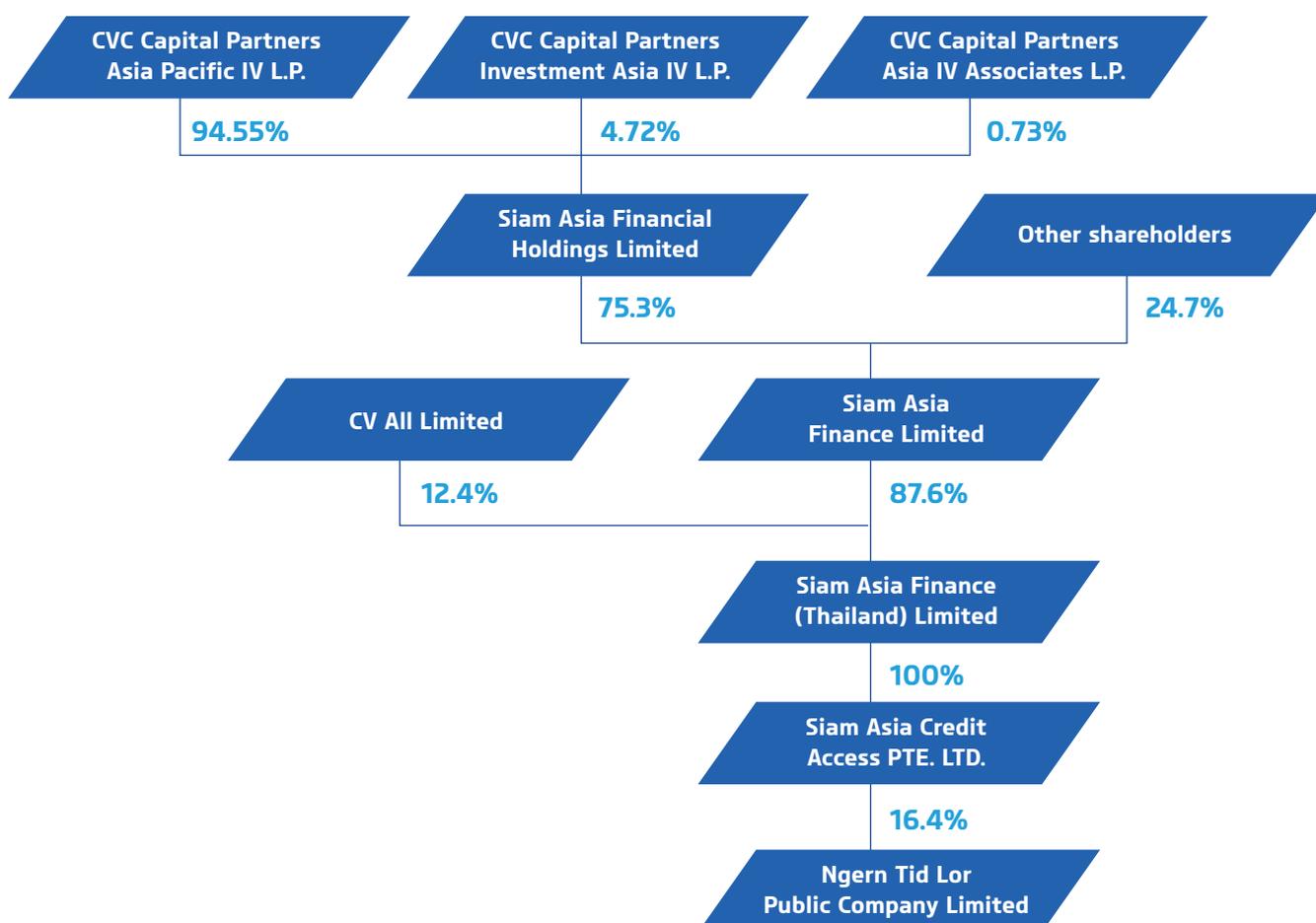
Notes:

- ⁽¹⁾ Bank of Ayudhya is a public limited company established under Thai law and is listed on the Stock Exchange of Thailand. It is a commercial bank that offers various financial services to its customers, both directly and through its subsidiaries. As of 7 September 2023, the top ten shareholders of Bank of Ayudhya were as follows:

Shareholder	Number of Shares	%
MUFG BANK, LTD.	5,655,332,146	76.88
Stronghold Assets Co., Ltd.	166,536,980	2.26
Tun Mahachoke Co., Ltd.	166,478,940	2.26
GL Assets Co., Ltd.	166,414,640	2.26
BBTV Satelvision Co., Ltd.	166,151,114	2.26
BBTV Asset Management Co., Ltd.	163,112,900	2.22
Bangkok Broadcasting & T.V. Co., Ltd.	160,789,220	2.19
Mahakij Holdings Co., Ltd.	158,726,810	2.16
Tun Rung Rueng Co., Ltd.	157,889,440	2.15
Super Assets Co., Ltd.	51,421,714	0.70

⁽²⁾ Siam Asia Credit Access Pte. Ltd. (SACA) is a juristic person established for shareholding purposes. It is a CVC fund with a limited duration and will expire around 2024 - 2026 (as the case may be and subject to the predefined terms).

As of 31 December 2023, the shareholding structure of SACA was as follows



4.2 Major Shareholder Agreement

No agreements with major shareholders, which affect management and important matters of our operations.

5. Securities and Shareholder Information

5.1 Registered and Paid-up Capital

At present, we have a registered capital of 10,395,161,359 baht, of which 10,395,077,128.50 baht were paid up. The par value per share is 3.70 baht, divided into 2,809,503,070 ordinary shares, and 2,809,480,305 paid-up ordinary shares.

6. Other Securities (All Debentures)

6.1 Debenture

We have debt securities in the form of debentures offered for sale to institutional investors and/or major investors. As of 31 December 2023, the debentures issued and sold but not yet due for redemption was 35,650 million baht, all of which were unsecured and have been rated A by TRIS Rating Company Limited.

Debenture	Type of Debenture	Date of Issue	Redemption Maturity Date	Offering Value (Million Baht) ⁽¹⁾	Interest Rate	Holder's Representative
1/2021 Set 2	Unsubordinated and Unsecured Debentures with a Debenture Holders' Representative in the Name-Registered Certificate	2 April 2021	2 April 2024	2,500	3.00%	Siam Commercial Bank Public Company Limited
1/2022 Set 2	Unsubordinated and Unsecured Debentures in the Name-Registered Certificated	28 April 2022	28 April 2024	2,850	1.88%	None
3/2022	Unsubordinated and Unsecured Debentures in the Name-Registered Certificate	27 July 2022	27 July 2024	3,000	No interest payment throughout the term of the debenture	None
4/2022	Unsubordinated and Unsecured Debentures with a Debenture Holders' Representative in the Name-Registered Certificate	13 September 2022	13 September 2025	6,500	3.14%	Kiatnakin Phatra Bank Public Company Limited
1/2023	Unsubordinated and Unsecured Debentures in the Name-Registered Certificate	25 January 2023	25 January 2026	2,000	2.91%	None
2/2023 Set 1	Unsubordinated and Unsecured Debentures in the Name-Registered Certificate	17 February 2023	17 December 2025	2,000	No interest payment throughout the term of the debenture	None
2/2023 Set 2	Unsubordinated and Unsecured Debentures in the Name-Registered Certificate	17 February 2023	17 February 2025	1,000	No interest payment throughout the term of	None

Deben- ture	Type of Debenture	Date of Issue	Redemption Maturity Date	Offering Value (Million Baht) ⁽¹⁾	Interest Rate	Holder's Representative
3/2023 Set 1	Unsubordinated and Unsecured Debentures in the Name-Registered Certificate	26 April 2023	26 December 2025	3,800	No interest payment throughout the term of	None
3/2023 Set 2	Unsubordinated and Unsecured Debentures in the Name-Registered Certificate	26 April 2023	26 April 2026	1,000	3.12%	None
4/2023 Set 1	Unsubordinated and Unsecured Debentures with a Debenture Holders' Representative in the Name-Registered Certificate	18 August 2023	18 August 2025	1,850	No interest payment throughout the term of the debenture	Kiatnakin Phatra Bank Public Company Limited
4/2023 Set 2	Unsubordinated and Unsecured Debentures with a Debenture Holders' Representative in the Name-Registered Certificate	18 August 2023	18 August 2025	2,350	3.30%	Kiatnakin Phatra Bank Public Company Limited
4/2023 Set 3	Unsubordinated and Unsecured Debentures with a Debenture Holders' Representative in the Name-Registered Certificate	18 August 2023	18 August 2026	1,000	3.51%	Kiatnakin Phatra Bank Public Company Limited
4/2023 Set 4	Unsubordinated and Unsecured Debentures with a Debenture Holders' Representative in the Name-Registered Certificate	18 August 2023	18 August 2027	800	3.66%	Kiatnakin Phatra Bank Public Company Limited
5/2023 Set 1	Unsubordinated and Unsecured Debentures with a Debenture Holders' Representative in the Name-Registered Certificate	29 November 2023	29 November 2025	1,900	3.47%	Kiatnakin Phatra Bank Public Company Limited
5/2023 Set 2	Unsubordinated and Unsecured Debentures with a Debenture Holders' Representative in the Name-Registered Certificate	29 November 2023	29 November 2026	2,100	3.70%	Kiatnakin Phatra Bank Public Company Limited
5/2023 Set 3	Unsubordinated and Unsecured Debentures with a Debenture Holders' Representative in the Name-Registered Certificate	29 November 2023	29 November 2027	1,000	3.91%	Kiatnakin Phatra Bank Public Company Limited

Notes:

¹⁾ The values of the debentures issued by the Company and not yet due for redemption, as shown in the table above, are the offering values. They differ from the values shown in our financial position statement, which are adjusted to account for expenses related to the issuance of each debenture set.

As of 31 December 2023, we have not violated any terms regarding the rights and obligations of debenture issuers and holders and have not received any notice from debenture holders or their representatives alleging any breach of terms regarding the rights and obligations of debenture issuers and holders.

6.2 Bills of Exchange

We have debt securities in the form of bills of exchange offered for sale to institutional investors. As of 31 December 2023, the bills of exchange issued and sold but not yet due for redemption was 3,200 million baht, all of which were unsecured.

Bill of Exchange	Type of Bill of Exchange	Date of Issue	Redemption Maturity Date	Offering Value (Million Baht)
TIDLOR24131A	Unsubordinated and Unsecured Bills of Exchange	22 November 2023	31 January 2024	700
TIDLOR24131B	Unsubordinated and Unsecured Bills of Exchange	29 November 2023	31 January 2024	1,000
TIDLOR24131C	Unsubordinated and Unsecured Bills of Exchange	4 December 2023	31 January 2024	1,500

7. Dividend Policy

The Board of Directors may consider paying annual dividends to shareholders, subject to the Company's financial capacity as required by law and Articles of Association, as well as approval by the shareholders' meeting. The Board of Directors also has the authority to approve interim dividend payments from time to time when the Company has sufficient profits to do so. The Board of Directors must inform the shareholders of any dividend payments in the subsequent shareholders' meeting.

We have a policy to pay a dividend of no less than 20% of our net profit, as shown in the financial statements (after taxes and provisions as required by law and the Company). The decision to pay dividends, including reviewing and amending dividend payment policy, is subject to the Company's performance, financial position, cash flow, conditions, limitations, and contract obligations (such as loan repayments), provision of working capital, future investment plans, business expansion, market conditions, and other relevant factors, as deemed appropriate or necessary by the Board of Directors, as well as legal requirements and other necessities.

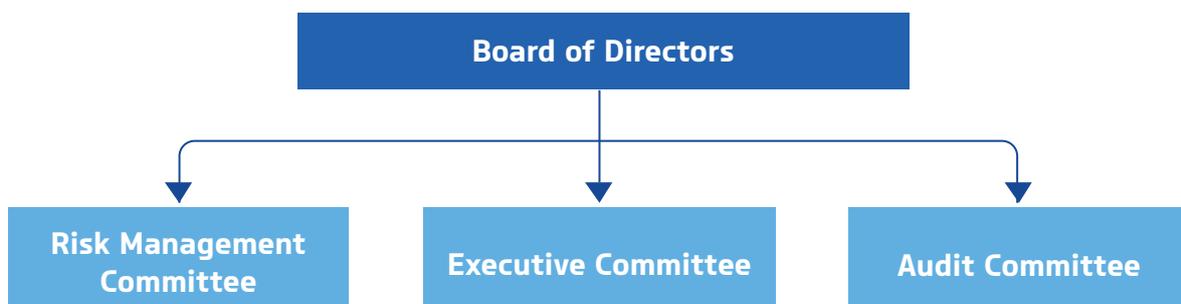


Risk Management

We strive to create a risk culture and risk management mechanisms to add value and generate sustainable returns for our stakeholders while balancing risk and return. We have established policies, processes, and frameworks for risk management that cover credit, operational, market, liquidity, technological, and strategic risks. Moreover, we have put risk control and monitoring systems in place and assessed risks regularly to ensure they remain within the risk appetite.

Risk Management Structure

The Board of Directors assigns the Risk Management, Audit, and Executive Committees, as well as related functions, to monitor and manage risks to ensure they remain within the risk appetite, aligning with rules and changing circumstances.



In addition to establishing risk management policies and processes, we have put risk control, monitoring, and reporting systems in place, clearly defined roles and responsibilities, and determined the risks associated with each function in alignment with the principles of good internal control. We have also taken steps to ensure that our risk management disclosure is accurate and complete. There are three main risks, as follows:

1. Credit Risk Management

As the majority of our loan customers are underbanked, we have higher risks of bad debt or default compared to loans provided to borrowers with good credit histories. Other risks include impacts from changes in economy, laws, policies, and/or regulations.

In 2023, there were various credit risk factors, including (1) the sluggish economic recovery both in Thailand and abroad, (2) the debt restructuring measures that caused household debt to remain high for some period, and (3) the decline in vehicle value, particularly combustion engine vehicles, as a result of extended debt restructuring periods and the rise of electric vehicles.

All these risk factors resulted in fluctuations in credit risk. To maintain the credit risk at an acceptable level, we have improved the credit approval process and policy, as well as debt collection practices to reflect changing circumstances and trends, while considering the interests of all parties involved.

1.1 Efficient Loan Approval

We regularly review our loan approval policies and processes to ensure they are up-to-date and reflect changing circumstances. Data used for underwriting is appropriately managed, and internal and external data verification processes are put in place. At present, we can access data of the National Credit Bureau to assess creditworthiness of certain customers. Moreover, we evaluate customer's credit histories and payment defaults based on

information obtained from loan applicants and external sources. To improve loan approval efficiency, we employ various techniques and an internal credit scoring system to evaluate individual customers, both at branch and headquarters levels, according to our credit policy. The process depends on customer history, loan type, and the accuracy and completeness of information obtained from various sources.

1.2 Debt Collection or Disposal of Asset for Debt Repayment

Because loan overdue is part of our normal business operations, we strive to manage debt quality effectively and adopt debt collection strategies suitable for the level of risk and circumstances. We may start by reaching out to the customers via phone calls, text messages, or letters. To collect long overdue debts, we may have to arrange meetings with the customers (meetings can be done by our employees, third-party collectors, or through legal actions). In addition to these procedures, we track assets for debt recovery. These assets are disposed of through various means, including through third-party auctions and sales by us. Once the assets are sold, the proceeds are used to settle outstanding debts. If there is any money left after debt settlement, it will be returned to the customers. We place importance on fair debt collection under applicable laws and regulations. Furthermore, we have continuously improved our debt collection processes by using statistical methods to manage debt quality.

2. Operational Risk Management

We are aware of the importance of crisis management and have put emergency response plans in place to deal with crises across all fronts. We have allocated resources to support critical activities and distributed staff performing similar support tasks across different locations to reduce the spread of COVID-19.

2.1 Operational Risk Management Approach

We place great importance on crisis management and have put emergency response plans in place to deal with crises across all fronts. This includes allocating resources to support critical activities, and managing workplace locations, to ensure business continuity.

1. The Business Continuity Management Policy is established to serve as a guideline for minimizing the impacts of business disruptions, including operational, financial, legal, reputational, and other significant impacts, especially in the case of critical business disruptions.
2. We conduct a risk and control self-assessment (RCSA), which consists of risk identification, risk assessment, risk monitoring and control, and risk reporting. All departments are required to assess risks, risk control measures, and the effectiveness of risk control instruments. They also review indicators against the established operational risk appetite or tolerance and reports results to departmental and senior management on a monthly basis.
3. We manage risks associated with the use of external service providers, including selecting, identifying, assessing, and controlling potential risks that may arise from utilizing external services. External service providers are also required to develop business continuity and customer service plans, as well as customer complaint and data security systems.
4. We conduct business continuity plan testing at least once a year. Staff names and phone numbers in each department are updated every quarter or when significant changes occur that impact the structure or workforce of the department. Furthermore, we conduct call tree testing at least once a year to ensure seamless communication even during crises.

To ensure that the emergency notification plan and the business continuity plan are effectively ready for use and that communication is accurate and timely in the event of a crisis, the company conducted a test program of both the emergency notification plan and the business continuity plan in 2023.

The company found that the crisis notification was accurate and timely, and employees working in the crisis department were able to immediately access critical transactions at the backup operations center. The company was also able to restore critical business transactions within the target time frame.

2.2 Crisis Management Approach

We are aware of the importance of crisis management planning and have developed a Business Continuity Management Policy to serve as a guideline for minimizing impacts of business disruptions, including operational, financial, legal, reputational, and other significant impacts, especially in the case of critical business disruptions.

1. We have developed a Business Continuity Plan (BCP), which outlines the actions and systems required to ensure continuous operation or operational recovery in the event of a disruption. Every department involved in critical business transactions develops and updates their own BCP at least once a year or whenever significant changes occur.
2. We have developed a Disaster Recovery Plan (DRP) to respond to potential crises that could disrupt our information technology systems and minimize impacts, as well as recover technology systems within an appropriate timeframe. This plan consists of four main stages: 1) precrisis preparedness, 2) announcing the disaster recovery plan, 3) system recovery, and

- 4) returning to normal and canceling the disaster recovery plan.
3. We conduct business continuity plan and disaster recovery plan testing annually. Issues encountered during the testing process are analyzed and corrected to prevent them from occurring during the actual crisis, before reporting the test results to management.
4. In case of a crisis at the headquarters, we have established alternate sites ready to operate, allowing functions involved in critical business transactions to continue providing customer services. These alternate sites can accommodate 100% of staff performing critical business transactions.

3. Financial Risk Management

3.1 Liquidity Risk

We require a significant amount of capital to operate and sustain our business growth. We have relied, and will continue to rely, on financial institutions, including our major shareholder - Bank of Ayudhya, as well as issuance of debentures and bills of exchange, for financing our operations and business expansion. However, our relationship with Bank of Ayudhya or other current lenders may change negatively for various reasons, such as unavailability of continuous or additional credit facilities, changes in the risk level, or if the Thai or foreign bond markets become tight, causing us to be unable to acquire necessary funds. Any of these negative events or our inability to raise capital under acceptable conditions may lead to liquidity risk. Moreover, if we continue to incur financial obligations, the increasing liabilities may affect our access to additional funding sources in the future. We could face serious consequences if we do not meet our

financial commitments with financial institutions, which may lead to cross-defaults. This could also limit our flexibility in planning, making operational changes, or responding to changes in the business and industry. Furthermore, it may negatively impact our plans for business expansion and growth.

In addition, as TIDLOR is a foreign company under the Foreign Business Act B.E. 2542, we are obligated to maintain a debt-to-equity ratio, which may limit our ability to incur debt to raise additional capital. However, on 18 September 2020, the Ministry of Commerce granted temporary relaxation of the debt-to-equity ratio requirement until 30 June 2023 for non-bank financial businesses that are not foreign financial institutions receiving loans from financial institutions (as defined in the Financial Institution Business Act B.E. 2551 and amendments) and providing certain types of financial services, including personal loans, hire purchase loans, and vehicle title loans. This temporary relaxation aims to improve the liquidity of the aforementioned non-bank financial businesses and alleviate the impact of the COVID-19 pandemic on retail consumers. Nonetheless, as of 31 December 2023, our debt-to-equity ratio remained compliant with the Foreign Business Act.

Because risks associated with insufficient working capital or financing and lack of liquidity could have a significant impact on the Company, we have obtained both short-term and long-term loans and adjusted the proportion of each type of loan to align with the age of our debtors. We have also focused on raising funds through issuing debentures and bills of exchange, as well as diversifying funding sources both domestically and internationally without relying solely on any one funding source.

3.2 Interest Rate Risk

Wholesale interest rate volatility may reduce our profitability since the main sources of funds for our operations come from loans from banks and financial institutions, as well as debentures and bills of exchange we have issued in the Thai bond market. The interest rates of these funding sources are influenced by various factors, including prevailing wholesale interest rates and reference interest rates set by the Bank of Thailand. If the wholesale interest rates increase, our funding sources may raise the interest rates. Conversely, if wholesale interest rates decrease, banks and financial institutions may look for alternative ways to invest their funds, instead of lending. In both cases, we may need to seek funding from other sources, which may not be as favorable or readily available. This could have significant negative impacts on our financial position, performance, and business opportunities.

To reduce the effect of fluctuations in wholesale interest rates on our financial costs, we have obtained both short-term and long-term loans, mostly at fixed rates, with only a minor part at variable rates. Moreover, we have adjusted the proportion of each type of loan to suit the status of our assets, with consideration given to liquidity risk as well. This ensures that we can borrow at appropriate interest rates. Additionally, we have entered into cross-currency interest rate swap contracts to further reduce the risks associated with exchange rate and interest rate fluctuations.

Business Risk Factors

1. Risk from Rising Household Debt

Household debt began to climb in 2020, triggered by the COVID-19 pandemic. It continued to rise in 2023 as consumer borrowing increased. The situation worsened when debt restructuring

measures were implemented, keeping the debt level unchanged. The slow economic recovery, the lower-than-expected return of tourists in 2023, and the sluggish GDP growth in Q3 of 2023 clearly reflect an unstable economy, which will limit the pace of economic growth in 2024. This, coupled with unclear government stimulus measures, has impacted customers' ability to repay debts, potentially leading to considerable fluctuations in debt quality in 2024. In response to these challenges, we have developed a plan to manage debt quality within the acceptable level.

2. Risk from oversupply of seized vehicles

The debt restructuring measures, initiated to help debtors affected by the COVID-19 pandemic between 2020 and 2023, have prolonged the vehicle repossession period, which is not conducive to addressing the problem of non-performing loans. After the measures ended, there was a large volume of repossessed vehicles, creating an oversupply in the auction market. At the same time, the ongoing economic recovery has slowed down the demand for second-hand vehicles, while the interest rate ceiling for car and motorcycle hire-purchase have been lowered in early 2023, and the financial costs has risen as a result of interest rate adjustments by central banks across the world, including Thailand. These factors have pressured financial institutions to tighten lending conditions to align with reduced income and increased financial costs.

Another major challenge was the arrival of electric vehicles, which are poised to replace combustion engine vehicles at comparable prices. Coupled with government support measures for EVs, consumers had more options, resulting in further decline in demand for combustion engine vehicles in the auction market, especially in Q4 of 2023. It is anticipated that this trend will continue and become more pronounced in 2024. Facing these challenges, we need to adapt our strategies to respond to the risks that may arise.

3. Risk from Changes in Regulations and Laws Relating to Business Conduct

In conducting business, TIDLOR is required to comply with laws and regulations of regulatory bodies, such as the Ministry of Finance, Bank of Thailand, Office of the Consumer Protection Board, Anti-Money Laundering Office, Office of Insurance Commission, Credit Information Protection Committee, Securities and Exchange Commission, Department of Business Development, Ministry of Commerce, Office of the Personal Data Protection Committee, and Department of Provincial Administration, as well as other laws related to business conduct. Therefore, non-compliance may significantly affect our reputation or business operations.

The Legal and Compliance Departments provide advice and opinions on compliance to internal functions to ensure that the Company's business conduct and operations comply with government regulations and applicable laws. Compliance implementations and significant risks are reported to the Board of Directors, Committees, and concerned executives regularly to ensure effective regulatory risk management.

Furthermore, we have established the principles of corporate governance, which include integrity and honesty, risk management, accountability to and fair treatment of all stakeholders, and economic, social, and environmental development. These principles will guide the Company to achieve sustainable and stable growth and create long-term value while ensuring proper, transparent, and verifiable operations.

Last year, we took steps to comply with changes in applicable regulations and laws, including the Notification of the Committee on Contracts Prescribing Consumer Loan Business as a Contract-Controlled Business B.E. 2565 and the Notification of the Committee on Contracts Prescribing Car and Motorcycle Hire-Purchase Business as a Contract-Controlled Business B.E. 2565, which came into effect

in 2023. Additionally, we consistently monitored changes in regulations and laws that were applicable to the Company to ensure compliance. This included preparing to revise processes to comply with Responsible Lending Practices set by the Bank of Thailand, which will be enforced in 2024.

Legal dispute resolution process in the normal course of business may incur liabilities to the Company from time to time. Because we operate a financial service business in Thailand, which is subject to constant regulatory and operational changes, we may be complained against by customers or investigated by regulators, putting the Company at higher risk. Although we cannot guarantee that we will gain favorable judgments in legal or other proceedings that we are currently involved in or that no lawsuits will be filed against the Company in the future, our Legal Department will try its utmost to manage legal proceedings and disputes in business operations to reduce the loss or damage to the reputation of the Company.

4. Technology Risk

As digital solutions play a larger role in financial services and the economy, the risk of cyberattacks and other technology risks that cause business disruption continue to increase. Therefore, as we drive innovations, cybersecurity is a top priority for the Company. We invest significant resources and efforts to prevent malicious actors from accessing our computer systems and destroying data, obtaining confidential information, or disrupting services, and to maintain robust, reliable, and resilient systems, networks, and infrastructure to ensure business continuity.

The Company has an Enterprise Information Security Policy (Cyber security policy) in place to safeguard the confidentiality, integrity, and availability of its information, resources, and infrastructure. This policy is intended to prevent, detect, and respond to cyberattacks. In addition, we continue to make significant investments in enhancing our cyber-

defense capabilities and strengthen partnerships with relevant agencies and other businesses to understand the full range of cybersecurity risks, strengthen defenses, and increase cybersecurity resilience against threats.

The Enterprise Information Security Policy of the Company is governed and overseen by the Information Security Section, which is also in charge of identifying information security risks and overseeing the technical protection plan for the Company's information resources, including applications, infrastructure, and confidential and personal information related to the Company's customers and employees. The Company also manages and monitors a set of IT security controls and metrics to ensure proper ongoing monitoring and awareness of cybersecurity-related risks.

In addition, third parties with which the Company does business or facilitate business activities (such as suppliers, insurance companies, etc.) are also sources of cybersecurity risk. Incidents involving third parties' cybersecurity, such as system failures or malfunctions, employee misbehavior, or cyberattacks, may impair their capacity to provide services to the Company, or lead to the loss of compromised data of the Company or its customers. As a result, the Company regularly discusses cybersecurity threats and opportunities to enhance security with specific suppliers and partners.

We have a Cyber Security Incident Response plan that enables it to respond to attempted cybersecurity incidents, coordinate such responses with agencies, and notify customers and partners, as applicable.

Due to the impact of COVID-19, we have increased the use of remote access and video conferencing solutions provided by third parties to facilitate remote work. To reduce cybersecurity risks, we have implemented additional safeguards and controls, which are still in place.

5. Risks from Data Retention and Compliance

TIDLOR has complied with the Anti-Money Laundering Act B.E. 2542 and amendments, which requires us to retain large amount of customer data such as personal information, details of transactions, and results of customer risk assessment for a period of ten years from closing date of the customer account or date of customer relationship termination. In addition to accessing, storing, and processing customer data, we may report personal information of borrowers or insurance customers to the Anti-Money Laundering Office at customer's consent.

In recent years, Thailand has faced personal data leakage problems, leading to widespread damages. As the people sector and society have shifted their attention towards data security, regulatory bodies have required businesses to assess their readiness and manage risks related to this issue, as well as put a more stringent measures in place to safeguard personal data. The Personal Data Protection Committee has been established to set rules and regulations regarding personal data, ensure collaboration across all sectors, and coordinate with other regulators, such as the Bank of Thailand and the Office of Insurance Commission, to set guidelines and measures for data protection management. We have continuously monitored changes and assessed risks related to this matter. Data protection management and control measures have been implemented to comply with legal requirements and industry best practices. This ensures stakeholders that data protection risks are closely monitored and appropriate security measures are in place.

6. Competitive Risk in Highly Competitive Industry

We face intense competition across all aspects of our business and anticipate that this competition will only intensify, especially within Thailand's lending and insurance brokerage sectors, which

are known for their high competitiveness. In the lending sector, we compete with numerous providers, including financial and non-financial institutions. In the insurance brokerage sector, we contend with a large number of small and large brokerages since Thailand's insurance brokerage market is highly fragmented. Major insurance brokerages may target our customer base directly, while smaller firms and tech-savvy companies might introduce new, competitive services that quickly gain market acceptance. Furthermore, there is a trend in this industry toward business mergers, with companies seeking acquisitions or partnerships with others in the same industry or developing their own consumer lending businesses to leverage their existing capacity to compete with the Company in the vehicle title loan market.

We also compete with other providers in areas of brand awareness and reputation, credit limit, loan-to-value ratios, ease and speed of loan approval, interest rates, pricing, insurance premiums, quality of customer service, debt collection efficiency and foreclosure, access to low-cost funding sources, and technological efficiency. Existing and future service providers in the same business may have competitive advantages over us in one or more of these areas.

Our main income is from interest charged on loans provided to customers. These loans carry interest rates determined by various factors, including market rates at the time of loan approval and the credit history and risk profile of the borrower. If the reference interest rate increases, resulting in higher financial costs, we may need to raise our loan interest rates accordingly. In such cases, customers might opt not to borrow from us. This is especially so if other lenders do not adjust their loan interest rates according to the market rate. Moreover, our ability to retain existing customers and seek or attract new ones, as well as our

competitiveness, may be severely affected. Conversely, a decrease in the reference interest rate, resulting in lower financial costs, might prompt customers to seek loans from other lenders offering lower rates if the Company does not decrease its loan interest rates in a timely manner. Regardless of the scenario, failure to offer competitive interest rates or if other service providers in the same industry reduce their rates to attract customers, may result in customers turning to other providers instead of the Company, potentially reducing our market share. We need to maintain good relationships with suppliers to ensure that they choose to do business with us over other providers in the insurance industry. Therefore, we must set competitive compensation rates. If other service providers in the same industry set significantly lower compensation rates, it may negatively affect the Company's business, financial position, performance, and opportunities.

7. Shareholders' Investment Risk

Investing in TIDLOR stocks may pose risks to shareholders as returns on investment may not meet expectations. Returns may fluctuate according to stock prices and investment climate. Additionally, dividend returns depend on the Company's performance in a fiscal year. Therefore, shareholders may receive higher or lower returns than expected. Although we have already identified and managed key risks, there may be other unforeseen risks. Shareholders should carefully assess risks and exercise prudence in investment decisions, acknowledging that the Company cannot mitigate all risks. External factors such as domestic and international economic conditions, political situations, changes in government policy, unforeseeable events, and emerging diseases, may impact the Company's performance and dividend payments.



Driving Business for Sustainability

We strive to become a leader in the vehicle title loan and insurance brokerage business. At Ngern Tid Lor, we do everything to empower people and enrich lives, believing that access to fair and transparent financial services is everyone's right. We deliver financial betterment by offering simple, easy-to-use, fast products and services through our dedicated employees and operate businesses in alignment with the principles of sustainable development. We believe that ethical and responsible business practices will enable us to manage risks more effectively, open up new business opportunities for sustainability growth, and create long-term value for all stakeholders.

We ensure compliance with local regulations and global sustainability standards, including the United Nations Sustainable Development Goals (UNSDGs), throughout our value chain management. Our business strategies and practices align with corporate governance principles, aimed at engaging stakeholders, driving business performance excellence, mitigating environmental impacts, fostering employee and community well-being, upholding human rights, and treating all stakeholders fairly without discrimination.



Objective

We are a non-bank financial services provider that aims to generate long-term sustainable returns by offering fair and transparent financial services. Our goal is to deliver financial opportunities to our clients.



Vision and 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

The information disclosed in this report covers performance during the period from 1 January to 31 December 2023. The report is prepared in accordance with the core options of the Global Reporting Initiative Standards (GRI Standards) and GRI G4 Financial Service Sector Disclosure, which reflect the nature of our business and the sustainability issues that are material to us and our stakeholders.

Sustainability Management Policies and Goals

In addition to establishing a sustainable development policy, we have appointed our Sustainability Development Working Team to set sustainability goals and guidelines. Moreover, we uphold honesty, integrity, transparency, fairness, and responsible business practices, while taking care of all stakeholders appropriately and fairly. Our 13 sustainability issues cover economic, social, and environmental dimensions.

Sustainable Development Goals

In 2023, we reviewed our sustainable development goals to ensure they align with the United Nations Sustainable Development Goals (UNSDGs). As a leader in the vehicle title loan and insurance brokerage business, we adhered to the principles of good corporate governance and considered the needs and interests of all stakeholders.

Our sustainability strategy aims to provide fast and easy financial and insurance services to a diverse customer base through innovative technologies and solutions, such as the Ngern Tid Lor application, TIDLOR card, and Areegator platform. We also regularly monitor and update our sustainability goals annually.

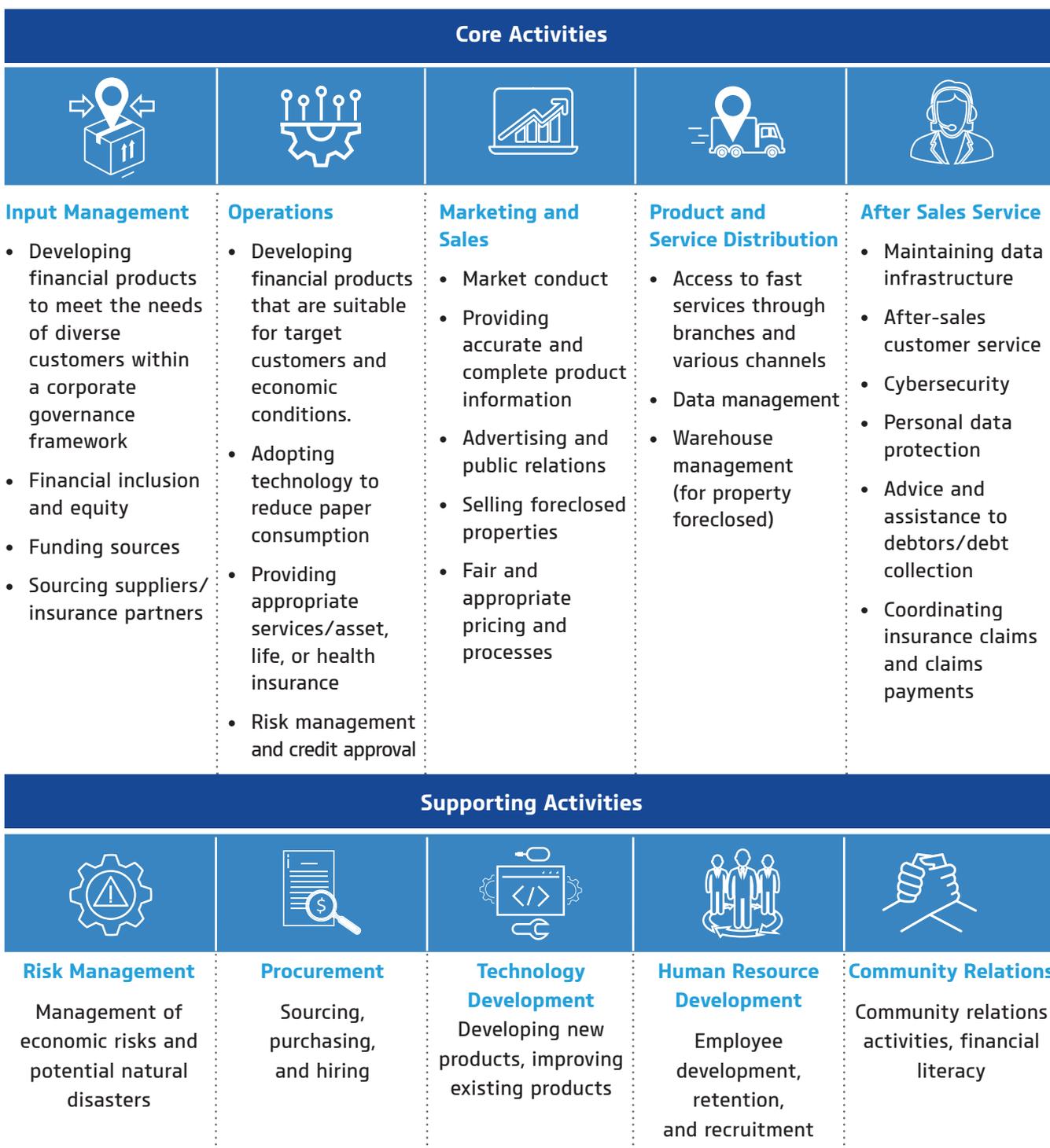
Sustainable Development Policy Framework	 Governance and Economic	 Social	 Environmental
Goal	Our mission is to empower Thai people, particularly low-income and self-employed individuals, by providing access to fair and transparent financial services and appropriate inclusive insurance products with 0% interest installment payments.	We promote financial well-being through educational programs, aiming to reduce poverty in Thailand significantly the low-income or self-employed.	We foster a culture of environmental responsibility within our company and encourage sustainable practices by raising awareness among our employees to reduce greenhouse gas emissions through efficient water and electricity use and plastic waste reduction initiatives.
Commitment	Our mission is to be a leader in sustainable financial innovation with strong governance, creating social and environmental equilibrium while driving toward sustainable growth.	We empower people and communities by creating financial literacy opportunities and developing inclusive financial products that help people move forward sustainably.	We are determined to carry out environmental activities to engage employees and stakeholders to produce measurable outcomes.
Sustainable Development Policy	<ul style="list-style-type: none"> • Enterprise risk management • Cybersecurity • Corporate governance • Market Conduct • Anti-bribery and Corruption 	<ul style="list-style-type: none"> • Sustainable development • Personal data protection • Fair treatment of employees • Respect for human rights • Fair procurement 	<ul style="list-style-type: none"> • Reducing resource consumption • Providing knowledge and information about efficient use of energy and water and waste reduction to stakeholders

Business Value Chain and Stakeholder Management

Our sustainable business development takes into account changing economic, social, and environmental contexts. We have identified and prioritized economic, social, environmental, and corporate governance issues that matter to both us and our stakeholders and that may affect our development goals, which shape our business operations and enhance our performance.

1. Value Chain

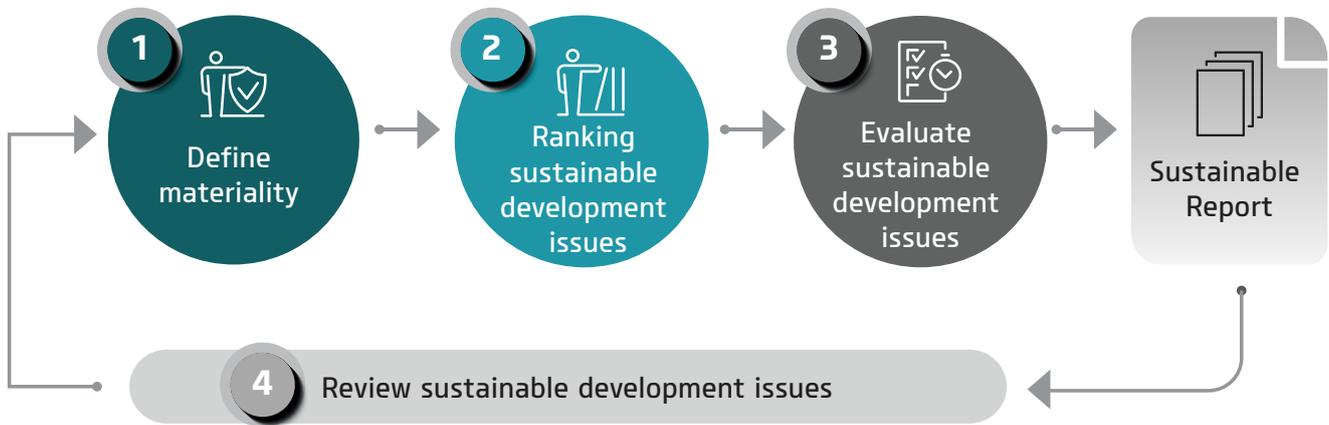
We engage with stakeholders throughout the value chain, from upstream to downstream, to create sustainable value, manage impacts from business activities, and respond to stakeholder expectations in line with international guidelines and practices.

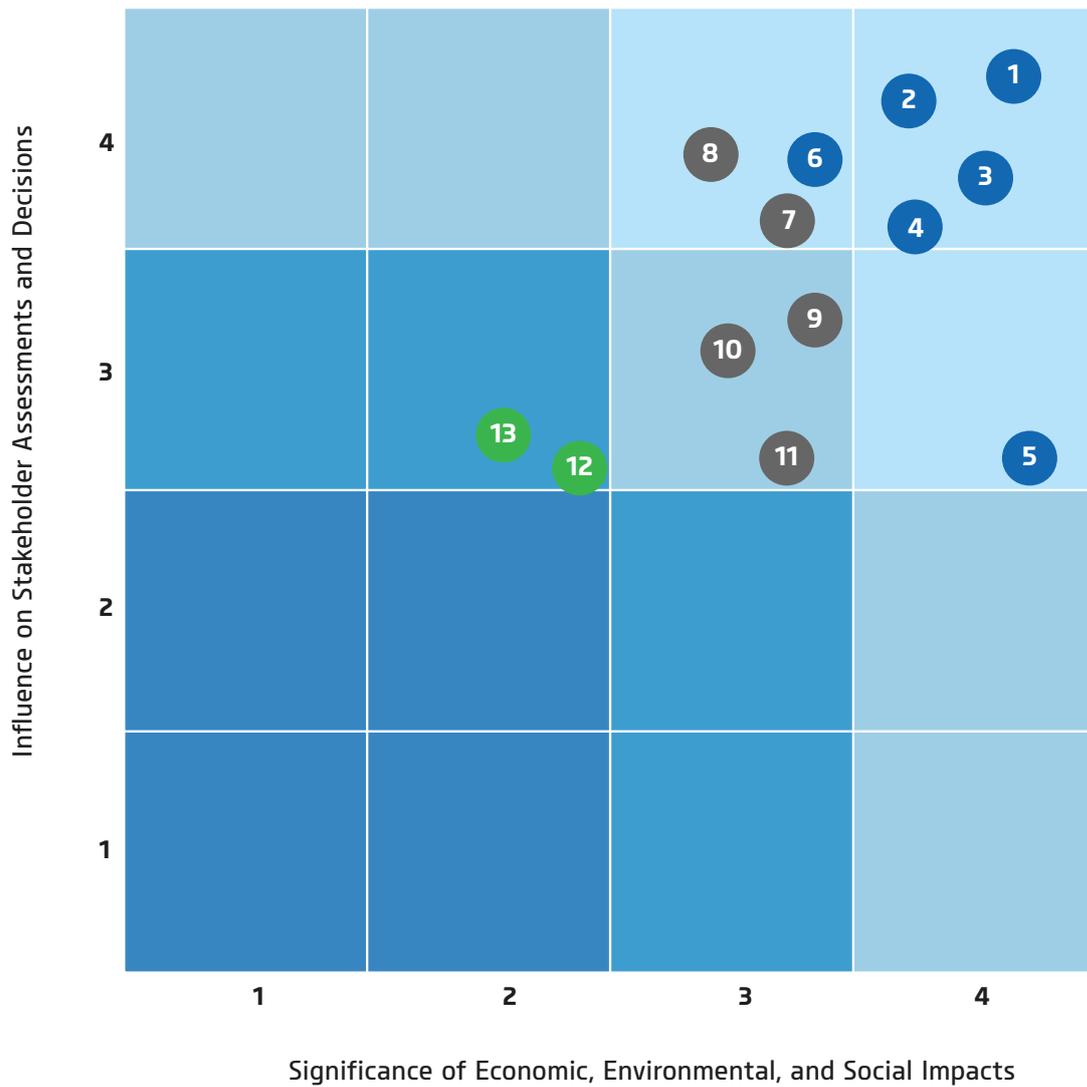


2. Changes in Material Sustainability Issues

A review of material sustainability issues conducted in 2023 suggested that the existing material issues were still relevant and significant to us and our stakeholders and aligned with the expectations of regulators and sustainability organizations at the national and regional levels. We also identified financial crime prevention as a new sustainability issue that could have implications for economic stability and innovation in business operations and consumer behavior. In response to stakeholder opinions, the Sustainability Report Working Team also disclosed information about supply chain management. Moreover, environmental management and resource efficiency were added because of their relevance to sustainability. Changes in materiality priorities in the materiality matrix also reflect the integration of the environmental, social, and governance (ESG) factors into the strategies, directions, and urgent agendas of our business, as follows:

Materiality analysis in sustainability and integrated





Materiality Assessment

Governance/Economic

1. Market Conduct
2. Corporate Governance and Anti-Corruption
3. Financial Crime Prevention
4. Risk and Crisis Management
5. Innovation and Digital Systems
6. Data Governance and Personal Data Protection

Social

7. Fair Treatment of Employees and Respect for Human Rights
8. Occupational Health, Safety and Work Environment
9. Stakeholder Engagement
10. Community/Social Responsibility
11. Human Resource Development

Environment

12. Climate Change Management
13. Environmental Management and Resources Efficiency

Approach to Material Sustainability Issue Management

In 2023, we implemented activities to drive progress toward sustainable development goals across environmental, social, and governance dimensions: Revolving Cash Card (TIDLOR Card), E-Billing and E-Receipt, Financial Education, and Insider Information and Conflicts of Interest Management.

Environmental	Revolving Cash Card (TIDLOR Card) and E-Billing and E-Receipt
	Strategy and Long-Term Goal
Significance	<p>We launched the Revolving Cash Card (TIDLOR Card) in 2019 because we noticed that our vehicle title loan borrowers, especially those using their motorcycles and cars as security, often re-applied for new loans before or upon completing their initial borrowing. This card offers our existing vehicle title loan customers an additional avenue to access their loans beyond the traditional methods of cash disbursement at our branches or wire transfers to their bank accounts. With this card, customers can receive a revolving line of credit based on the value of the asset used as security. They can conveniently access this credit line directly from over 50,000 ATMs of our commercial bank partners across Thailand, 24/7.</p> <p>In addition to increasing convenience for customers, TIDLOR Card contributes positively to the environment. By enabling customers to conduct transactions without having to visit branches, it helps reduce fuel consumption for traveling. It also reduce paper usage by 20 sheets per transaction, resulting in a total paper reduction of 369,712 kilograms annually. Additionally, it helps lower carbon dioxide emissions by up to 421,472 kgCO₂e (as of 31 December 2023).</p> <p>In 2023, we launched the E-Withdrawal feature on the Ngern Tid Lor app to allow revolving cash card customers to transfer their loan money directly to their bank accounts free of charge. To date, 644,000 revolving cash cards have been issued (as of 31 December 2023).</p> <p>Furthermore, we started to offer E-Billing and E-Receipt service, which not only reduces paper consumption but also provides customers with more options and convenience. In 2023, this service reduced paper usage by 13,625 kilograms and carbon dioxide emissions by 15,530 kgCO₂e (as of 31 December 2023).</p>
Long-term goal	In addition to promoting financial inclusion, the Revolving Cash Card (TIDLOR Card) and E-Billing/E-Receipt service will contribute positively to the environment by reducing energy and paper consumption.
	Material Issue Management
Policy	Develop promotional materials to introduce the Revolving Cash Card (TIDLOR Card) to target customers and conduct public relations campaigns to promote E-Billing and E-Receipt.
Responsible unit	Marketing and Business Development and Operations Departments
Management process	Conduct public relations to get more customers to use the service and send electronic transaction alerts.



Monitoring Results Toward Goals

Monitoring system based on project metrics toward annual goals

In 2023, we issued over 644,000 revolving cash cards to our customers. In total, nine billion baht have been withdrawn without customers needing to visit branches. After the E-Withdrawal feature was introduced, more and more customers have switched to the Ngern Tid Lor app. Today, more than half of our customers are using this service.

Social

Financial Education



Strategy and Long-Term Goal

Significance

We are the first vehicle title loan provider that started the Financial Education project to impart basic financial knowledge to communities and organizations, both public and private. Our goal is to equip people in society with basic financial understanding and enable them to manage their money to prevent debt problems. Over the past 10 years, we have leveraged our available resources and expertise to create positive impacts on our customers and promote a society of sustainable financial management.

Long-term goal

Within the next five years, we aim to bring financial knowledge to more communities to help Thai people manage their money. We will also raise awareness across all sectors about the importance of basic financial knowledge while promoting sustainable financial behaviour among our employees.



Material Issue Management

Policy

Organize activities to provide basic financial knowledge to employees, public and private organizations, and stakeholders.

Responsible unit

Financial Education Team

Management process

We give our employees the opportunity to participate in social contribution activities through the Ngern Tid Lor Volunteers program. The process involves:

1. Location Research: Allow branch employees nationwide to nominate communities for financial literacy and coordinate with community leaders.
2. Planning: Work together with community leaders to conduct a community survey, design educational content, and set a date for activities.
3. Communication: Compile a list of volunteers, schedule a meeting to determine duties and plan budget for activities.
4. Insights Research: Make a field visit to survey community needs, covering financial behaviors and interests, to plan training courses that meet their needs.
5. Activity Design: Organize training activities to provide financial knowledge and summarize the results of activities for further improvements.
6. Follow Up: After activities are completed, conduct a follow up on the results and benefits received.

 Material Issue Management	
Work plan/support project	<p>Project Objectives</p> <p>In 2013, we initiated a financial education training project for wet market vendors, which was further developed into the “Financial Education for Communities” project, aiming to teach basic financial management and savings for investment knowledge, as well as how to use technology to make financial transactions to reduce costs, to the low-income or self-employed, prisoners in the Kamlangjai Project, market vendors, and company employees across the country.</p> <p>We allow volunteers from Ngern Tid Lor to participate in activities so that they understand the importance of creating financial opportunities for customers. To date, we have helped 6,333 people to improve their financial life through 220 activities (as of 31 December 2023).</p>

 Monitoring Results Toward Goals	
Monitoring system based on project metrics toward annual goals	We regularly monitor the results of training of participants and benefits and report them to relevant executives. Customers, stakeholders, and self-employed people can access transparent and fair funding sources to improve their quality of life.

Governance	Insider Information and Conflicts of Interest Management
 Strategy and Long-Term Goal	
Significance	Assess risks and impacts on stakeholders and set management guidelines to control risks that may arise.
Long-term goal	Align management strategies with corporate governance practices to ensure that the Company conducts business with integrity, transparency, and fair treatment of all stakeholders. This will be integrated into the corporate culture to create sustainable returns for all stakeholders.



Material Issue Management

Policy	Set appropriate framework for managing risks related to insider information and conflicts of interest taking into account the impact on all stakeholders and review this framework regularly to ensure it reflects changing circumstances.
Responsible unit	<ul style="list-style-type: none"> • Board of Directors • Risk Management Committee • Management Team • Human Resources Department, Compliance Department, and Corporate Secretary
Management process	<ul style="list-style-type: none"> • The Risk Management Committee assesses risks and impacts, develop policies and regulations, and determine management practices to be submitted to the Board of Directors for approval. • Communicate policies and regulations to employees and provide information on relevant topics from time to time to ensure strict compliance. • Monitor activities more actively and frequently and timely report violations to relevant executives and the Audit Committee, including following up on improvements. • Incorporate management results into a policy review, improve regulations to reflect ongoing risk levels, and achieve management objectives with integrity and transparency in the best interest of stakeholders.
Work plan/support project	<p>Project Objectives</p> <p>Managing the use of insider information and conflicts of interest with honesty and transparency in the best interest of stakeholders.</p> <p>Project Plan</p> <ul style="list-style-type: none"> • Improve policies and regulations to reflect the Company's risk level taking into account the best interest of stakeholders. • Communications to raise employee awareness and develop tools to record transactions and report activities. • Develop a plan for reviewing activities regularly, reporting violations to relevant executives, and following up to ensure improvement. • Report management results to executives and improve the management plan to reflect ongoing risks. <p>Evaluation</p> <ul style="list-style-type: none"> • Number of transactions that do not comply with the policies and regulations. • Performance evaluation by a third party.
 <h2>Monitoring Results Toward Goals</h2>	
Monitoring system based on project metrics toward annual goals	Continuously monitor, timely report violations to management, and follow up to ensure improvements.
 <h2>Evaluation and Correction</h2>	
Evaluation and corrective action (if necessary)	Prepare a performance report to be submitted to relevant executives and improve a risk assessment and management approach.

Sustainability Performance Results

Sustainability Issue	Indicator	Result
1. Market Conduct	Provide full information to customers and achieve customer satisfaction of not less than 80%.	80%
2. Corporate Governance and Anti-Corruption	No offence was found by regulators.	100%
3. Financial Crime Prevention	Not more than 0.1% in computer system and Ngern Tid Lor application.	0.01%
4. Risk and Crisis Management	100% of relevant risks are identified.	100%
5. Innovation and Digital Systems	Increase usage in Ngern Tid Lor application by 20%.	40%
6. Data Governance and Personal Data Protection	0.1% personal data breaches.	There was a minor personal data breach affecting only 0.001% of data, with the company having elevated measures in place
7. Fair Treatment of Employees and Respect for Human Rights	No human rights violations.	No human rights violations
8. Occupational Health, Safety and Work Environment	Employees are in good health and no work-related injuries.	No work-related injuries
9. Stakeholder Engagement	At least 80% of stakeholders are engaged.	85%
10. Community/Social Responsibility	Organize at least 10 activities for the community and society.	14 activities
11. Human Resource Development	Employee satisfaction of not less than 80%.	98%
12. Climate Change Management	Switch to 100% LED bulbs.	100%
13. Environmental Management and Resources Efficiency	At least 10% of paper and waste are recycled.	14%

Stakeholder Analysis

We place importance on our internal and external stakeholders. We analyze and prioritize our stakeholders based on their relationships with us and their positions in our supply chain. Our stakeholders can be divided into nine groups: shareholders and investors, customers, Board of Directors, employees, suppliers, creditors, regulator and government agency, competitors, communities and society.

Stakeholder Mapping



Stakeholder Management

We treat our stakeholders equally without discrimination and strive to understand their needs and expectations in order to develop appropriate strategies and practices to serve them effectively, mitigate risks, and minimize potential negative impacts.



Shareholder and Investors

Engagement Channels

- Assigning the Investor Relations Department to communicate and foster relationships with investors, analysts, and shareholders regarding business or corporate information.
- General and extraordinary meetings of shareholders, where shareholders can propose agenda items in advance, submit questions before the meeting, and raise questions during the meeting.
- Disclosing information fully, transparently, and timely via SETLink system of the Stock Exchange of Thailand.
- Our website and internal and external publications.
- Arranging individual and group meeting to provide information to shareholders and the general public, including domestic and international investors every quarter.
- Providing channels for inquiries via our website and email according to the communication channel, annual report, page 163.

Concerns and Expectations

- Rewarding return and sustainable organizational growth.
- Consistently good performance.
- Accurate, complete, transparent, and timely information.
- Risk management and good corporate governance.
- Ethical business conduct and environmental responsibility.

Our Actions and Responses

- Creating sustainable and balanced revenue.
- Disclosing information to shareholders and the Stock Exchange of Thailand through activities or other communication channels with transparency and accountability.
- Allowing shareholders to propose meeting agendas and candidates to be appointed as directors at the annual general meeting.
- Allowing shareholders to raise questions and express their opinions at shareholder meetings and through various communication channels of the company.
- Setting up a whistleblowing channel.



Customers

Engagement Channels

- Assigning a customer relations officer to facilitate customer needs and requirements.
- Producing public relations materials to provide accurate, complete, clear, and transparent information about our products and services.
- Providing channels for receiving customer feedback, suggestions, and complaints.
- Conducting a customer satisfaction survey regularly.
- Implementing mystery shopping to test the quality of services provided to customers and stakeholders.
- Providing diverse digital channels to quickly communicate with customers, such as LINE Official Account, Facebook, and mobile application.

Concerns and Expectations

- Transparent and fair services.
- Complete and accurate information.
- Appropriate product offerings.
- Accurate collection of interest and fees.
- Timely problem solving.
- Personal data protection.

Our Actions and Responses

- Aligning our business practices with market conduct standards.
- Providing more channels to allow customers to easily access products.
- Implementing the personal data protection policy.
- Announcing interest rates and fees transparently.
- Establishing customer service and complaint centers.

Customer Feedback



We regularly conduct a customer survey and create testimonial videos. In 2023, we achieved the customer satisfaction rate of 98% and continued monitoring customer comments online to improve services (data from the Social Listening Report and Company Database from 1 January to 31 December 2023).



Customers

Customer comments and posts include:

- "ขอบคุณสำหรับบริการมาตั้งแต่ยุคก่อนแล้วจะจนทุกวันนี้กลับมาอยู่บ้านต่างจังหวัดยังใช้บริการอยู่เลยครับ" (Thank you for the service since before, and even when I moved to a different province, I still use the service.)
- "เค้าเลยไปฝากเงินติดล้อ ใต๋มา แสนนึ่ง ภูมิจังมาก" (I went to deposit money at the branch, it's very convenient and the staff is very helpful.)
- "เคยจำว่าโอนค้ายหนึ่งงวด ไปงวดที่ 2 ไม่เกิน 5 วัน โอนคได้ รมคืน ไม่ยึดเยื่อ ไม่ตั้งกมสั ตรงไปตรงมา ดีมาก" (I remember transferring money one installment, by the second installment it was less than 5 days, the money was returned, no fees, and it's straightforward. It's very good.)
- "บริการดีมากครับ" (Service is very good.)
- "สาขาเขาหมม จังหวัดกระบี่ บริการดีมากครับ" (The branch in Hea Mueh, Krabi Province, has very good service.)
- "ฝากไว้กับเงินติดล้อจะปลอดภัยสบายใจที่สุด" (I deposited with the money lender, it's the safest and most comfortable.)
- "พนักงานติดต่อกลับมาแล้วคับรวดเร็วทันใจคับ" (The staff contacted me back, very fast and helpful.)
- "ผิดปกติทั้ง 2 รอบ ที่จะไปประชุมรอบที่แล้ว จำได้ดี พ่อป่วย ต้องกู้เงินติดล้อ ไปซ่อมรถ ระหว่างดูแลพ่อที่ป่วย.รพ. ขอบพระคุณเงินติดล้อมากคะ ที่ช่วยอนุมัติสินเชื่อรถให้วันนั้น แต่เราส่งคืนไม่เคยช้าขำเดือนตลอด ถ้าไม่ได้เงินกู้เงินติดล้อช่วยไว้ลำบากพอสมควร ถึงปิดบัญชีแล้ว ขอคุณมากคะ" (Unusually, in both rounds, I had to go to a meeting. Last time, my father was sick, so I had to borrow money to fix the car while caring for my father in the hospital. Thank you very much for the loan approval. We returned the loan on time, never late. It's a relief that we didn't have to pay late fees. If we didn't have the loan, it would have been very difficult. Thank you very much for the service.)
- "คิดถึงตลอด เงินซื้อค้เข้าแอฟโอนออก ถูกเงินเมื่อไหร่ ไว้ใจเงินติดล้อ" (I think about it all the time. The money is transferred to the app, and I can withdraw it. I trust the money lender.)
- "แบบนี้ก็ดีนะ ไม่ต้องจำปฏิทินการครบคอกเบี้ยแพง เราค้าขายต้องการแบบนี้.." (This is also good. I don't have to remember the interest payment dates. We are a trader and need this kind of service.)
- "ดูแลดีมาก ๆ ครับ ทำวันนี้ พรุ่งนี้ได้เงิน ไม่ยุ่งยากเลย พนักงานน่ารักทุก" (Service is very good. I can get the money today and tomorrow. It's not complicated at all. The staff is very nice.)
- "สาขานนสะแกงาม กทม. ดูแลดีมากครับ ดำเนินเรื่องง่ายมาก ไม่ยุ่งยาก รักเงินติดล้อ" (The branch in Nong Saeng Nam, Bangkok, has very good service. It's very easy to deal with. I love the money lender.)
- "ติดล้อพุดง่าย บริการดี" (The money lender is easy to deal with, and the service is good.)
- "ผมไม่มีปัญหาหนี้เลยครับ ตอนรถใหม่เล่มอยู่ไฟแนนซ์ พอผ่อนหมดเล่มย้ายไปเงินติดล้อ เค้าเก็บให้อย่างดี ปลอดภัย" (I have no debt problems. When I bought a new car, I used a bank. After I finished paying, I moved to the money lender. They collect the money very well and safely.)



Board of Directors

Engagement Channels

We regularly hold board meetings and provide equal opportunities for all board members to express their opinions and receive information through our various communication channels.

Concerns and Expectations

- Transparent operations in compliance with good corporate governance principles, including providing accurate, complete, sufficient, and timely information to support decision-making.
- Fair treatment of stakeholders, including regulators.
- Sustainable growth and appropriate risk management.
- Independence of the Board of Directors in decision making.

Our Actions and Responses

- Implementing fair customer service policies and regularly assess operations.
- Managing efficiently, transparently, and accountably in accordance with good corporate governance and sustainable development guidelines.
- Conducting business in the best interest of all stakeholders.



Employees

Engagement Channels

- Electronic channels such as Facebook, Line, and YouTube.
- Whistleblowing channel via the company's website.
- Conducting a performance assessment every six months.
- E-mail communications and Intranet/ TIDLOR portal system.
- Ombudspersons.
- To ensure that all employees correctly understand and comply with our strategies and goals, we organize activities, such as Open box MD Talk and Happy Time, where executives communicate the direction of operations, performance results, and policies to employees.

Concerns and Expectations

- Fair and appropriate compensation and welfare that reflect economic conditions.
- Career path planning and job advancement.
- Continuous development of knowledge, competency, and other life skills.
- Appropriate equipment to facilitate operations.
- Safe and suitable working environment with adequate occupational health standards.
- Allowing employees to manage time to achieve work-life balance.
- Valuing employees equally and respect for human rights (no discrimination and sexual harassment).
- Building employee engagement.

Our Actions and Responses

- Implementing a fair employment policy to provide equal opportunities and treatment for all employees, as well as conducting a performance evaluation annually.
- Implementing individual employee development plans, including providing scholarships to help employees develop professional skills.
- Providing appropriate welfare benefits to employees to improve their and their families' wellbeing and/or help reduce employees' financial burdens and worries, which will in turn improve their work performance. These welfare benefits include the provident fund, Employee Joint Investment Program (EJIP), special rate loans, vaccination, health insurance for employees and their families, and financial counseling program.
- Recognizing that respect for human rights is key to sustainable growth, we have integrated human rights into our corporate governance and sustainable development policies to ensure equitable treatment of all employees regardless of race, religion, gender, skin color, language, ethnicity, and other status and fair and competitive employee compensation. In the past year, there were no violations of human rights in our company.
- We have a whistleblowing policy that sets forth guidelines for employees to report suspected violations of laws, policies, work regulations, and business ethics in the workplace. This is also to assure whistleblowers and all stakeholders that they will be treated fairly by ombudspersons, such as the Compliance and Internal Audit Departments. In the past year, there were no significant complaints.
- Setting a human resources policy to serve as a basic framework and guideline for communicating roles and responsibilities and managing and developing human resources.



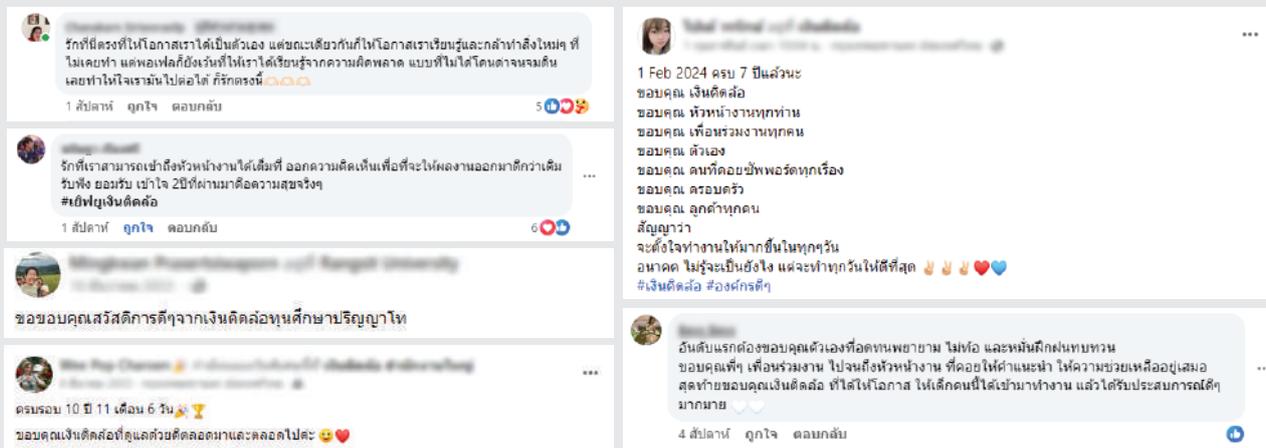
Employees

Our Actions and Responses

- Implementing fair recruitment and employment procedures that cover full-time and short-term employees, as well as outsourced staff.
- Organizing employee engagement activities, such as an event to celebrate and honor retiring coworkers.
- We improve the quality of life of our employees by delivering basic financial literacy to help them manage financial life, creating a safe and healthy working environment with sufficient lighting and work space, providing welfare programs to improve employees' mental health and develop skills needed to perform their jobs, ensuring employees at all levels receive essential training from leading national and international institutions, promoting gender equality in the workplace by equitably and fairly recruiting male and female employees. Because recruitment is highly competitive in this industry, our employee turnover rate was at 14.6%.
- We offer employment opportunities for the disabled and underprivileged. At present, we employ 65 persons with special needs.

Employee Feedback

Recognizing that employees are our crucial asset, we regularly conduct a survey to measure the level of employee satisfaction and obtain suggestions for improvement. In 2023, percentage of the total number of employees at Ngern Tid Lor, 92.7% were happy at work, 92% agreed that the Company took good care of them, and 82.7% were proud to be a NTLer (data from the Company Database from 1 January to 31 December 2023).





Employees

Management Approach

- Establishing the “7 Core Values.”
- Appointing the Human Resources Committee to review and evaluate human resources strategies, policies, and projects/plans to ensure that they are competitive and comparable to other industry players and can attract, motivate, and retain employees, as well as compliant with applicable laws and regulations.

Human Resources Development

- We recognize that our employees are valuable resources and crucial assets in enhancing our organization’s productivity across various aspects and driving us towards a low-carbon economy. As we strive to develop people excellence, we promote opportunities for employees to develop their potential and learn through diverse learning channels. Ensuring equal development opportunities for all helps improve employees’ work skills and professionalism, enabling us to better meet customer needs. Moreover, fostering employee loyalty to the organization is essential. By doing so, we reduce operational risks and business discontinuity risks caused by workforce shortages. Developing human resources remains a challenge, but it is a critical factor in determining the direction and sustainable success of our organization moving forward.
- Setting a “Human Resources Policy” to serve as a framework for assigning roles, duties, responsibilities, and management processes, as well as developing relevant policies.
- Establishing the “Employee Development Procedures” to ensure that executives and employees understand the policies regarding learning and human resources development. This framework serves as a guideline for communicating the roles and responsibilities of executives and employees in learning and developing human resources to ensure clarity and standardized work practices and compliance with applicable laws, regulations, and policies.
- Developing “Learner-Centric” learning programs, including designing upskill/reskill training with the benefit of learners in mind to help employees solve problems or overcome work challenges, increase productivity, and prepare for the future.
- Implementing technology in managing high-potential employees and succession planning efficiently and effectively. Developing individual development plans for all executives to ensure they are fully equipped to assume higher-level positions.
- Holding the NTL Open Box to inform employees at the manager level and above about the Company’s management approaches, so that they understand the role the organization play in sustainably improving the quality of life of people in society.



Employees

- Organizing the NTL Culture Boot Camp twice a year to build teamworking and bond between employees through corporate culture and core value activities.
- Holding the NTL CV Award and Culture Day events on every 7th day of the 7th month of every year to search for and award role models who best demonstrate the traits of each of our 7 Core Values, as well as to promote corporate culture and take pride in being NTLers.
- Providing annual mandatory training to help executives and employees understand the Company's rules and regulations. These courses include online learning and testing, with a requirement of 100% completion.
 - Anti-Bribery and Corruption
 - The Spirit & The Letter (S&L)
 - Related Party Transactions (RPT)
 - Data Privacy - Safe Data, Safe Care
 - 10 Iron Rules
 - Market Conduct
 - Personal Data Protection Act (PDPA)
 - Anti- Money Laundering and Counter Terrorist Financing (AML/CTF)

Number of employee training hours per year

Mandatory Courses	2023	2022	2021
Average number of training hours	11.05	9.39	6.61





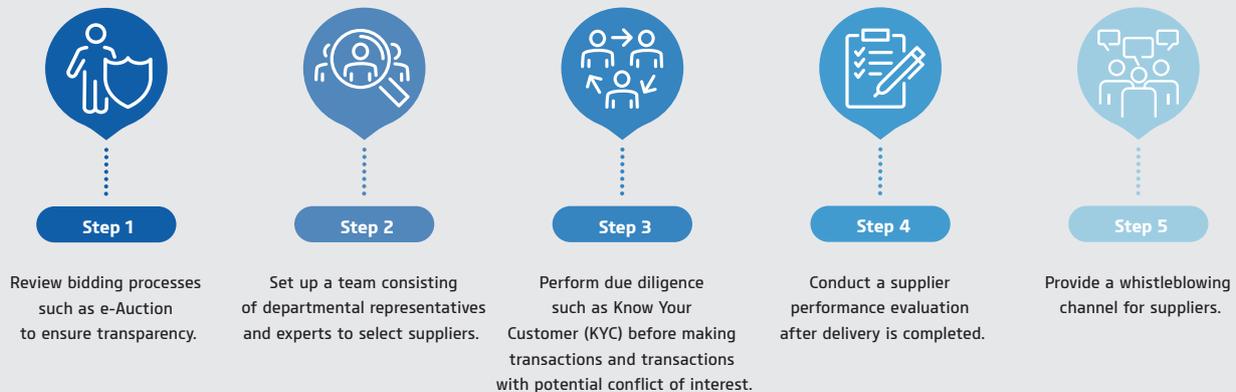
Suppliers (Supply Chain Management)

We are aware of the importance of procurement in sustainable business practices and have published our **Supplier Code of Conduct** and ESG Assessment Form on our website to help suppliers develop an effective corporate governance framework and achieve ethical conduct standards in line with the Company.

The Supplier Code of Conduct covers four aspects: business ethics, human rights, treatment of labor, and occupational health, and safety, and working environment.

The Supplier ESG Assessment Form consists of five aspects: products and services, business conduct, social, environmental, and social responsibility.

Supplier Selection Process



Step 1 Review bidding processes such as e-Auction to ensure transparency.

Step 2 Set up a team consisting of departmental representatives and experts to select suppliers.

Step 3 Perform due diligence such as Know Your Customer (KYC) before making transactions and transactions with potential conflict of interest and other conflict factors of all suppliers.

Step 4 Conduct a supplier performance evaluation after delivery is completed.

Step 5 Provide a whistleblowing channel for suppliers.

Our suppliers are divided into two groups:

Group 1: General Suppliers. Procurement is a crucial process for any business. The Company has implemented green procurement practices to take into consideration environmental, social, governance, and economic factors. This will serve as a framework for delivering products and services, building confidence among customers, suppliers, investors, and other people involved in the supply chain, and promoting supply chain resilience and sustainable supplier management.



Suppliers (Supply Chain Management)

E (Environment) : Green Procurement. Our procurement focuses on the selection of environmentally-friendly products and services to reduce greenhouse gas emissions and promote a network of green suppliers throughout the supply chain. We use services from companies that meet the IS27001 standard, install solar flood light, and switch to LED bulbs to reduce electricity consumption. Electrical appliances in our head office and branches across the country are all energy-efficient. We also support green suppliers, such as providing document storage services to suppliers that are certified for the ISO 9001:2008 standard.

S (Social) : Labor Practices & Human Rights. This includes complying with the labor law, non-discrimination, respect for human and labor rights, and promoting safety and health in the supply chain. To ensure practices in line with the Company, we have communicated our Supplier Code of Conduct to all suppliers and required that they strictly complied with.

G (Governance & Economic) : Business Ethics, Anti-Bribery & Corruption. We attach importance to business integrity, anti-corruption, efficiency, and transparency and efficient procurement process in e-Auction. In addition to the Supplier Code of Conduct, we also perform the Know Your Customer (KYC) check on every supplier and service provider before making transactions as part of the anti-money laundering (AML) efforts. We have also set a procedure for related-party transactions (RPT) and communicated the No Gift Policy.

Group 2: Critical Suppliers. This are those involved in the value proposition or touchpoint like debt collection and payment services and non-life insurance companies. This Group will be subject to the same protocols as Group 1. In addition, additional actions are taken as follows:

- We recognize the importance of Group 2 suppliers in helping us achieve responsible business conduct and sustainable growth and build confidence of shareholders, investors, and stakeholders. We have thus taken steps to ensure that they comply with the principles of corporate governance and applicable laws, such as personal data protection, debt collection, and consumer protection laws.
- Developing a business continuity plan (BCP) together with suppliers and service providers involved in critical services to respond to force majeure events and emergencies that may disrupt business.
- We have conducted a review of cybersecurity guidelines together with service providers with cybersecurity risks, such as non-life insurance and debt collection service companies, to ensure that they can manage cybersecurity risks to an acceptable level.
- We have developed additional policies and procedures for reviewing activities that are at risk of bribery and corruption and conflicts of interest of third-party intermediaries (TPIs) to ensure that they effectively manage bribery and corruption risks and conflicts of interest to an acceptable level.

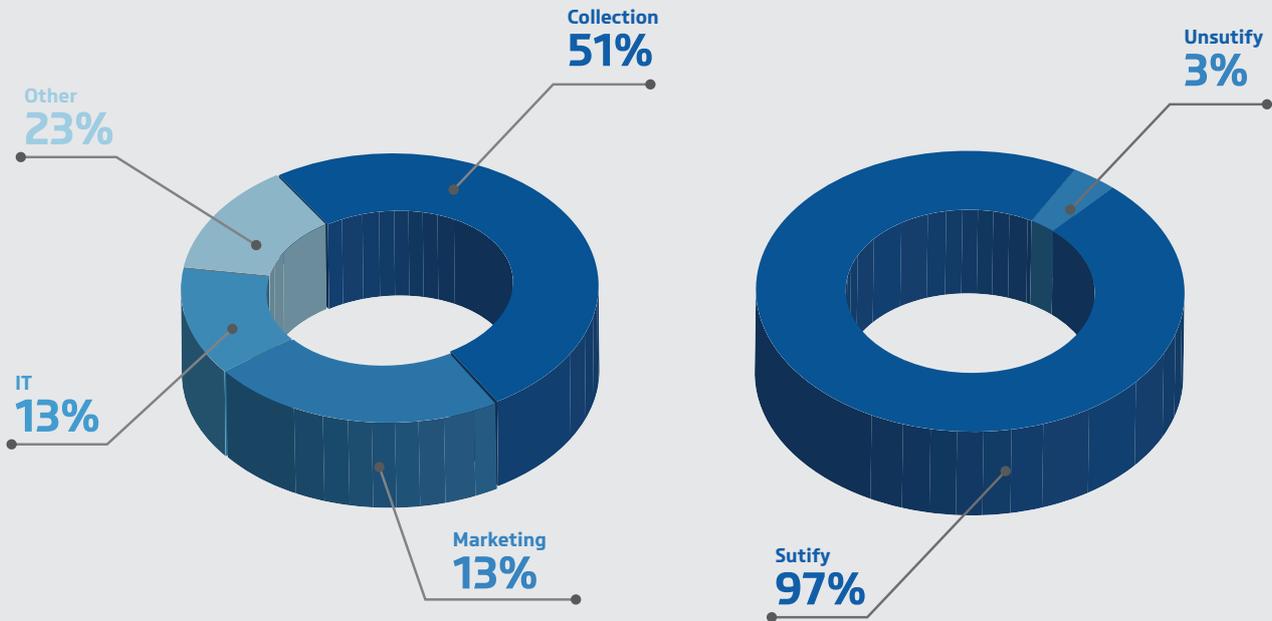
Summary of Supply Chain Performance in 2023

- We conducted a risk assessment for suppliers to government organizations to promote good corporate governance and prevent corruption. In 2023, there were no complaints relating to giving or accepting gifts and entertainments and no complaints from suppliers reported through our complaint channels.
- In 2023, there were no material complaints received through our website, email, evaluation form letter (G&E), and whistleblowing channel.



Suppliers (Supply Chain Management)

Percentage of Suppliers Who Completed the ESG Assessment



Creditor

Engagement Channels

- Agreements and contracts.
- Company website and print media.
- Meeting with and providing information to financial institutions.

Concerns and Expectations

- On-time repayments and interest payments.
- Compliance with terms set forth in contracts.
- Continuous communication and disclosure.

Our Actions and Responses

- Making repayments and interest payments on time and never have any disputes with respect to default.
- Strictly complying with the terms and conditions of contracts and ensuring continuous communication to provide accurate and complete information.



Local and Government Regulators

Engagement Channels

- Submitting reports as required by regulators.
- Attending meetings to receive policies and guidelines.
- Liaising and coordinating with regulators.
- Attending meetings with operators in the same business (Vehicle Title Loan Trade Association (VTLA)) in order to coordinate with regulators.
- Handling complaints reported through relevant regulators.

Concerns and Expectations

- Conducting business in accordance with good governance principles and legal requirements.
- Implementing continuous and effective monitoring and oversight systems.
- Reporting accurate, complete, and timely information.

Our Actions and Responses

- Complying with laws, regulations, and business conduct standards.
- Improving work processes in response to recommendations and observations from regulators.
- Appropriate handling complaints reported through regulators in a timely manner.



Competitors

Concerns and Expectations

- Adherence to fair competition standards.
- Collaboration and networking for sustainable development.

Engagement Channels

- Regular meetings and communication among members of the Vehicle Title Loan Trade Association.

Our Actions and Responses

- Adhering to our Business Code of Conduct, which is part of good corporate governance.
- Competing fairly and conducting business transparently in compliance with rules and regulations.
- Providing market information that does not affect competitors.
- Collaborating on activities that are beneficial to business.
- Setting up a whistleblowing channel.



Communities and Society

Engagement Channels

- Organizing community engagement activities through our employee volunteer programs and corporate social responsibility initiatives.

Concerns and Expectations

- Providing financial literacy, relevant financial products, services, and accessible financial channels aligned with community needs.
- Organizing activities to promote community development.
- Preserving resources and the environment.

Our Actions and Responses

- Providing financial literacy to communities through various media channels, training, seminars, and activities.
- Organizing employee volunteer program.
- Providing knowledge, promoting, assisting, and supporting the development of various skills for local communities, conserving natural resources, and the environment.
- Providing assistance and relief to people affected by natural disasters through donation channels, financial aid, and essential items, as well as aiding in post-disaster recovery efforts.

Whistleblowing Channels

We encourage reporting of employee’s actions that may violate laws, policies, regulations, and code of conduct. Any employee or individual can provide information or file complaints through channels we have set up, which are easily accessible and confidential. We assure that reporting wrongdoing or filing complaints will not result in adverse consequences for reporters in any way. Complaints will be promptly and fairly handled, and progress of the investigation will be reported to the whistleblower or complainant (if known) and relevant directors.

Whistleblowing Channel

<div style="background-color: #0056b3; color: white; padding: 5px; margin-bottom: 10px;">Supervisor 1</div> <div style="text-align: center; margin-bottom: 10px;"> </div> <p style="text-align: center; font-weight: bold;">Report to the highest or immediate supervisor the employee trusts.</p>	<div style="background-color: #0056b3; color: white; padding: 5px; margin-bottom: 10px;">Ombudsman 4</div> <p style="font-weight: bold; color: #0056b3;">▶▶▶ Whistleblowers and complainants</p> <ul style="list-style-type: none"> Rakkiat Teerathamrongkiat: Phone 02-792-1860 Takorn Thawonsan: Phone 02-792-1888 ext. 5200 whistleblowing@tidlor.com Rakkiat.T@tidlor.com Takorn.T@tidlor.com Mail to Rakkiat Teerathamrongkiat, Human Resources Department Mail to Takorn Thawonsan, Corruption Investigation and Prevention Department <div style="background-color: #0056b3; color: white; padding: 10px; border-radius: 15px; margin-top: 10px; display: flex; align-items: center;"> <div style="flex: 1;"> <p>428 Ari Hills, 9th -15th Floor, Phahonyothin Road, Samsennai, Phayathai, Bangkok 10400</p> </div> </div>
<div style="background-color: #0056b3; color: white; padding: 5px; margin-bottom: 10px;">Compliance Department 2</div> <div style="text-align: center; margin-bottom: 10px;"> </div> <ul style="list-style-type: none"> Report to compliance Sirin.S@tidlor.com Mail to compliance executive 	
<div style="background-color: #0056b3; color: white; padding: 5px; margin-bottom: 10px;">Internal Audit 3</div> <div style="text-align: center; margin-bottom: 10px;"> </div> <ul style="list-style-type: none"> Report to internal audit executive Aumaporn.N@tidlor.com Mail to internal audit executive 	

ESG Risk Management



Note: For details of our approach to risk management, see our annual report, page 81. Summary of Sustainability Performance

Summary of sustainability work

1. Governance and Economic Dimensions

Corporate Governance



We review our roles, duties, and responsibilities every year to ensure they aligns with good corporate governance and understand that corporate governance determines a relationship structure and process between shareholders, the Board of Directors, senior executives, and stakeholders. Our sustainable development framework integrates environmental, social, and governance (ESG) factors, with an aim of enhancing our competitiveness and creating sustainable value for shareholders while considering the interests of stakeholders. It is believed that this will allow us to achieve continuous and stable business growth. (Corporate Governance Performance Report, page 142)

1. We were rated “Excellent” by the Corporate Governance Report for Thai Listed Companies (CGR), conducted in 2023 by the Thai Institute of Directors and supported by the Stock Exchange of Thailand.
2. We have joined the “Thai Private Sector Collective Action Against Corruption” (CAC) and have been recertified for membership every term. We have conducted self-assessments annually to improve our anti-corruption system in accordance with CAC standards.
3. In 2023, we were awarded the EcoVadis Bronze Medal for our social and environmental responsibility management quality in four themes: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement.
4. In 2023, we held four Compliance Champions to train representatives from all departments on corporate governance compliance to enable them to impart this knowledge to colleagues in their respective departments.

2. Environmental Dimension

Environmental Policies

We are dedicated to conducting sustainable business with a strong focus on environmental responsibility. This commitment entails recognizing and addressing the environmental impacts stemming from our business operations and services. We prioritize fostering pro-environmental behavior and raising environmental awareness through a variety of projects and activities. Additionally, we strive to implement operational processes that minimize our environmental footprint. To support these goals, we have established guidelines for efficient use of resources to advance environmental protection efforts. This includes promoting the responsible utilization of natural resources and reducing our reliance on finite energy sources such as electricity and water. We also address waste management, including the proper handling of waste generated from our business operations, as well as efforts to mitigate greenhouse gas emissions. Moreover, we are actively preparing strategies to address emerging environmental challenges. These actions

include prevention, reduction, and effective management of environmental impacts, with a particular emphasis on minimizing greenhouse gas emissions. Furthermore, we have taken steps to minimize waste by reducing paper usage and other unnecessary resources. We encourage the adoption of digital channels for communication and payment to reduce paper consumption. Additionally, we promote the reuse of materials and implement segregation practices to facilitate recycling processes effectively.

Recognizing our environmental responsibility, we have undertaken a variety of activities aligned with sustainability guidelines. These initiatives aim to enhance employee awareness of the diverse impacts associated with our operations. Committed to fostering sustainable growth and actively contributing to community well-being, we have established policies governing the implementation of corporate social responsibility initiatives. Information regarding these efforts is disseminated to the public via articles published on our website.

Environmental Practices

We have aligned our business policy with international environmental requirements and standards to drive the United Nations Sustainable Development Goal 13: Take urgent action to combat climate change and its impacts and Thailand's greenhouse gas reduction targets as proposed in Nationally Determined Contributions (NDCs). This business policy encompasses all our stakeholders.

- Establishing guidelines and goals for energy, resource, and environmental management within the company, prioritizing environmental conservation, resource efficiency, and reduction of greenhouse gas emissions, which are key drivers of current climate change.
- Implementing efficient waste management to minimize environmental impact, including supporting reuse and recycling of materials or opting for efficient and sustainable alternative products.
- Disseminating information about efficient use of energy and resource through posters placed in public areas within the office premises with approval from management.
- Promoting procurement of environmentally friendly products and services and/or products produced from environmentally friendly production processes.
- Collaborating with government agencies, educational institutions, communities, and other organizations to address national-level climate change challenges.

Energy, Water, Waste, and Greenhouse Gas Emissions Management

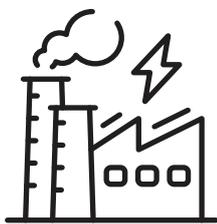


1. Energy Management

We effectively manages energy, both in lighting and air conditioning systems. In addition to an electricity-saving campaign, we have installed and maintained electrical equipment, such as solar panel systems and LED lighting. This has resulted in a reduction in electricity consumption at the headquarters and branches by 199,064 kilowatt-hours per year.

We aim to reduce our energy consumption by 10% within five years.

Electricity Consumption by the Company (Unit: Kilowatt-Hour)



Amount of
Electricity
Consumed

	2021	2022	2023
	6,989,410	8,913,025	10,302,108



Total
Electricity Costs

	2021	2022	2023
	41,936,458	53,478,150	61,812,646



Oil and Fuel
Consumption
by the Company

	2021	2022	2023
Diesel (liters)	697,272	760,277	877,843
Gasoline (liters)	183,136	235,414	229,424



Oil and
Fuel Expenses
(Unit: Baht)

	2021	2022	2023
	21,838,172	31,856,813	34,086,914



2. Water Management

We use both raw water and tap water, accounting for 100% of our total water consumption. Consequently, we consistently monitor and assess the integrity of our water distribution system to ensure compliance with standards. In our Head Office Building, adjustments are made to regulate water flow rates to sanitary fixtures, and wastewater is effectively managed, with 100% of effluent volume passing through the building's treatment system. Moving forward, we remain committed to maximizing water conservation efforts.



Water Consumption
(Unit: Cubic Meter)

	2021	2022	2023
	16,586	20,677	24,074



Tap Water Expenses
(Unit: Baht)

	2021	2022	2023
	331,729	413,542	481,476



3. Waste and Pollution Management

We have implemented a comprehensive waste management system following the principles of Reduce, Reuse, Recycle (3R) in our business operations. This includes an efficient waste sorting system and efforts to raise awareness and involve stakeholders to minimize waste disposal through landfills. In 2023, our headquarters produced a total of 185,349 kilograms of landfill waste. Recyclable materials amounted to 22,690 kilograms of paper waste, which were exchanged for paper furniture for office use. Additionally, 613 kilograms of plastic waste were used to produce 1,011 monk robes. Furthermore, 10 kilograms of aluminum waste, 174 kilograms of hazardous waste, and 111 kilograms of infectious waste were all properly disposed of by designated responsible parties. Moreover, we conduct environmental quality assessments in our offices and facilities at least once a year. In 2023, these assessments confirmed that air quality, odor, noise, and lighting standards were all within legal limits. Additionally, no chemicals were used in our business operations.

Our goal is to increase waste recycling for 10% within five years.



Amount of Waste Produced
by the Company
(Unit: Kilograms)

	2021	2022	2023
Total amount of non-hazardous waste	38,135	94,246	208,377
Total amount of hazardous waste	10	555	617



Amount of Waste Reused/Recycled
by the Company
(Unit: Kilograms)

	2021	2022	2023
	17,022	21,934	23,645



4. Greenhouse Gas Management

In 2023, we had direct and indirect greenhouse gas emissions of 2,923 and 6,727 tons of carbon dioxide equivalent, respectively. This adds up to about 9,650 tons of carbon dioxide equivalent for the whole year. During this period, we also implemented projects to promote the reduction of direct and indirect greenhouse gas emissions, such as the uses of biodiesel and gasohol to replace conventional diesel and gasoline. In 2023, the total volume of alternative fuel used amounted to 1,107,267 liters. Moreover, we used over 22,690 kilograms of recycled paper in our headquarters.

Three services and products offered by us contribute to environmental sustainability.

1. TIDLOR Card reduced paper consumption by 369,709 kilograms and carbon dioxide emissions by 421,468 kilograms of carbon dioxide equivalent.
2. E-Billing and E-Receipt reduced paper consumption by 15,036 kilograms and carbon dioxide emissions by 17,141 kilograms of carbon dioxide equivalent.
3. 23,645 kilograms of circular supplies and recycling waste reduced carbon dioxide emissions by 54,857 kilograms of carbon dioxide equivalent.

As for future directions, we plan to reduce our greenhouse gas emissions by 10% within the next five years.

In 2023, we measured our greenhouse gas emissions in three scopes and developed the carbon footprint, as detailed below:

Greenhouse Gas Emissions by the Company (Unit: tCO₂e)



	2021	2022	2023
Scope 1 greenhouse gas emissions	2,324	2,613	2,923
Scope 2 greenhouse gas emissions	4,069	5,188	5,997
Scope 3 greenhouse gas emissions	411	531	730

Scope 1: Direct Emissions

Type	Fuel Consumption (Liters)					
	2021	kgCO2e	2022	kgCO2e	2023	kgCO2e
Gasoline/Gasohol 91, 95, E20, E85	183,136	409,785	235,414	526,762	229,424	513,359
Diesel	697,272	1,913,733	760,277	2,086,656	877,843	2,409,328
Total	880,408	2,323,518	995,691	2,613,418	1,107,267	2,922,687

Scope 2: Indirect Emissions

Type	Energy Consumption (kWh)					
	2021	kgCO2e	2022	kgCO2e	2023	kgCO2e
Electricity	6,989,410	4,068,535	8,913,025	5,188,272	10,302,108	5,996,857

Scope 3: Other Indirect Emissions

Type	Amount Consumed					
	2021	kgCO2e	2022	kgCO2e	2023	kgCO2e
A4 and A3 (white) paper (kg)	309,822	353,197	307,048	350,035	252,177	287,482
	-	-	-	-	-	-
Tap water (cubic meters)	16,586	8,428	20,677	10,506	24,074	12,232
Landfill waste (kg)	21,133	49,029	72,867	169,051	185,349	430,009
Total	347,541	410,654	400,592	529,592	461,600	729,723

NTLers TOGETHER BUILDS ESG THE GREEN WORLD

WASTE SEPARATION



23,645 kg
For reuse and recycling through activities

CO₂ Reduction:
54,857 kgCO₂e

FUELS REDUCTION

- Switching from Oil to Gasohol and Diesel B10 and B7, saving 1,107,267 Liters
- Transitioning the company's vehicles to Electric Vehicles (Compared to Benzene Usage), saving 167 Liters



CO₂ Reduction:
2,922,990 kgCO₂e

PAPER USE REDUCTION



E-Billing
Reduces paper usage by 13,625 kg

CO₂ Reduction:
15,533 kgCO₂e

TIDLOR Card
Reduces paper usage by 369,712 kg



CO₂ Reduction:
421,472 kgCO₂e

LED REPLACEMENT



Switch from fluorescent and incandescent bulbs to LED, Saving electricity use up to 34,733 Watts

CO₂ Reduction:
20,218 kgCO₂e

USED PAPER RECYCLING



22,690 kg used paper, recycled for office purposes

CO₂ Reduction:
52,641 kgCO₂e

E-WASTE PROJECT

For the Separation and Proper Disposal of Electronic Waste, totaling 333 kilograms.



CO₂ Reduction:
773 kgCO₂e

PLASTIC WASTE TRANSFORMATION

613 kg plastic bottle into Tri-Cycle Fabric



CO₂ Reduction:
1,422 kgCO₂e

SOLAR CELLS AND LED REPLACEMENT



Saved 164,332 Watts of Electricity.

CO₂ Reduction:
95,658 kgCO₂e

Because NTLers' collaboration,

We can collectively reduce CO₂ emissions by 3,585,563 kgCO₂e, equivalent to the absorption of CO₂e by 398,395,937 trees.



3. Social Dimension (CSR)

We have aligned the ESG and CSR strategies with our sustainability policy, expectations of regulators, and the United Nations Sustainable Development Goals (UN SDGs).

- The ESG working team holds a meeting every two months to follow up on environmental, social, and governance plan implementation. It is also responsible for setting strategies, organizing CSR activities, and developing plans, projects, or campaigns that positively impact society, as well as driving sustainable development goals.

Over the past years, we have placed importance on corporate social responsibility and community development. We have consistently engaged in initiatives aimed at promoting social and environmental welfare through collaborative projects with various organizations, government bodies, and the private sector. Moreover, we have endeavored to instill a sense of awareness among our employees regarding the importance of participating in activities that benefit society and the environment. The CRS initiatives supported, donated to, or organized by our company are carefully selected to ensure they contribute positively to the broader community and society. Our primary objective is to create positive and sustainable impacts on society. The CSR activities that we support can be categorized as follows:

1. Creating Sustainable Value and Giving Back to Society

This focuses on fostering understanding among employees and executives regarding social responsibility and sustainability, as well as engaging in activities that promote long-term engagement with stakeholders. It also involves preparing a sustainability report to evaluate performance and raise awareness among stakeholders.

- **Free Personal Accident Insurances for Motorcycle Title Loan Customers**

Recognize that motorcycle title loan customers are at high risk of road accidents, we provide free personal accident insurance for one year to new motorcycle title loan customers. Coverage begins immediately upon approved loan amount. As of 31 December 2023, we have provided free personal accident insurance to 1,850,566 customers.

- **Financial Knowledge to Communities for Life Rolls Forward Project**

We strive to create shared value through the “Financial Knowledge to Communities for Life Rolls Forward” project. This project aims to provide financial literacy to low-income people, wet market vendors, industrial factory workers, and our employees. In 2023, we implemented the following activities:

- We organized activities at five communities, with a total of 185 participants. These communities include (1) Ban Pakkabad, Uthai Thani Province, (2) Ban Wang Yao, Phetchabun Province, (3) Ban Nong Samrong, Lopburi Province, (4) Ban San Kao Kom, Tak Province, and (5) Ban Bang Reang, Phang Nga Province. After a 4-month evaluation, it was found that participants became more mindful of their spending and 24% of them had increased their savings, with an average savings of of 2,234 baht per person.



Furthermore, a 11-month follow-up of our pilot community project at Ban Sai Ngam Prachantakham District, Prachinburi Province found that 10 participants demonstrated improved financial management practices, including debt management, savings discipline, and record-keeping of income and expenses. Before participating in this project, they lacked knowledge about debt management and paid only the interest on their debts without a clear understanding of when the principal would be fully paid off. However, after gaining financial literacy, they were motivated to save money and allocate it toward debt repayment. As of 10 July 2023, the total debt of the participants has decreased by 106,691 baht compared to the initial debt recorded in September 2022.



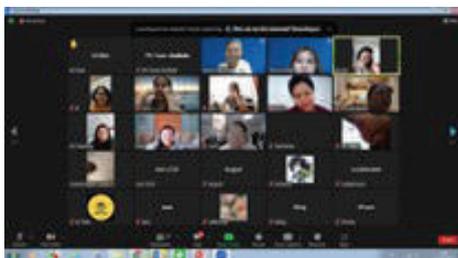
In 2023, we collaborated with the Bank of Thailand (BOT) to promote basic financial literacy among loan customers. Building on the Financial Knowledge to Communities for Life Rolls Forward Project, the Financial Literacy for Sustainable Happiness Project expanded its reach to members of the Vehicle Title Loan Association (VTLA). Of 15 members, nine expressed interests in participating. Currently, participants was learning and structuring their own teams. It is expected that two participants will be able to carry out activities independently in the first quarter of 2024.



- In 2023, we trained staff members of the Stop Gambling Foundation to enable them to educate representatives from local organizations and community volunteers in the network across nine provinces about debt payoff. There were 450 participants from Lamphun, Phayao, Nan, Ubon Ratchathani, Surin, Kalasin, Loei, Saraburi, and Phatthalung Provinces. The project aimed to equip participants with basic debt payoff knowledge so they can provide initial guidance to local population.



In response to a request for financial literacy support from Facebook toolmorrow, we provided online financial education on the topic “Overcoming Debts.” We were also aware of how a lack of financial knowledge could lead to many family problems and thus organized an activity to provide financial knowledge to 84 volunteer parents in the “Changing Your Children Starts with You” Project to enable them to apply what they have learned to their lives. In this activity, one volunteer parent who received training in 2022 participated as a project assistant.



- In 2023, we provided basic financial knowledge to a group of 43 high school students at Dhammajaree Witthaya School in Ratchaburi Province, aiming to help them set their financial goals and plans and lead a secure life ahead.



- Under the Happy Money Program, we has initiated a project, which was supported by the Stock Exchange of Thailand (SET), to train financial mentors to give advice to employees within the organization. In 2023, we had three batches of 56 employees who completed the training. These mentors provided advice and guided 32 employees, resulting in a reduction of total debts by over 3.1 million baht within a 4-month period and sufficient cash flow after debt repayment. The average debt-to-income ratio decreased from 68% to 46%, attributed to disciplined financial management, behavioral changes in spending habits, and negotiation for debt restructuring with creditors.



- We collaborated with Debt Clinic by SAM to provide knowledge on finance management and how to write off bad debt on credit cards, cash cards, and personal loans. There was a total of 81 employees participated to learn personal finance and debt management.



• **Financial Literacy for Career Development under the Kamlangjai Project**

Recognizing the importance of personal financial management and investment management for career development, we have initiated a project as part of the Kamlangjai Project under the royal initiatives of HRH Princess Bajrakittiyabha to provide basic financial literacy to prisoners, allowing them to prepare for life after prison. Princess Bajrakittiyabha holds the conviction that harmonious coexistence is achievable when individuals understand how to assert their rights without causing harm to others. The implementation of justice processes plays a crucial role in fostering mutual respect for everyone’s rights. As justice unfolds to its completion, all parties involved regain the chance to live together peacefully once more.

Performance: 2023 marked the fifth year in which we provided financial literacy to prisoners within the justice system. This year, we educated 410 prisoners from eight prisons. In addition, we taught five correction officers how to use VDO e-learning tools to enable them to use the tools to educate prisoners independently. In 2023, Doi Hang Prison in Chiang Rai and Khao Phlong Prison in Chaiyaphum conducted their own financial literacy activities for 100 participants.



2. Employee Development Activities

We prioritize employee development and engagement to foster the feeling of connection and camaraderie and to reinforce the feeling of team spirit. We have also organized various activities to ensure that all employees understand the Company's objectives and operational plans every year.

- **NTL Open Box 2023**

Our employees are important to us. To foster employee engagement, we held the NTL Open Box 2023 event under the theme "Smart Execution: Do More with Less." This event presented insights from the past year's operations, as well as strategies for enhancing work efficiency and future directions and business goals, to 500 leaders from our branches across the country. These leaders, in turn, effectively conveyed what they have learned to more than 7,000 employees to build sustainable business growth, deliver financial betterment, and promote sustainable access to insurance coverage for all.



- **Happy Time and Internal Communications**

In order for all employees to understand and adhere to our strategies and objectives correctly, we have implemented activities and internal communications for management to communicate about our direction of operations, performance, and policies. Some of these activities are Happy Time: Performance and Competition Updates and MD Talk.

- **NTL Culture Day 2023**

We organized the NTL Culture Day 2023 under the theme "NTLer Collaboration to Win" to celebrate the strength of our corporate culture and core values, which serve as a compass for all employees, guiding us to move forward in the same direction and overcome obstacles along the way. Additionally, we announced the winners of the "2023 Core Value Role Model" awards, recognizing employees who clearly demonstrate all 7 core values, as determined by the votes of colleagues nationwide. Employees were also invited to dress according to the team spirit theme and participate in team-building activities and reflection on core values. Furthermore, each team was given the opportunity to strengthen their close relationships.



- **TIDLOR Run 10⁷**

We organized the “TIDLOR RUN 10⁷” event, bringing together more than 1,000 employees nationwide to conquer a 10-million-meter (10⁷) run. Our Board of Directors, management team, and insurance partners also participated in the event held at Chatuchak Park, Bangkok. The event featured a mini-marathon race covering a distance of 10.2 kilometers, with over 1,000 diverse employees in terms of gender, age, and departments, divided into 20 teams. The objective was to foster employee engagement while promoting physical and mental health resilience. Participants prepared through checkpoint runs at the 3rd, 6th, and 9th-kilometer marks. The goal was to encourage participants to discover their potential and overcome their limits. Additionally, the event recorded all training and competition distances over the past five months, totaling 33,408.51 kilometers. We converted these distances into donation amounts, at 7 baht per kilometer, totaling 233,859.57 baht, to be allocated for future CSR activities. This event reflects our Candis Teamwork value and cooperation towards shared goals, as embraced by all NTLers.



- **TIDLOR Culture Wow**

We have organized the TIDLOR Culture WOW since 2018 for general organizations that are interested in exchanging experiences in driving business through Ngern Tid Lor’s corporate culture. Over the years, there were both domestic and international companies interested in our project.



- **Thai Culture Continuation and Buddhist Traditions**

We recognize the importance of preserving Thai culture and continuing Buddhist traditions. To this end, we have organized various activities, including robe offering and Kathin ceremony, at various temples in rural areas.



3. Environmental Conservation

This aims to cultivate attitudes and consciousness towards environmental conservation through various initiatives and activities, including promoting operational processes that reduce environmental impact.

- **Doi Tung Check Dam Project**

More than 200 executives and employees of our company participated in check dam construction in the area of the “Doi Tung Development Project under the Royal Patronage.” This project aims to restore the nature and water resources on Doi Tung, an important source of water for local communities and agriculture. The check dams will help slow down the water flow during flood seasons and increase groundwater volume for supplying surrounding villages, as well as maintain soil moisture in the forest. They also serve as a natural line of defense against wildfire. In addition, we and CVC Capital Partners donated a fund of 833,859.57 baht to the Mae Fah Luang Foundation under the Royal Patronage to promote education and create jobs for communities.



- **Care the Bear**

We are well aware that global warming and climate change is a major challenge that everyone must work together to overcome. For this reason, in 2022, we joined the “Care the Bear” project initiated by the Stock Exchange of Thailand (SET). The project aims to encourage all sectors to take part in reducing greenhouse gas emissions, which is a major cause of global warming, through the “6 Cares,” which include commuting on sky trains or public transport; reducing paper and plastic consumption; banning foam containers; reducing power consumption; choosing decorative items made from reusable materials for events; and no leftovers.



4. Financial Support

This program provides support and assistance to contribute to public goods, such as donation of computers to public interest organizations and sharing knowledge and experience of our sustainability practices.

In this project, Miss Nipa Vanichavat, Head of Business Support and Central Service Department, represented our company to donate 200 laptops to support the “Education for Kids” project. Additionally, we supported 350 laptops for the Active Learning Digital Classroom Project nationwide, totaling 8,000,000 baht in value, to enhance the effectiveness of teaching and learning and reduce the digital divide in Thailand’s education sector.



In addition to the aforementioned projects, we also conducted in-house activities to promote environmental consciousness among employees by encouraging them to use cloth bags instead of plastic bags. We designated one day in a week as Green Day to save energy and promoted reuse of resources in office decoration and other financial literacy activities for our suppliers and third parties.



Quantitative Information for Sustainability Performance

We have a policy to promote basic human rights, social equality, and diversity in the workplace and provide employment opportunities to the disabled and disadvantaged. Our employees are diverse in terms of gender and age, as detailed in the table below.

Number of employees by gender	2021	2022	2023
Male (Person)	1,632	1,759	1,959
Female (Person)	4,269	4,895	5,182

Number of employees by age	2021	2022	2023
Less than 30 (Person)	3,236	3,517	3,048
31-40 (Person)	2,242	2,586	3,266
41-50 (Person)	375	501	758
More than 50 (Person)	48	50	69

Number of employees by position level	2021	2022	2023
Senior management (Person)	9	9	9
Middle management (Person)	34	45	55
Manager and higher (Person)	229	246	261
Operation level (Person)	5,629	6,354	6,816

Employees are important stakeholders. We provide compulsory training courses for all employees and encourages them to receive further training to improve their knowledge and performance. The number of training hours and employee satisfaction are shown below.

Target	2021	2022	2023
Number of disabled and/or underprivileged employees (Person)	57	64	65
Number of training hours per employee (Hour/Person)	37.16	47.04	29.07
Number of total training hours (Hour)	597,320.60	309,979	205,724
Employee satisfaction (%)	82.69	92	92.70
Employee turnover rate (%)	12.0	12.3	14.6

Occupational Health and Human Rights	2021	2022	2023
Work-related injury	6	2	8
Number of hours worked - Branch	48 hours/week	48 hours/week	48 hours/week
Lost time injury	6	2	8
Lost time illness	3,648	4,705	4,908
Work-related fatality	-	-	-
Number of incidents of human rights violations	-	-	-
Number of human rights violence	-	-	-

2023

Number of employees that were entitled to parental leave



Number of employees that took parental leave



Number of employees that returned to work after parental leave ended



Return to work and retention rates of employees that took parental leave



Item	2021	2022	2023
Customer satisfaction (%)	97	97	97
Employee satisfaction (%)	82.69	92	92.7

Board performance evaluation (self)

Board of Directors (%)

100

100

65

Individual Directors (%)

100

100

65

Details of Directors

Mr. Chandrashekar Subramanian Krishoolndmangalam

Position Chairman of the Board,
Authorized Director and
Chairman of Risk Management Committee

Age 61 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

- 2023 - Present Chairman, PT Home Credit Indonesia
- 2023 - Present Director, SHB Finance Co., Ltd
- 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 2023

Board of Director meeting 11/12

Risk Management Committee 4/4

Number of shareholding (as of 28 December 2023)

None*

Relationships among other management None

Mr. Piyasak Ukritnukun

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

Age 42 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

- 2022 - Present Independent Director
Learn Corporation PCL.

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 2023

Board of Director meeting 12/12

Investment Committee 7/7

Number of shareholding (as of 28 December 2023)

557,740 shares or 0.0199%*

Relationships among other management None

Remark: *The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)

Mrs. Kesara Manchusree

Position	Independent Director, Chairman of Audit Committee, and Member of Remuneration and Nomination Committee
Age	63 years
Nationality	Thai
Education	<ul style="list-style-type: none"> • Master of Science in Finance, Golden Gate University, San Francisco, USA • Bachelor of Art in Economics, Thammasat University
Training	<ul style="list-style-type: none"> • 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) <ul style="list-style-type: none"> - Advanced Audit Committee Program Class No. 45/2022 - Director Certification Program Class No. 82/2006 - Role of Chairman Program Class No. 46/2020
Other Position in Listed Company	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 2020 - Present Independent Director and Chairman of Audit Committee, aCommerce Group Co., Ltd. • 2020 - Present Honorary Member, Khon Kaen University Council Committee. • 2019 - Present Independent Director and Chairman of Audit Committee, DAOL (Thailand) PLC. • 2018 - Present Chairman, and Chairman of Sustainable Committee, TSFC Securities PLC. • 2018 - Present Independent Director and Chairman of Audit Committee, DAOL Securities (Thailand) PLC. • 2018 - Present Chairman and member of Audit Committee, DAOL Asset Management Co., Ltd.
Experience (in last 5 years)	<ul style="list-style-type: none"> • 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 2023	
Board of Director meeting	12/12
Audit Committee	4/4
Remuneration and Nomination Committee	6/6
Number of shareholding (as of 28 December 2023)	1,211,538 shares or 0.0431%*
Relationships among other management	None

Remark: *The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)

Mr. Phongsant Thanatthrai

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

Age 59 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
- Director Certification Program (DCP), Class no.289/2020
- Corporate Governance for Capital Market Intermediaries (CGI - English), no.3/2015
- Board Nomination and Compensation Program (BNCP) no. 11/2021
- Board's Role in Mergers and Acquisitions (BMA) 1/2022

Other Position in Listed Company

Bank of Ayudhya PLC

- 2020 - Present Executive Vice President
- 2021 - Present Head of Retail and Consumer Banking and Executive Committee Member
- 2012 - Present First Executive Vice President

Other Position

- 2023 - Present Chairman Hattha Bank PCL
- Mar 2023 - Present Chairman (Authorized Signatory), Krungsri Capital Securities PLC
- 2021 - Mar 2023 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 2023

Board of Director meeting 10/11

Remuneration and Nomination Committee 5/6

Number of shareholding(as of 28 December 2023)

None*

Relationships among other management None

Remark: *The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)

Mr. Vasin Udomratchatavanich

Position Director and Member of Remuneration and Nomination Committee

Age 50 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
- Board’s Role in Mergers and Acquisitions (BMA) 1/2022

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 2023

Board of Director meeting 11/12

Remuneration and Nomination Committee 6/6

Number of shareholding (as of 28 December 2023)

None*

Relationships among other management None

Mr. Rithisak Patanakul

Position Director and Member of Investment Committee

Age 46 years

Nationality Thai

Education

- Master of International Management, Thunderbird, The American graduate school of international management
- Bachelor of Business Administration Chulalongkorn University

Training

- Certificate from Thai Institute of Directors (IOD) - Directors Certification Program Class No. 351/2023

Other Position in Listed Company

- Present Executive Vice President, Bank of Ayudhya Plc.

Other Position

- None

Experience (in last 5 years)

- 2021 - Present Current Executive Vice President, Enterprise-Wide Risk Management, Bank of Ayudhya Plc.
- 2015 - 2021 Senior Vice President, Enterprise-Wide Risk Management, Bank of Ayudhya Plc.

Date of taking the position of director 30 October 2023

Attendance for year 2023

(attended the meeting on November 2023)

Board of Director meeting 2/2

Investment Committee 2/2

Number of shareholding (as of 28 December 2023)

None*

Relationships among other management None

Remark: *The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)

Mr. Minki Brian HONG

Position	Director, Chairman of Remuneration and Nomination Committee
Age	51 years
Nationality	American
Education	<ul style="list-style-type: none"> Bachelor of Arts in Business Economics and Political Science, Brown University
Training	<ul style="list-style-type: none"> Certificate from Thai Institute of Directors (IOD), Director Certification Program Class No. 313/2021
Other Position in Listed Company	<ul style="list-style-type: none"> None
Other Position	<ul style="list-style-type: none"> 2022 - Present Director, Professional Services, Inc. (Philippines) 2022 - Present Director, Phuong Chau Investment and Commercial Joint Stock Company (Vietnam) 2022 - Present Director, Universal Healthcare Holding Inc. (Philippines) 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 The Medical City, a hospitals and clinics operator (Philippines).
- Completed investment in Phuong Chau International Hospital a private hospital chain (Vietnam).
- Completed investment in Southeast Asia 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 (Thai).
- Completed investment in Fast Logistics a transport and warehousing business (Philippines).
- Completed investment in a non-bank auto finance company Ngern Tid Lor in Thailand (Thai).
- Completed investment in Asia Commercial Bank (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 2023

Board of Director meeting 11/12

Remuneration and Nomination Committee 6/6

Number of shareholding (as of 28 December 2023)

None*

Relationships among other management None

Remark: *The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)

Mr. Elcid Vergara

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

Age 45 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

- 2017 - Present Managing Director, South East Asia, CVC Capital Partners.

Experience (in last 5 years)

- None

Date of taking the position of director 28 February 2019

Attendance for year 2023

Board of Director meeting 9/12

Remuneration and Nomination Committee 6/6

Risk Management Committee 3/4

Investment Committee 7/7

Number of shareholding (as of 28 December 2023)

None*

Relationships among other management None

Mr. Supawat Likittanawong

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

Age 50 years

Nationality Thai

Education

- Ph.D. B of Business Administration, Thammasat University
- 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

- 2022 - Present Director, DVK Healthcare Co., Ltd.
- 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)

- None

Date of taking the position of director 6 March 2020

Attendance for year 2023

Board of Director Meeting 12/12

Audit Committee Meeting 4/4

Investment Committee Meeting 7/7

Number of shareholding (as of 28 December 2023)

1,211,538 shares or 0.0431%*

Relationships among other management None

Remark: *The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)

Mr. Patara Yongvanich

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

Age 49 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

- 2022 - Present Managing Director, PAX8 International (Thailand) Co., Ltd.
- 2021 - Present Director, Relationship Republic Co., Ltd.
- 2013 - Present Managing Director, Asia, Rhipe Technology (Thailand) Co., Ltd.

Experience (in last 5 years)

- None

Date of taking the position of director 6 March 2020

Attendance for year 2023

Board of Director Meeting 12/12

Audit Committee Meeting 4/4

Investment Committee Meeting 6/7

Number of shareholding (as of 28 December 2023)

969,230 shares or 0.0345%*

Relationships among other management None

Miss Manida Zimmerman

Position Independent Director

Age 57 years

Nationality Thai

Education

- MBA Assumption University
- LL.M., Columbia University
- LL.B., Thammasat University
- Graduate Diploma Business Law, Thammasat University

Training

- Certificate from Thai Institute of Directors (IOD)
- Role of the Nomination and Governance Committee (RNG) Class 2/2012
- Director Certification Program (DCP) Class 8/2001

Other Position in Listed Company

- 2003 - Present Independent Director, Business Online Public Company Limited
- 2014 - Present Nomination and Remuneration Committee, Business Online Public Company Limited
- 2020 - 2021 Independent Director & Audit Committee, Intouch Holdings Public Company Limited

Other Position

- None

Experience (in last 5 years)

- None

Date of taking the position of director 29 May 2023

Attendance for Board of Director meeting year 2023

(Attend the first meeting on June 2023) 5/7

Number of shareholding (as of 28 December 2023)

339,879 Shares 0.012%*

Relationships among other management None

Remark: *The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)

Details of Senior Management Team



Mr. Veerapat Viriyakovitya

Position Head of Finance and Accounting Department and Secretary of Investment Committee

Age 46 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 Finance and Accounting, Ngern Tid Lor Public Company Limited

Number of shareholding (as of 28 December 2023)

1,262,586 Shares or 0.043%*

Relationships among other management None

Mr. Siu Bong Tso

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

Age 49 years

Nationality Thai

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)

- EVP Marketing and Business Development; and Information Technology Department, at Ngern Tidlor Public Company Limited

Number of shareholding (as of 28 December 2023)

1,832,760 Shares or 0.0625%*

Relationships among other management None

Remark: *The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)



Mrs. Athitaya Phoonwathu

Position Chief Insurance Officer and TIDLOR Academy

Age 48 years

Nationality Thai

Education

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

Training

- Insure Tech Connect Asia 2021: The Future of Insurance is here, institute at Clarion Events PTE. LTD., Batch 1/2021
- Insurance policy offering for insurance brokers based on revised criteria, institute at Bank of Ayudhya Public Company Limited, 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 - 2023 Head of Human Resources and Insurance Broker
- 2016 -2019 EVP Human Resources and Insurance Broker

Number of shareholding As of 28 December 2023

1,273,443 Shares or 0.0453%*

Relationships among other management None



Mr. Thanya Kitchainukul

Position Chief Risk Officer and Secretary of Risk management Committee

Age 65 years

Nationality Thai

Education

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

Training

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

Other Position in Listed Company

- None

Other Position

- None

Experience (in last 5 years)

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

Number of shareholding As of 28 December 2023

1,268,008 Shares or 0.0451%*

Relationships among other management None



Miss Chaweemas Yamyim

Position Head of Branch Development & Sales Management and Collections Department

Age 52 years

Nationality Thai

Education

- MBA Ramkhamhang University
- Bachelor of Art - Suan Sunandha Rajabhat University

Training

- Corporate Governance for Executive (CGE) : Thai Institute of Directors
- Advanced Business Analysis Class 2 Chula Unisearch
- 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
- 2019 EVP Collections

Number of shareholding As of 28 December 2023

1,261,310 Shares or 0.0449%*

Relationships among other management None



Miss Piano Watcharapolmek

Position Head of Operations and Loan Telesales Department

Age 47 years

Nationality Thai

Education

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

Training

- Finance & Investing Venture Capital: Investing in Early-Stage Startups from Columbia Business School Executive Education) 2022
- 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
- Corporate Governance for Executives (CGE 2018) Thai Institute of Directors Association
- The Emerging COO : Driving Innovation and operational Excellence, Stanford Business Graduate school of Executive Education 2018

Other Position in Listed Company

- None

Other Position

- None

Experience (in last 5 years)

Ngern Tidlor PCL.

- Head of Operations & Operational Risks Department
- SVP Operations & Operational Risks

Number of shareholding As of 28 December 2023

662,793 Shares or 0.0236%*

Relationships among other management None

Remark: *The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)



Mrs. Duangporn Utaipat

Position Executive Vice President -
Corporate Governance

Age 66 years

Nationality Thai

Education

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

Training

- NTL Leadership Development Program 2021-2022 by SEAC
- Advanced Audit Committee Program (AAP 33/2019) Thai Institute of Directors Association
- Director Certification Program (DCP 259/2018) Thai Institute of Directors Association
- NTL Corporate Governance for Executives (CGE 8/2017) Thai Institute of Directors Association

Other Position in Listed Company

- None

Other Position

- None

Experience (in last 5 years)

- Head of Compliance Department
- Advisor
- SVP Operations & Operational Risks

Number of shareholding As of 28 December 2023

837,753 Share or 0.0298%*

Relationships among other management None



Miss Nipa Vanichavat

Position Head of Business Support
and Central Service Department

Age 53 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

- TLPF Technology Program 1/2023 Thammasat Leadership Program, Thammasat University
- KU Change Agent Readiness Executive Program (KU CARE) 1/2023 Business Capability Development of Kasetsart University (KUBCD)
- Certificate in ESG Management (C-ESG/2022) The Stock Exchange of Thailand
- Microsoft Teams Batch 2/2021 Institute at Metro Systems Corporation
- How to Develop a Risk Management Plan (HRP 20/2018) Thai Institute of Directors Association
- Corporate Governance for Executives (CGE 7/2016) Thai Institute of Directors Association

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 Tid Lor Public Company Limited

Number of shareholding As of 28 December 2023

704,367 Shares or 0.0251%*

Relationships among other management None

Remark: *The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)



Overview of Corporate Governance Policy and Execution

We are aware of our roles, duties, and responsibilities in ensuring good corporate governance. We also understand that corporate governance determines a relationship structure and process between shareholders, the Board of Directors, Senior Management Team, and stakeholders. Our sustainable development framework integrates environmental, social responsibility, and good corporate governance (ESG) factors, with an aim of enhancing our competitiveness and creating sustainable value for shareholders while considering the interests of stakeholders. We believe that this will allow us to achieve continuous and stable business growth.

Our principles of corporate governance are aligned with what we Believe and what we Do, our corporate vision, mission, core values, and code of conduct. They encompass the context covering the board structure, composition, roles, duties, qualifications, and responsibilities; chairman of the board, the committees reporting to the Board, Senior Management Team, and managing director; internal control and internal audit; business philosophy; core values; code of conduct; handling of material non-public information; and prevention of conflicts of interest; anti-bribery

and corruption; respect for human rights including the rights of shareholders; and equitable treatment of shareholders. For more information on Good Corporate Governance Principles, please visit our website at www.tidlorinvestor.com.

We have adopted the Corporate Governance Code for Listed Companies 2023 published by the Securities and Exchange Commission and Corporate Governance Practice of Thai Listed Companies published by the Thai Institute of Directors as basis for developing our corporate governance principles and related practices.

We have established a management structure with a system of checks and balances and implemented the “Three Lines Model,” which is a framework for effective governance, risk management, and internal control. Each of these three lines plays a distinct role, as follows:

- First Line roles: Provision of products or services to clients including supporting work; it must be responsible for risk management, act as risk owner, perform risk assessment and define the preventive measure, controls and risk reporting;

- Second Line roles: Specific to risk management work including compliance with code of conduct, laws, regulations and controls, quality assurance, information technology securities, sustainable and enterprise risk management;
- Third Line roles: The Internal Audit which perform the duties with independently from management and management responsibility, then the Internal Audit can provide a confident and integrity advice. The Internal Audit is directly reporting to the Audit Committee which composed of the Independent Directors of the Company. The Internal Audit do not have any involvement in the Company's daily business operations and responsible for assessing the adequacy and appropriateness of the internal control system applicable to the operational processes and work systems of the Company as well as outsourcing activities to promote the good corporate governance system, risk management system, and internal control system that can operate effectively for the achievement of the Company's objectives and goals.

We encourage internal stakeholders to gain knowledge and understanding of relevant laws and regulations and to actively apply them to their responsibility. Each of our functions are required to appoint a representative to act as its compliance champion. Compliance champions are responsible for communicating information about legislations applicable to the Company and its operations to colleagues for strict compliance and reporting suspected violations of policies and laws. The Compliance Department will hold a compliance champion meeting on regular basis to explain new legislations and regulations to compliance champions who will then communicate this information to their colleagues within their functions.

In addition to providing compliance training to employees for applicable laws and important policy, the Compliance Department has produced media materials to give compliance guidance to all employees via the Compliance Message. This is to ensure that employees have sufficient knowledge and understanding of relevant legislations and able to adopt with their jobs as appropriated, which will consequence strengthen the culture of compliance within the Company.

In 2023, we modified training content to cover the applicable and updated legislations and policies, particularly on the market conduct, personal data protection, conflict of interest management, handling of material non-public information and preventing of insider trading, anti-bribery and corruption policy, and human rights.

Moreover, the Compliance Department conducted the review of regulatory execution processes as per the Compliance risk assessment to ascertain their adherence to regulatory requirements and ensure effective governance. Compliance risk assessment had covered the relevant risk factors and were approach for the compliance checklist, off-site testing, and on-site testing were used to ensure that the compliance review was rigorous and comprehensive. The review results were reported to the relevant executives.

We have continuously adopted new technologies to support compliance activities. For example, we implemented the automated process to update the database of designated and high-risk persons for money laundering and applied data analytics to compliance reviews, such as the review of the TIDLOR trading report and the review of the conflict of interest (COI) disclosure. These technologies will also help enhance the efficiency of regulatory compliance monitoring.

1. Prevention of Conflicts of Interest

We determined the Conflict of Interest Policy to serve as the guideline for employees to perform their duties in good faith without seeking personal benefits that conflict with the Company's interests and in compliance with the Securities and Exchange Act B.E. 2535 and amendments. This policy is regularly updated and can be summarized as follows:

1. Directors shall strictly comply with the Conflict of Interest Policy.
2. Directors shall avoid any potential or expected conflict of interest. If a conflict of interest arises, directors must resolve it fairly and promptly.
3. Directors shall inform the Company without delay when they have a material interest, either directly or indirectly, in any contract or agreement entered into by the Company or when they have a suspicion of a conflict of interest.

4. Directors shall report their interests to the Company on a regular basis or when there is any change of circumstances.
5. Employees shall report any violation of the Conflict of Interest Policy to their executive-level superiors and the Compliance Department in a timely manner.
6. Directors nominated by Bank of Ayudhya shall not use or disclose any confidential information of the Company, including non-public financial information, to Bank of Ayudhya and/or other parties in a manner that may cause a conflict of interest with the Company.
7. Directors nominated by Bank of Ayudhya shall not vote in the board meeting on any agenda related to the Company's business, which may conflict with a subsidiary of Bank of Ayudhya or any other future subsidiaries of Bank of Ayudhya operating a business similar to that of the Company.
8. Related-party transactions shall be made with transparency as is the normal course of business under the conditions prescribed by laws and regulations and in the best interest of the Company. Such transactions shall be made on an arm's length basis without any transfer of the Company's benefits to related persons. Related-party transactions must be reviewed and approved by an authorized person and/or the Board of Directors depending on the transaction type and value. Moreover, the Audit Committee shall express its opinions on the necessity and appropriateness of the transaction.

We already included conflict of interest as a topic in "The Spirit & The Letter" (S&L) which all employees are required to uphold and strictly comply with. Directors, senior executives, and designated employees must sign an electronic acknowledgment form to acknowledge and express their commitment to complying with the S&L. This will be done annually as a reminder of the importance of adhering to the policy of not seeking improper benefits for oneself or others.

2. Oversight of Prevention of Insider Trading

We determined the MNPI and Preventing Insider Trading Policy, which prohibits our directors, executives, employees, and workers, as well as their related persons, from using or disclosing information that may affect the price of our stock or that, if disclosed, will cause damage to us or our reputation. This policy has been regularly revised to keep it up to date.

For supervisory purpose; Directors, executives, and designated employees are required to comply with the following:

1. To report if their TIDLOR trading transaction in the Company portal and Compliance Department is responsible for reviewing their trading transaction reports within the specified period.
2. To prohibit from buying, selling, or transferring TIDLOR stock during the blackout periods, which is not less than 30 calendar days before and 3 business days after the announcement of the Company's performance results or financial statements.
3. To hold TIDLOR stock for at least 90 days from the date of acquisition.

We are confident that the measures we have put in place and the knowledge we provide to our directors, executives, and employees along with the protective measure and compliance reviews will help foster awareness among directors, executives and employees. We have also adopted the sustainable business growth model to reduce compliance and reputational risks more effectively. These efforts will ultimately help build our reliability, reputation, and satisfaction among customers and stakeholders.

3. Anti-Bribery and Corruption

We are committed to conducting business with transparency, integrity, and in compliance with the law and good corporate governance principles and strictly adhere with the anti-bribery and corruption, we have determined as the important policy and implemented the followings:

1. We have joined the Thai Private Sector Collective Action Against Corruption (CAC) to declare our intention to join forces with other members in fighting against corruption. We were certified as a CAC member by the CAC Committee for the first time in 2014, and our membership has been recertified continually.

In addition, we are conducting a self-assessment annually according to CAC standards. The completeness and adequacy of the anti-bribery and corruption measures have been reviewed by the Internal Audit Department, which will report the results to the Audit Committee and Board of Directors for acknowledgement.

2. We have set the measures for anti-bribery and corruption of all forms by strongly prohibition of any bribes and inducements, whether offered or received and included such prohibition into the Good Corporate Governance Principles, which directors, executives, and employees must strictly comply with. The Board of Directors have approved the Policy and program for anti-bribery and corruption, which stated the prohibitions and measures covering the high risk activities, such as gift and entertainment, donations and sponsorships, political contributions/support, facilitation payment, etc. These policies and measures are due for reviewed every two years.
3. We have regularly communicated our anti-bribery and corruption policies and measures through internal communications to ensure that such measures are put in place both inside and outside of the Company. We have also set up the whistleblowing and complaint channels for employees and whistleblowing channels for stakeholders through our website.

4. Personal Data Protection

We place the high important on the Personal Data Protection and determined as the key company policy. We have reviewed and updated our Personal Data Protection Policy regularly and carried out various activities to raise the awareness of policy and encourage our employees at all levels to execute as appropriated, as follows:

1. Assigning the Data Protection Office (DPO) under the Compliance Department to be responsible for providing advice to ensure business operations comply with personal data protection laws and best practices, as well as monitoring changes in regulations/practices to ensure the Company stays in compliance.
2. Implementing activities and communication materials to promote and raise awareness of compliance with the personal data protection laws among employees. The Data Protection Office will work together with relevant functions to communicate incidents of personal data breaches and appropriate prevention controls for their understanding and awareness raising, then the employees is able to take appropriated actions, as well as, answer to the basic customer inquiries about personal data protection.
3. The Data Protection Office has coordinated with relevant functions to review their understanding and awareness of personal data protection and compliance with personal data protection laws, especially whom dealing with the numerous of personal data. In additional, Compliance and Internal Audit also conduct the regulatory review to ascertain the execution in compliance with the Personal Data Protection laws.

5. Human Rights

Respecting human rights is a fundamental principle that our company firmly upholds. As a trusted financial services provider, we strive to conduct our business in line with human rights principles. Our framework for human rights-based operations cover all stakeholder groups, including customers, suppliers, and our employees. We treat our stakeholders equally without discrimination and avoid actions that violate their rights. Furthermore, we actively support and promote the protection of and respect for human rights through communication, education, and dissemination of knowledge.

We have communicated our human rights guidelines to stakeholders throughout our value chain to ensure ethical business conduct business and that no human rights violations are overlooked or ignored. Employees have a duty to report any incident that violate human rights to their superiors or responsible persons.

6. Code of Conduct

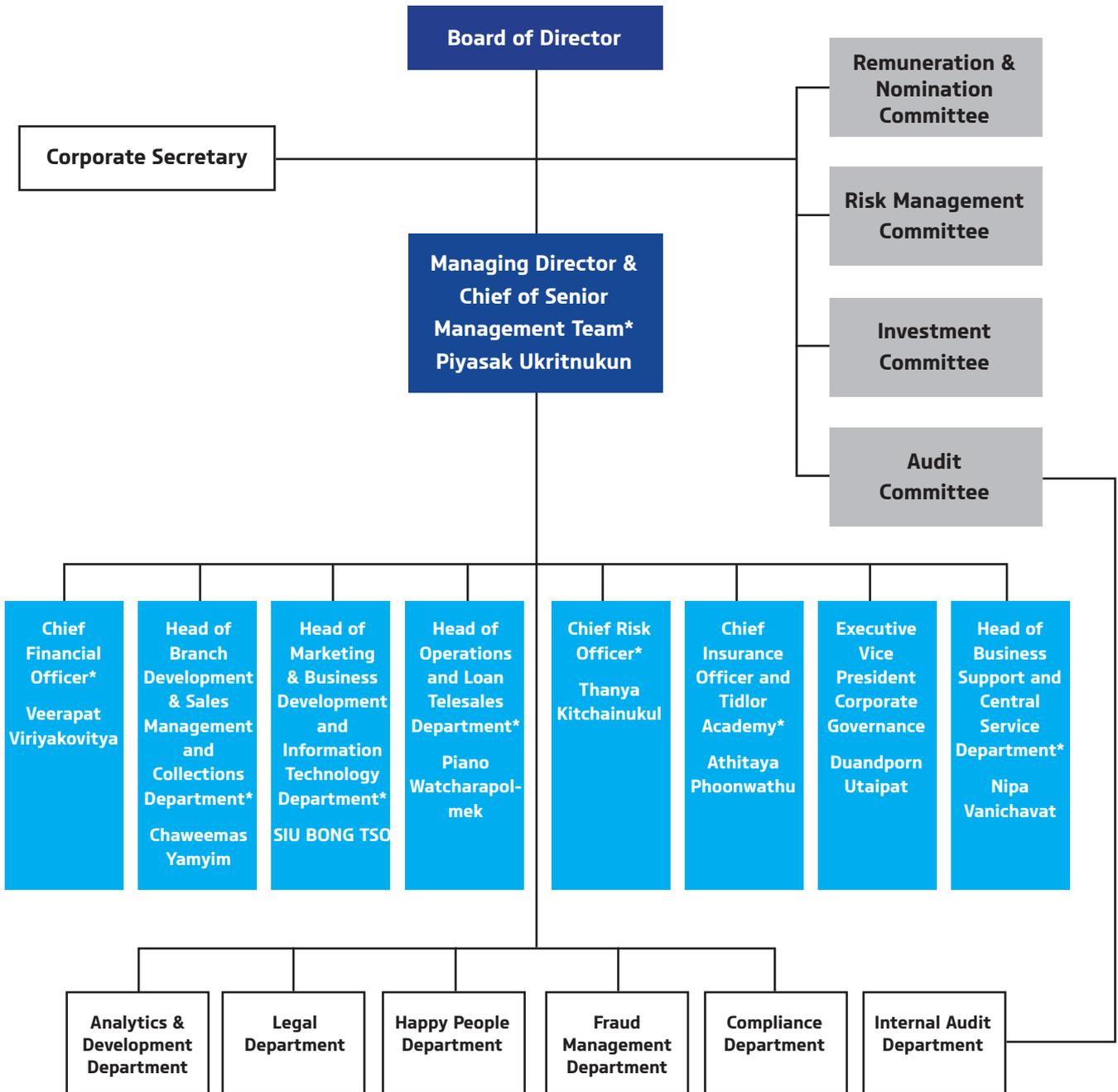
Our Code of Conduct is set forth in The Spirit & The Letter and aims to guide employees to perform their duties with integrity, honesty, and transparency, and to uphold the Company's business philosophy and roles towards stakeholders. It is aligned with our corporate vision and core values and sets out the basic professional standards and practices expected of our directors and employees within the legal and regulatory frameworks, ensuring that our business operates with transparency, honesty, and fairness. The Spirit & The Letter and Code of Conduct are published on our website at www.tidlor.com.

We have established various procedures and manuals in line with the Code of Conduct and disseminated them to all employees via our web portal. We also do communicating and training on the execution to comply with the Code of Conduct to directors, executives, and employees, and assess the executives and employees' understanding of the Code of Conduct as well as do implementing compliance monitoring on regular basis.



Corporate Governance Structure

1. Organization Chart



Remark (*) Senior Management Team

2. Board of Directors

The composition and qualifications of the Board of Directors are set forth in the Charter of the Board of Directors, which can be summarized as follows:

Composition

1. The Board of Directors shall comprise a number of directors that is appropriate and sufficient to perform its duties, depending on the size and nature of the business.
2. At least one-third of the total number of directors, but no less than three directors, shall be independent directors. At least three members of the Audit Committee shall be independent directors who possess the qualifications required by the Capital Market Supervisory Board, Securities and Exchange Commission, Stock Exchange of Thailand, and applicable laws.
3. Directors shall be elected by a meeting of shareholders in accordance with the Articles of Association and applicable legal requirements.
4. The Chairman of the Board and the Managing Director shall not be the same person, and their duties should be clearly separated. If the person appointed as the Chairman of the Board has held the position of Managing Director before, they must have retired from the position for not less than three years.
5. Directors nominated by the Bank of Ayudhya shall not exceed half of the total number of directors.
6. If the Chairman of the Board is not an independent director, the Board of Directors shall appoint one of the independent directors to jointly set the agenda for the board meeting with the Chairman to promote a balance of power between the Board of Directors and management.

Information about the Board of Directors

As of 31 December 2023, the Board of Directors consists of 11 directors, as follows:

Name	Position
1. Mr. Chandrashekar Subramanian Krishoolndmangalam ^(a)	Chairman
2. Mrs. Kesara Manchusee ^(b)	Independent Director and Chairman of the Audit Committee
3. Mr. Piyasak Ukritnukun	Director and Managing Director
4. Mr. Minki Brian Hong ^(c)	Director
5. Mr. Phonganant Thanattrai ^(a)	Director
6. Mr. Vasin Udomratchatavanich ^(a)	Director
7. Mr. Elcid Vergara ^(c)	Director
8. Mr. Rithisak Patanakul ^{(a)(d)}	Director
9. Mr. Supawat Likittanawong ^(e)	Independent Director and Member of the Audit Committee
10. Mr. Patara Yongvanich	Independent Director and Member of the Audit Committee
11. Ms. Manida Zimmerman ^(f)	Independent Director

Notes:

^(a) Director nominated by Bank of Ayudhya.

^(b) Independent director appointed by the Board of Directors to set the agenda of the board meeting in cooperation with the Chairman in order to promote good corporate governance and a balance of power between the Board of Directors and management.

^(c) Director nominated Siam Asia Credit Access Pte. Ltd.

^(d) Appointed as per the Resolution of the Board Meeting No. 9/2566 to replace Mr. Nathapol Luepromchai, who resigned from the position, effective 30 October 2023. He will retain his office for the remaining term of the resigned director.

^(e) Director who possesses sufficient knowledge and experience to review the reliability of the Company's financial statements.

^(f) Appointed as per the Resolution of the Board Meeting No. 5/2566 to replace Mr. Xuan Wang, who resigned from the position, effective 26 May 2023. He will retain his office for the remaining term of the resigned director.

Information on our directors is provided on page 131 under the topic of "Information about Directors and Executives."

Authorized Signatories

Authorized signatories shall be as follows: “Mr. Chandrashekar Subramanian Krishoolndmangalam or Mr. Phonganant Thanattrai shall sign together with Mr. Elcid Vergara and affix the company seal. However, when applying for permission or approval from the Department of Business Development, Revenue Department, Customs Department, Bank of Thailand, Ministry of Commerce, Ministry of Finance, and other government agencies related to the business of the Company, Mr. Piyasak Ukritnukun shall sign together with Mr. Chandrashekar Subramanian Krishoolndmangalam, Mr. Phonganant Thanattrai, or Mr. Elcid Vergara and affix the company seal.”

Duties and Responsibilities of the Chairman

1. To ensure the proper structure of the Board of Directors, as well as monitoring and overseeing the performance of the Board in building a balance between governance, efficiency, and achieving the objectives and goals of the organization.
2. To encourage all directors to facilitate the effective implementation of the Board's policies and decisions.
3. To call board meetings and set the meeting agenda in cooperation with Managing Director and other directors, including independent directors.
4. To act as the chairman of board meetings and allocate sufficient time for management to present its agenda and give the opportunity for directors to ask questions, express opinions, and provide suggestions to ensure due consideration before casting their votes.
5. To encourage non-executive directors to hold meetings without the presence of executive directors.
6. To act as the chairman of shareholder meetings to ensure they are conducted in compliance with the Articles of Association and follow the order of agenda items provided in the meeting invitation notice, unless the meeting resolves otherwise.
7. To encourage directors to attend seminars and training courses related to their duties and good corporate governance to improve their knowledge.
8. To promote and act as a role model for compliance with the Good corporate governance principles and encourage directors to comply with the Good corporate governance principles.
9. To support the good corporate governance and sustainable development on ESG activities in order to raise awareness among directors, executives, and employees.

10. To act as a role model in fostering a good relationship between executive and non-executive directors and between the Board of Directors and management.

Duties and Responsibilities of the Board of Directors

The Board of Directors must be accountable for its actions and must devote sufficient time to performing its duties. It must be able to exercise objective and independent judgement under the business judgment rule in the best interests of the organization and stakeholders. It must also discharge fiduciary duties to the Company, as follows:

1. Duty of Care requires directors to manage the Company's affairs with due care.
2. Duty of Loyalty requires directors to carry out their duties in good faith and that they do not put personal interests before the interests of the Company.
3. Duty of Obedience requires directors to comply with the law, the Company's objectives, the Articles of Association, resolutions of the board and shareholder meetings, and the principles of corporate governance.
4. Duty of Disclosure requires directors to disclose information properly, sufficiently, transparently, and in a timely manner.

Additionally, the Board of Directors has the following duties:

1. To make an effort to understand the scope of duties and responsibilities of the Board of Directors, to serve as a link between shareholders and management, to set policies related to business conduct and operational directions, to ensure that good corporate governance is in place, and to supervise executives and management and ensure they comply with policies.
2. To set objectives, goals, strategies, and operational policies, to allocate key resources needed to achieve objectives and goals, to monitor, evaluate, and oversee performance reporting, to consider and set the operational frameworks and strategic goals of the Company, and to ensure that mechanisms for policy and operational governance are in place.
3. To ensure the following policies are in place and put into practice:
 - (1) Good Corporate Governance Principles and Sustainability Development Policy, which should be communicated to directors, executives, and employees, and subject to regular review.

- (2) MNPI and Preventing Insider Trading Policy, Conflict of Interest Policy, and Related-Party Transaction Policy, as well as monitoring to ensure compliance with these policies.
- (3) Policies and processes related to risk management which are subject to regular review, as well as supporting the Risk Management Committee in performing its duties efficiently and professionally, independent of business functions.
- (4) Policy and Program for Anti-Bribery and Corruption, ensuring they are communicated to all employees.
4. To consider and approve the annual business plan and budget proposed by management and important matters of the Company as required by laws, the Company's Articles of Association, and directives.
 5. To ensure that effective internal controls and audit systems are in place and in compliance with applicable laws and standards.
 6. To ensure that there are systems and processes in place to support the Board of Directors' performance. The Board should be able to access necessary information and should be furnished with sufficient and timely information by management in order to effectively perform their roles, duties, and responsibilities.
 7. To monitor financial liquidity adequacy and solvency, and to set a recovery plan to respond to potential financial difficulties.
 8. To support the development of innovations that create value for the business and benefit customers, other stakeholders, society, and the environment. It should also monitor to ensure that management allocates and manages resources efficiently and effectively.
 9. To ensure that governance and information technology management frameworks are aligned with the Company's needs and that information technology is used to increase business opportunities and improve operations and risk management to enable the Company to achieve its key objectives and goals.
 10. To oversee the implementation of a clear and transparent nomination process, a procedure for determining remuneration of directors approved by a shareholder meeting, and performance evaluation. It should also encourage directors to attend training and development programs to support their understanding of their roles and responsibilities, the nature of business and related laws, and shareholder structure and relationship, as well as to improve the skills and knowledge they need to perform their duties directors.
 11. To ensure that procedures for the nomination and remuneration of the Managing Director and senior executives are in place, as well as supporting them to attend training and development programs, conduct performance evaluations, and create a succession plan and an implementation report.
 12. To define the scope of the duties and responsibilities of the Managing Director and management, as well as monitoring their performance.
 13. To establish committees that report to the Board of Directors and which assist the Board in carrying out specific tasks as necessary and appropriate, as well as overseeing the performance evaluation of committees and disclosing the evaluation results.
 14. To appoint a corporate secretary who possesses the necessary and appropriate knowledge and experience to support the Board in performing its functions efficiently in compliance with the law.
 15. To ensure that business is conducted with social and environmental responsibility, that the Company's accountability to stakeholders is well defined, communicated, and upheld, and that the Codes of Conduct for the Board of Directors, Executives, and Employees, as well as the Code of Conduct, are complied with.
 16. To ensure sufficient, accurate, transparent, and timely disclosure of material information, both financial and non-financial, to government agencies, shareholders, investors, and the general public in compliance with applicable rules, standards, and practices, which will help create sustainable value within the Company.
 17. To encourage shareholders to participate in decision making on material matters and ensure that shareholder meetings proceed smoothly, transparently, and efficiently. It should also facilitate shareholders to exercise their rights, as well as overseeing accurate and full disclosure of meeting resolutions and the minutes of shareholder meeting.
 18. To ensure that there is a function or person responsible for investor relations to communicate with shareholders and other stakeholders, such as investors and analysts, in an appropriate, equitable, and timely manner, as well as promoting the use of information technology to facilitate efficient communication.
 19. To ensure that there is a mechanism in place for receiving and handling complaints and whistleblowing reports.

3. Information about Committees

Committees

The Board of Directors appoints directors with appropriate expertise to serve as members of various committees to assist the Board in studying and scrutinizing material matters that require close attention and report their opinions to the Board. At present, the Audit Committee, Risk Management Committee, Remuneration and Nomination Committee, and Investment Committee have been established.

Audit Committee

The Audit Committee consists of at least three independent directors who possess the qualifications required by the Securities and Exchange Commission.

Composition and Qualifications

1. The Audit Committee shall consist of at least three independent directors.
2. The Board of Directors shall appoint independent directors to serve as members of the Audit Committee.
3. The Board of Directors shall appoint one of the members of the Audit Committee to serve as its Chairman.
4. The Head of Internal Audit Department shall be appointed as secretary of the Audit Committee to support the Committee in performing its functions, including organizing meetings, preparing meeting agendas, delivering meeting documents, preparing meeting minutes, and other tasks as assigned by the Audit Committee.

Term of Office and Election of Audit Committee Members

The term of office for members of the Audit Committee shall be the same as their director's term. Members who retire by rotation may be re-appointed for another term. In the event that a member vacates office, which affects the committee quorum, the Board of Directors shall appoint a qualified director with no prohibited characteristics to fill the vacancy within three months of the quorum becoming insufficient. While a new member is being nominated and appointed to replace the vacated member, the remaining committee members shall continue to perform their duties as usual.

As of 31 December 2023, the Audit Committee consists of three independent directors as follows:

Name	Position
1. Mrs. Kesara Manchusree	Chairman of the Audit Committee
2. Mr. Supawat Likittanawong*	Member
3. Mr. Patara Yongvanich	Member

Note :

* Mr. Supawat Likittanawong has sufficient knowledge and experience to review the reliability of the Company's financial statements.

The secretary of the Audit Committee is Ms. Aumaporn Ninratana, Head of Internal Audit. The Audit Committee holds a meeting every quarter. In 2023, four meetings were held and results were reported to the Board of Directors.

Risk Management Committee

The Risk Management Committee sets risk management policies that cover all key risks and ensure that a risk management system or process is in place to control and reduce risk impacts on the Company's business. It also determines risk prevention measures and monitors their implementation. The roles and responsibilities of the Risk Management Committee encompass those of the Risk Oversight Committee in compliance with the rules set out by the regulator. The composition and qualifications of the Risk Management Committee are outlined in the Charter of the Risk Management Committee, which can be summarized as follows:

Composition and Qualifications

1. The Risk Management Committee shall consist of an appropriate and sufficient number of members depending on the size and nature of the business.
2. The Risk Management Committee shall consist of at least one member who has experience in the financial sector and at least one member who has expertise in finance, accounting, or risk management.
3. The Head of Credit Department shall serve as a member and secretary of the Risk Management Committee.

Term of Office and Election of Risk Management Committee

The term of office for members of the Risk Management Committee shall be the same as their director's term (except for the risk management executive appointed by the Board of Directors). Members who retire by rotation may be re-appointed for another term. While a new member is being nominated and appointed, the remaining committee members shall continue to perform their duties as usual even though the committee quorum is not met.

At present, the Risk Management Committee consists of three members as follows:

Name	Position
1. Mr. Chandrashekar Subramanian Krishoolndmangalam	Chairman of the Risk Management Committee
2. Mr. Elcid Vergara	Member
3. Mr. Thanya Kitchainukul	Member

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

The Risk Management Committee holds a meeting every quarter. In 2023, four meetings were held and results were reported to the Board of Directors.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for identifying, selecting, and nominating suitable candidates to serve as directors and/or senior executives, including determining the structure, format, and criteria of remuneration of directors and/or senior executives. They then propose appointments to the

Board of Directors and/or shareholder meeting for consideration and approval. The composition and qualifications of the Remuneration and Nominating Committee are set out in the Charter of the Remuneration and Nominating Committee, which can be summarized as follows:

Composition and Qualifications

1. The Board of Directors shall appoint the members of the Remuneration and Nominating Committee.
2. The Remuneration and Nomination Committee shall consist of at least three independent directors or non-executive directors.
3. Members of the Remuneration and Nomination Committee shall be knowledgeable and experienced, as well as understand their duties and responsibilities.
4. The Head of Human Resources Department shall serve as a secretary of the Remuneration and Nomination Committee.

Term of Office and Election of Remuneration and Nomination Committee

The term of office for members of the Remuneration and Nomination Committee shall be the same as their director's term. The Board of Directors shall appoint candidates suitable for this position. Members who retire by rotation may be re-appointed for another term. While a new member is being nominated and appointed, the remaining committee members shall continue to perform their duties as usual even though the committee quorum is not met.

At present, the Remuneration and Nomination Committee consists of five members as follows:

Name	Position
1. Mr. Minki Brian Hong	Chairman of the Remuneration and Nomination Committee
2. Mr. Phonganant Thanattrai	Member
3. Mr. Elcid Vergara	Member
4. Mrs. Kesara Manchusree	Member
5. Mr. Vasin Udomratchatavanich	Member

Ms. Nuchanart Arpamongkol, Head of Human Resources Department serves as the secretary of the Remuneration and Nomination Committee as prescribed in the Charter of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee holds at least two meetings a year. In 2023, six meetings were held and results were reported to the Board of Directors.

Investment Committee

The Investment Committee is responsible for overseeing investment, merger, and acquisition and disposal policies, as well as reviewing proposals related to mergers, acquisitions, investments, and the disposal of material assets or assets related to purchase price valuation or investment value. The composition and qualifications of the Investment Committee are set out in the Charter of the Investment Committee, which can be summarized as follows:

Composition and Qualifications

1. The Board of Directors shall appoint the members of the Investment Committee.
2. The Investment Committee shall consist of at least three members, which will be appointed by the Board of Directors every year. Committee members shall hold the position until they resign or are removed. The Chairman of the Investment Committee shall also be appointed by the Board of Directors.

3. Members of the Investment Committee shall be knowledgeable and experienced, as well as understand their duties and responsibilities.
4. The Head of Finance and Accounting Department shall serve as a secretary of the Investment Committee.

Term of Office and Election of Investment Committee

The term of office for members of the Investment Committee shall be the same as their director's term. They will hold the position until they resign or are removed. Members who retire by rotation may be re-appointed for another term.

At present, the Investment Committee consists of five members, as follows:

Name	Position
1. Mr. Patara Yongvanich	Chairman of the Investment Committee
2. Mr. Supawat Likittanawong	Member
3. Mr. Piyasak Ukritnukun	Member
4. Mr. Rithisak Patanakul	Member
5. Mr. Elcid Vergara	Member

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

The Investment Committee holds at least one meeting a year. In 2023, seven meetings were held and results were reported to the Board of Directors.

Nomination of Directors

In the nomination of directors and executives, the Remuneration and Nomination Committee shall identify and select candidates who possess knowledge, competence, and experience beneficial to long-term operations, and in line with business direction and strategies and the sustainable development of the Company.

We have established a director nomination process to identify and select qualified candidates who possess no prohibited characteristics, in compliance with the rules of relevant regulators and Articles of Association. We also take into account proportion, number and the board diversity policy (e.g., gender, race, nationality, age, skills, knowledge, competence, experience, and independence). The Board Skills Matrix is used to support the decision process. In the event of nominating an independent director, the candidate must possess the qualifications required by the Company.

The Remuneration and Nomination Committee also gives shareholders the opportunity to nominate candidates to be elected as directors. In the event that a director retires by rotation and is nominated to be re-elected for another term, the Remuneration and Nomination Committee shall consider their past performance, such as meeting attendance and participation. With regard to the nomination and remuneration of Managing Director, the Remuneration and Nomination Committee will consider candidates who possess the skills, knowledge, abilities, and experiences needed for and beneficial to the Company's business operations, as well as their past performance and ideas for leading the organization to success.

New Director Orientation

We hold an orientation for new directors, which will be facilitated by the Managing Director, to help new directors understand and inquire about various aspects of the Company's business operations.

Qualifications of Directors

1. Directors shall not be a bankrupt, incompetent, or quasi-incompetent.
2. Directors shall never have been sentenced to imprisonment by a final judgment for dishonestly committing an offense against property, or dismissed or discharged from a government service, organization, or agency due to malfeasance.
3. Directors shall possess qualifications and no prohibited characteristics prescribed by the Public Limited Companies Act and Securities and Exchange Act, as well laws relating to banking supervision either enforced in Thailand or in other countries. They shall also possess no untrustworthy characteristics as defined by the Securities and Exchange Commission.
4. Directors shall not operate a business similar to and in competition with the Company or be in an ordinary partnership or a limited partnership without limited liability or be a director of a private or other company operating a business similar to and in competition with the Company, regardless of whether for personal benefit or the benefit of others, unless they inform the shareholder meeting prior to their appointment as director.
5. All directors, including independent directors, shall possess the qualifications required by the applicable laws, rules, and regulations of regulators, Articles of Association, and the principles of good corporate governance. They shall have diverse skills, experiences, and professional competencies beneficial to the Company, subject to the nomination process of the Remuneration and Nomination Committee.
6. Directors must be able to devote sufficient time to performing their duties. If directors hold one or more positions of board chairman, executive director, or authorized signatory in other companies, they must exercise due care to prevent their external positions from affecting their performance as a director of the Company.
7. Each director shall not hold a director position in more than five companies listed on the Stock Exchange of Thailand, including the Company.
8. Directors shall not serve as a director in a subsidiary of a major shareholder, whether now or hereafter, which operates a business similar to the Company.

Appointment, Removal, and Term of Office of Directors

1. At every annual general meeting of shareholders, one-third of the total number of directors shall retire. If the number of directors cannot be divided by three, then the number nearest to one-third shall retire. Directors retiring from office shall be those who have been in the position the longest. Shareholders shall vote to elect directors individually. Each shareholder shall have a number of votes equal to the number of shares held, where one share equals one vote.
2. Directors retiring by rotation may be re-elected.
3. In addition to retiring by rotation, directors shall vacate office upon: (a) death, (b) resignation, (c) discovery of a lack of qualifications or possession of prohibited characteristics prescribed by laws, (d) removal by a resolution of a meeting of shareholders with votes of not less than three-fourths of the number of shareholders present at the meeting and entitled to vote and the total number of shares of not less than one half of the total number of shares held by shareholders present at the meeting and entitled to vote, and (e) removal by a court order.
4. Any director wishing to resign from office shall submit a resignation letter to the Company. Resignation shall be effective from the date the letter is received by the Company.
5. Directors are due to retire at the age of 75. If a director reaches the age of 75 during their term, they shall retain their office until the end of the term and then retire. If a director has not yet reached 75 years old at the time of their nomination, they may be re-elected.

Qualifications of Independent Directors

1. Hold shares of not more than one percent of the total voting shares of the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person, which shall be inclusive of shares held by persons related to the independent director.
2. Have never been a non-independent director, manager, person with power of management, employee, officer, consultant with a monthly salary, or controlling person within the Company or its parent company, subsidiary, associated company, same-level subsidiary, major shareholder, or controlling person, in the two years prior to their appointment as an independent director.
3. Have no blood relation with or legal status as a father, mother, spouse, sibling, or child, including a spouse of that child, to another director, executive, major shareholder, controlling person, or person who will be nominated as a director, executive, or controlling person of the Company or its subsidiary or associated company.
4. Never had any business relationship with the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person in a way that may affect their use of independent discretion, as well as never having been a significant shareholder or controlling person of an entity with business relations with the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person in the two years prior to their appointment as an independent director.
5. Have never been an auditor of the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person, and have never been a significant shareholder, controlling person, or partner of the auditing firm providing services to the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person within the two years prior to their appointment as an independent director.
6. Have never been a provider of professional services, including legal or financial consulting, receiving a fee of more than two million baht per year from the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person. They have never been a significant shareholder, controlling person, or partner of a provider of such professional services within the two years prior to their appointment as an independent director.
7. Not a director appointed to represent the Company's Board of Directors, major shareholder, or a shareholder related to a major shareholder.
8. Not operate a business similar to and in significant competition with the Company, its subsidiaries, or an associated company, or are not a significant partner in a partnership or an executive director, employee, officer, or consultant with a monthly salary or holding more than 0.5 percent of the total voting shares of another company operating a business similar to and in significant competition with the Company, its subsidiaries, or an associated company.
9. Not exist under any conditions that may impede their ability to express independent views about the Company's operations. The duration of the relationships mentioned above shall be in compliance with the Notification of the Capital Market Supervisory Board.
10. Independent directors shall not hold office for more than nine consecutive years, without exception.

4. Information about Management Team

Scope of Duties and Responsibilities of Managing Director

The Managing Director is our highest-ranking executive, appointed by the Board of Directors to be in charge of the management of the Company's affairs in accordance with the resolution of the Board of Directors and applicable laws and regulations. The scope of duties and responsibilities of the Managing Director encompasses the following matters or activities:

1. To perform duties as assigned by the Board of Directors and committees reporting to the Board of Directors, as well as to oversee and manage the Company's compliance with the laws or regulations of government agencies.
2. To oversee and manage operations in various areas to ensure compliance with the policies, goals, strategies, operational plans, and annual budgets of the Company, as approved by the Board of Directors and in accordance with applicable laws and regulations.
3. To report important matters to the Board of Directors on a regular basis.
4. To promote compliance with corporate governance principles and the highest standards of integrity, ethics, and social responsibility.
5. To configure an organizational structure as advised by the Board of Directors, and to build and retain a management team that is capable of effectively implementing strategies to achieve the Company's objectives.
6. To represent the Company in dealings with government agencies and other regulators. Managing Director may assign other persons to carry out this task on its behalf.
7. To seek business opportunities that are in line with the Company's vision and strategic direction.
8. To develop and implement strategic business plans to ensure that the Company operates professionally and on sound business principles, and to monitor to ensure that the objectives set out by the Company are met.
9. To manage the Company's activities to achieve operational and financial goals and standards in line with corporate culture and legal framework.
10. To inform the Board of Directors if holding a position as a director or executive in other companies engaging in businesses that are not in conflict with the Company.

Management Team

As of 31 December 2023, we had nine senior executives, as defined in the Notification of the Securities and Exchange Commission, who are members of the management team.

Name	Position
1. Mr. Piyasak Ukritnukun	Managing Director and Chief of Management Team
2. Mr. Veerapat Viriyakovitya	Head of Finance & Accounting Department
3. Mr. Thanya Kitchainukul	Head of Credit Department
4. Mr. Siu Bong Tso	Head of Marketing & Business Development and Information Technology Department
5. Mrs. Athitaya Phoonwathu	Head of Insurance Broker Department and TIDLOR Academy
6. Ms. Chaweemas Yamyim	Head of Branch Development & Sales Management and Collections Department
7. Ms. Piano Watcharapolmek	Head of Operations & Telesales Department
8. Ms. Nipa Vanichavat	Head of Business Support and Central Service Department
9. Mrs. Duangporn Utaipat	Executive Vice President Corporate Governance



Nomination and Appointment of Senior Executives

The Remuneration and Nomination Committee is responsible for setting a policy to identify and select qualified candidates for nomination as senior executives and determining the structure, format, and criteria of their remuneration, before proposing appointments to the Board of Directors for approval. This process is in accordance with the applicable policies and charters, Articles of Association, and legal requirements.

Executive Development and Succession Plan

The Remuneration and Nomination Committee has developed a succession plan for the management level and positions in the main functions, which takes into consideration employee performance, potential, and readiness. Successors will be supported to develop the knowledge, competency, and skills needed for planned positions and to drive the Company toward sustainable growth.

Self-Development of Directors and Development of Executives

It is important to continually develop and improve the knowledge and potential of directors and executives. We encourage our directors and executives to attend training courses, activities, and seminars offered by credible institutions involved in the continuous development of knowledge and skills, such as the Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), Thai Institute of Directors (IOD), and public and private educational institutions both in Thailand and abroad. All directors and the Head of Finance and Accounting Department have completed training programs related to their duties. In 2023, directors receiving training to develop their potential and knowledge include:

Name	IOD Course
Mr. Xuan Wang	Director Certification Program (DCP)
Mr. Nathapol Luepromchai	Director Certification Program (DCP) 340/2023
Mr. Rithisak Patanakul	Director Certification Program (DCP) 351/2023

Holding of Company Shares by Directors and Executives

	28 December 2023			30 December 2022			Changes ² over the Year
	Number of Shares Held		Shareholding Percentage (%)	Number of Shares Held		Shareholding Percentage (%)	
	Directors / Executives	Spouse and Minor Child		Directors / Executives	Spouse and Minor Child		
Independent Directors							
Mrs. Kesara Manchusree	1,211,538	-	0.0431	1,076,923	-	0.0431	-
Mr. Supawat Likittanawong	1,211,538	-	0.0431	1,076,923	-	0.0431	-
Mr. Patara Yongvanich	969,230	-	0.0345	861,538	-	0.0345	-
Ms. Manida Zimmerman	339,879	-	0.0121	-	-	-	-
Non-Executive Directors							
Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-	-
Mr. Phonganant Thanattrai	-	-	-	-	-	-	-
Mr. Vasin Udomratchatavanich	-	-	-	-	-	-	-
Mr. Rithisak Patanakul	-	-	-	-	-	-	-
Mr. Minki Brian Hong	-	-	-	-	-	-	-
Mr. Elcid Vergara	-	-	-	-	-	-	-
Executive Director							
Mr. Piyasak Ukritnukun	557,740	-	0.0199	455,769	-	0.0172	-
Senior Executives							
Mr. Veerapat Viriyakovitya	1,262,586	-	0.0449	1,082,315	-	0.0431	-
Mr. Thanya Kitchainukul	1,268,008	-	0.0451	1,083,305	-	0.0434	-
Mr. Siu Bong Tso	1,832,760	-	0.0652	1,551,770	-	0.0621	-
Mrs. Athitaya Phoonwathu	1,273,443	-	0.0453	1,083,668	-	0.0434	-
Ms. Chaweemas Yamyim	1,261,310	-	0.0449	1,082,412	-	0.0433	-
Ms. Piano Watcharapolmek	662,793	-	0.0236	544,712	-	0.0218	-
Mrs. Duangporn Utaipat	837,753	-	0.0298	724,593	-	0.0290	-
Ms. Nipa Vanichavat	704,367	-	0.0251	601,812	-	0.0241	-

Notes:

1. Including shares held by spouse and minor child. The number of paid-up ordinary shares was 2,809,480,305 as of 28 December 2023 and 2,497,336,063 as of 30 December 2022.
2. The increase in shares resulting from the resolution of the Annual General Meeting 2023 to pay dividend shares at a ratio of 8 existing shares per 1 dividend share and the Employee Joint Investment Program (EJIP) approved by the Board Meeting 6/2023.

5. Information about Employees

Number of Employees

As of 31 December 2023, we have a total of 7,076 permanent employees, 1,103 outsourced employees, and 65 employees with special needs. A breakdown of the number of employees by department is shown in the table below:

กรมการ	2023		
	Male	Female	Total
Board of Directors	9	2	11
Senior Management	4	5	9
Management	31	24	55
Branches	876	4,108	4,984
Head Office	1,016	1,012	2,028
Permanent Employees	1,923	5,153	7,076
Outsourced Employees	347	756	1,103
Employees with Special Needs*	36	29	65

Note: *Employees with physical disabilities and impairments.

Significant Change in Employee Headcount over the Past Three Years

-None-

Employee Compensation

For the year ended 31 December 2023, we paid compensation to employees (excluding executives but including outsourced employees) in the form of salaries, wages, bonuses, and others, such as performance-based incentives and contributions to the Provident Fund, Employee Joint Investment Program (EJIP), and Social Security Fund.

(Unit: Million Baht)

2023	2022	2021
3,622	3,080	3,767

Compensation is in the form of salary, wages, bonuses, and other compensation, such as incentive programs based on performance and contributions, provident fund Joint, Employee Joint Investment Program (EJIP), and social security fund.

Provident Fund

At present, we have a provident fund registered under the name "TIDLOR Master Fund," managed by MFC Asset Management Public Company Limited.

Number of Employees Participating in Provident Fund	Employee's Contribution	Company's contribution
5,738 persons	545,953,254.18 baht	448,418,816.42 baht

Employee Joint Investment Program (EJIP)

The Resolution of the Board Meeting No. 6/2565 held on 29 June 2022 approved the Employee Joint Investment Program, which will be implemented over a period of six years from 1 October 2022 to 30 September 2028. To be eligible for the program, participants must be permanent employees and executives of the Company with two or more years of service as at the date of application. Participation is on a voluntary basis.

Labor Dispute

We have had no labor disputes that are material to our business operations over the past three years and does not have a labor union.

Employee Development Policy

We recognize the importance of employees as key contributors to sustainable growth and their role in social responsibility. Rapid technological changes, post-COVID 19 work practices, and high household debt have impacted employee well-being and made our progress toward our vision more challenging. To address these dynamics, we have placed an emphasis on the continuous development of our directors, executives, officers, and employees to equipped them with knowledge, skills, experiences, and qualities needed to drive the organization towards its goals and in compliance with the best practices for listed companies. Furthermore, we strive to promote the well-being and welfare of employees and have implemented a plan in response to rapid changes in a timely manner. Our employee development guidelines can be summarized as follows:

We prioritize training and development to empower employees at all levels with essential skills and knowledge, including business understanding, technology, personnel and project management, safety awareness, and business ethics. We tailor training to employee roles and responsibilities associated with different levels. Training sessions are facilitated by our knowledgeable and experienced staff members and reputable external institutions, and the training curricula are reviewed and updated regularly. We offer various channels to facilitate learning: classroom-based training through our training centers across the country, online learning linked to our learning management system and knowledge management system, and our employee development program.

Since the emergence of Generative AI technology, we have promoted and encouraged all employees, both those directly involved and those not, to learn about this technology and experiment with caution and utmost responsibility. Training sessions and workshops have been organized to teach employees how to use AI creatively in their areas of work. We have also encouraged our directors and senior executives to attend workshops and educational sessions from leading global organizations and promoted learning in other technologies to re-skill non-IT employees, such as low coding, Python, and RPA.

We conduct an employee financial health survey annually and organizes various financial literacy activities, such as classroom sessions, workshops, and board games. Additionally, we train financial mentors to provide coaching for employees who seek financial advice or efficient money management strategies.

Last year, 1,000 employees participated in a 10-kilometer run. They were divided into teams to train and compete against each other. This activity reflected teamwork, leadership qualities, and promoted employee health.

We promote lean resource management, leveraging our resources to achieve maximum benefits. To accomplish this, employees at all levels are encouraged to undergo training, and Lean Six Sigma projects are initiated annually at both Yellow and Green Belt levels.

We emphasize sustainable business practices for continuous growth. Employees involved in loan services are required to understand the 5Cs principles for credit approval. This is mandated as part of our annual training courses. These principles are communicated through various channels, and efficient credit approval competitions are organized every year.

Furthermore, we continue to focus on equipping employees with skills and knowledge that enable them to provide transparent and fair financial services to customers. We promote understanding among employees regarding our business mindset, vision, and mission through various activities such as orientation programs, culture boot camps, culture days, and other communication activities throughout the year.

Occupational Safety and Health Promotion

We have established the Welfare Committee to monitor and oversee the welfare within the workplace, and the Occupational Safety, Health and Environment Committee to drive the work on safety more effectively and sustainably. We have also created a safety culture consistent with the law and international standards, such as campaigning for everyone in the organization, including all stakeholders, to maintain safety, health and working environment, requiring employees to wear

helmets every time they ride motorcycles, and not driving while drunk. We have also provided resources to support the development and implementation of safety, health and working environment, such as providing an infirmary, alcohol for hand washing on every floor, and appropriate work equipment.

In addition, we have conducted a risk assessment and hazard prevention related to safety, health, and environment, as well as developing plans to prevent and mitigate risks effectively and efficiently.

6. Other Important Information

Head of Compliance Department

Ms. Sirin Saengwan is Head of Compliance Department, responsible for overseeing compliance with laws, regulations, and requirements. She also serves as Data Protection Officer.

Person Supervising Accounting

Ms. Waratnavee Wongakanith is the accountant directly responsible for supervising the Company's accounting. She oversees accounting transactions and payments to ensure compliance with the regulations, requirements, and rules set by the Company and accounting standards.

Corporate Secretary

The Board Meeting No. 11/2563 held on 25 November 2020 resolved to appoint Ms. Vantanee Teerakul as the Corporate Secretary. In compliance with Section 89/15 of the Securities and Exchange Act B.E. 2535, the Corporate Secretary shall have the following duties and responsibilities: 1) preparing and safe-keeping a) register of directors, b) invitation notices for Board meetings and meeting minutes, c) invitation notices for shareholder meetings and minutes of shareholder meetings, and d) annual reports, 2) safe-keeping interest disclosure reports filed by directors or executives and submitting copies of the interest disclosure reports pursuant to Section 89/16 of the Securities and Exchange Act B.E. 2535 to the Chairman of the Board and of the Audit Committee within seven working days when the reports are received by the Company, 3) carrying out tasks related to the Board Meetings

and shareholder meetings, 4) providing advice on the rules and regulations that the Board of Directors and executives should be aware of, 5) organizing training and orientation and providing information about duties and responsibilities to existing and newly-appointed directors, 6) overseeing and coordinating to ensure the Company complies with the laws, regulations, requirements, and resolutions of the Board of Directors' meetings and shareholder meetings, as well as Corporate Governance Policy and Code of Conduct, and 7) performing other tasks as assigned by the Board of Directors or required by relevant laws or notifications.

Investor Relations Department

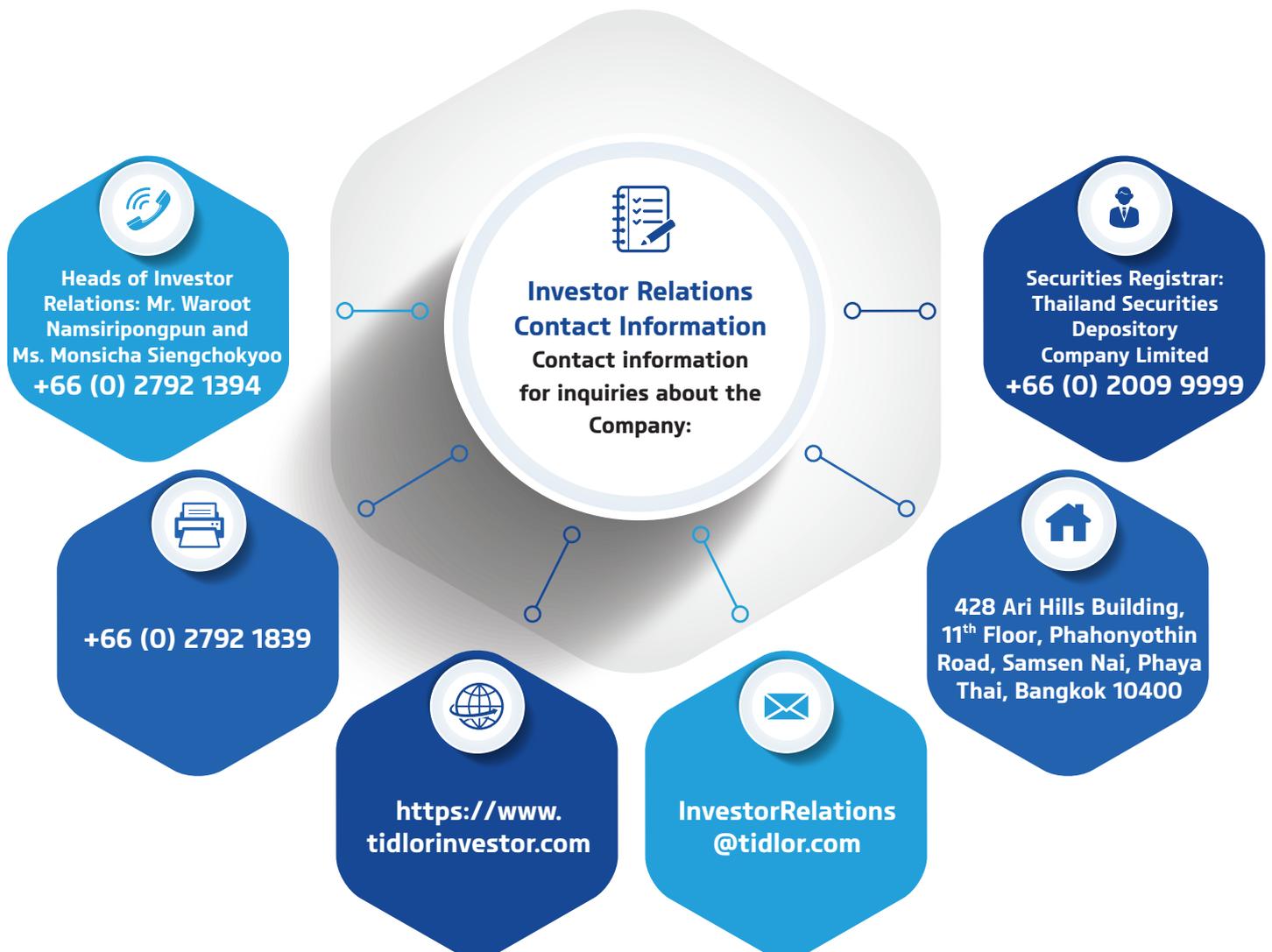
Mr. Waroot Namsiripongpun and Ms. Monsicha Siengchokyoo have been appointed as the Heads of Investor Relations, responsible for communicating and maintaining good relations with retail investors, institutional investors, general investors, securities analysts, fund managers in and outside of Thailand including, relevant agencies, and the general public, ensuring that they have equitable access to accurate and complete information.

Furthermore, we provide analysts, investors, and relevant stakeholders with information on a regular basis through analyst and investor meetings and roadshows, conference calls, and other meetings. Interested parties can also contact the Company to obtain information about the business. Additionally, we have conducted an analyst meeting evaluation to collect input and improve our investor relations.

Investor relations activities carried out in 2023 are as follows:

Activity	Number
Site visits by shareholders, investors, and analysts	12
One-on-One Meeting	35
- Conference Call Meeting	
- Online Virtual Meeting	
Group Meeting	11
- Conference Call Meeting	
- Online Virtual Meeting	
Analyst and Fund Manager Meeting	4

Moreover, the Investor Relations Department has adopted a tactic of digital transformation, such as switching to digital meeting documents to reduce paper consumption and protect the environment.



Audit Fee

The Annual General Meeting of Shareholders held on 10 April 2023 resolved to appoint Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, which is an audit firm authorized by SEC, as its auditor for the year 2023.

Nominated Auditor	CPA number	Auditing Year
Mr. Chawala Thienprasertkit and/or	4301	2018
Mr. Kasiti Ketsuriyong and/or	8833	-
Mrs. Nisakorn Songmanee and/or	5035	-
Mrs. Darunee Jantra	8625	-

The meeting also approved the payment of an audit fee to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, as follows:

Audit Fee	2022	2023
Audit Fee	2,605,000 baht	2,730,000 baht
Other Fees	-None-	-None-

Summary of the Board of Directors' Performance in the Previous Year

In 2023, the Board of Directors reviewed the Company's vision statement and core values to ensure they were up-to-date and in line with long-term business direction. They also approved material matters regarding operational direction and policies, business plans, and annual budget. They reviewed the adequacy of internal control and risk management processes and oversaw and monitored the performance of management to ensure compliance with policies, strategies, and business plans set by the Company, the laws and regulations of relevant agencies, and the resolutions of the shareholder meeting. Management was also required to report operating results to the Board of Directors' meeting.

Board of Directors Performance Evaluation

To comply with the principles of good corporate governance, the Board of Directors and Committees are required to conduct a performance evaluation at least once a year. The evaluation guidelines of the Stock Exchange of Thailand have been adapted to fit the nature and structure of the Board of Directors. Two types of evaluation are conducted: performance evaluations of individual directors, and of the board as a whole.

The results of performance evaluations will be analyzed and used to further improve and develop the performance of the Board of Directors. Each item has a full score of four and the evaluation is divided into the following topics:

1. Structure and Qualifications of the Board of Directors
2. Duties and Responsibilities of the Board of Directors
3. Board Meetings
4. Performance of Directors
5. Relationship with Management

Board and Committee Meetings

1. The Board of Directors is required to hold a meeting at least once a month, except in unfavorable circumstances where the Chairman deems that the meeting cannot be held. The meeting dates and agenda items should be set in advance for the entire year, but special meetings may also be held as necessary. The Board of Directors may hold a meeting electronically in conformity with applicable laws, regulations, notifications, requirements, and rules. Electronic meetings shall have the same effect as physical meetings as prescribed by the law.

2. Directors have a duty to attend every board meeting, unless they have important matters to tend to or reasonable necessity.
3. A meeting requires not less than one-half of the total number of board members in attendance to constitute a quorum, and the decision of the meeting shall be by majority votes. In the case of an equality of votes, the Chairman of the Meeting shall have an additional vote as a deciding vote. There should be at least two-thirds of the total number of board members present at the time of voting.
4. The Chairman of the Board, Chairman of the Audit Committee, and Managing Directors shall jointly determine matters to be included in the agenda of the board meeting. Other directors including independent directors should be given the opportunity to review and express any opinions they may have on the matters before a meeting invitation notice is sent out. The matters should also be reviewed by relevant Committees, except for cases of confidential agendas or agendas approved by the Managing Director and Chairman of the Board, which shall be presented directly to the board meeting.
5. The Corporate Secretary appointed by the Board of Directors is responsible for sending a meeting invitation notice and supporting documents containing the necessary and sufficient information to board members at least seven days in advance of the meeting, except where there is urgency for an additional agenda to protect the Company's interests.
6. Directors with material interests in a particular matter to be considered, either directly or indirectly, shall inform the Board of Directors and shall not express opinions or vote on that agenda. Such interests will also be recorded in the resolution of that agenda.
7. In addition to the board meeting, non-executive directors may hold a meeting among themselves as necessary or at least once a year to discuss issues or problems related to management of interest and to find ways to improve or provide useful suggestions to management without the presence of executive directors. Opinions from these meetings shall be summarized and reported to the Managing Director.
8. In 2023, the Company held an e-meeting on Microsoft Teams for the Board of Directors to allow directors both in Thailand and abroad to attend the meeting and express their opinions. Directors were required to authenticate themselves electronically before attending the meeting. Audio and/or visual of the meeting session was recorded, and the electronic traffic data of all attendees was also kept as evidence. The meeting followed the procedures prescribed by law.
9. The meeting minutes shall include the meeting date, the time of meeting commencement and adjournment, the names of directors present and absent, a summary of the matters, the discussion and opinions of the Board of Directors, any clarifications provided by management, the resolutions of the Board of Directors in sufficient detail, and the signatures of the Chairman of the Meeting and minutes recorder. Directors with material interests in a particular matter shall not take part in the consideration and will abstain from voting on that matter. The Corporate Secretary will check this information in advance and inform all directors before the meeting and record it in the meeting minutes. When an e-meeting is held, the following information is included in the meeting minutes as required by law: attendee authentication method and the names of explanation providers and meeting system controllers. In addition, a list of the directors in attendance at the meeting shall be divided into directors present physically and directors attending via electronic means.
10. After the meeting has certified the minutes, the Corporate Secretary shall deliver copies of the minutes to related internal departments and external organizations within a specified period. The Board of Directors encourages non-executive directors to hold meetings among themselves to discuss problems and issues related to organizational culture, human resource management, and future business direction without the presence of management. Opinions from these meetings should also be reported to Managing Director. In 2023, there was one meeting of non-executive directors, which was held on 19 December 2023.

Attendance at the Board and Committee Meetings

Name	Board of Directors 12 meetings	Audit Committee 4 meetings	Remuneration and Nomination Committee 6 meetings	Risk Management Committee 4 meetings	Investment Committee 7 meetings
1. Mr. Chandrashekar Subramanian Krishoolndmangalam	11/12			4/4	
2. Mrs. Kesara Manchusree	12/12	4/4	6/6		
3. Mr. Piyasak Ukritnukun	12/12				7/7
4. Mr. Phonganant Thanattrai	11/12		5/6		
5. Mr. Vasin Udomratchatavanich	11/12		6/6		
6. Mr. Rithisak Patanakul	2/2 ⁽¹⁾				2/2 ⁽¹⁾
7. Mr. Minki Brian Hong	11/12		6/6		
8. Mr. Elcid Vergara	9/12		6/6	3/4	7/7
9. Ms. Manida Zimmerman	5/7 ⁽²⁾				
10. Mr. Supawat Likittanawong	12/12	4/4			7/7
11. Mr. Patara Yongvanich	12/12	4/4			6/7
12. Mr. Santitarn Sathirathai	8/9				
13. Mr. Nathapol Luepromchai	6/7				
14. Mr. Xuan Wang	4/4				

Notes:

- Appointed as per the Resolution of the Board Meeting No. 9/2566 to replace Mr. Nathapol Luepromchai, who resigned from the position, effective 30 October 2023. He will retain his office for the remaining term of the resigned director.
- Appointed as per the Resolution of the Board Meeting No. 5/2566 to replace Mr. Xuan Wang, who resigned from the position, effective 26 May 2023. He will retain his office for the remaining term of the resigned director.

Monetary Compensation

1. Directors' Remuneration

The Resolution of the Annual General Meeting of Shareholders held on 10 April 2023 resolved to approve the remuneration for the Board of Directors and Committees for 2023 as follows:

(a) Meeting Allowance

None, to be in line with the major shareholder's policy, which prohibits directors it nominates from receiving remuneration for their positions in the Company.

(b) Monthly Remuneration

We paid monthly remuneration to independent directors only at the following rates:

Board of Directors and Committees	Chairman (Baht)	Member (Baht)
Board of Directors	161,000	92,000
Audit Committee	57,500	34,500
Risk Management Committee	57,500	34,500
Remuneration and Nomination Committee	57,500	34,500
Investment Committee	57,500	34,500

Monthly remuneration paid to directors for the year ended 31 December 2023 amounted to 7,597,774 baht, as detailed below:

Name	Remuneration for Directors (Baht) From 1 January to 31 December 2023					
	Board of Directors	Audit Committee	Remuneration and Nomination Committee	Risk Management Committee	Investment Committee	Total
1. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-
2. Mrs. Kesara Manchusree	1,068,000	667,500	400,500	-	-	2,136,000
3. Mr. Piyasak Ukritnukun	-	-	-	-	-	-
4. Mr. Phonganant Thanattrai	-	-	-	-	-	-
5. Mr. Vasin Udomratchatavanich	-	-	-	-	-	-
6. Mr. Rithisak Patanakul	-	-	-	-	-	-
7. Mr. Minki Brian Hong	-	-	-	-	-	-
8. Mr. Elcid Vergara	-	-	-	-	-	-
9. Ms. Manida Zimmerman	661,806	-	-	-	-	661,806
10. Mr. Supawat Likittanawong	1,068,000	400,500	-	-	400,500	1,869,000
11. Mr. Patara Yongvanich	1,068,000	400,500	-	-	667,500	2,136,000
12. Mr. Santitarn Sathirathai	794,968	-	-	-	-	794,968
13. Mr. Nathapol Luepromchai	-	-	-	-	-	-
14. Mr. Xuan Wang	-	-	-	-	-	-
Total						7,597,774

(c) Other Compensations

None for the year ended 31 December 2023.

2. Executives' Remuneration

For the year ended 31 December 2023, we paid a total remuneration of 102 million baht to executives (excluding the Accounting Manager since it is not paid at the same level as the fourth executive). These payments were in the form of salaries, bonuses, and other compensations such as contributions to the Provident Fund and Social Security Fund and accrued vacation days.

Other Compensations

None.

Supervision of Subsidiaries and Associated Companies

We do not have a subsidiary or associated company.

Major Changes and Developments in Corporate Governance Policies, Procedures, and Systems in 2023

In 2023, we reviewed our corporate governance policies, procedures, and systems to improve governance efficiency and to raise the standards of corporate governance to be aligned with the Principles of Good Corporate Governance for Listed Companies 2023, published by the Securities and Exchange Commission. We also undertook the following actions:

- The Resolution of the Board Meeting resolved to approve the review of policies as follows:
 - Corporate Governance Principles 2023 to be aligned with the Principles of Good Corporate Governance for Listed Companies 2023 as published by the Securities and Exchange Commission, with an emphasis on human rights and the Three Lines Model.
 - Market Conduct Policy.
 - Anti-Bribery and Corruption Policy.
 - Personal Data Protection Policy.
 - Cybersecurity Policy.
 - Fair Employment Policy.
 - Conflict of Interest Policy.
 - MNPI and Preventing Insider Trading Policy.
 - Compliance Policy.

Monitoring Compliance with Corporate Governance Policies and Practices

1. Prevention of Conflicts of Interest

In 2023, we improved and communicated the Good Corporate Governance Principles and conflict of interest policy to directors, executives, and employees. The Compliance Department also regularly reviewed compliance with the policy. When a violation of the policy/ requirements was found, the Compliance Department prepared the non-compliance report and reported the incidents to the relevant executives within an appropriate timeframe.

In 2023, the Compliance Department found no material breach of the Conflict of Interest Policy.

2. Supervision of Insider Trading

We rely on the various implementing measures, and appropriated training to directors, executives and employees about insider trading, as well as the preventive measures, consequently raised awareness among our employees and executives for applicable. We have also adopted sustainable development principles to mitigate compliance and reputational risks, thus strengthening our company's reliability and reputation and increasing customer and stakeholder satisfaction.

In 2023, the Compliance Department found no material breach of the MNPI and Insider Trading Policy.

3. Anti-Bribery and Corruption

In 2023, the Compliance Department reviewed the transactions that may be at risk of bribery and corruption and communicated to ensure employees were aware of the assessment of corruption risks in the Company's activities. It also facilitated compulsory training through e-learning courses and sought compliance with the No Gift Policy. No violations of the Anti-Bribery and Corruption Policy and measures were found by the Compliance Department.

We have also communicated our No Gift Policy to stakeholders through the company website and requested cooperation from our suppliers to refrain from giving gifts and entertainment to our executives and employees.



เงินติดล้อ

บริษัท เงินติดล้อ จำกัด (มหาชน)
ร่วมสนับสนุนการต่อต้านการทุจริตคอร์รัปชัน
ขอความร่วมมือ

“งดมอบของขวัญ”

ให้ผู้บริหาร และพนักงานทุกท่านในช่วงเทศกาล
และโอกาสต่างๆ เพื่อเสริมสร้างวัฒนธรรม
องค์กรแห่งความโปร่งใส

**“เงินติดล้อ ขอขอบคุณ
ในความปรารถนาดีของท่านเสมอมา”**

CAC ESTABLISHED
NO Gift Policy

4. Personal Data Protection

We recognize personal data protection as our core policy and update it regularly. We have also communicated with employees at all levels to raise awareness of the policy and encouraged them to put it into practice. In 2023, the Compliance Department actively promoted adherence to the Personal Data Protection Act throughout our company’s activities. It has also communicated cases of personal data breach and preventive measurement, as well as changes in personal data protection regulatory requirements to executives and employees regularly. However, the Compliance Department found no significant breaches of the Personal Data Protection Policy in 2023.

5. Whistleblowing and Complaints

We have established the Whistleblowing Policy, which has been approved by the Board of Directors and updated on regular basis. We have also developed procedures for handling

complaints and set up various whistleblowing channels, including trusted supervisors, the Internal Audit executives, the Compliance executives, and ombudspersons appointed by the Managing Director and whistleblowing channel for stakeholders at www.tidlor.com. Moreover, a working team has been established to consider complaints and respond to the whistleblower where contact information has been provided. We have also put measures in place to protect whistleblowers and employees who refuse to accept bribes or corruption from demotions, penalization, or negative effects, even if their actions may cause the Company to lose business opportunities.

In 2023, we received a total of 11 complaints or whistleblowing reports, most of which were related to non-compliance with the Procedures and determined rules of the Company. Each complaint or whistleblowing report has already been handled as appropriately, in accordance with the established process.

6. Human Rights

We place significant emphasis on human rights, recognizing them as fundamental rights for everyone, including stakeholders across our entire business value chain. This commitment is upheld through adherence to the United Nations Framework and Guiding Principles on Business and Human Rights (UNGPs).

In 2023, we did not encounter any human rights violations or related complaints. Complaints channels were established, covering a range of topics such as equal treatment of all parties and violation of the freedom rights of stakeholders. Measures were also taken to prevent human rights violations in our business conduct. In 2023, we educated our employees about incidents that could constitute human rights violations in the workplace, particularly regarding sexual harassment and bullying.

Policies and Practices Relating to Shareholders and Stakeholders

We recognize the importance of the rights of shareholders and will not engage in any acts that may violate or deprive the rights of shareholders or limit their access to the Company's information. Shareholders can obtain information about the Company through a disclosure channel of the Stock Exchange of Thailand and our website under the "Investor Relations" topic, which contains up-to-date information about our financial results, shareholders, investors, rights of shareholders, and activities carried out by the Company.

We encourage our shareholders to exercise their basic rights recognized by law, including but not limited to, buying or transferring shares, attending a shareholder meeting and voting, sharing in profits/dividends, stock repurchase (if any), and participating in decision making on matters prescribed by the law or affecting the Company at a shareholder meeting, such as determination of remuneration for directors, amendment to Articles of Association or Memorandum of Association, capital

increase or decrease, and approval of extraordinary transactions and mergers valued by independent valuers.

Equitable Treatment of Shareholders

As shareholders are the owners of the business, we adhere to the corporate governance policy to ensure equitable treatment of all shareholders, including minority, major, and foreign shareholders, and to protect their rights regardless of gender, age, race, religion, political view, and physical disability.

Meeting of Shareholders

Due to the COVID-19 pandemic, we have paid more attention to the safety and health of shareholders and participants in the shareholder meeting. As such, we decided to hold the 2023 Annual General Meeting of Shareholders electronically (e-AGM) on 10 April 2023 at 13.00 hours through live streaming provided by Inventech System (Thailand) Company Limited that has been certified by the Electronic Transactions Development Agency. The e-AGM met the standards as required by the Emergency Decree on Electronic Conferencing B.E. 2563, Notification of the Ministry of Digital Economy and Society on Security Standards for Electronic Conferencing B.E. 2563, and applicable laws. It was also in line with the AGM Checklist, good corporate governance standards set by regulators, and corporate governance report of Thai listed companies, which is part of the ASEAN CG Scorecard. In addition, we have set policies and guidelines related to shareholders as follows:

- Allowing minority shareholders to propose matters to be included in agenda of the meeting and nominate qualified candidates to be elected as directors 45 days in advance before the end of the fiscal year (15 November - 31 December 2023). Publishing the rules, procedures, and methods for exercising this right on the company website. Informing the shareholder meeting that no shareholder had proposed meeting agenda or nominate candidates to be elected as directors.

- Sending out the meeting invitation notice in both Thai and English by postal mail to shareholders along with a QR Code linking to Form 56-1 One Report 21 days prior to the meeting, and also publishing it on the company website 30 days prior to the meeting to allow sufficient time for shareholders to study the information.
 - Sending out the e-AGM registration form to allow shareholders to register to attend the meeting and submit questions about the Company or meeting agenda in advance to be answered at the meeting, as well as request a hard copy of the Form 56-1 One Report. This form was attached with the meeting invitation notice and was also available for download at the company website.
 - Publicizing about the meeting in a newspaper for more than three consecutive days before the meeting date.
 - The meeting invitation notice contained the meeting date, time, format, broadcast venue, and agenda items for acknowledgment or approval, as well as facts and reasons and opinions of the Board or concerned Committees. It also included other information, such as a registration form to attend the e-AGM, proxy form, authentication form for attending the meeting in person and by proxy, part of the Articles of Association related to the meeting, voting rules and methods, and contact information for inquiries. This information was also published on the company website.
 - No agenda items were added and no information in the meeting invitation notice was changed without informing shareholders in advance.
 - Attaching a proxy form, following the format prescribed by the Ministry of Commerce, with the meeting invitation notice to allow shareholders to appoint a proxy to attend and vote on their behalf as per the shareholder's voting intentions. The proxy form was pre-affixed with duty stamps.
- The form also contained a list of required documents and instructions for appointing a proxy. In compliance with the guidelines of relevant regulatory bodies, the form also included a list of independent directors together with their brief profiles, from which shareholders may choose as a proxy.
- If shareholders appoint a director with material interest in any agenda as a proxy and do not specify their voting intention, the proxy director will abstain from voting on that agenda. If shareholders grant a proxy to any other person, that person will possess the same rights as the shareholder to attend the meeting and vote.
 - The Company started a system to allow shareholders to register and login one hour prior to the e-AGM so that they could make preparations and get familiar with the system before the meeting commenced at 11.00 hour. Efforts were made to ensure that shareholders attended the e-AGM conveniently, safely, and without obstacles or difficulties in communicating with each other. Electronic traffic data of all attendees was recorded.
 - A total of seven directors, including the Chairmen and members of the Board and Audit Committee and Managing Director attended the meeting in person. Five directors attended the meeting via electronic means. The remaining directors, executives, auditors, and inspectors attended the meeting in person.
 - For election of individual directors, the Company furnished shareholders with a brief profile of candidates nominated to be re-elected as directors, including first and last name, age, educational background, work history, and positions in other listed and general companies, as well as nomination criteria and methods, types of directors nominated for election, shareholding in the Company, terms of office, and other relevant information.

- For remuneration of directors, the Company furnished information about remuneration policy and criteria and amount and types of remuneration received by each director, including monthly remuneration and other benefits (if any).
 - For appointment of auditors and audit fees, information furnished included names of auditors proposed for appointment/re-appointment, work experience, expertise, auditor independence, number of years serving as the Company's auditor, audit and other service fees, and other relevant information as required by regulators.
 - All directors who served as committee chairmen reporting to the Board of Directors, including the Chairmen of the Audit Committee, Remuneration and Nomination Committee, Risk and Compliance Committee, and Executive Committee, were present at the meeting.
 - The Chairman of the Board acted as the Chairman of the Meeting to ensure that the meeting proceeded in compliance with applicable laws and regulations and the Company's Articles of Association, and to allocate sufficient time for each agenda item as specified in the meeting invitation notice. The Chairman of the Board introduced individual directors and auditors to the shareholder meeting, as well as the inspector who ensured the meeting proceeded in compliance with laws and regulations and oversaw the vote count. He also introduced the representative from the Thai Investors Association invited by the Company to observe the meeting.
 - Before the meeting commenced, the Chairman assigned the meeting moderator to report the number and percentage of shareholders attending the meeting both in person and by proxy and explain the meeting, voting, and vote counting rules and procedures. All shareholders and proxies had the right to freely express their opinions or raise questions about each agenda or the Company before casting their votes by typing questions in the system. The meeting moderator read the questions, and the Chairman of the Board answered or assigned other persons to answer the questions.
 - After the vote counting was completed, the voting results, including approve, disapprove, abstain, ineligible to vote (except for the agenda that requires approval by the majority vote of shareholders present at the meeting and eligible to vote), and voided ballots, were announced.
 - The Company only has ordinary shares and adopts the one share, one vote principle and majority vote rule, unless otherwise specified by law. Shareholders having a material interest in a matter to be considered by the meeting are prohibited from voting in that matter, except for the election of directors, in which nominated directors who hold shares in the Company shall have the right to vote in accordance with the Articles of Association.
 - None of the directors held shares in aggregate more than 25 percent of the issued and paid-up ordinary shares.
 - Meeting resolutions and voting results of each agenda were published through the disclosure channel of the Stock Exchange of Thailand on the same day of the meeting adjournment and on the company website on the next working day. The Company also informed the shareholders, who granted a proxy to directors to attend the meeting on their behalf, of the voting results in writing as well as sending them a letter from the proxy director to thank them for exercising their rights and entrusting the director to be their proxies.
- The Company prepared the minutes of the shareholder meeting, which contained the names and positions of directors and senior executives present and absent at the meeting, percentage of directors attending the meeting, name of the inspector overseeing the vote counting, explanation on voting methods and counting, opinions of the Board in each agenda, summary of questions, answers, and remarks, suggestions from shareholders, and resolutions and number of votes for each agenda.



Internal Control and Related-Party Transactions

1. Opinions of the Board of Directors on Internal Control and Risk Management

The Board of Directors recognizes the importance of an effective internal control system and considers it as its duty to ensure that the Company has an appropriate and adequate internal control system to enable it to effectively achieve its goals and objectives in compliance with applicable laws and regulations and protect its assets from fraud. The Board also understands that it is vital to ensure accurate and reliable accounting and financial reporting and disclosure of sufficient and timely information. To achieve these, the Internal Audit Department was established to be in charge of auditing internal functions, related-party transactions, and implementation to prevent conflict of interest. The Internal Audit Department reports directly to the Audit Committee to ensure independent, efficient, and effective internal audit function's operations.

The Board of Directors' Meeting No. 2/2567 held on February 28, 2024, with the presence of independent directors and members of the Audit Committee, considered and acknowledged the internal control assessment results reported by the Head of the Internal Audit Department. The assessment considered the following five components of the Company's internal control system according to the guidelines of the Committee of Sponsoring Organizations of Treadway Commission (COSO).

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

The Board of Directors was of the opinion that the Company’s internal control system was adequate and appropriate for the size of the business and the current situation of the Company. However, the internal control system should be improved and monitored continuously to accommodate changes due to the changing risk factors in accordance with the internal audit and corporate governance procedures set by the Company.

Head of the Internal Audit Department

Miss Aumaporn Ninratana is the Head of the Internal Audit Department because she had the qualifications, educational background, experience, and appropriate and sufficient training to take on the position.

2. Persons or Juristic Persons who may have Conflicts of Interest

The persons or juristic persons who may have conflicts of interest and enter into transactions with the Company for the year ended December 31, 2022 and 2023 were as follows:

Persons or juristic persons that may have conflicts of interest	Nature of Business	Relationship with the Company
1. Bank of Ayudhya Public Company Limited (“BAY”)	Commercial Banking Business	<ul style="list-style-type: none"> Major shareholder of the Company which directly holds 30%.
2. Siam Realty and Services Security Company Limited (“SRS”)	Car rental business and personnel services	<ul style="list-style-type: none"> The Company’s major shareholder is Bank of Ayudhya Public Company Limited, directly holding 100%.
3. Krungsri Ayudhya Card Company Limited (“KCC”)	Personal loan business and credit card	<ul style="list-style-type: none"> The Company’s major shareholder is Bank of Ayudhya Public Company Limited, directly holding 100%. There is 1 common director with the Company, namely: Mr. Phonganant Thanattrai. Mr. Phonganant Thanattrai which is the director of the Company served as Director of Krungsri Ayudhya Card Company Limited.
4. Krungsri Securities Public Company Limited (“KSS”)	Securities	<ul style="list-style-type: none"> The Company’s major shareholder is Bank of Ayudhya Public Company Limited, directly holding 99.84%.
5. Mr. Patara Yongvanich	-	<ul style="list-style-type: none"> Independent Director
6. Somjai 2559 Company Limited (“SJ”)	Hire-purchase loans for motorcycle	<ul style="list-style-type: none"> The Company’s joint venture.
7. The Thammasat Economics Association	Association organization activities	<ul style="list-style-type: none"> There is 1 common director with the Company, namely: Mrs. Kesara Manchusree.

3. Related party transactions of the Company with persons or juristic persons that may have conflicts of interest

Related party transactions of the Company with persons or juristic persons that may have conflicts of interest for the year ended December 31, 2022 and 2023 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 that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2022	2023		
1. Mr. Patara Yongvanich	Revenue transactions				
	The Company provided lending service to Mr. Patara Yongvanich			<ul style="list-style-type: none"> The use of lending services of the Company is subject to normal trading conditions. The interest rate is comparable to transactions with third parties. 	The aforementioned transaction was the normal business operation with general trading conditions. It was necessary, reasonable, and did not cause the Company to be disadvantaged. It involved an interest rate that references the Company's external interest rate with third parties (Arm's Length Basis).
<u>Loans</u> <u>Interest income on loans</u>	21 1	- -			

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 that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2022	2023		
1. Bank of Ayudhya Public Company Limited ("BAY")	Revenue transactions				
	Interest income from deposit with BAY			<ul style="list-style-type: none"> The Company had deposited money in savings accounts and fixed deposit accounts with BAY. The Company received the normal interest rate at BAY for general juristic persons. 	The aforementioned transaction supported the normal business operations of the Company under general trading conditions. It was necessary, reasonable, and did not disadvantage the Company. The interest rate received was comparable to the interest rates that other commercial banks offered to general corporations (Arm's Length Basis).
<u>Interest income</u> <u>Cash and cash equivalents</u> <u>Current contract assets</u> <u>Other non-current assets</u>	1,911 1,885,583 16 3,150	2,840 1,582,378 51 -			

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2022	2023		
1. Bank of Ayudhya Public Company Limited ("BAY")	Revenue transactions				
	<p>The Company sublease 1 branch offices in order to offer products and services to BAY's customers with a contract term of 3 years.</p> <p><u>Other income</u> 230 230</p> <p><u>Other current liabilities</u> 201 201</p> <p><u>Other non-current liabilities</u> 67 67</p>			<ul style="list-style-type: none"> The sub-rental rate that BAY paid to the Company was the same rate as the rent that the Company rent from outsiders by calculating according to the proportion of the area that BAY sublease from the Company. 	The aforementioned transactions supported the normal business transactions with general trading conditions. They involved rental rates that was comparable to the rates the Company paid for rent from external parties (Arm's Length Basis). Therefore, it was considered that these transactions did not disadvantage the Company and was reasonable.
	<p>The Company sublease 1 branch office to install Auto Lobby, which has a contract term of 3 years.</p> <p><u>Other income</u> 153 148</p>			<ul style="list-style-type: none"> The sub-rental rate that BAY paid to the Company was the same rate as the rent that the Company rent from outsiders by calculating according to the proportion of the area that BAY sublease from the Company. 	The aforementioned transactions supported the normal business transactions with general trading conditions. They involved rental rates that was comparable to the rates the Company paid for rent from external parties (Arm's Length Basis). Therefore, it was considered that these transactions did not disadvantage the Company and was reasonable.
<p>The Company sublease the 4 branch offices in order for BAY to install an automatic teller machine (ATM).</p> <p><u>Other income</u> 180 186</p>			<ul style="list-style-type: none"> The contract had conditions and rental rate which was comparable to the rental rate that BAY leases the space from a third party for the installation of an automatic teller machine (ATM) nearby areas. 	The aforementioned transactions supported the normal business transactions with general trading conditions. They involved rental rates that was comparable to the rates the Company paid for rent from external parties (Arm's Length Basis). Therefore, it was considered that these transactions did not disadvantage the Company and was reasonable.	

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2022	2023		
1. Bank of Ayudhya Public Company Limited ("BAY")	The Company provide service for BAY's customers to make E-KYC transactions at Krungsri-i CONFIRM service points which is at the Company's branches.			<ul style="list-style-type: none"> The contract had conditions and fee rate which was comparable to the fee rate that third parties provided this service to BAY. 	The aforementioned transactions supported the normal business transaction, with general trade conditions being market price and having the same principles as transactions made with external parties (Arm's Length Basis).
	<u>Fee and other service income</u>	3	1		
	<u>Other current receivable</u>	1	1		
Expense transactions					
	The Company had leased or sub-leased some areas of BAY's branch office to open the Company's branch.			The Company had leased or sub-leased the area of BAY's branches for operate as the Company's branch. Because the area had a good location. convenient and well known to customers. The space areas owned by third parties and by the Company be a sub-lessee, total of 7 locations where the rental rate was the same as the rent that BAY rented from a third party by calculating according to the proportion of the area that the Company sublease from BAY or from the utilization ratio and rental rate from the market appraisal of BAY's collateral appraisal department. The contract had an average term of agreement approximately 3 years.	The aforementioned transactions supported the normal business transaction with general trading conditions. It included a rental rate comparable to the rate the Company paid for rent from external parties and/or market prices (Arm's Length Basis). Therefore, it was considered that this transaction did not disadvantage the Company and was reasonable.
	<u>Service and administrative expenses</u>	884	1,423		
	<u>Interest expenses</u>	20	47		
	<u>Right-of-use of assets -net</u>	294	1,046		
	<u>Other non-current assets</u>	216	306		
	<u>Lease liabilities -net</u>	661	2,497		

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee	
		2022	2023			
1. Bank of Ayudhya Public Company Limited ("BAY")	Expense transactions					
	For working capital of the Company's business operations, the Company have borrowing from BAY in the form of short-term and long-term borrowings and from the issuance of company debentures.				<ul style="list-style-type: none"> The Company used credit services from BAY, which consisted of short-term and long-term borrowings which had interest rates and fees that were comparable to interest rates and fees from other financial institutions. In addition to using credit services from BAY, The Company also issued debentures for business operations, with BAY being the underwriter of the bonds. However, the bond underwriting fee was comparable to the market price and had the same principle as for transactions with third parties. In addition, BAY's granting of credits and services to persons who may have conflicts of interest was also subject to BAY's policy, which stated that transactions with each other within BAY's financial group were subject to terms and conditions including the interest rate or service charge as which were the same principle other customers with has the same level of risk. 	To increase liquidity in business operations, the aforementioned transaction was conducted as a normal business activity, which involved standard commercial terms, market-based pricing, and principles consistent with transactions made with external parties (Arm's Length Basis). Therefore, it was considered that the transaction did not disadvantage the Company and was reasonable.
	<u>Finance costs</u>	319,293	(31,790)			
	<u>Service and administrative expenses</u>	8,276	29,555			
	<u>Amounts due to related parties</u>	-	1,701			
	<u>Accrued expenses</u>	830	1,896			
	<u>Short-term borrowings</u>	-	2,600,000			
	<u>Long-term borrowings</u>	3,440,000	-			
<u>Deferred transaction costs of borrowing</u>	6,248	8,636				

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2022	2023		
1. Bank of Ayudhya Public Company Limited ("BAY")	Expense transactions				
	To manage the risk from foreign exchange rate and interest rate fluctuations from borrowings, the Company uses the cross currency interest rate swap (CCIRS) from BAY.			<ul style="list-style-type: none"> The Company use the cross currency interest rate swap (CCIRS) from BAY to manage the risk from the fluctuation of foreign exchange rate and interest rate from the borrowings. The foreign exchange rate and interest rate of the contract was comparable to foreign exchange rate and interest rate from other financial institutions. In addition, BAY's granting of credits and providing services to persons who may have conflicts of interest was also subject to BAY's policy, which states that transactions with each other within BAY's financial group were subject to terms and conditions including the interest rate or service charge which were the same principle as other customers with has the same level of risk. 	The aforementioned transaction was the normal course of business which general trade conditions at market price and was conducted on the same basis as transactions with external parties (Arm's Length Basis). Therefore, it was considered that the transaction did not disadvantage the Company and was reasonable.
	<u>Service and administrative expenses</u>	71	(54)		
<u>Gains on cash flow hedge</u>	4,193	2,023			
	<u>Other non-current financial asset</u>	130,767	81,142		
	The Company has used information technology services in the information technology infrastructure from BAY			<ul style="list-style-type: none"> These transactions were the service for supporting normal business of the Company. Service charges were cost plus margin (Cost Plus) or average market price. This service fee was comparable to the service fee that BAY provided to other companies in the banking group. Service fees were cost plus margin (Cost Plus) because BAY can manage costs better than the Company especially in terms of economy of scale. 	The aforementioned transaction supported the normal business operations under general trade conditions. It was necessary, was reasonable, and did not cause the Company to be disadvantaged. The service rate was calculated based on cost plus a profit margin (Cost Plus), and followed the same principles as transactions conducted with external parties (Arm's Length Basis).
	<u>Service and administrative expenses</u>	1,670	6,092		
	<u>Amounts due to related parties</u>	149	-		

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2022	2023		
1. Bank of Ayudhya Public Company Limited ("BAY")	Expense transactions				
	The Company paid a referral fee to BAY when a customer is referred to the Company and that customer used credit services with the Company.			<ul style="list-style-type: none"> Fees can be divided into 2 types: (1) Individual referral fees, such as referral fees for motorcycle and car loans; (2) promotional fees. 1. Fees for referring customers for motorcycle and car loans This fee was comparable to the Company paid to other referrals. 2. Fee of the promotional program was the fee given to the branch or persons in BAY's branches where BAY was not a beneficiary. It was a payment via BAY. 	To motivate employees to sell products and services, the aforementioned transaction was the normal business transaction under general trade conditions. It was at market price and followed the same principles as transactions with external parties (Arm's Length Basis). Furthermore, the fees for the sales promotion program were paid to external parties, but were processed through BAY only. Therefore, it was considered that such transactions did not disadvantage the Company and was reasonable.
	<u>Service and administrative expenses</u>	10,233	11,053		
<u>Deferred commissions</u>	6,894	7,011			
	<u>Amounts due to related parties</u>	1,623	1,554		
	The Company has used staff training services from BAY, which has a contract term of 3 years.			<ul style="list-style-type: none"> The Company has paid service fees as specified in the contract. The service fee rate was the cost rate plus the marginal margin (Cost Plus) and/or was the market price, this service fee was comparable to the service fee rate that BAY provided to other companies in the banking group. Using BAY's services to train employees, it made maximum benefit to the Company because BAY has experienced staff and can manage costs better than the Company especially in terms of economy of scale relating to staff training. 	The aforementioned transaction supported the normal business operations with general trade conditions. It was necessary, was reasonable, and did not cause the Company to be disadvantaged. It involved a service rate calculated from the cost plus a profit margin (Cost Plus), and/or was at market price and based on the same principles as transactions conducted with external parties (Arm's Length Basis).
	<u>Service and administrative expenses</u>	23	35		
	<u>Amounts due to related parties</u>	-	38		

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2022	2023		
2. Siam Realty and Services Security Company Limited ("SRS")	Expense transactions				
	The Company has used the car rental service from SRS.			<ul style="list-style-type: none"> The transaction was the use of services to support normal business of the Company. The Company has paid the service fees as stipulated in the contract which is the service rate per vehicle and based on cost plus margin (Cost Plus). 	The aforementioned transaction supported the normal business operations with general trade conditions. It was necessary, was reasonable, and did not cause the Company to be disadvantaged. It included a service rate calculated from cost plus a margin (Cost Plus). Moreover, it was market-priced and had the same principle as transactions made with external parties (Arm's Length Basis).
	<u>Service and administrative expenses</u>	24,219	12,724		
	<u>Finance costs</u>	620	157		
	<u>Right-of-use of assets -net</u>	12,111	801		
	<u>Amounts due to related parties</u>	(5)	3		
<u>Lease liabilities -net</u>	46,927	-			
3. Krungsri Ayudhya Card Company Limited ("KCC")	Liabilities transactions				
	<p>The Company has used corporate credit card services for expenses that require quick disbursement.</p> <p><u>Amounts due to related parties</u></p>	1,642	803	<ul style="list-style-type: none"> The Company has used credit card services from KCC for employees of the Company can have quick disbursement. The use of credit card services KCC is subject to normal trading conditions. The service fee rates were comparable to transactions with third parties (Arm's Length Basis). The Company has never paid past the due date at the end of the specified period, thus causing no interest burden from the use of such credit card limit. 	To expedite the disbursement of certain expense items, these items support the normal business operations of the Company, under general trade conditions. It was necessary, was reasonable, and did not cause the Company to be disadvantaged. The service rates were comparable to transactions conducted with external parties (Arm's Length Basis).
4. Krungsri Securities Public Company Limited ("KSS")	Liabilities transactions				
	<p>KSS acts as a broker agent for the Company to buy the Company's ordinary shares in stock market for EJIP program.</p> <p><u>Amounts due to related parties</u></p>	5,625	6,621	<ul style="list-style-type: none"> The contract had conditions and fee rate which was comparable to the fee rate that KSS provide this service to the third parties. 	The aforementioned transaction supported the normal business operations under general trade conditions, which were market prices and had the same principles as transactions made with external parties (Arm's Length Basis).

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2022	2023		
5. Somjai 2559 co., Ltd. ("SJ")	Revenue transactions				
	The Company has provided lending service to SJ			<ul style="list-style-type: none"> The agreement had terms and an interest rate that was comparable to the interest rates on loans offered by general financial institutions to SJ, based on a comparable loan period. 	The aforementioned transaction was the normal business operation with general trade conditions and has been approved by the Company's board of directors. It was at market price and followed the same principles as transactions made with external parties (Arm's length Basis).
	<u>Loans</u>	-	910,497		
	<u>Interest income on loans</u>	-	18,613		
	The Company has provided information technology services to SJ			<ul style="list-style-type: none"> Service charges were cost plus margin (Cost Plus) or average market price. This Service fee was comparable to the Service fee that third parties companies provided to the Company. 	The aforementioned transactions supported the normal business operations under general trade conditions. It was necessary, was reasonable, and did not cause the Company to be disadvantaged. The service rate was calculated based on cost plus a profit margin (Cost Plus), and the principle was the same as transactions made with external parties (Arm's Length Basis).
	<u>Fee and service incomes</u>	-	3,504		
	The Company has provided the rental space to SJ at the Company's branch.			<ul style="list-style-type: none"> The rental rate that SJ paid to the Company was comparable to the rental rates offered by external parties within the nearby area. 	The aforementioned transaction supported the normal business operation which involved general trade conditions. It included rental rates comparable to external parties' rental rates in the nearby area (Arm's Length Basis). Therefore, it was considered that this transaction did not disadvantage the Company and was reasonable.
<u>Other income</u>	-	62			
Expense transactions					
The Company paid a referral fee to SJ when referring customers to the Company, and those customers utilized the Company's lending services.			<ul style="list-style-type: none"> The referral fee for customers was a fee for referral motorcycle loan customers, which was comparable to the fees that the Company paid to other referrers. 	The aforementioned transaction was the normal business transaction with general trade conditions, which was at market price and operated on the same principles as transactions made with external parties (Arm's Length Basis). It was necessary, was reasonable, and did not cause the Company to be disadvantaged.	
<u>Amounts due to related parties</u>	-	324			
<u>Service and administrative expenses</u>	-	780			

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2022	2023		
	Expense transactions				
	The Company used the employee services from SJ. <u>Service and administrative expenses</u>	-	129	<ul style="list-style-type: none"> The employee service fee was the price that SJ charged the Company with the actual incurred expenses at the same rate that external parties charge SJ. 	The aforementioned transactions supported the normal business transactions with general trade conditions. It was necessary, reasonable, and did not cause the Company to be disadvantaged. The service fees for these transactions followed the same principles as transactions made with external parties (Arm's Length Basis).
6. The Thammasat Economics Association	Expense transactions				
	The Company has paid for the media that encourage the corporate image to the Thammasat Economics Association. <u>Service and administrative expenses</u>	-	97	<ul style="list-style-type: none"> This service fee was comparable to the price that the Thammasat Economics Association offering to the third parties. 	The aforementioned transactions supported the normal business operations under general trade conditions. These transactions were reasonable and did not cause the Company to be disadvantaged. They were at market price and followed the same principles as transactions made with external parties (Arm's Length Basis).

3.3 Necessity and Rationale for Related-Party Transactions

The Audit Committee's Meeting No. 1/2567 held on February 19, 2024, considered the Company's related-party transactions for the fiscal year ended December 31, 2023, which involved inquiring about information from management and reviewing the documents and information specified in the notes to the financial statements audited by the auditor of the Company. The Committee was of the opinion that the related-party transactions by the Company in the fiscal year ended December 31, 2023, were normal business transactions or were for normal business support. These transactions were made on an arm's length basis as those executed by a prudent person with a general counterparty in the same situation and with the bargaining power free from the influence of the counterparty as a person with potential conflicts of interest.

Measures and Procedures for Approval of Related-Party Transactions

In entering into a related-party transaction with the Company, the Company will comply with the rules prescribed in the Securities and Exchange Act B.E. 2535 (and amendments) and regulations, notifications, directives, or requirements of the Securities and Exchange Commission, Capital Market Supervisory Board, and Stock Exchange of Thailand, as well as regulations relating to related-party transaction disclosure and other applicable rules. Persons with a material interest in a particular transaction shall not participate in the consideration of that transaction.

1. Arm's length transactions

The related-party transactions for normal business or normal business support shall be made on an arm's length basis in the best interest of the Company. The department requesting such a transaction shall determine the related entities, such as the Financial Planning and Analysis Department (FP&A), Tax Department, or Compliance Department in accordance with the approval procedures and scope of authority. Management has the power to approve the related-party transactions, provided that they are under the same trade terms and conditions as those executed by prudent persons with general counterparties in the same situation and that the bargaining power thereof is free from their influence in their capacity as directors, executives, or related persons. Management shall prepare a summary report of such transactions and submit it to the Audit Committee's Meeting and Board of Directors' Meeting on a quarterly basis.

The general commercial terms and conditions refer to transactions under fair pricing and conditions, which do not transfer benefits, including

- Prices and conditions received or offered by the Company to the general public,
- Prices and conditions received or offered by related persons to the general public, and
- Prices and conditions that the Company can prove that similar business operators have offered to the general public.

2. Non-arm's length transactions

Non-arm's length transactions shall be considered by the Audit Committee before proposing them to the Executive Committee and/or Board of Directors and/or shareholder meeting (as the case may be) for approval. The Company shall comply with the law governing securities and exchange; regulations, notifications, directives, or requirements of the Capital Market Supervisory Board and Securities and Exchange Commission; regulations relating to connected or related-party transaction disclosure, acquisition or disposition of significant assets (if any), and other relevant rules; including accounting standards set by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King. The Company is also required to disclose related-party transactions in the notes to financial statements audited or reviewed by the Company's auditor.

If the Audit Committee has no expertise in the consideration of related-party transactions that may arise, the Company shall appoint a person with knowledge and expertise, such as an auditor, asset valuer, and specialist in related fields, who is independent of the Company and persons with potential conflicts of interest, to render opinions on such transactions to support decision making by the Audit Committee and/or Board of Directors and/or shareholder meeting (as the case may be). This appointment is to ensure that such transactions are necessary and reasonable and made in the best interest of the Company and its shareholders.

3.4 Policy on Future Related-Party Transactions

In entering into connected or related-party transactions in the future, the Company will comply with the Securities and Exchange Act and regulations, notifications, directives, or requirements of the Capital Market Supervisory Board, Securities and Exchange Commission, and Stock Exchange of Thailand. However, such transactions shall not be the removal or transfer of benefits between the Company and its shareholders and shall be made in the best interest of the Company and shareholders.

In the case of a normal business or normal business support transactions expected to continue to take place in the future, the Company shall comply with the general commercial rules and practices to fix

the appropriate, fair, reasonable, and verifiable prices and conditions. These transactions shall be made on an arm's length basis and subject to approval by the Board of Directors' Meeting. The Management shall prepare a summary report of such transactions and submit it to reporting the Audit Committee's Meeting on a yearly basis to be included in Form 56-1 One Report.

The disclosure of the Company's connected or related-party transactions shall comply with the laws and regulations of the Securities and Exchange Commission and the SET, as well as the Thai accounting standards Related Party Disclosures.

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 2023. These financial statements have been prepared in accordance with Thai Financial Reporting Standards. The Company has chosen appropriate accounting policies applied on a 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 accurate and fair financial position and operating results of the Company and its subsidiaries, thus being applicable 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 support the assets of the Company. 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 Audit Committee Report, 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 reasonable confidence in the reliability of its financial statements for the year ended December 31, 2023.



Mr. Chandrashekar Subramanian
Krishoolndmangalam
Chairman of the Board



Mr. Piyasak Ukritnukun
Managing Director



Management Discussion and Analysis (MD&A)

Financial Statements

Statements of Financial Position

(Unit: Million Baht)	31 December 2021	31 December 2022	31 December 2023	Growth rate 2023-2022	
				Change	% change
Assets					
Cash and cash equivalents	3,994.7	2,191.2	1,656.0	(535.2)	(24.4%)
Loans and hire purchase receivables	61,458.2	81,265.4	97,456.5	16,191.1	19.9%
Allowance for expected credit loss	(2,610.9)	(3,198.9)	(3,981.4)	(782.5)	24.5%
Other current assets	944.8	1,263.1	1,431.2	168.1	13.3%
Other non-current assets	2,738.6	3,206.2	3,585.6	379.4	11.8%
Total assets	66,525.4	84,727.0	100,147.9	15,420.9	18.2%
Liabilities and Shareholders' Equity					
Loan and debentures	41,185.3	55,749.2	68,214.0	12,464.8	22.4%
Other liabilities	2,935.1	3,555.9	3,510.4	(45.5)	(1.3%)
Total liabilities	44,120.4	59,305.1	71,724.4	12,419.3	20.9%
Total shareholders' equity	22,405.0	25,421.9	28,423.5	3,001.6	11.8%
Total liabilities and shareholders' equity	66,525.4	84,727.0	100,147.9	15,420.9	18.2%

Statements of Profit or Loss and Other Comprehensive Income

(Unit: Million Baht)	2021	2022	2023	Growth rate 2023-2022	
				Change	% change
Interest income on loans and hire-purchase receivables	9,824.7	12,532.3	15,544.8	3,012.5	24.0%
Fee and service income	2,197.1	2,710.5	3,380.2	669.7	24.7%
Other income	25.3	31.6	47.1	15.5	49.1%
Total revenues	12,047.1	15,274.4	18,972.1	3,697.7	24.2%
Service and administrative expenses	(6,558.9)	(7,923.2)	(9,400.8)	(1,477.6)	18.6%
Finance costs	(1,121.1)	(1,235.1)	(1,841.9)	(606.8)	49.1%
Profit before credit loss	4,367.1	6,116.1	7,729.4	1,613.3	26.4%
Credit loss	(414.1)	(1,582.7)	(2,985.7)	(1,403.0)	88.6%
Loss arising from derecognition of financial assets measured at amortized cost	(624.8)	(943.6)	(2,180.8)	(1,237.2)	131.1%
(Impairment loss) reversal of impairment loss determined in accordance with TFRS 9	210.7	(639.1)	(804.9)	(165.8)	25.9%
Profit before income tax expense	3,953.0	4,533.4	4,743.7	210.3	4.6%
Income tax expenses	(784.1)	(893.2)	(953.3)	(60.1)	6.7%
Net profit	3,168.9	3,640.2	3,790.4	150.2	4.1%

Key Financial Ratio

	2021	2022	2023
Profitability ratio			
Interest Margin (%)	17.4	17.6	17.4
Funding Cost (%)	2.0	1.7	2.1
Net interest margin (%)	15.4	15.8	15.3
Net profit margin (%)	26.3	23.8	20.0
Return on equity (ROE) (%)	18.6	15.2	14.1
Return on asset (ROA) (%)	5.3	4.8	4.1

Operating efficiency ratio			
Current Ratio (times)	1.2	1.3	0.9
Net debt to EBITDA ratio (times) (Net debt to EBITDA ratio = interest bearing liabilities - cash and cash equivalents - short-term investments / EBITDA)	6.3	8.1	8.8
Interest Coverage ratio (times) (Interest Coverage Ratio: ICR = earnings before tax and finance costs / finance costs)	4.5	4.7	3.6
Debt service coverage ratio (times) (Debt Service Coverage Ratio: DSCR = EBITDA/ interest bearing short-term debt + current portions of interest bearing debts)	0.3	0.3	0.2
Debt-to-equity ratio (times) (Debt to Equity Ratio: D/E = total liabilities / total shareholders' equity)	2.0	2.3	2.5

Financial ratio			
Current portion of interest-bearing debts due within 1 year to total interest-bearing debt (times)	0.5	0.4	0.5
Borrowings from financial institutions to total liabilities (times)	0.6	0.5	0.5

Asset quality ratio			
Non-performing loans to total loans and hire-purchase receivables (%)	1.2	1.6	1.4
Expected credit losses to non-performing loans (%)	356.6	248.9	282.1
Credit cost (%)	0.7	2.2	3.3

Summary of Annual Operating Results and Analysis of Operating Performance and Financial Position

The following is the description of the Company's management relating to financial position and performance prepared in accordance with Thai Financial Reporting Standards.

Executive Summary

Ngern Tid Lor Public Company Limited ("TIDLOR" or "the Company") achieved higher profits for the year 2023, reporting a net profit of Baht 3,790.4 million, an increase of 4.1% (YoY) from the previous year's performance of Baht 3,640.2 million.

At the end of 2023, the Company had an outstanding loan portfolio of Baht 97,456.5 million, expanding by 19.9% (YoY), with the overall loan portfolio quality remaining well-controlled. The non-performing loans (%NPL) ratio was at 1.45%, decreasing from 1.58% at the end of 2022. The key drivers supporting business growth stemmed from investment strategies and technological development, reflected in the success of the TIDLOR card and NTL application, which saw a consistent increase in usage. Additional growth factors were the phased recovery of Thailand's economy and the continued expansion of the insurance brokerage business. The total non-life insurance premiums for the year 2023 amounted to Baht 8,743.3 million baht, an increase of 25.3% (YoY).

The Company generated total revenue of Baht 18,972.1 million, marking an increase of 24.2% (YoY), driven by the expansion of its operations. The primary revenue was derived from the interest income from loans and hire-purchase receivables, which increased by 24.0% (YoY), alongside a 24.7% (YoY) rise in fees and service income. Meanwhile, the total expenses amounted to Baht 14,228.4 million, resulting from an increase in service and

administrative expenses that paralleled the growth of the customer base and businesses. Credit losses were in line with the expansion of the total loan portfolio and reflected asset quality after the expiration of debt moratorium, as well as an uptick in financial costs in response to rising policy interest rates. However, the cost-to-income ratio in 2023 improved, decreasing to 54.9% from the same period of the previous year at 56.4%, reflecting efficient expense management.

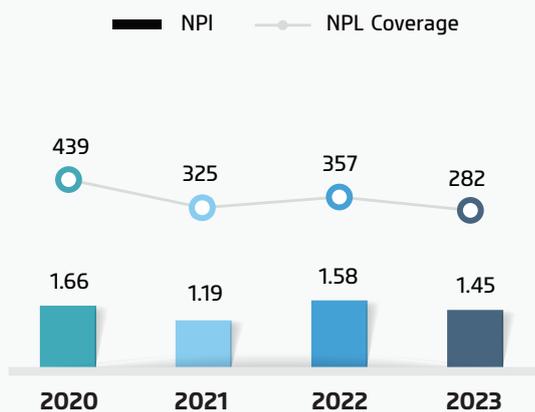
For the year 2023, the Company maintained its commitment to services and enhancing financial inclusion through its core businesses in lending and insurance brokerage. The performance was in line with the direction of the set targets, including the continuous growth of both the total loan portfolio and the insurance brokerage business with efficient management of the non-performing loan ratio (%NPL) and credit costs. The Company witnessed robust income growth, effective cost control, and proficient asset quality management as well as setting aside appropriate and adequate reserves to accommodate business expansion, risks associated with economic revitalization, geopolitical uncertainties, and the depreciation of used car prices in the market. Moreover, the Company also prioritized cultivating a healthy portfolio within a stringent and efficient risk management policy, enabling the Company to generate decent profit while maintaining a strong financial position.

(Unit: Million Baht)	2022	2023	% YoY Increase/ (Decrease)
Interest income on loans and hire-purchase receivables	12,532.3	15,544.8	24.0%
Fee and service income	2,710.5	3,380.2	24.7%
Other income	31.6	47.1	49.1%
Total revenues	15,274.4	18,972.1	24.2%
Service and administrative expenses	(7,923.2)	(9,400.8)	18.6%
Finance costs	(1,235.1)	(1,841.9)	49.1%
Profit before credit loss	6,116.1	7,729.4	26.4%
Credit loss	(1,582.7)	(2,985.7)	88.6%
Loss arising from derecognition of financial assets measured at amortized cost	(943.6)	(2,180.8)	131.1%
Impairment loss determined in accordance with TFRS 9	(639.1)	(804.9)	25.9%
Profit before income tax expense	4,533.4	4,743.7	4.6%
Income tax expenses	(893.2)	(953.3)	6.7%
Net profit	3,640.2	3,790.4	4.1%

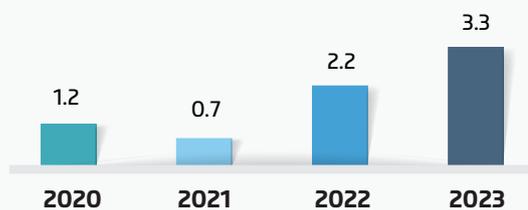
Summary of the year 2023 Performance

Key financial ratio

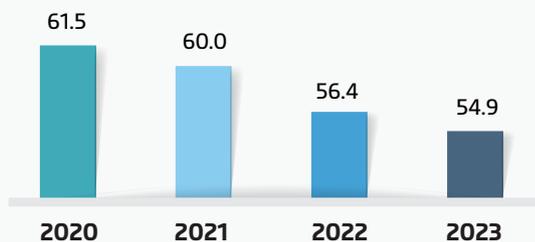
NPI and NPL Coverage ratio (%)



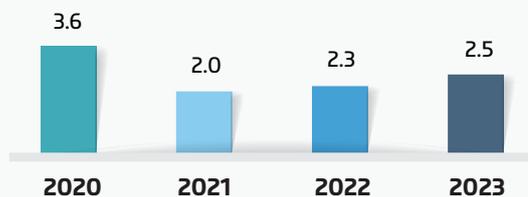
Credit Cost (%)



Cost to Income (C/I) Ratio (%)



Debt to Equity (D/E) Ratio (times)



Overview of the Loan and Insurance Brokerage Business

“Loan portfolio expanded by 19.9% YoY, and insurance premiums grew by 25.3% YoY, through branches, online channels, and TIDLOR applications”

At the end of 2023, the total loan portfolio continued to grow, expanding by 19.9% (YoY) and 6.1% (QoQ). Consequently, this brought the total portfolio value to Baht 97,456.5 million, divided into two categories: loans to customers and accrued interest receivables, amounting to Baht 87,237.8 million, and hire-purchase receivables amounting to Baht 10,218.7 million. Additionally, the allowance for expected credit loss amounted to Baht 3,981.4 million.

The growth of the loan portfolio aligned with predetermined goals, alongside a rigorous loan approval policy to ensure that the risk associated with the overall portfolio remained at an appropriate and acceptable level. The portfolio expansion was facilitated not only through 1,678 branches nationwide but also non-branch channels such as telesales, agents, and online platforms. One of the main drivers of lending business growth continues to be TIDLOR card, enhancing customer convenience by offering 24-hour cash access. The number of TIDLOR card user experienced a steady rise, with the Company distributing over 644,000 cards by the

end of 2023, witnessing the card user base increasing by 29.6% (YoY). Furthermore, the Company has launched loan transfer services through NTL application, enabling immediate transfers of loan amounts to bank accounts or through the PromptPay service for cardholders, without the need to use the revolving cash card (TIDLOR card) for cash withdrawals at ATMs. This provides a more convenient option for cardholders, which has now become another main channel for customer usage.

Additionally, the insurance brokerage business, which stands as another core business aiding the Company’s performance growth, persisted in its upward trajectory in 2023. It recorded insurance premium revenues totaling Baht 8,743 million, marking an increase of 25.3% (YoY). Insurance brokerage business had notable growth through both offline channels and Areegator platform as well as online insurance brokers (heygoody). This strong expansion through comprehensive service channels reflects the company’s dedication to evolving and offering significantly superior service quality.

A detailed breakdown of the lending portfolio as of December 31, 2023

(Unit: Million Baht)	Loans to customers and accrued interest receivables	Hire-purchase receivables*	Total
Stage 1 (Performing)	73,591.6	6,431.3	80,022.9
Stage 2 (Under-performing)	12,489.5	3,532.6	16,022.1
Stage 3 (Non-performing)	1,156.7	254.8	1,411.5
Total loans and hire purchase receivables and accrued interest receivables	87,237.8	10,218.7	97,456.5
Less allowance for expected credit loss	(3,557.7)	(423.7)	(3,981.4)
Net total loans and hire purchase receivables and accrued interest receivables	83,680.1	9,795.0	93,475.1

*after deduction of unearned interest income

“Loan portfolio quality improved, maintaining a low NPL at 1.45% along with a strong NPL Coverage Ratio at a high level of 282.1%”

As of December 31, 2023, the Company’s loan portfolio quality was well-managed and controllable. The Non-Performing Loan ratio (%NPL) stood at 1.45%, showing a decrease from the same period in the previous year at 1.58% and the allowance for expected credit loss amounted to Baht 3,981.4 million, corresponding to an NPL coverage ratio of 282.1%. These figures demonstrate effective asset quality management despite having faced economic uncertainties, geopolitical situations, inflation rates, and the expiration of debt moratorium measures, as well as meticulous risk management policies and prudent business operation.

The Company maintained a commitment to preserving asset quality and conducting comprehensive risk management as well as continued to strengthen and enhance the loan approval and debt collection processes. It also persistently reviews and adjusts operational strategies to suit the fluctuating external environmental factors. This strategic direction is intended to maintain the overall portfolio quality at an appropriate level, in accordance with the Company’s rigorous risk management policy.

Quality of loans and hire-purchase receivables

(Unit: Million Baht)	2021		2022		2023	
	Amount	%	Amount	%	Amount	ร้อยละ
Performing	47,769.0	77.73%	65,700.2	80.85%	80,022.9	82.11%
Under-performing	12,957.0	21.08%	14,280.0	17.57%	16,022.1	16.44%
Non-performing	732.2	1.19%	1,285.2	1.58%	1,411.5	1.45%
Total loans and hire-purchase receivables	61,458.2	100.00%	81,265.4	100.00%	97,456.5	100.00%
Less Allowance for expected credit losses	(2,610.9)	(4.25%)	(3,198.9)	(3.94%)	(3,981.4)	(4.09%)
Net loans and hire-purchase receivables	58,847.3	95.75%	78,066.5	96.06%	93,475.1	95.91%

**“D/E ratio was low at 2.5 times,
remaining the strategy of diversified funding structure”**

At the end of 2023, the Company’s total borrowing and debentures amounted to Baht 68,214.0 million, an increase of 22.4% (YoY). The funding structure was at a 49:51 between bank loans and debentures. The Company continued to emphasize a strategy of diversifying funding sources, involving borrowing from financial institutions both domestic and international

and utilizing debt instruments. This multifaceted strategy has contributed to enhance financial flexibility and minimizing concentration risk. Additionally, the debt-to-equity ratio remained at a low level of 2.5 times, indicating prudent financial management and the ability to maintain a strong debt and equity proportions.

(Unit: Million Baht)	31 December 2022		31 December 2023		Growth rate 2023-2022	
	Amount	%	Amount	%	Change	% change
Loans from financial institutions	29,987.5	53.8%	33,086.7	48.5%	3,099.2	10.3%
Debentures	25,761.7	46.2%	35,127.3	51.5%	9,365.6	36.4%
Total borrowings	55,749.2	100.0%	68,214.0	100.0%	12,464.8	22.4%

For the year 2023, the Company secured an interest income rate from lending business at 17.4%, slightly decreased from the same period of the previous year, with a funding cost of 2.1%, increasing from 1.7% at the end of 2022. The primary drivers behind the uptrend financial cost were higher market and policy interest rates, leading to a net interest margin at a level of

15.3%. Moreover, the Company and its outstanding debentures still were affirmed at “A” and “Stable” outlook from TRIS Rating, and the Company continued to align the asset-liability durations and to maintain fixed-rate borrowing to preserve a steady interest rate spread, thereby enabling the Company to generate profits consistently.

(Unit: %)	2021	2022	2023
Interest Margin	17.4	17.6	17.4
Funding Cost	2.0	1.7	2.1
Net interest margin (%)	15.4	15.8	15.3

Overview of revenue and expenses

“Interest income and fee and service income continued to grow, while expenses increased in line with business growth and rising interest rates”

Revenue: For the year 2023, the Company achieved total revenue of Baht 18,972.1 million, representing 24.2% (YoY) increase. Interest income accounted for 81.9% of the total revenue, which was divided into interest income from hire-purchase receivables of Baht 1,537.1 million and interest income from loans of Baht 14,007.7 million. The growth in interest income stemmed from the expansion of the total loan portfolio and rising loan demand fueled by the economy’s stepwise recovery, with significant support from the tourism and consumption sectors.

Furthermore, in the year 2023, fee and service income amounted to Baht 3,380.2 million, a 24.7% (YoY) increase, constituting 17.8% of the total revenue. This rise was mainly attributed to the robust and continuous performance of insurance brokerage businesses, both in terms of non-life and life insurance. For fees and service income, there was a slight increase due to an increase in fee collection such as debt collection fees and late fees.

Expense: For the year 2023, the Company’s total expenses amounted to Baht 14,228.4 million, mainly stemming from service and administrative expenses for example employee expenses, advertising and promotional costs, etc., amounted to Baht 9,400.8 million, increased 18.6% (YoY), aligned with the continuous growth of both lending and insurance brokerage activities. In 2023, the operating cost-to-income ratio was at 54.9%, decreasing from the previous year at 56.4%, reflecting efficient expense management.

The financial costs stood at Baht 1,841.9 million, rising by 49.1 % (YoY) following the rise in policy interest rate and market conditions, as well as the increase in total borrowings from financial institutions and debentures to support business expansion. As for the credit loss, it amounted to Baht 2,985.7 million, increasing from the previous year, aligned with the total loan portfolio growth, write-offs, and prudent provisioning to accommodate uncertainties from macroeconomic factors, geopolitical situations, and adjustments in market vehicle price. This also takes into account the quality of assets following the expiration of debt moratorium.

(Unit: Million Baht)	2022	% Total Revenue	2023	% Total Revenue	% YoY Increase/ (Decrease)
Interest income on hire-purchase receivables	1,474.5	9.7%	1,537.1	8.1%	4.2%
Interest income on loans	11,057.8	72.4%	14,007.7	73.8%	26.7%
Fee and service income	2,710.5	17.7%	3,380.2	17.8%	24.7%
Other income	31.6	0.2%	47.1	0.3%	49.1%
Total revenues	15,274.4	100%	18,972.1	100%	24.2%

(Unit: Million Baht)	2022	% Total Revenue	2023	% Total Revenue	% YoY Increase/ (Decrease)
Service and administrative expenses	7,923.2	51.9%	9,400.8	49.6%	18.6%
Finance costs	1,235.1	8.1%	1,841.9	9.7%	49.1%
Credit loss	1,582.7	10.4%	2,985.7	15.7%	88.6%
Loss arising from de-recognition of financial assets measured at amortized cost	943.6	6.2%	2,180.8	11.5%	131.1%
Impairment loss determined in accordance with TFRS 9	639.1	4.2%	804.9	4.2%	25.9%

According to the above reasons, the Company’s net profit for the year ended December 31, 2023 was Baht 3,790.4 million, an increase of 4.1% from Baht 3,640.2 million as of December 31, 2022, as a result of the lending portfolio and insurance brokerage businesses growth, along with effective cost management.

Financial Position

Assets: As of December 31, 2023, the total assets of the Company had reached Baht 100,147.9 million, reflecting an increase of 18.2% (YoY). This growth can be attributed to the augmentation in both lending and insurance brokerage businesses, with the Company's primary assets

being loans and hire purchase receivables amounting to Baht 97,456.5 million. This represents an increase from the previous year, mirroring the enlargement of the total loan portfolio, which constitutes 97.3% of the total assets.

(Unit: Million Baht)	31 December 2022		31 December 2023		Growth rate 2023-2022	
	Amount	%	Amount	%	Change	% change
Cash and cash equivalents	2,191.2	2.6%	1,656.0	1.7%	(535.2)	(24.4%)
Loans and hire purchase receivables	81,265.4	95.9%	97,456.5	97.3%	16,191.1	19.9%
Allowance for expected credit loss	(3,198.9)	(3.8%)	(3,981.4)	(4.0%)	(782.5)	24.5%
Other current assets	1,263.1	1.5%	1,431.2	1.4%	168.1	13.3%
Other non-current assets	3,206.2	3.8%	3,585.6	3.6%	379.4	11.8%
Total assets	84,727.0	100.0%	100,147.9	100.0%	15,420.9	18.2%

Liabilities and shareholders' equity: As of December 31, 2023, the company's total liabilities amounted to Baht 71,724.4 million, marking an increase of 20.9% (YoY). This growth is primarily due to the increase in both short-term and long-term borrowings, as well as long-term debentures, aimed at funding the loan portfolio's growth and serving as operational working

capital. The borrowings from financial institutions and debentures totaling Baht 68,214.0 million accounting for 95.1% of total liabilities.

The total shareholders' equity amounted to Baht 28,423.5 million, experiencing an increase of 11.8% (YoY). This growth can be attributed to the increase in net profit of 2023.

(Unit: Million Baht)	31 December 2022		31 December 2023		Growth rate 2023-2022	
	Amount	%	Amount	%	Change	% change
Loans from financial institutions and debentures	55,749.2	65.8%	68,214.0	68.1%	12,464.8	22.4%
Other liabilities	3,555.9	4.2%	3,510.4	3.5%	(45.5)	(1.3%)
Total liabilities	59,305.1	70.0%	71,724.4	71.6%	12,419.3	20.9%
Total shareholders' equity	25,421.9	30.0%	28,423.5	28.4%	3,001.6	11.8%
Total liabilities and shareholders' equity	84,727.0	100.0%	100,147.9	100.0%	15,420.9	18.2%

Liquidity

The Company's cash flow for the year ended December 31, 2023. The details are as follows:

(Unit: Million Baht)	2021	2022	2023	Growth rate 2023-2022	
				Change	% change
Net cash from (used in) operating activities	(5,892.8)	(14,674.8)	(10,710.7)	3,964.1	(27.0%)
Net cash from (used in) investing activities	(498.6)	(363.1)	(750.0)	(386.9)	106.6%
Net cash from financing activities	9,120.9	13,234.4	10,925.5	(2,308.9)	(17.4%)
Net increase (decrease) in cash and cash equivalents	2,729.5	(1,803.5)	(535.2)	1,268.3	(70.3%)

Net cash from operating activities: The Company experienced net cash used in operating activities, typical for the lending business's cash flow. By the end of 2023, this amount was Baht 10,710.7 million, a decrease of 27.0% (YoY), mainly attributable to decreased operational cash disbursements.

Net cash from investing activities: The Company reported a net cash used in investment activities at the end of 2023, totaling Baht 750.0 million, marking an increase of 106.6% (YoY). This was mainly due to

investments in joint ventures and expenditures on leasehold improvements, and software purchases.

Net cash from financing activities: The Company generated net cash from financing activities at the end of 2023, amounting to Baht 10,925.5 million baht, a decrease of 17.4% from the year 2022. The primary reason was a reduction in new borrowings, consistent with scheduled repayments to financial institutions and the redemption of debentures.

Factors or situations that may have significant impacts on financial position or performance in the future (Forward Looking)

Throughout 2023, Thailand's economy incrementally rebounded from the impacts of the COVID-19 pandemic, supported by the tourism and consumption sectors. Despite this, the growth was lower than anticipated due to an uneven domestic economic recovery and subdued demand for exports internationally. The Company remained vigilant and has been closely monitoring various situations, adopting cautious strategies and business operations to align with the changing circumstances. It maintained compliance with regulations and guidelines from regulators, while still offering products and services that enhance customers' access to financial services.

This was achieved through a full spectrum of service channels, available both online and offline 24-hours, covering all 74 provinces nationwide.

Looking ahead to 2024, the Thai economy is forecasted to experience a gradual improvement, driven primarily by the tourism sector and exports. Nonetheless, external challenges such as the global economic downturn, geopolitical instability, and international central banks' monetary policies are expected to pose potential risks to operational outcomes in the future.

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 in which equity method is applied and separate financial statements of Ngern Tid Lor Public Company Limited (the “Company”), which comprise the statement of financial position in which equity method is applied and separate statement of financial position as at December 31, 2023, and the related statement of profit or loss and other comprehensive income in which equity method is applied and separate statement of profit or loss and other comprehensive income, statement of changes in shareholders’ equity in which equity method is applied and separate statement of changes in shareholders’ equity and statement of cash flows in which equity method is applied and separate statement of cash flows for the year then ended, and notes to the financial statements in which equity method is applied and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements in which equity method is applied and separate financial statements present fairly, in all material respects, the financial position of Ngern Tid Lor Public Company Limited as at December 31, 2023, 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 in which equity method is applied and separate financial statements section of our report. We are independent of the Company in accordance with Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the financial statements in which equity method is applied and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements in which equity method is applied and separate financial statements of the current period. This matter was addressed in the context of our audit of the financial statements in which equity method is applied and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	Audit Responses
<p>Allowance for expected credit losses</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 recognise 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 as well as operating effectiveness of the internal controls related to the process and policy for methodology, including model monitoring and validation 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"> • For the collectively assessed loans and hire-purchase receivables, we have performed, amongst the others, the following procedures: <ul style="list-style-type: none"> • With the involvement of our internal specialist, we have analysed the applied methodology for estimating ECL, including the adequacy of risk parameters applied, model performance testing, post model adjustment and compliance with the requirements of TFRS 9. • 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.

Key Audit Matter	Audit Responses
<p>Allowance for expected credit losses (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"> • 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. • 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. • 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.

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 in which equity method is applied and separate 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 in which equity method is applied and separate 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 in which equity method is applied and separate 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 in which Equity Method is Applied and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in which equity method is applied and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements in which equity method is applied and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements in which equity method is applied and separate 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 in which Equity Method is Applied and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements in which equity method is applied and separate 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 in which equity method is applied and separate 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 in which equity method is applied and separate 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 in which equity method is applied and separate financial statements, including the disclosures, and whether the financial statements in which equity method is applied and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the equity-accounted investee of the Company to express an opinion on the financial statements in which the equity method is applied. We are responsible for the direction, supervision and performance of the audit of the financial statements in which the equity method is applied. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements in which equity method is applied and separate financial statements of the current period and are therefore the key audit matters: We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Darunee Chantra

Darunee Chantra

Certified Public Accountant (Thailand)

Registration No. 8625

BANGKOK
February 28, 2024

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Ngern Tid Lor Public Company Limited

Statements of Financial Position

As at December 31, 2023

UNIT : THOUSAND BAHT

	Notes	FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
		2023	2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6.1	1,655,953	2,191,187
Current portion of loans and hire-purchase receivables	7	30,137,551	26,545,393
Other current receivables			
Receivable from payment agents		341,504	335,765
Current contract assets		521,728	489,696
Prepaid expenses		173,808	189,674
Other receivables		87,534	52,090
Other current assets		19,932	24,944
Properties foreclosed	8	286,731	170,935
Total Current Assets		<u>33,224,741</u>	<u>29,999,684</u>
NON-CURRENT ASSETS			
Other non-current financial assets	9, 18 and 37	81,142	130,767
Investment in joint venture	10	213,157	-
Loans and hire-purchase receivables - net			
of current portion	7	63,337,581	51,521,139
Leasehold improvement and equipment	11	1,622,642	1,685,678
Goodwill	12	294,001	294,001
Other intangible assets other than goodwill	13	252,438	257,294
Deferred tax assets	14	1,007,182	722,258
Other non-current assets	15	115,051	116,228
Total Non-current Assets		<u>66,923,194</u>	<u>54,727,365</u>
TOTAL ASSETS		<u><u>100,147,935</u></u>	<u><u>84,727,049</u></u>

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, 2023

UNIT : THOUSAND BAHT

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
		2023	2022
CURRENT LIABILITIES			
Short-term borrowings	16	6,642,890	3,600,000
Other current payables			
Amounts due to related parties	34.1	11,046	9,034
The Revenue Department payable		131,420	114,348
Accrued expenses		1,358,534	1,322,033
Other current payables		308,659	380,229
Short-term debentures	17	-	5,748,114
Current portion of long-term borrowings	18	17,423,051	5,072,544
Current portion of long-term debentures	19	8,303,337	5,298,120
Current portion of lease liabilities	20	406,133	416,741
Current income tax payable		606,228	577,372
Current provision for employee benefits	21.2	3,710	13,048
Other current liabilities		51,179	49,609
Total Current Liabilities		35,246,187	22,601,192
NON-CURRENT LIABILITIES			
Long-term borrowings - net of current portion	18	9,020,813	21,314,980
Long-term debentures - net of current portion	19	26,823,930	14,715,437
Lease liabilities - net of current portion	20	359,703	446,710
Non-current provision for employee benefits	21	194,966	124,882
Other non-current liabilities		78,819	101,886
Total Non-current Liabilities		36,478,231	36,703,895
TOTAL LIABILITIES		71,724,418	59,305,087

Ngern Tid Lor Public Company Limited

Statements of Financial Position (Continued)

As at December 31, 2023

UNIT : THOUSAND BAHT

	Notes	FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
		2023	2022
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
	22		
Authorized share capital			
2,809,503,070 ordinary shares of Baht 3.7 each		10,395,161	
2,497,367,998 ordinary shares of Baht 3.7 each			9,240,261
Issued and paid-up share capital			
2,809,480,305 ordinary shares of			
Baht 3.7 each, fully paid		10,395,077	
2,497,336,063 ordinary shares of			
Baht 3.7 each, fully paid			9,240,143
Ordinary shares premium accounts		7,435,763	7,435,763
Surplus on share-based payment	35	20,998	4,022
RETAINED EARNINGS			
Appropriated			
Legal reserve	23	988,727	799,206
Unappropriated		9,655,283	7,938,619
Treasury shares	35	(40,248)	(5,624)
Other components of shareholders' equity		(32,083)	9,833
TOTAL SHAREHOLDERS' EQUITY		28,423,517	25,421,962
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		100,147,935	84,727,049

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, 2023

UNIT : THOUSAND BAHT

	Notes	FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
		2023	2022
REVENUES			
Interest income on hire-purchase receivables		1,537,124	1,474,461
Interest income on loans		14,007,701	11,057,837
Fee and service income	26	3,380,175	2,710,465
Other income		47,129	31,642
Total Revenues		<u>18,972,129</u>	<u>15,274,405</u>
EXPENSES			
Service and administrative expenses	27	<u>9,400,811</u>	<u>7,923,206</u>
Total Expenses		<u>9,400,811</u>	<u>7,923,206</u>
PROFIT FROM OPERATING ACTIVITIES		9,571,318	7,351,199
Loss arising from de-recognition of financial assets measured at amortised cost		(2,180,806)	(943,611)
Finance costs		(1,841,855)	(1,235,132)
Impairment loss determined in accordance with TFRS 9		<u>(804,933)</u>	<u>(639,095)</u>
PROFIT BEFORE INCOME TAX		4,743,724	4,533,361
INCOME TAX EXPENSE	29	<u>(953,299)</u>	<u>(893,192)</u>
PROFIT FOR THE YEAR		3,790,425	3,640,169
OTHER COMPREHENSIVE INCOME (LOSS)			
Components of other comprehensive income (loss) that will be reclassified to profit or loss			
Gains (losses) on cash flow hedges	9	(2,023)	4,193
Income tax relating to components of other comprehensive income (loss) that will be reclassified to profit or loss	14	<u>(720)</u>	<u>(4,374)</u>
Total components of other comprehensive income (loss) that will be reclassified to profit or loss		<u>(2,743)</u>	<u>(181)</u>
Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
Gains (losses) on re-measurements of defined benefit plans	21.1	(48,966)	17,675
Income tax relating to components of other comprehensive income (loss) that will not be reclassified to profit or loss	14	<u>9,793</u>	<u>(3,535)</u>
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss		<u>(39,173)</u>	<u>14,140</u>
Total other comprehensive income (loss) for the year, net of tax		<u>(41,916)</u>	<u>13,959</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,748,509</u>	<u>3,654,128</u>
BASIC EARNINGS PER SHARE	30	1.40	1.50

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, 2023

UNIT : THOUSAND BAHT

		SEPARATE FINANCIAL STATEMENTS									
Notes	Issued and Paid-up Share Capital	Ordinary Shares Premium Accounts	Surplus on Share-based payment	Retained Earnings		Treasury shares	Other Components of Shareholders' Equity			Total Shareholders' Equity	
				Appropriated Legal Reserve	Unappropriated		Gains (losses) on cash flow hedges	Gains (losses) on re-measurements of defined benefit plans	Total other components of shareholders' equity		
	8,580,243	7,435,763	-	617,198	5,775,878	-	(304)	(3,822)	(4,126)	22,404,956	
Balances as at January 1, 2022											
Increase in ordinary shares	659,900	-	-	-	-	-	-	-	-	659,900	
Legal reserve	-	-	-	182,008	(182,008)	-	-	-	-	-	
Share-based payment	-	-	4,022	-	-	-	-	-	-	4,022	
Increase in treasury shares	-	-	-	-	-	(5,624)	-	-	-	(5,624)	
Dividend paid	-	-	-	-	(1,295,420)	-	-	-	-	(1,295,420)	
Total comprehensive income	-	-	-	-	3,640,169	-	(181)	14,140	13,959	3,654,128	
Balances as at December 31, 2022	9,240,143	7,435,763	4,022	799,206	7,938,619	(5,624)	(485)	10,318	9,833	25,421,962	
		FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED / SEPARATE FINANCIAL STATEMENTS									
	9,240,143	7,435,763	4,022	799,206	7,938,619	(5,624)	(485)	10,318	9,833	25,421,962	
Balances as at January 1, 2023											
Increase in ordinary shares	1,154,934	-	-	-	-	-	-	-	-	1,154,934	
Legal reserve	-	-	-	189,521	(189,521)	-	-	-	-	-	
Share-based payment	-	-	16,976	-	-	-	-	-	-	16,976	
Increase in treasury shares	-	-	-	-	-	(34,624)	-	-	-	(34,624)	
Dividend paid	-	-	-	-	(1,884,240)	-	-	-	-	(1,884,240)	
Total comprehensive income	-	-	-	-	3,790,425	-	(2,743)	(39,173)	(41,916)	3,748,509	
Balances as at December 31, 2023	10,395,077	7,435,763	20,998	988,727	9,655,283	(40,248)	(3,228)	(28,855)	(32,083)	28,423,517	

The condensed notes to the financial statements form an integral part of these interim financial statements

Ngern Tid Lor Public Company Limited

Statements of Cash Flows

For the year ended December 31, 2023

UNIT : THOUSAND BAHT

	Notes	FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		3,790,425	3,640,169
Adjustments to reconcile income to cash received (paid)			
Income tax expense		953,299	893,192
Finance costs		1,841,855	1,235,132
Depreciation and amortisation		945,741	880,940
Loss arising from de-recognition of financial assets measured at amortised cost		2,180,806	943,611
Impairment loss determined in accordance with TFRS 9		804,933	639,095
Loss on disposals and impairment of properties foreclosed		828,384	328,564
Gain on disposals and write-off leasehold improvement, equipment and intangible assets		(9,628)	(6,698)
Loss on impairment and write-off other assets and change in fair value attributable to change in credit risk		15,363	7,942
Short-term employee benefit expenses (reverse)		(9,338)	2,239
Long-term employee benefit expenses	21.1	26,478	23,434
Employee joint investment program expenses		16,976	4,022
Profit from operations before changes in operating assets and liabilities		11,385,294	8,591,642
Operating assets (increase) decrease			
Loans and hire-purchase receivables		(20,533,421)	(21,859,266)
Receivable from payment agents		(5,739)	(15,161)
Current contract assets		(32,744)	(183,355)
Prepaid expenses		15,866	(5,755)
Other receivables		(39,182)	(6,676)
Other current assets		5,012	(6,806)
Other non-current assets		(2,629)	(15,643)
Operating liabilities increase (decrease)			
Amounts due to related parties		2,012	4,613
The Revenue Department payable		17,072	20,873
Accrued expenses		(36,627)	65,308
Other current payables		(7,879)	37,532
Other current liabilities		1,589	3,575
Other non-current liabilities		(23,288)	(17,210)
Cash paid for operating activities		(9,254,664)	(13,386,329)

Ngern Tid Lor Public Company Limited

Statements of Cash Flows (Continued)

For the year ended December 31, 2023

UNIT : THOUSAND BAHT

	Notes	FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)			
Proceeds from sales of properties foreclosed		1,250,817	851,879
Interest income on hire-purchase receivables and loans		(15,544,825)	(12,532,298)
Cash received from interest income on hire-purchase receivables and loans		15,475,873	12,284,408
Cash paid for long-term employee benefits		(5,360)	(1,041)
Cash paid for interest expenses		(1,432,228)	(1,052,764)
Cash paid for income tax expense		(1,200,298)	(838,748)
Net cash used in operating activities		<u>(10,710,685)</u>	<u>(14,674,893)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for investment in joint venture		(213,157)	-
Cash paid for purchases of leasehold improvement and equipment	6.2	(431,639)	(364,535)
Proceeds from sales of equipment		11,319	20,625
Cash paid for purchases of intangible assets	6.2	(116,566)	(19,168)
Net cash used in investing activities		<u>(750,043)</u>	<u>(363,078)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from short-term borrowings	6.3	32,119,439	45,211,839
Cash repayments for short-term borrowings	6.3	(29,120,000)	(44,930,000)
Cash received from long-term borrowings	6.3	7,000,000	21,759,000
Cash repayments for long-term borrowings	6.3	(6,906,000)	(16,725,000)
Cash received from issuance of short-term debentures	6.3	-	5,750,000
Cash repayments for short-term debentures	6.3	(5,750,000)	(1,000,000)
Cash received from issuance of long-term debentures	6.3	20,183,962	12,197,512
Cash repayments for long-term debentures	6.3	(5,300,000)	(7,850,000)
Cash repayments for transaction costs from borrowing and issuance of debentures	6.3	(25,400)	(57,889)
Cash repayments for lease liabilities	6.3	(512,577)	(479,899)
Cash paid for treasury shares for EJIP program	35	(34,624)	(5,624)
Cash paid for dividend		(729,306)	(635,520)
Net cash provided by financing activities		<u>10,925,494</u>	<u>13,234,419</u>
Net decrease in cash and cash equivalents		(535,234)	(1,803,552)
Cash and cash equivalents as at January 1,		<u>2,191,187</u>	<u>3,994,739</u>
Cash and cash equivalents as at December 31,	6.1	<u><u>1,655,953</u></u>	<u><u>2,191,187</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, 2023

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Ngern Tid Lor Public Company Limited

Notes to the Financial Statements

For the year ended December 31, 2023

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, 9th - 15th 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.

As at December 31, 2023, the major shareholders are Bank of Ayudhya Public Company Limited (“the Bank shareholder”), which is incorporated in Thailand by holding 30% of the Company’s issued and paid-up share capital and Siam Asia Credit Access PTE LTD, which is registered in Singapore by holding 16.4% 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.

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, 2020 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. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

3.1 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Company has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and clarification of accounting requirements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

Thai Financial Reporting Standard which will be effective for the financial statements for the period beginning on or after January 1, 2024, onwards

The revised TFRSs are mostly the revision of wording and terminology and clarification of accounting requirements. TFRSs which have been amended and are relevant to the Company are as follows:

Thai Accounting Standard No.1 “Presentation of Financial Statements”

The amendments change the requirements regarding the disclosure of accounting policies from “significant accounting policies” to “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Thai Accounting Standard No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”

The amendments change the definition of accounting estimates to be “monetary amounts in financial statements that are subject to measurement uncertainty”, to help an entity to be able to segregate the difference of “change in accounting estimates” from “change in accounting policies”.

Thai Accounting Standard No.12 “Income Taxes”

The amendments add the requirements for the initial recognition of deferred tax, which give rise to equal taxable and deductible temporary differences such as right-of-use assets and lease liabilities and decommissioning obligation. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. At the beginning of the earliest comparative period an entity recognizes a deferred tax asset, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, and a deferred tax liability for all deductible and taxable temporary differences associated with such transactions.

In addition, such amendments also add the exemption for the International Tax Reform - Pillar Two Model. An entity should not recognize and not disclose the deferred tax assets and deferred tax liability which are relevant to Pillar Two income tax.

The Company's management will adopt such TFRSs in the preparation of the Company's financial statements when it becomes 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.

Thai Financial Reporting Standard which will be effective for the financial statements for the period beginning on or after January 1, 2025, onwards

Thai Financial Reporting Standard No. 17 "Insurance Contracts" establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes Thai Financial Reporting Standard No.4 "Insurance Contracts". The Company does not have accounting transaction which should be adopted this Financial Reporting Standard.

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 directly attributable to the acquisition of financial assets, except for those financial assets classified as at fair value through profit or loss ("FVTPL"). 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.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

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 as follows:

Debt instruments at amortised cost

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows 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 rate 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 rate method and 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 or 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 derivative is more than 12 months and it is not expected to be realised 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 foreign exchange rate risk and interest rate risk in cash flow hedges.

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 qualified 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 reporting 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 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 costs and transaction fees and modification gain or loss and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit losses.

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 losses.

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 results from those default events on the financial instrument that are possible within 12 months after the reporting date, (Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (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"). Furthermore, 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.

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 financial 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.

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 for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company)

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 ECL 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 financial 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 are supportable and reasonable, including historical experience and the forward-looking information that is available without undue cost or effort.

When a financial 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.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk or regularly and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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.

ECL were presented in the statement of financial position as follows:

- For financial assets measured at amortised cost: presented as a deduction from the gross carrying amount of the assets;
- For loan commitments: presented 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 ECL 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 value-added tax (if any) or fair value.

Fair value of the repossessed vehicles is based on the estimated selling price less estimated selling cost 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 statement of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties foreclosed are realised upon disposition of the underlying asset and are included in other income or service and administrative expenses in the statement of profit or loss and other comprehensive income.

4.8 Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investment in joint venture in the separate financial statements of the Company is accounted for using the cost method less allowance for impairment (if any). Investment in joint venture in the financial statements in which equity method is applied is accounted for using the equity method.

Under the equity method, an investment in joint venture is initially recognised in the statement of financial position in which equity method is applied at cost, which includes transaction costs. Subsequent to initial recognition, the Company's share of profit or loss and other comprehensive income of joint venture of the item in the financial statements in which equity method is applied are accounted for using the equity method until the date that joint control ceases. When the Company's share of losses of joint venture equals or exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised as liability only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of joint venture.

An investment in joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

The Company holds 10% of issued and paid-up capital in the joint venture. The significant decision relating to operation is subject to the approval of the parties sharing control. The Company classifies the investment as a joint venture under TFRS 11 "Joint Arrangements" and is accounted for using the equity method accordingly.

4.9 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 the difference between the proceeds from disposal with the carrying amount of leasehold improvement and equipment and are recognised net 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 recognised 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 derecognised. The costs incurred on maintenance leasehold improvement and equipment are recognised 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	-
Furniture, fixtures and equipment	3-9 years	-
Vehicles	5 years	3 years

4.10 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 removes a leased asset, restores 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 recognised 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 statement of profit or loss and other comprehensive income.

Subsequent measurement of lease liabilities

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 payments 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 recognised 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 accounts 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.

4.11 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 recognise 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.

4.12 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 capitalised 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 capitalised. 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 capitalised 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 statement 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 recognised as expenses in the statement of profit or loss and other comprehensive income.

4.13 Financial liabilities and shareholders' equity

Classification as debt or shareholders' equity

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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 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.

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 rate 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.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Treasury shares is stated at cost in the statement of financial position and presented as a deduction from shareholders' equity. The treasury shares from the Employee Joint Investment Program has specified detail as refer to Note 35.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial instruments. These foreign exchange gains and losses are recognised in the statement of profit or loss and other comprehensive income for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of shareholders' equity.

4.14 Provisions

Provisions are recognised 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.

4.15 Employee benefits

4.15.1 Provident fund

The Company has established a provident fund. The fund's assets are separated from the Company's assets and managed by the fund manager. 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.

4.15.2 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, turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognised as employee expenses in the statement of profit or loss and other comprehensive income.

Past service cost related to the plan amendment is recognised as an expense in the statement of profit or loss when the plan amendment is effective.

Actuarial gains (losses) are recognised in other comprehensive income.

4.15.3 Benefit from cumulative vacation leave

The benefit from cumulative vacation leave for employee is recognised as a current liability in the statement of financial position and employee expenses in the statement of profit or loss and other comprehensive income.

4.16 Share-based payment

Share-based payment in Employee Joint Investment Program (EJIP) are measured at the fair value of amount in which the Company agreed to contribute.

Cash-settled share-based payment to employees are based on the Company's share price. The fair value of cash paid to employee are measured by using a Black-Scholes model, which included financial assumptions such as risk free interest rate, expected volatility value, expected dividend yield, expected return on equity and expected share price level.

The fair value of cash paid to employees will be recorded as expenses on a straight-line basis over the time that are subject to the granted conditions and employee expenses in the statement of profit or loss and other comprehensive income.

4.17 Recognition of revenue

Interest income

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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, a shorter period, as the gross 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, excluding the expected credit losses.

Interest income is recognised with the EIR for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

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 recognised 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

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 recognised when the service is rendered and payment is made.

4.18 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.

4.19 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 recognised in the statement of profit or loss and other comprehensive income using the effective interest method.

4.20 Income tax

Income tax expense consists of current tax and deferred income tax.

4.20.1 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.

4.20.2 Deferred income tax

Deferred income tax is recognised 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 recognised for all taxable temporary differences and deferred tax assets are generally recognised for temporary differences to the extent that they are probable that taxable profits will be available against which those temporary differences can be utilised its book value as at the statement of financial position date will be reviewed. Deferred tax asset shall be reduced to the extent that utilised 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 recognised amounts and the Company intends to settle on a net basis or to realise 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 recognised directly in the other components of shareholders' equity in the same or different period, they will be recognised directly in the other components of shareholders' equity.

4.21 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.

4.22 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 categorised 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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4.23 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:

4.23.1 Allowance for expected credit losses

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.

When ECLs are measured on a collective basis; the financial instruments are grouped on the basis of similar 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. Judgment is applied in selecting 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 products 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 the impact of various drivers on 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 default. 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 or downside scenarios depends 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.

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 37 for more details on fair value measurement.

4.23.2 Allowance for properties foreclosed

The Company estimates the allowance for impairment of properties foreclosed when there is a decline in net realisable value. In consideration of net realisable value, the Company considers the appraised value of the vehicle together with other factors which can affect the realisable value such as related selling expenses, holding costs and discounts that may occur in the future.

4.23.3 Impairment of assets

Leasehold improvement and equipment and other non-current assets, including goodwill and intangible assets are reviewed for impairment losses annually or whenever events or changes in circumstances indicate that the carrying amount may be lower than recoverable amount. An impairment loss is recognised 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.

4.23.4 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 21 for more details on employee benefits.

4.23.5 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 an enterprise 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 and debentures. 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. In addition, the Company regularly monitors the outstanding balance of debtors.

The Company determines the target of credit granting by considering risks, returns, market opportunities, economic situation including taking into account the upcoming crisis when considering credit and setting prices. The Company sets the criteria for credit approval and proposes it for approval from the board of directors or the authorised committee. The Company has used a credit scoring tool both application scoring and behaviour scoring for and for monitoring the client's status after credit approval especially credit considerations behaviour scoring for portfolio management. Using these tools results 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 adopted the credit risk factors to classify risk level and defined risk-based collection strategies for optimized collection efficiency and timely.

In the credit approval process, the Company considers the customer's ability to repay and the objectives of granting loans as key factors in consideration of granting credit. The Company has separated the business unit responsible for maintaining customer relationship and the business unit that performs credit analysis and credit 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.

Key factors used to measure expected credit losses are reviewed closely and regularly especially during volatile economic conditions.

The Company incorporates forward looking adjustment in credit risk factors in measuring the customer credit risk, considering the weighted probability of futures economic projections. Assumptions for 3 economic situations, as follows, are applied to reflect an unbiased probability weighted range of possible future outcomes.

- Base case Scenario: describes the expected outcome, and
- Upper and Lower Case 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 judgment.

In certain circumstance, where the incorporation of forward looking information cannot be explicitly reflected through the expected credit losses model or economic scenario, the Company may consider to 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 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 limits assigned to each counterparty. Counterparty limits may be updated throughout the year. The limits are set to minimise the concentration of risks.

5.2 Market risk

Market risk is the risk of losses arising from fluctuations 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.

Financial assets and liabilities, classified by type of interest rate, as at December 31, were shown below:

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023			
	Floating interest rate	Fixed interest rate	No interest bearing	Total
Financial Assets				
Cash and cash equivalents	1,467,548	-	188,405	1,655,953
Loans and hire-purchase receivables	-	93,475,132	-	93,475,132
Other financial assets	-	-	950,766	950,766
Other non-current financial assets	-	81,142	-	81,142
Financial Liabilities				
Short-term borrowings	-	6,642,890	-	6,642,890
Other current payables	-	-	1,809,659	1,809,659
Long-term borrowings	-	26,443,864	-	26,443,864
Long-term debentures	-	35,127,267	-	35,127,267

Unit : Thousand Baht

SEPARATE FINANCIAL STATEMENTS				
2022				
	Floating interest rate	Fixed interest rate	No interest bearing	Total
Financial Assets				
Cash and cash equivalents	2,021,257	-	169,930	2,191,187
Loans and hire-purchase receivables	-	78,066,532	-	78,066,532
Other financial assets	-	-	877,551	877,551
Other non-current financial assets	-	130,767	-	130,767
Financial Liabilities				
Short-term borrowings	-	3,600,000	-	3,600,000
Other current payables	-	-	1,825,644	1,825,644
Short-term debentures	-	5,748,114	-	5,748,114
Long-term borrowings	-	26,387,524	-	26,387,524
Long-term debentures	-	20,013,557	-	20,013,557

Foreign exchange rate risk

The Company has no significant foreign exchange rate risk since almost all of the Company's financial transactions are in Thai Baht and foreign exchange rate risk is managed by entering into cross currency interest rate swap agreement. The terms and conditions of such agreement are in line with the hedged item.

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 liquidity risk management policy, by sourcing for short-term and long-term funding. Moreover, the Company set up various tools and risk framework for risk measurement, monitoring, 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 at December 31, were as follows:

Unit : Thousand Baht

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS				
2023				
	Contractual Maturity			
	At call	Within 1 year	Over 1 year to 5 years	Total
Financial liabilities				
Short-term borrowings	2,600,000	4,042,890	-	6,642,890
Other current payables	1,809,659	-	-	1,809,659
Long-term borrowings	-	17,423,051	9,020,813	26,443,864
Long-term debentures	-	8,303,337	26,823,930	35,127,267
Total financial liabilities	<u>4,409,659</u>	<u>29,769,278</u>	<u>35,844,743</u>	<u>70,023,680</u>

Unit : Thousand Baht

SEPARATE FINANCIAL STATEMENTS 2022			
Contractual Maturity			
At call	Within 1 year	Over 1 year to 5 years	Total
Financial liabilities			
Short-term borrowing	-	3,600,000	-
Other current payables	1,825,644	-	-
Short-term debentures	-	5,748,114	-
Long-term borrowings	-	5,072,544	21,314,980
Long-term debentures	-	5,298,120	14,715,437
Total financial liabilities	1,825,644	19,718,778	36,030,417
			57,574,839

6. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

6.1 Cash and cash equivalents as at December 31, consisted of the following:

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Cash on hand	2,679	10,858
Current accounts	185,726	159,071
Savings accounts	1,467,548	2,021,258
Cash and cash equivalents	1,655,953	2,191,187

Cash and cash equivalents as at December 31, 2023 and 2022, were presented net of deposits at banks for premium that the Company received from policy holders by Baht 924.08 million and Baht 762.44 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

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Other current payables for leasehold improvement and equipment acquisition as at January 1,	81,055	4,137
<u>Add</u> Purchases of leasehold improvement and equipment	384,685	441,453
<u>Less</u> Cash payments for purchases of leasehold improvement and equipment	(431,639)	(364,535)
Other current payables for leasehold improvement and equipment acquisition as at December 31,	34,101	81,055
Other current payables for intangible assets acquisition as at January 1,	27,787	2,180
<u>Add</u> Purchases of intangible assets	99,829	44,775
<u>Less</u> Cash payments for purchases of intangible assets	(116,566)	(19,168)
Other current payables for intangible assets acquisition as at December 31,	11,050	27,787

6.3 Changing in liabilities from financing activities for the years ended December 31, were as follows:

Unit : Thousand Baht

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS			
Balance as at January 1, 2023	Net cash flow received (paid) from financing activities	Non-cash changes	Balance as at December 31, 2023
Short-term borrowings	3,600,000	2,999,283**	43,607*
Short-term debentures	5,748,114	(5,750,012)**	1,898*
Long-term borrowings	26,387,524	93,335**	(36,995)*
Long-term debentures	20,013,557	14,859,395**	254,315*
Lease liabilities	863,451	(512,577)	414,962
Total	<u>56,612,646</u>	<u>11,689,424</u>	<u>677,787</u>
			<u>68,979,857</u>

Unit : Thousand Baht

SEPARATE FINANCIAL STATEMENTS			
Balance as at January 1, 2022	Net cash flow received (paid) from financing activities	Non-cash changes	Balance as at December 31, 2022
Short-term borrowings	3,300,000	281,738**	18,262*
Short-term debentures	999,368	4,744,457**	4,289*
Long-term borrowings	21,269,734	4,996,573**	121,217*
Long-term debentures	15,616,247	4,332,694**	64,616*
Lease liabilities	709,057	(479,899)	634,293
Total	<u>41,894,406</u>	<u>13,875,563</u>	<u>842,677</u>
			<u>56,612,646</u>

* Non-cash changes including deferred costs for borrowings and deferred costs for issuance of debentures.

** Net cashflows received (paid) from financing activities are shown net of transaction costs from borrowing and issuance of debentures.

7. LOANS AND HIRE-PURCHASE RECEIVABLES

(1) Classified by loan types

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS			
	Amount due per agreements			
	Within 1 year	Over 1 year to 5 years	More than 5 years	Total
As at December 31, 2023				
Loans	26,539,036	59,136,862	125,512	85,801,410
<u>Add</u> Accrued interest receivables	1,436,398	-	-	1,436,398
	27,975,434	59,136,862	125,512	87,237,808
<u>Less</u> Allowance for expected credit losses	(1,140,896)	(2,411,725)	(5,119)	(3,557,740)
Loans	26,834,538	56,725,137	120,393	83,680,068
Hire-purchase receivables	4,796,391	8,251,990	147,133	13,195,514
<u>Less</u> Unearned interest income	(1,350,518)	(1,616,023)	(10,260)	(2,976,801)
	3,445,873	6,635,967	136,873	10,218,713
<u>Less</u> Allowance for expected credit losses	(142,860)	(275,115)	(5,674)	(423,649)
Hire-purchase receivables	3,303,013	6,360,852	131,199	9,795,064
Total loans and hire-purchase receivables	30,137,551	63,085,989	251,592	93,475,132

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS			
	Amount due per agreements			
	Within 1 year	Over 1 year to 5 years	More than 5 years	Total
As at December 31, 2022				
Loans	22,885,785	46,352,372	84,782	69,322,939
<u>Add</u> Accrued interest receivables	1,367,446	-	-	1,367,446
	24,253,231	46,352,372	84,782	70,690,385
<u>Less</u> Allowance for expected credit losses	(958,283)	(1,831,453)	(3,350)	(2,793,086)
Loans	23,294,948	44,520,919	81,432	67,897,299
Hire-purchase receivables	4,876,692	8,933,803	127,675	13,938,170
<u>Less</u> Unearned interest income	(1,496,547)	(1,855,469)	(11,148)	(3,363,164)
	3,380,145	7,078,334	116,527	10,575,006
<u>Less</u> Allowance for expected credit losses	(129,700)	(271,602)	(4,471)	(405,773)
Hire-purchase receivables	3,250,445	6,806,732	112,056	10,169,233
Total loans and hire-purchase receivables	26,545,393	51,327,651	193,488	78,066,532

- (2) Classified by types of classification as at December 31, were as follows:

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023		SEPARATE FINANCIAL STATEMENTS 2022	
	Loans to customers and accrued interest receivable	Allowance for expected credit loss	Loans to customers and accrued interest receivable	Allowance for expected credit loss
Performing	73,591,638	1,329,864	58,935,905	1,029,933
Under-performing	12,489,492	1,421,074	10,733,415	1,121,280
Non-performing	1,156,678	806,802	1,021,065	641,873
Total	87,237,808	3,557,740	70,690,385	2,793,086

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023		SEPARATE FINANCIAL STATEMENTS 2022	
	Hire-purchase receivables after deduction of unearned interest income	Allowance for expected credit loss	Hire-purchase receivables after deduction of unearned interest income	Allowance for expected credit loss
Performing	6,431,313	60,062	6,764,316	44,860
Under-performing	3,532,576	182,470	3,546,579	189,984
Non-performing	254,824	181,117	264,111	170,929
Total	10,218,713	423,649	10,575,006	405,773

- (3) Allowance for expected credit losses for the years ended December 31, were as follows:

Unit: Thousand Baht

	FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS Allowance for expected credit losses			
	Performing (12-month ECL)	Under- performing (Lifetime ECL-not credit impaired)	Non-performing (Lifetime ECL-credit impaired)	Total
Balance as at January 1, 2023	1,074,793	1,311,264	812,802	3,198,859
Changes resulting from transfer between stage	21,264	(54,397)	33,133	-
Changes resulting from the remeasurement of loss allowances	(175,147)	476,642	638,483	939,978
New financial assets originated or purchased	745,353	422,718	180,291	1,348,362
Financial assets that have been derecognised	(276,337)	(552,683)	(676,790)	(1,505,810)
Balance as at December 31, 2023	1,389,926	1,603,544	987,919	3,981,389

Unit: Thousand Baht				
SEPARATE FINANCIAL STATEMENTS				
Allowance for expected credit losses				
	Performing (12-month ECL)	Under- performing (Lifetime ECL-not credit impaired)	Non-performing (Lifetime ECL-credit impaired)	Total
Balance as at January 1, 2022	933,737	1,086,372	590,804	2,610,913
Changes resulting from transfer between stage	19,231	9,855	(29,086)	-
Changes resulting from the remeasurement of loss allowances	(303,943)	175,615	356,632	228,304
New financial assets originated or purchased	729,311	494,085	292,885	1,516,281
Financial assets that have been derecognised	(303,543)	(454,663)	(398,433)	(1,156,639)
Balance as at December 31, 2022	<u>1,074,793</u>	<u>1,311,264</u>	<u>812,802</u>	<u>3,198,859</u>

(4) Loans and hire-purchase receivables modified and troubled debt restructuring

Loans and hire-purchase receivables that were modified and had a loss allowance measured at an amount equal to lifetime ECL were as follows:

Unit : Thousand Baht		
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
For the years ended December 31, Loans and hire-purchase receivables modified during the year		
Amortised cost before modification	304,984	166,764
Net modification loss	117,508	42,044

8. PROPERTIES FORECLOSED

Properties foreclosed as at December 31, were as follows:

Unit : Thousand Baht		
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Repossessed vehicles	340,457	223,206
<u>Less</u> Allowance for impairment	<u>(53,726)</u>	<u>(52,271)</u>
Properties foreclosed	<u>286,731</u>	<u>170,935</u>

9. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets as at December 31, were as follows:

	Unit : Thousand Baht	
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Other non-current financial assets		
Derivative assets for cash flow hedge		
Cross currency interest rate swap agreement	81,142	130,767
Total other non-current financial assets	81,142	130,767

The tables below summarise the derivatives designated as hedging instruments in qualifying cash flow hedge relationships were as follows:

Cash flow hedges	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument assets	Line item in the statement of financial position where the hedging instrument is located
	Thousand Baht		
FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED / SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2023			
Exchange rate and interest rate risks			
- Cross currency interest rate swap agreement	USD 75 million	81,142	Other non-current financial assets
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2022			
Exchange rate and interest rate risks			
- Cross currency interest rate swap agreement	USD 100 million	130,767	Other non-current financial assets

As at December 31, 2023 and December 31, 2022, the Company had a cross currency interest rate swap agreement designated as a hedging instrument with the contractual amount of USD 75 million and USD 100 million, respectively, whereby the Company will pay the principal in Thai Baht at an agreed amount and an interest at fixed interest rate. This agreement matures in 2025.

The hedged item is considered to be economically related to a hedging instrument because cross currency interest rate swap agreement is in line with the terms of long-term borrowing with variable interest rates (i.e. principal amount, currency, maturity date and 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, 2023 and 2022, 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 was not recognised in the statement 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 exchange rate and interest rate risks as at December 31, were as follows:

Cash flow hedges	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS
	Book value of the hedged item		Line item in the statement of financial position in which the hedged item is included
	2023 Million Baht	2022 Million Baht	
Exchange rate and interest rate risks - Aggregated exposure of borrowings	2,569	3,448	Long-term borrowings

Reconciliations of gain (loss) on cash flow hedges which recognised in the shareholders' equity that relates to cash flow hedge relationships of the Company were as follows:

Unit : Thousand Baht

For the years ended December 31,	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
	Balance as at January 1,	(485)
Effective portion of changes in fair value of cross currency interest rate swap	(2,023)	3,813
Effective portion of changes in fair value of interest rate swap	-	380
Income tax related to amounts transferred	(720)	(4,374)
Balance as at December 31,	<u>(3,228)</u>	<u>(485)</u>

10. INVESTMENT IN JOINT VENTURE

Investment in joint venture as at December 31, 2023 consisted of the following:

Unit: Thousand Baht

Business Type	Country of Incorporation and main place of business	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Company (%)	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED	SEPARATE FINANCIAL STATEMENTS
					Investment (Equity Method)	Investment (Cost Method)
Hire-purchase loans for motorcycle	Thailand	Common stock	147,368	10.00	213,157	213,157
					<u>213,157</u>	<u>213,157</u>

On January 4, 2023 (the share purchase date), the Company invested 10% of all registered and issued shares of the joint venture in the amount of Baht 213 million and the book value of net assets of the joint venture was Baht 262 million.

The Company has not recognized its share of profits and other comprehensive income in proportion to its shareholding in the joint venture for the period from January 4, 2023 (the share purchase date) to December 31, 2023, as the amount was insignificant.

During the year 2023, the Company assessed the fair value of acquired assets and liabilities within 12 months from the date of share purchase to allocate the purchase price to those items. The Company recognized the difference between the fair value and the net asset value of the joint venture in the statement of financial position and presented in “Investment in Joint Venture”.

11. LEASEHOLD IMPROVEMENT AND EQUIPMENT

The movements of leasehold improvement and equipment for the years ended December 31, were as follows:

Unit : Thousand Baht					
FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED / SEPARATE FINANCIAL STATEMENTS					
	Balances as at January 1, 2023	Additions	Disposals/ write - off	Transfer in (out) adjust	Balances as at December 31, 2023
Cost:					
Leasehold improvement	1,125,228	142,162	(58,654)	396	1,209,132
Furniture, fixtures and equipment	1,282,212	240,457	(105,467)	(396)	1,416,806
Motor vehicles	56,020	2,066	(18,011)	13,037	53,112
Right-of-use assets	1,570,563	388,964	(318,413)	-	1,641,114
Total cost	<u>4,034,023</u>	<u>773,649</u>	<u>(500,545)</u>	<u>13,037</u>	<u>4,320,164</u>
Accumulated depreciation:					
Leasehold improvement	(868,495)	(143,602)	57,012	-	(955,085)
Furniture, fixtures and equipment	(740,835)	(204,929)	105,213	-	(840,551)
Motor vehicles	(41,878)	(9,105)	17,986	-	(32,997)
Right-of-use assets	(697,137)	(490,656)	318,904	-	(868,889)
Total accumulated depreciation	<u>(2,348,345)</u>	<u>(848,292)</u>	<u>499,115</u>	<u>-</u>	<u>(2,697,522)</u>
Leasehold improvement and equipment	<u>1,685,678</u>				<u>1,622,642</u>

Unit : Thousand Baht					
SEPARATE FINANCIAL STATEMENTS					
	Balances as at January 1, 2022	Additions	Disposals/ write - off	Transfer in (out) adjust	Balances as at December 31, 2022
Cost:					
Leasehold improvement	965,576	163,171	(3,519)	-	1,125,228
Furniture, fixtures and equipment	1,051,974	278,256	(48,031)	13	1,282,212
Motor vehicles	54,706	26	(11,620)	12,908	56,020
Right-of-use assets	1,277,005	614,037	(320,479)	-	1,570,563
Total cost	<u>3,349,261</u>	<u>1,055,490</u>	<u>(383,649)</u>	<u>12,921</u>	<u>4,034,023</u>
Accumulated depreciation:					
Leasehold improvement	(753,452)	(117,903)	2,860	-	(868,495)
Furniture, fixtures and equipment	(593,231)	(182,189)	34,585	-	(740,835)
Motor vehicles	(47,083)	(6,413)	11,618	-	(41,878)
Right-of-use assets	(561,126)	(454,935)	318,924	-	(697,137)
Total accumulated depreciation	<u>(1,954,892)</u>	<u>(761,440)</u>	<u>367,987</u>	<u>-</u>	<u>(2,348,345)</u>
Total	1,394,369				1,685,678
Leasehold improvement and equipment in progress	13	-	-	(13)	-
Leasehold improvement and equipment	<u>1,394,382</u>				<u>1,685,678</u>
Depreciation for the years ended December 31,					
2023				Thousand Baht	<u>848,292</u>
2022				Thousand Baht	<u>761,440</u>

As at December 31, 2023 and 2022, costs of fully depreciated leasehold improvement and equipment of the Company but still in used were Baht 1,006.57 million and Baht 948.89 million, respectively.

12. GOODWILL

Goodwill as at December 31, were as follows:

	Unit : Thousand Baht	
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
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>

For the purpose of impairment testing of goodwill, the Company determined the recoverable amount based on value in use by discounting the future cash flows. The Company used 5-year forecast discounted future cash flows projections, terminal values and discount rates which have been determined by the estimation and judgment of the management.

13. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

The movements of other intangible assets other than goodwill for the years ended December 31, were as follows:

	Unit : Thousand Baht			
	FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED / SEPARATE FINANCIAL STATEMENTS			
	Balances as at January 1, 2023	Additions	Transfer in (out) adjust	Balances as at December 31, 2023
Cost:				
Software	756,585	69,317	23,799	849,701
Trademark	20,000	-	-	20,000
Customer list	3,000	-	-	3,000
Other intangible assets	295	-	-	295
Total cost	<u>779,880</u>	<u>69,317</u>	<u>23,799</u>	<u>872,996</u>
Accumulated amortisation:				
Software	(529,280)	(97,449)	-	(626,729)
Trademark	(3,638)	-	-	(3,638)
Customer list	(3,000)	-	-	(3,000)
Total accumulated amortisation	<u>(535,918)</u>	<u>(97,449)</u>	<u>-</u>	<u>(633,367)</u>
Total	243,962			239,629
Intangible assets under installation	13,332	30,512	(31,035)	12,809
Intangible assets	<u>257,294</u>			<u>252,438</u>

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS			
	Balances as at January 1, 2022	Additions	Transfer in (out) adjust	Balances as at December 31, 2022
Cost:				
Software	721,074	30,958	4,553	756,585
Trademark	20,000	-	-	20,000
Customer list	3,000	-	-	3,000
Other intangible assets	295	-	-	295
Total cost	<u>744,369</u>	<u>30,958</u>	<u>4,553</u>	<u>779,880</u>
Accumulated amortisation:				
Software	(409,780)	(119,500)	-	(529,280)
Trademark	(3,638)	-	-	(3,638)
Customer list	(3,000)	-	-	(3,000)
Total accumulated amortisation	<u>(416,418)</u>	<u>(119,500)</u>	<u>-</u>	<u>(535,918)</u>
Total	327,951			243,962
Intangible assets under installation	4,068	13,817	(4,553)	13,332
Intangible assets	<u>332,019</u>			<u>257,294</u>
Amortisation for the years ended December 31,				
2023			Thousand Baht	97,449
2022			Thousand Baht	<u>119,500</u>

14. DEFERRED TAX ASSETS

Deferred tax assets and liabilities as at December 31, were as follows:

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Deferred tax assets	1,140,722	859,984
Deferred tax liabilities	(133,540)	(137,726)
Net	<u>1,007,182</u>	<u>722,258</u>

Movements of deferred tax assets and liabilities during the years, were as follows:

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED / SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2023	Items as recognised into profit or loss	Items as recognised into other comprehensive income	As at December 31, 2023
Deferred tax assets				
Allowance for expected credit losses	787,573	217,234	-	1,004,807
Depreciation and amortisation of assets	12,700	(9,818)	-	2,882
Interest paid	6,425	47,765	-	54,190
Provision for employee benefits	26,713	2,356	9,793	38,862
Other provisions	24,484	11,983	-	36,467
Others	2,089	1,425	-	3,514
Total deferred tax assets	<u>859,984</u>	<u>270,945</u>	<u>9,793</u>	<u>1,140,722</u>
Deferred tax liabilities				
Amortisation	(111,558)	(5,750)	-	(117,308)
Cash flow hedges	(26,168)	10,656	(720)	(16,232)
Total deferred tax liabilities	<u>(137,726)</u>	<u>4,906</u>	<u>(720)</u>	<u>(133,540)</u>
Net	<u>722,258</u>	<u>275,851</u>	<u>9,073</u>	<u>1,007,182</u>

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS			As at December 31, 2022
	As at January 1, 2022	Items as recognised into profit or loss	Items as recognised into other comprehensive income	
Deferred tax assets				
Allowance for expected credit losses	641,845	145,728	-	787,573
Depreciation and amortisation of assets	18,719	(6,019)	-	12,700
Interest paid	20,700	(14,275)	-	6,425
Provision for employee benefits	25,322	4,926	(3,535)	26,713
Other provisions	17,855	6,629	-	24,484
Others	2,164	(75)	-	2,089
Total deferred tax assets	726,605	136,914	(3,535)	859,984
Deferred tax liabilities				
Amortisation	(105,586)	(5,972)	-	(111,558)
Cash flow hedges	-	(21,794)	(4,374)	(26,168)
Total deferred tax liabilities	(105,586)	(27,766)	(4,374)	(137,726)
Net	621,019	109,148	(7,909)	722,258

15. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, were as follows:

	Unit : Thousand Baht	
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Rental deposits (see Note 32)	117,441	112,764
Other deposits	5,873	5,344
Restricted deposits	-	3,150
Other assets	17,554	17,223
Less Allowance for impairment	(25,817)	(22,253)
Total other non-current assets	115,051	116,228

16. SHORT-TERM BORROWINGS

Short-term borrowings as at December 31, were as follows:

	Unit : Thousand Baht	
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Short-term borrowings	6,642,890	3,600,000
Total	6,642,890	3,600,000

As at December 31, 2023 and 2022, short-term borrowings were unsecured borrowings with maturity within 1 year of Baht 6,643 million and Baht 3,600 million, respectively, with fixed interest rate per annum as agreed upon.

17. SHORT-TERM DEBENTURES

					Unit : Thousand Baht
Debentures	Periods	Dates of issue	Maturity dates	Interest rates (% p.a.)	SEPARATE FINANCIAL STATEMENTS As at December 31, 2022
1	1 year	April 28, 2022	April 28, 2023	1.20	5,450,000
2	1 year	June 2, 2022	June 2, 2023	1.75	300,000
Total					5,750,000
<u>Less</u> Deferred transaction costs for issuance of debentures					(1,886)
Short-term debentures					<u>5,748,114</u>

The above debentures are registered, unsubordinated and unsecured debenture, which were offered to the public offering, 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 the final payment of principal and interest is made on the maturity date of the debentures.

Short-term debentures contain the covenants to maintain certain financial ratios as specified in the relevant term and conditions. As at December 31, 2022, the Company was still within those relevant covenants.

18. LONG-TERM BORROWINGS

Long-term borrowings as at December 31, were as follows:

		Unit : Thousand Baht	
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022	
Long-term borrowings	26,454,070	26,413,350	
<u>Less</u> Deferred borrowings expenses	(10,206)	(25,826)	
Total	26,443,864	26,387,524	
<u>Less</u> Current portion of long-term borrowings	(17,423,051)	(5,072,544)	
Long-term borrowings - net of current portion	<u>9,020,813</u>	<u>21,314,980</u>	

As at December 31, 2023 and 2022, long-term borrowings represented unsecured borrowings with maturity within 1 year of Baht 17,423 million and Baht 5,073 million, respectively, with interest rate as agreed upon, and unsecured long-term borrowings - net of current portion of Baht 9,021 million and Baht 21,315 million, respectively, with interest rate as agreed upon.

To hedge exchange rate and interest rate risks, as at December 31, 2023 and 2022, the Company had outstanding commitments under cross currency interest rate swap agreement with the Bank shareholder. Under such agreement, the Company will pay a principal in Thai Baht at an agreed amount and pay an interest at a fixed rate to the Bank shareholder in exchange for the agreed amount of US Dollars and floating interest rate plus a certain percentage per annum. The cross currency interest rate swap agreement will mature in 2025, in line with the terms of borrowing repayment.

Long-term borrowings contain the covenants to maintain financial ratios, including the maintenance of the shareholding percentage of major shareholders in the Company subject to the terms and conditions of each borrowing agreement. As of December 31, 2023 and 2022, the Company was still within those relevant covenants.

19. LONG-TERM DEBENTURES

Long-term debentures as at December 31, were as follows:

	Unit : Thousand Baht	
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Long-term debentures	35,127,267	20,013,557
<u>Less</u> Current portion of long-term debentures	<u>(8,303,337)</u>	<u>(5,298,120)</u>
Long-term debentures - net of current portion	<u>26,823,930</u>	<u>14,715,437</u>

					Unit : Thousand Baht	
Debentures	Periods	Dates of issue	Maturity dates	Interest rates (% p.a.)	FINANCIAL STATEMENT IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
					2023	2022
1	3 years	April 2, 2021	April 2, 2024	3.00	2,500,000	2,500,000
2	2 years	April 2, 2021	April 2, 2023	2.65	-	1,000,000
3	2 years	April 7, 2021	April 21, 2023	2.45	-	300,000
4	2 years	August 19, 2021	August 19, 2023	1.17	-	4,000,000
5	2 years	April 28, 2022	April 28, 2024	1.88	2,850,000	2,850,000
6	3 years	September 13, 2022	September 13, 2025	3.14	6,500,000	6,500,000
7	2 years	July 27, 2022	July 27, 2024	-	3,000,000	3,000,000
8	3 years	January 25, 2023	January 25, 2026	2.91	2,000,000	-
9	2 years	February 17, 2023	February 17, 2025	-	1,000,000	-
10	2 years 10 months	February 17, 2023	December 17, 2025	-	2,000,000	-
11	2 years 8 months	April 26, 2023	December 26, 2025	-	3,800,000	-
12	3 years	April 26, 2023	April 26, 2026	3.12	1,000,000	-
13	2 years	August 18, 2023	August 18, 2025	-	1,850,000	-
14	2 years	August 18, 2023	August 18, 2025	3.30	2,350,000	-
15	3 years	August 18, 2023	August 18, 2026	3.51	1,000,000	-
16	4 years	August 18, 2023	August 18, 2027	3.66	800,000	-
17	2 years	November 29, 2023	November 29, 2025	3.47	1,900,000	-
18	3 years	November 29, 2023	November 29, 2026	3.70	2,100,000	-
19	4 years	November 29, 2023	November 29, 2027	3.91	1,000,000	-
					<u>(497,577)</u>	<u>(120,362)</u>
					35,152,423	20,029,638
					<u>(25,156)</u>	<u>(16,081)</u>
					<u>35,127,267</u>	<u>20,013,557</u>

21. PROVISION FOR EMPLOYEE BENEFITS

- 21.1 The Company operates post-employment benefits plans under the Labor Protection Act which are considered as unfunded defined benefit plans and long-term incentive plan to employee.

Amount of expenses recognised in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans and long-term incentive plan to employee were as follows:

	Unit : Thousand Baht	
For the years ended December 31,	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Current service costs	17,215	19,035
Interest on obligations	4,075	2,948
Cash-settled share-based payment	5,188	1,451
	26,478	23,434

Movements in the present value of the defined benefits obligation and long-term incentive plan to employee were as follows:

	Unit : Thousand Baht	
For the years ended December 31,	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Opening balances	124,882	120,164
Current service costs	17,215	19,035
Interest on obligations	4,075	2,948
Actuarial (gains) losses arising from		
- Experience	16,278	9,199
- Financial assumption	15,951	(26,874)
- Demographic	16,737	-
Benefits paid during the years	(5,360)	(1,041)
Cash-settled share-based payment	5,188	1,451
Closing balances	194,966	124,882

For the years ended December 31, 2023 and 2022, the actuarial gains (losses) were recognised in other comprehensive income in the amount of Baht (48.97) million and Baht 17.67 million, respectively.

The principle actuarial assumptions used to calculate the provision under the defined benefit plans as at December 31, were as follows:

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Financial assumptions		
Discount rates	2.37 - 4.68%	1.44 - 5.60%
Average rates of salary increase	5.5%	5.3%
Turnover rates	4 - 20%	4 - 20%
Retirement age	60 years	60 years

The sensitivity analyses 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:

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Discount rate		
Discount rate, decrease of 1 percent	29,982	18,679
Discount rate, increase of 1 percent	(24,973)	(15,647)
Salary increase rate		
Salary increase rate, decrease of 1 percent	(24,699)	(15,553)
Salary increase rate, increase of 1 percent	28,992	18,178

- 21.2 The outstanding balance of current provision for employee benefits as at December 31, 2023 and 2022 were Baht 3.71 million and Baht 13.05 million, respectively.

22. SHARE CAPITAL

On April 10, 2023, the Annual General Meeting of Shareholders of the Company of 2023 had passed the following matters:

- Approved the decrease of the Company's registered share capital of Baht 118,160 from the current registered capital of Baht 9,240,261,593 (2,497,367,998 ordinary shares with a par value of Baht 3.7 per share) to be Baht 9,240,143,433 (2,497,336,063 ordinary shares with a par value of Baht 3.7 per share). The Company registered the decrease in its registered share capital with the Ministry of Commerce on April 20, 2023.
- Approved the increase of the Company's registered share capital to accommodate the distribution of stock dividend from the current registered capital of Baht 9,240,143,433 (2,497,336,063 ordinary shares with a par value of Baht 3.7 per share) to be Baht 10,395,161,359 (2,809,503,070 ordinary shares with a par value of Baht 3.7 per share) by issuing 312,167,007 newly issued ordinary shares with a par value of Baht 3.7 per share. The Company registered the increase in its registered share capital with the Ministry of Commerce on April 21, 2023, and the Company registered the change in its issued and paid-up capital of Baht 10,395,077,128 divided into 2,809,480,305 shares with the Ministry of Commerce on May 8, 2023.

On April 21, 2022, the Annual General Meeting of Shareholders of the Company of 2022 had passed a resolution to approve the increase of the Company's registered share capital to accommodate the distribution of stock dividend from the current registered capital of Baht 8,580,242,909 to be Baht 9,240,261,593, divided into 2,497,367,998 shares by issuing 178,383,428 newly issued ordinary shares with a par value of Baht 3.7 per share. The Company registered the change in the authorised share capital with the Ministry of Commerce on May 5, 2022 and the Company registered the change in its issued and paid-up capital of Baht 9,240,143,433 divided into 2,497,336,063 shares with the Ministry of Commerce on May 20, 2022.

23. 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.

24. 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.

25. DIVIDEND PAID

On April 10, 2023, the Annual General Meeting of Shareholders of the Company of 2023 had passed the resolutions to approve dividend payment from the results of the operations of the year ended December 31, 2022 to the shareholders as the following matters :

- Approved the dividend payment with ordinary shares of the Company with the total of ordinary shares not exceeding 312,167,007 shares at a par value of Baht 3.7 per share to the shareholders of the Company in the ratio of 8 of current shares for 1 dividend share with the total amount not exceeding approximately Baht 1,155 million which is equivalent to the amount of dividend at the rate of Baht 0.4625 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 0.4625 per share.
- Approved the dividend payment in cash at the rate of Baht 0.2920 per share with the total amount not exceeding approximately Baht 729 million.

The Company had already paid the dividend on May 8, 2023, divided into 312,144,242 ordinary shares and Baht 729,306,401 in cash, totaling of Baht 1,884,240,096.

On April 21, 2022, the Annual General Meeting of Shareholders of the Company of 2022 had passed the resolutions to approve dividend payment from the results of the operations of the year ended December 31, 2021 to the shareholders as the following matters :

- Approved the dividend payment with ordinary shares of the Company amounting not more than 178,383,428 ordinary shares with a par value of Baht 3.7 per share to Company's shareholders in the ratio of 13 of current shares for 1 dividend share with the total amount not exceeding approximately Baht 660 million 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.
- Approved the dividend payment in cash at the rate of Baht 0.274 per share with the total amount not exceeding approximately Baht 635 million.

The Company had already paid the dividend on May 20, 2022, divided into 178,351,493 ordinary shares and Baht 635,519,986 in cash, totaling of Baht 1,295,420,510.

26. FEE AND SERVICE INCOME

	Unit : Thousand Baht	
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
For the years ended December 31,		
Commissions from brokerage of non-life insurance and life insurance	2,175,558	1,728,403
Other compensations from brokerage of non-life insurance and life insurance	988,856	798,731
Other fee incomes	187,942	158,323
Other service incomes	27,819	25,008
Total	3,380,175	2,710,465

27. EXPENSES BY NATURES

Unit : Thousand Baht

For the years ended December 31,	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
	2023	2022
Employee expenses	3,908,146	3,723,253
Rental and service expenses	112,985	111,575
Advertising and promotion expenses	855,794	597,920
Outsource service fees	1,367,598	1,089,410
Depreciation and amortisation	945,741	880,940
Taxes and duties	508,384	406,923
Utility expenses	247,963	252,520
Loss on impairment of properties foreclosed	375,792	240,526
Other expenses	1,078,408	620,139
Total	9,400,811	7,923,206

28. 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 authorised financial institution in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended December 31, 2023 and 2022, provident fund contributions recorded as expenses were Baht 101.17 million and Baht 84.93 million, respectively.

29. INCOME TAX EXPENSE

Unit : Thousand Baht

For the years ended December 31,	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
	2023	2022
Current income tax		
Current year	1,229,449	998,729
Tax adjustment for prior years that (over) under	(299)	3,611
	<u>1,229,150</u>	<u>1,002,340</u>
Deferred tax		
Changes in temporary differences	(275,874)	(112,350)
Deferred tax adjustment for prior years	23	3,202
	<u>(275,851)</u>	<u>(109,148)</u>
Total income tax expenses	953,299	893,192

Reconciliations of effective tax rate were as follows:

For the years ended December 31,	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023		SEPARATE FINANCIAL STATEMENTS 2022	
	Thousand Baht	Tax Rate (%)	Thousand Baht	Tax Rate (%)
Profit before income tax expense	4,743,724		4,533,361	
Income tax expense at the tax rate	948,745	20.00	906,672	20.00
Tax effect of income and expense that are not exempted for tax purposes	4,830	0.10	(20,293)	(0.45)
Tax adjustment for prior years that (over) under	(299)	(0.00)	3,611	0.08
Deferred tax adjustment for prior years	23	0.00	3,202	0.07
Income tax expense per the statements of profit or loss and other comprehensive income	953,299	20.10	893,192	19.70

The Company used a tax rate of 20% for the corporate income tax and deferred tax calculation for the years ended December 31, 2023 and 2022.

30. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share 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 years in each year as follows:

For the years ended December 31,	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023		SEPARATE FINANCIAL STATEMENTS 2022	
Profit for the years attributable to ordinary shareholders of the Company (Thousand Baht)		3,790,425		3,640,169
Number of issued ordinary shares at January 1, (Thousand shares)		2,497,336		2,318,985
Effect from the issued shares				
May 20, 2022 (Thousand shares)		-		110,431
May 8, 2023 (Thousand shares)		203,535		-
Weighted average number of ordinary shares held by shareholders (Thousand shares)		2,700,871		2,429,416
Basic earnings per shares (Baht per share)		1.40		1.50

31. OPERATING SEGMENTS

The business segment results are prepared based on the Company internal management report 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 segments by business, were as follows:

	Unit : Thousand Baht					
	Non-life insurance broker		Hire-purchase and lending service		Total	
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
For the years ended December 31,						
Interest income on hire-purchase receivables	-	-	1,537,124	1,474,461	1,537,124	1,474,461
Interest income on loans	189,247	139,511	13,818,454	10,918,326	14,007,701	11,057,837
Fee and service income	1,875,938	1,475,232	1,504,237	1,235,233	3,380,175	2,710,465
Other income	5,143	3,352	41,986	28,290	47,129	31,642
Total revenues	2,070,328	1,618,095	16,901,801	13,656,310	18,972,129	15,274,405
Service and administrative expenses					9,400,811	7,923,206
Total expenses					9,400,811	7,923,206
Profit from operating activities					9,571,318	7,351,199
Loss arising from de-recognition of financial assets measured at amortised cost					(2,180,806)	(943,611)
Finance costs					(1,841,855)	(1,235,132)
Impairment loss determine in accordance with TFRS 9					(804,933)	(639,095)
Profit before income tax expenses					4,743,724	4,533,361
Income tax expenses					(953,299)	(893,192)
Profit for the year					3,790,425	3,640,169

Unit : Thousand Baht

	Non-life insurance broker		Hire-purchase and lending service		Total	
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
As at December 31,						
Cash and cash equivalents	-	-	1,655,953	2,191,187	1,655,953	2,191,187
Loans and hire-purchase receivables	2,413,921	1,980,222	91,061,211	76,086,310	93,475,132	78,066,532
Other assets	69,473	14,725	4,947,377	4,454,605	5,016,850	4,469,330
Total assets	<u>2,483,394</u>	<u>1,994,947</u>	<u>97,664,541</u>	<u>82,732,102</u>	<u>100,147,935</u>	<u>84,727,049</u>

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 2023 and 2022, the Company had no major customer with revenue of 10 percent or more of the Company's revenues.

32. OPERATING LEASES AND SERVICES COMMITMENTS

The Company had commitment under lease agreements for office space and services. The future rental payments as of December 31, were as follows:

	Unit : Thousand Baht	
	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Within 1 year	92,199	112,334
Over 1 year but not over 5 years	108,819	35,483
	<u>201,018</u>	<u>147,817</u>

As at December 31, 2023 and 2022, the Company paid rental deposits under the terms of the lease agreements of Baht 117.44 million and Baht 112.76 million, respectively.

For the years ended December 31, 2023 and 2022, operating lease and service agreements were recorded as expenses in the statements of profit or loss and other comprehensive income amounting to Baht 112.98 million and Baht 111.58 million, respectively.

33. COMMITMENTS AND CONTINGENT LIABILITIES

33.1 As at December 31, 2023 and 2022, the Company had credit facility for letter of guarantee to support business operations of Baht 7.5 million.

33.2 As at December 31, 2023 and 2022, the Company had unused overdrafts credit facilities from banks of Baht 40 million.

33.3 As at December 31, 2023, the Company had been granted credit facility for borrowings from financial institutions of Baht 49,724 million and USD 75 million.

As at December 31, 2022, the Company had been granted credit facility for borrowings from financial institutions of Baht 48,099 million and USD 100 million.

33.4 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.

34. 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 major shareholders and/or the same common directors were as follows:

General Card Services Limited
Total Services Solutions Public Company Limited
Krungsriayudhya Card Company Limited
Lotus's Money Services Limited
Lotus's General Insurance Broker Limited
Lotus's Life Assurance Broker Limited
Krungsri General Insurance Broker Ltd.
Krungsri Genesis Ltd.
Ayudhya Capital Auto Lease Public Company Limited
Ayudhya Development Leasing Company Limited
Siam Realty and Services Security Company Limited
Krungsri Asset Management Company Limited
Hattha Bank Public Company Limited
Ayudhya Capital Services Company Limited
Krungsri Securities Public Company Limited
Hattha Services Company Limited
Krungsri Ayudhya AMC Limited
Krungsri Finnovate Company Limited
Krungsri Leasing Services Company Limited
Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.
Krungsri Nimble Company Limited
SB Finance, Inc.
Krungsri Capital Securities Public Company Limited
SHBank Finance Company Limited
HC Consumer Finance Philippines, Inc.
HCPH Financing 1, Inc.
HCPH Insurance Brokerage, Inc.
PT. Home Credit Indonesia
Somjai 2559 Company Limited

34.1 Balances with related parties as at December 31, were as follows:

Unit : Thousand Baht

Transaction types / Company names	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Cash and cash equivalents		
Major shareholder	1,582,378	1,885,583
Loans		
Related company	910,497	-
Director	-	21
	<u>910,497</u>	<u>21</u>
Deferred commissions		
Major shareholder	7,010	6,894
Current contracts assets		
Major shareholder	51	16
Other receivables		
Major shareholder	1	1
Other non-current financial assets		
Major shareholder	81,142	130,767
Right-of-use of assets (presented in "Leasehold improvement and equipment")		
Major shareholder	1,046	294
Related company	800	12,111
	<u>1,846</u>	<u>12,405</u>
Other non-current assets		
Major shareholder	306	3,365
Short-term borrowings		
Major shareholder	2,600,000	-
Amounts due to related parties		
Major shareholder	3,293	1,772
Related companies	7,753	7,262
	<u>11,046</u>	<u>9,034</u>
Accrued expenses		
Major shareholder	1,896	830
Other current liabilities		
Major shareholder	201	201
Long-term borrowings		
Major shareholder	-	3,440,000
Deferred transaction cost for issuance of debentures		
Major shareholder	8,636	6,248
Lease liabilities		
Major shareholder	2,497	661
Related company	-	46,927
	<u>2,497</u>	<u>47,588</u>
Other non-current liabilities		
Major shareholder	67	67

34.2 Significant transactions with related parties for the years ended December 31, were as follows:

Unit : Thousand Baht

Transaction types / Company names	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Interest income on loans		
Related company	18,613	-
Director	-	1
	<u>18,613</u>	<u>1</u>
Fee and service incomes		
Major shareholder	1	3
Related company	3,504	-
	<u>3,505</u>	<u>3</u>
Other income		
- Interest income		
Major shareholder	2,841	1,911
- Other income		
Major shareholder	563	562
Related company	62	-
	<u>625</u>	<u>562</u>
Service and administrative expenses		
- Service fee expenses		
Major shareholder	48,104	21,157
Related company	13,730	24,219
	<u>61,834</u>	<u>45,376</u>
Finance costs		
- Interest expense		
Major shareholder*	(31,743)	319,313
Related company	157	619
	<u>(31,586)</u>	<u>319,932</u>
Gain (loss) on cash flow hedges		
Major shareholder	(2,023)	4,193
Dividend paid		
Major shareholders	944,037	712,481

*Including net interest paid - received from entering a cross currency interest rate swap agreement.

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.

34.3 Key management and director's compensation were as below:

Unit : Thousand Baht

For the years ended December 31,	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS 2023	SEPARATE FINANCIAL STATEMENTS 2022
Short-term benefits	110,231	100,631
Post-employment benefits	2,220	2,050
Shared-based payment	3,416	882
	<u>115,867</u>	<u>103,563</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.

34.4 Significant agreements with related companies

The Company entered into the agreement with the major shareholder for use of information technology and management services. The Company is committed to pay service fees as specified in the agreement.

The Company entered into the vehicle rental agreement with a related company. The Company is committed to pay rental fees as specified in the agreement.

The Company entered into the marketing support agreement with the major shareholder for referral service. The Company is committed to pay service fees as specified in the agreement.

The Company entered into the agreement with a related company for providing of financial support and information technology support and for using referral service and employee recruitment service. The Company is committed as specified in the agreement.

35. EMPLOYEE JOINT INVESTMENT PROGRAM

The Company has an Employee Joint Investment Program (“EJIP”), one of the Company’s staff welfare benefits, which offers staffs of the Company who voluntarily join the EJIP which will purchase shares of the Company. EJIP requires member’s monthly contribution in a certain amount and the Company will contribute on behalf of EJIP members at the same amount at the rate of 3 percent to 12 percent of their basic salaries contingent upon the participant’s year of service. The program will last for 6 years, starting from October 1, 2022.

Movement of the amount of the employee joint investment program for the years ended December 31, were as follows:

	Unit : Thousand Baht		
	FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS		
	Surplus on Shared-based payment	Treasury shares	Net
Balance as at January 1, 2023	4,022	(5,624)	(1,602)
Changing during the year			
- Employee Joint Investment Program expenses	16,976	-	16,976
- Cash paid for purchasing shares of the Company under Employee Joint Investment Program	-	(34,624)	(34,624)
Balance as at December 31, 2023	<u>20,998</u>	<u>(40,248)</u>	<u>(19,250)</u>

	Unit : Thousand Baht		
	SEPARATE FINANCIAL STATEMENTS		
	Surplus on Shared-based payment	Treasury shares	Net
Balance as at October 1, 2022	-	-	-
Changing during the year			
- Employee Joint Investment Program expenses	4,022	-	4,022
- Cash paid for purchasing shares of the Company under Employee Joint Investment Program	-	(5,624)	(5,624)
Balance as at December 31, 2022	<u>4,022</u>	<u>(5,624)</u>	<u>(1,602)</u>

Employee joint investment program expenses were recognised as employee expenses in the statement of profit or loss and other comprehensive income.

36. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As at December 31, 2023			SEPARATE FINANCIAL STATEMENTS As at December 31, 2022		
	Financial instrument measured at amortised cost	Derivative assets	Total	Financial instrument measured at amortised cost	Derivative assets	Total
Financial assets						
Cash and cash equivalents	1,655,953	-	1,655,953	2,191,187	-	2,191,187
Loans and hire-purchase receivables	93,475,132	-	93,475,132	78,066,532	-	78,066,532
Other financial assets	950,766	-	950,766	877,551	-	877,551
Other non-current financial assets	-	81,142	81,142	-	130,767	130,767
	<u>96,081,851</u>	<u>81,142</u>	<u>96,162,993</u>	<u>81,135,270</u>	<u>130,767</u>	<u>81,266,037</u>
Financial liabilities						
Short-term borrowings	6,642,890	-	6,642,890	3,600,000	-	3,600,000
Other current payables	1,809,659	-	1,809,659	1,825,644	-	1,825,644
Short-term debentures	-	-	-	5,748,114	-	5,748,114
Long-term borrowings	26,443,864	-	26,443,864	26,387,524	-	26,387,524
Long-term debentures	35,127,267	-	35,127,267	20,013,557	-	20,013,557
	<u>70,023,680</u>	<u>-</u>	<u>70,023,680</u>	<u>57,574,839</u>	<u>-</u>	<u>57,574,839</u>

37. 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, fair value is the price in the most liquid market where the Company can enter into a transaction.

Carrying amount of financial assets and financial liabilities were as follows:

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As at December 31, 2023			SEPARATE FINANCIAL STATEMENTS As at December 31, 2022		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets						
Cash and cash equivalents	-	1,655,953	1,655,953	-	2,191,187	2,191,187
Loans and hire-purchase receivables	-	93,475,132	93,475,132	-	78,066,532	78,066,532
Other financial assets	-	950,766	950,766	-	877,551	877,551
Other non-current financial assets	81,142	-	81,142	130,767	-	130,767
Total	81,142	96,081,851	96,162,993	130,767	81,135,270	81,266,037
Financial liabilities						
Short-term borrowings	-	6,642,890	6,642,890	-	3,600,000	3,600,000
Other current payables	-	1,809,659	1,809,659	-	1,825,644	1,825,644
Short-term debentures	-	-	-	-	5,748,114	5,748,114
Long-term borrowings	-	26,443,864	26,443,864	-	26,387,524	26,387,524
Long-term debentures	-	35,127,267	35,127,267	-	20,013,557	20,013,557
Total	-	70,023,680	70,023,680	-	57,574,839	57,574,839

Financial assets measured at fair value

Classification of financial assets measured at fair value by the level of fair value hierarchy were as follows:

Unit : Thousand Baht

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As at December 31, 2023				SEPARATE FINANCIAL STATEMENTS As at December 31, 2022			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other non-current financial assets								
Derivatives assets								
- Cross currency interest rate swap agreement	-	81,142	-	81,142	-	130,767	-	130,767

For the years ended December 31, 2023 and 2022, there were no transfers of financial assets measured at fair value.

Valuation technique for financial assets measured at fair value were as follows:

Derivatives

The valuation techniques using to determine the fair value of derivatives are dependent on the type of derivative and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards models 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 financial liabilities not measured at fair value

Classification of financial assets and financial liabilities which are not measured at fair value by the level of fair value hierarchy were as follows:

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED AND SEPARATE FINANCIAL STATEMENTS As at December 31, 2023		Unit : Thousand Baht SEPARATE FINANCIAL STATEMENTS As at December 31, 2022 Level of fair value		
	Book value	Fair value	Book value	Fair value	hierarchy
	Financial assets				
Cash and cash equivalents	1,655,953	1,655,953	2,191,187	2,191,187	Carrying amount
Loans and hire-purchase receivables	93,475,132	88,177,716	78,066,532	78,053,816	Level 3
Other financial assets	950,766	950,766	877,551	877,551	Carrying amount
Financial liabilities					
Short-term borrowings	6,642,890	6,642,889	3,600,000	3,599,483	Level 3
Other current payables	1,809,659	1,809,659	1,825,644	1,825,644	Carrying amount
Short-term debentures	-	-	5,748,114	5,745,978	Level 2
Long-term borrowings	26,443,864	26,319,597	26,387,524	26,250,994	Level 3
Long-term debentures	35,127,267	35,104,494	20,013,557	20,049,953	Level 2

The methods used by the Company for financial assets and financial liabilities 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 agents, current contract asset, contract assets, and other receivables, 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 inflow 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 interest rates, their fair values were estimated according to the book value shown in the statements of financial position.

Long-term borrowings with fixed interest rate, their fair values were estimated by discounting expected future cash outflow by the current market interest rate of the borrowings with similar terms and conditions.

38. EVENTS AFTER THE REPORTING PERIOD

38.1 In February 2024, the Company offered unsecured bills of exchange with a total value of Baht 4,100 million. The payment of principals will be on the maturity date within the first quarter of the year 2024.

38.2 On February 28, 2024, the Board of Directors' Meeting No.2/2024 passed the following resolutions to the Annual General Meeting of Shareholders to consider and approve the following matters:

38.2.1 To approve the appropriation of the legal reserve of Baht 189.5 million.

38.2.2 To approve dividend payment from the results of the operations of the year ended December 31, 2023, to the shareholders. The dividends are divided into

- The dividend payment in cash at the rate of Baht 0.2698 per share with the total amount not exceeding approximately Baht 758 million, and
- The dividend payment with ordinary shares of the Company in the ratio of 27 of current shares for 1 new dividend share with the total amount not exceeding approximately Baht 385 million (104,054,826 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 0.1370 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 0.1370 per share.

The determination of the list of shareholders entitled to receive dividend payment (Record date) shall be April 25, 2024. The dividend payments are scheduled to be made on May 14, 2024.

38.2.3 To approve the decrease of the Company's registered share capital from the current registered capital of Baht 10,395,161,359 (2,809,503,070 ordinary shares with a par value of Baht 3.7 per share) to be Baht 10,395,077,129 (2,809,480,305 ordinary shares with a par value of Baht 3.7 per share)

38.2.4 To approve the increase of the Company's registered share capital from the current registered capital of Baht 10,395,077,129 (2,809,480,305 ordinary shares with a par value of Baht 3.7 per share) to Baht 10,780,079,985 (2,913,535,131 ordinary shares with a par value of Baht 3.7 per share) by issuing 104,054,826 newly issued ordinary shares with a par value of Baht 3.7 per share to accommodate the distribution of stock dividend.

39. AUTHORISATION OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors of the Company for issuance on February 28, 2024.

General Information

1. Company Information (as of December 31, 2023)

Name of Company	: Ngern Tid Lor Public Company Limited
Company Registration Number	: 0107563000355
Business Type	: Providing lending and hire-purchase financing services, non-life and life insurance brokerage and other related services
Address	: 428 Ari Hills, 9 th -15 th Floor, Phahonyothin Road, Samsennai, Phayathai, Bangkok 10400
Phone Number	: +66 (0) 8088 0880
Facsimile	: +66 (0) 2792 1394
Website	: www.tidlor.com
E-mail	: InvestorRelations@tidlor.com
Registered Capital	: 10,395,161,359 Baht (as of December 31, 2023)
Paid-up Capital	: 10,395,077,128.50 Baht (as of December 31, 2023)
Type and Total Number of Shares	: 2,809,503,070 common stocks, 2,809,480,305 paid-up common stocks.
Securities Registrar	: Thailand Securities Depository Company Limited (TSD) 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand Telephone : +66 (0) 2009 9999

2. Legal Dispute

As of December 31, 2023, the Company did not have a 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 more significant than 5 percent of the shareholders' equity or 10 percent of current assets.

Report from the Remuneration and Nomination Committee (RNC)

The Board of Directors appoints the Remuneration and Nomination Committee (RNC), currently composed of five Company directors, one of which is an independent director; her name is Ms. Kesara Manchusree, and the other four are non-executive directors, namely. Mr. Phonganant Thanattrai, Dr. Vasin Udomratchatavanich, Mr. Elcid Vergara, and Mr. Brian Minki serve as Chairman of the RNC. The current committee composition complies with the Charter of the Remuneration and Nomination Committee.

In 2023, the Remuneration and Nomination Committee held 6 productive meetings. The Remuneration and Nomination Committee carried out a supervisory role with regard to nomination and remuneration according to the duties and responsibilities as outlined in the RNC Charter, including formulation of policies, rules, and procedures for nomination and selection as well as determination of remuneration and other benefits for directors, members of the committees reporting directly to the board of director meeting, and senior executives of the Company as well as directors and managing directors. Results of all deliberations were proposed for the Board of Directors' consideration, with some issues being further proposed to the shareholders' meeting as stipulated by the articles of association and laws. Significant undertakings in 2023 could be summarized as follows:

- Selecting and nominating candidates as directors to replace those retiring by rotation and nominating board committee members according to the selection process, taking into consideration the Board Skills Matrix, which illustrates qualifications and diversity in terms of knowledge, competencies, experience, and academic profile to ensure an effective board composition that is aligned with the Company's business strategies.

- Established a fair and competitive compensation framework for directors, subcommittee members, Managing Directors, and Senior Executives of companies to ensure that remuneration is commensurate with responsibilities and individual performance, market competitive, and appropriate for the prevailing economic situation.
- Succession Planning: Oversaw the development of a robust succession plan to guarantee a smooth transition for critical roles and business continuity. The plan is reviewed annually, as part of sustainable human resource management.
- Considering performance evaluation results Managing Director and senior executives of the Company of TIDLOR entities. Determining competitive and fair remuneration according to the duties and responsibilities, the Company's operating results and individual performance, industry benchmark, and business environment based on TIDLOR internal total remuneration management guidelines and pay structure.

The Remuneration and Nomination Committee has carried out duties and responsibilities as outlined in the RNC Charter with prudence and transparency, considering the relevant regulations, rules, and laws and the good corporate governance principles for the utmost benefit of the Company and shareholders. The Remuneration and Nomination Committee has capitalized on full capabilities and given its best efforts to support TIDLOR to achieve sustainable human resource management and people excellence to respond to the new normal of business efficiently.

Risk Management Committee's Performance Report

The Risk Management Committee (the "Committee") consists of two non-executive directors and one senior executive: Mr. Chandrashekar Subramanian Krishoolndmangalam, Chairman, Mr. Elcid Vergara, Member, and Mr. Thanya Kitchainukul, Member and Secretary.

The RMC sets and oversees risk management policies, ensuring a robust system to control and mitigate risks impacting the company's business. It also determines preventive measures and monitors their implementation. The roles and responsibilities of the Committee encompass those of the Risk Oversight Committee in compliance with the rules set out by the regulator, including environmental and social risks. In 2023, the Committee held a total of four meetings and reported meeting results to the Board of Directors. Its performance can be summarized as follows:

1. Policy

The Committee scrutinizes and expresses its opinions on risk management and other policies to ensure that they comply with regulators' rules and regulations. This year, the Committee scrutinized 23 policies, which the Board has already approved by the Board of Directors.

2. Risk Management and Business Governance

Risk Management Oversight: The RMC actively monitored and advised on risk management strategies across key areas, including credit risk, liquidity, business governance, and credit models. This ensured the effectiveness and adequacy of the risk management system for the company's evolving business landscape. The committee's scope also covers Environmental and Social Risk Integration. The RMC acknowledged the potential risks arising from environmental changes and their impact on customer financial inclusion. This demonstrates a forward-thinking approach to risk management.

3. Acknowledge the company risk management plan

Business Continuity Planning: The RMC reviewed and approved the company's Business Continuity Plan (BCP) for emergencies. This ensures a secure plan is in place to safeguard employees and assets during unforeseen events. Additionally, the RMC acknowledged the successful execution of a call tree exercise, testing the emergency response plan.



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