

MOVE ON TOGETHER

ก้าวต่อไป ก้าวไปด้วยกัน


Content



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TOGETHER
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V i s i o n

A person in a dark blue suit is holding a glowing, golden-yellow orb in their cupped hands. Overlaid on the image is a semi-transparent financial chart with a jagged line graph and a solid white arrow pointing upwards and to the right. The background is dark with some blurred light spots.

Being a holding company of the
business group which generates
appropriate and sustainable returns
for all stakeholders.

Principles of Business Operations of Thanachart Group

01

To compete in a morally responsible and ethical manner, achieving a good performance while taking into account both short-term and long-term effects.

02

To operate its businesses by respecting and being responsible for its shareholders and stakeholders.

03

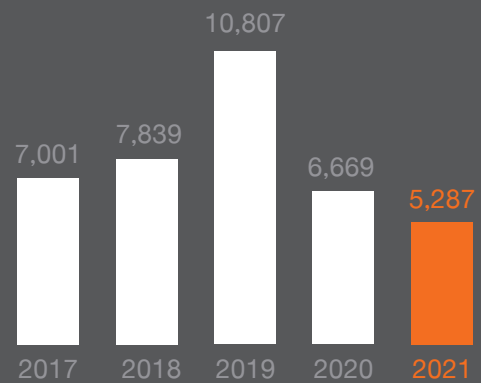
To adhere to the business operations which care for the society and develop or reduce the negative impacts on the environment.

04

To be able to make adjustments amidst changes in factors.

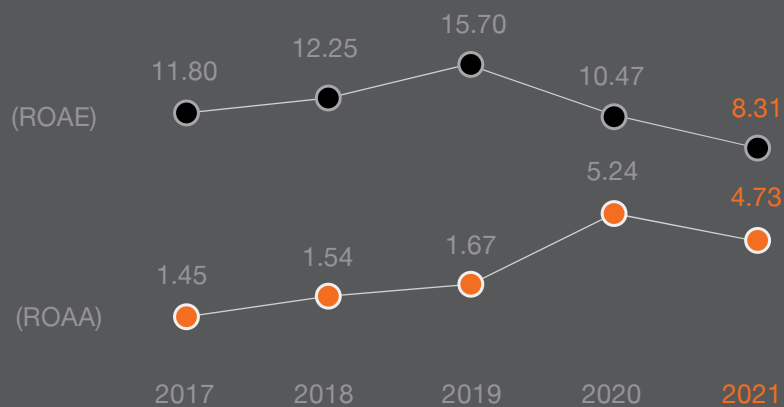
Financial Highlights

Profit attributable to the Company (Million Baht)



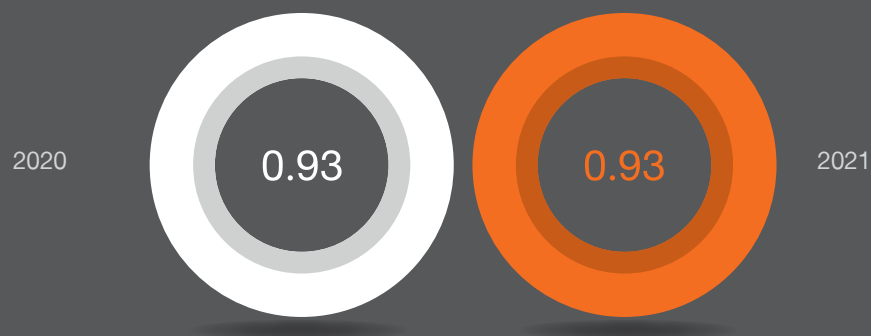
Return on Average Assets (ROAA) and
Return on Average Equity ⁽¹⁾ (ROAE)

(Percent)



Debt to Equity Ratio (D/E Ratio)

(times)



Consolidated

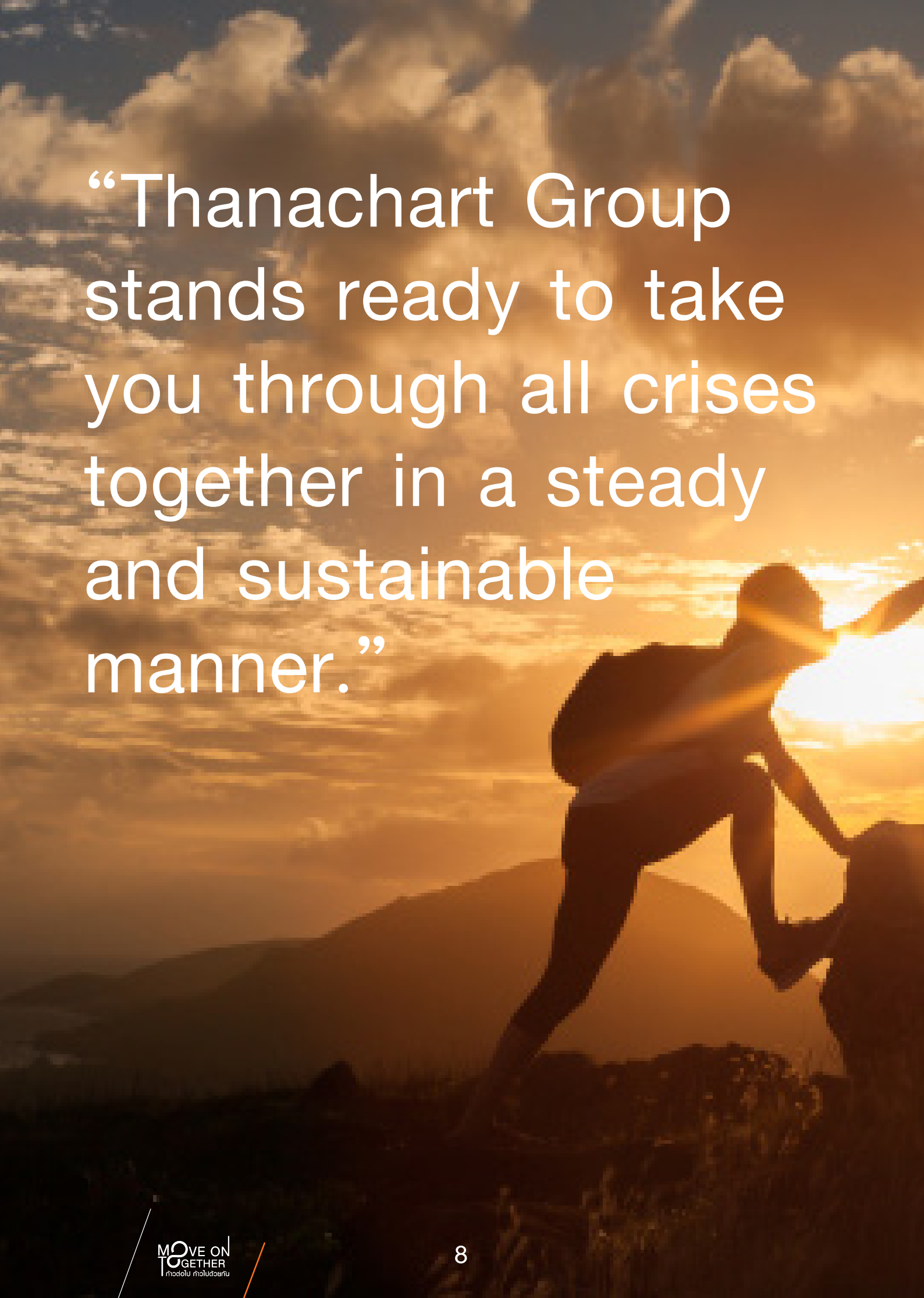
As at or for the year ended 31 December	2021	2020	2019	2018 (Restated)	2017
Operating Performance (Million Baht)					
Interest Income	4,026	4,213	4,339	4,074	44,681
Interest Expenses	1,355	1,620	1,599	1,515	15,511
Net Interest Income	2,671	2,593	2,740	2,559	29,170
Non-interest Income	8,513	10,317	4,744	5,546	13,402
Net Operating Income	11,184	12,910	7,484	8,105	42,572
Other Operating Expenses	3,143	2,899	3,034	3,019	20,836
Expected credit loss/Impairment Loss of Loans and Debt Securities (Reversal)	483	606	(316)	302	6,236
Profit before Income Tax	7,558	9,405	4,766	4,784	15,500
Income Tax	836	1,557	1,367	927	1,159
Profit for the Year from Continuing Operations	6,722	7,848	3,399	3,857	14,341
Profit for the Year from Discontinued Operations	-	-	13,361	11,949	-
Total Profit for the Year	6,722	7,848	16,760	15,806	14,341
Profit attributable to the Company	5,287	6,669	10,807	7,839	7,001
Profit attributable to Non-controlling Interest	1,435	1,179	5,953	7,967	7,340
Operating Performance Ratios (Percent)					
Return on Average Assets (ROAA)	4.73	5.24	1.67	1.54	1.45
Return on Average Equity ⁽¹⁾ (ROAE)	8.31	10.47	15.70	12.25	11.80
Debt to Equity Ratio D/E Ratio (times)	0.93	0.93	1.17	6.69	6.88
Financial Position (Million Baht)					
Loans to Customers and Accrued Interest Receivables - net	55,221	50,251	53,159	731,125	688,844
Total Assets	142,735	140,756	160,927	1,060,929	1,025,525
Total Liabilities	68,594	67,987	86,868	923,011	895,455
Total Equity	74,141	72,769	74,059	137,918	130,070
Equity Attributable to Owners of the Company	65,114	63,311	65,833	65,735	62,020
Common Share Information					
Information per Share (Baht)					
Basic Earnings per Share	5.04	6.26	9.43	6.74	6.01
Book Value	62.10	60.38	57.46	57.15	53.23
Dividend ⁽²⁾	1.20	3.00	7.00	2.60	2.20
Common Shares Outstanding (Million Shares)					
Average-Basic	1,049	1,066	1,146	1,164	1,165
End of Year	1,049	1,049	1,146	1,150	1,165
Share Price ⁽³⁾ (Baht)					
Highest	38.25	57.00	59.50	60.25	58.00
Lowest	32.25	27.00	50.25	46.25	43.75
Closing	37.75	34.50	53.50	49.75	56.25
Market Capitalization (Million Baht)	43,984	40,197	62,334	57,965	65,539
Other Information					
Employees ⁽⁴⁾	1,811	1,824	2,062	13,893	13,885

Notes: ⁽¹⁾ ROAE is calculated from equity attributable to owners of the Company

⁽²⁾ Dividend per share for 2021 is interim rate

⁽³⁾ Local Board / Highest and Lowest Share Prices During the Year

⁽⁴⁾ Number of employees in 2019 - 2021 excludes employees of TBANK, TFUND, and TBROKE

A full-page background image showing the silhouette of a person climbing a mountain peak. The sun is low on the horizon, creating a warm, golden glow and long shadows. The sky is filled with soft, white clouds. The person is in a dynamic climbing pose, reaching up towards the peak.

“Thanachart Group
stands ready to take
you through all crises
together in a steady
and sustainable
manner.”



Because every step of yours is important, our goal is to strive to develop, plan, and build on financial future for you with our vision, To create appropriate returns for all the parties concerned in a stable manner.

Under operations that take into account impacts on stakeholders in all dimensions-economic, social, and environmental, the purpose is to fulfill ongoing businesses, ensuring that they move forward in a balanced and sustainable manner. Being equipped with expertise and easily accessible modern tools that meet all types of needs in the digital era, we stand ready to take you through all crises or challenges.

Important Changes in the Last

10 Years



2010 - 2011

Merger between TBANK and SCIB

The Company came up with a merger plan for TBANK to buy a 47.58 percent equity stake in SCIB from the FIDF and to also make a tender to buy remaining ordinary shares from minority shareholders of SCIB in 2010. As a result, the total equity stake held by TBANK in SCIB amounted to 99.95 percent. In this connection, SCIB completed the Entire Business Transfer (EBT) to TBANK on 1 October 2011. This represented a historical merger in Thailand's commercial banking industry. The merger was also in line with the authorities' policy aimed at encouraging mergers among commercial banks to form a large bank. The objective of the policy was to strengthen the country's financial system and overall economy. The merger helped equip TBANK with higher capital and additional channels for giving services to both institutional and individual customers in more diverse business areas. As a result, TBANK was in the position most conducive for ensuring stability of income management as well as future growth.



2013

Reaching Life Assurance Brokerage Service Agreement with Prudential

The Company allowed TBANK to enter into a cooperation agreement with Prudential, which enabled TBANK to offer life assurance products and services thru its branches. In this connection, TBANK sold its 100 percent equity stake in Thanachart Life Assurance Company Limited to Prudential, the world's leading financial group which offered insurance and financial services. As a result, TBANK was provided with a great opportunity not only to offer a diverse range of life assurance products to customers of Thanachart Group's member companies but also to significantly expand TBANK's life assurance brokerage business.

2014

Non-life and Life Insurance Business Operations in Thanachart Group

The Company and MBK jointly purchased all the ordinary shares of Siam City Life Assurance Public Company Limited from TBANK and changed the name to MBK Life Assurance Public Company Limited. The acquisition served as a business operations strategy aimed at enabling Thanachart Group to operate both non-life and life insurance businesses again.

2019

Major restructuring of Thanachart Group's business operations, turning the Company into a diversified investment holding company that generates stable returns for shareholders in the long term



The Company, as TBANK's parent company, changed the shareholding structures of Thanachart Group's member companies. In this connection, it sold all its equity stake in TBANK to TMB for the purpose of the merger between TMB and TBANK. Recognizing the potential and strengths of the two banks, the Company foresaw that the merger would produce a large commercial bank which almost

doubled in size with total assets amounting to almost 2 trillion baht. Importantly, their business structures and expertise would support each other. The new bank which was created from the merger would be a bank whose number of customers increasing to about 10 million. This represented greater market potential, a larger market share as well as more business opportunities as a result of the two banks' combined competitiveness and expertise. As a result, the Company will earn stable long-term returns on investment.

2020 - 2021

Changing business strategies and policies to respond to COVID-19 pandemic

The global COVID-19 pandemic and the government's measures to suppress virus transmission had severe impacts on the economy. As a result, the Company changed its business strategy and policy to respond properly to the situation. In 2020, it disposed of all its equity stake in Ajinomoto. On the other hand, during the period from 2020 - 2021, the Company increased its shareholdings in its subsidiaries and associated companies as it foresaw their potential growth. It also wanted to support the business operations of all the subsidiaries, ensuring that they had stable financial positions. In addition, in 2021 it started offering asset-based financing services in which it had expertise through its equity stake in T-Plus. The key objective of implementing all such activities was to create a foundation for generating appropriate and sustainable returns for shareholders in the long term. This was in line with its strategy to become a diversified investment holding company which invested in a diverse range of financial service providers. Importantly, the Company had expertise in all these financial services.

Message from the Board of Directors

The year 2021 was the second year in which the world was faced the COVID-19 pandemic. As well, Thailand was buffeted by several waves of the COVID-19 infections. As a result, the economic recovery was slow. On the other hand, thanks to spending stimulus measures and easing of containment measures as well as the export which increased in line with the demand recovery in the trading partner countries, the Thai economy registered a growth of 1.6 percent when compared to the year 2020 in which the country suffered a drastic economic contraction of 6.2 percent. However, several businesses and the household section were still hard-hit by the COVID-19 pandemic. The businesses which were most impacted included those related to tourism, hotels, shopping centers and restaurants although the country was opened to foreign tourists in the last quarter of the year.

As for Thanachart Group, the year 2021 was also the second year after the Company underwent restructuring whereby it changed from a bank holding company to a diversified investment company. In particular, it used excess cash to continue increasing its equity stakes in the subsidiaries and associated companies as it foresaw future growth potential in these various companies. The excess cash was also used to support the business operations of all the subsidiaries, ensuring that their financial positions were stable. In addition, through its equity stake in T-Plus, the Company offered asset-based financing services in which it had expertise. The purpose of all these investments was to establish a foundation for generating an appropriate and sustainable return to shareholders in the long term. In the past year, the Company and its subsidiaries increased the value of investments and

its shareholdings in its key subsidiaries and associated companies, the statuses as at the end of 2021 of which were as follows:

- Increase in the equity stake in TTB from 20.11 percent to 23.32 percent with the total value of investments amounting to 45,643 million baht.
- Increase in the equity stake in MBK from 22.42 percent to 23.32 percent with the total value of investments amounting to 5,281 million baht.
- Increase in the equity stake in THAN1 from 58.85 percent to 60.16 percent with the total value of investments amounting to 13,695 million baht.
- Increase in the equity stake in MBK LIFE from 51.00 percent to 100.00 percent with the total value of investments amounting to 1,081 million baht.

As for the performance of the Company and its subsidiaries in 2021, net profit attributable to the Company amounted to 5,287 million baht, representing a decrease of 1,382 million baht or 20.72 percent when compared to the prior year. This was mainly due to the fact that in the first quarter of 2020, the Company recognized a gain from selling its equity stake in AJT, which was a special one-time gain. In case the special gain was excluded, net profit of the Company increased by 1,608 million baht or 43.71 percent. This was mainly due to the stronger performance of the Company and its key subsidiaries. However, the share of profit from investing in the associated companies decreased as they were still impacted by the COVID-19 pandemic. In relation to the asset-based financing services, T-Plus started offering the services since May 2021. Its performance was quite satisfactory with continuous growth.

8.9.24,

(Mr. Banterng Tantivit)

Chairman





In 2022, the Thai economy is expected to continue recovering. The major supporting factors include the recovery of domestic demand and tourism in line with the state's promotion measures as well as the public health measures aiming at mitigating the impacts from the COVID-19 pandemic. Other key factors include the export growth and the government's investments. The Board of Directors is still of the opinion that the current guidelines for conducting business affairs remain appropriate. These include continuing holding shares in various companies as they are now as well as supporting the business operations of every company, ensuring that they have a stable financial position. In this connection, the Company will consider additional new investments and operate the businesses in which it has expertise in a more proactive manner. Furthermore, the Company plans to expand the business networks of the Group's various member companies, aiming at generating an appropriate return to shareholders in the long term. Thanks to the stable performance and the likelihood of the recovery of the Thai economy, the Board of Directors has adopted a resolution to make an interim dividend payment of 1.20 baht per share and another resolution to propose to shareholders the second round of a dividend payment of 1.80 baht per share.

The combined payments will amount to 3.00 baht share, which is equal to the total dividend payment in the prior year. The combined payments account for 59.50 percent of the net profit attributable to the Company. The Board of Directors expects that the performance of Thanachart Group will continue to be at a satisfactory level and will enable the Company to maintain the fairly reasonable level of dividend payments as in the past.

Sustainable business operation has been one of the matters to which the Board of Directors always pays great attention. In this connection, it announced and put in place the Corporate Governance Policy and the Handbook of the Code of Ethics, the Anti-Corruption Policy, the Risk Management Policy as well as other policies. As well, it requires the subsidiaries to consider announcing and putting in place their policies in line with those of the Company. Importantly, the Board of Directors not only monitors the implementation of the policies but also implements the activities relate to business operations, which are useful to the society. Moreover, it develops business operations and practices, aiming at waste reduction, energy conservation, as well as reduced use of natural resources, which will have good impacts on the environment. In this connection, Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) renewed the memberships of the Company and all the member companies of Thanachart Group, which marked the 10th consecutive year of their memberships.

(Mr. Suphadej Poonpipat)

Vice Chairman

Thanachart Group's member companies continued to be well recognized by external organizations, as evidenced by the several awards they received as follows:

- The Company was ranked as the Best Company 2021 in the financial sector for its stable financial position and the ability to make dividend payments to shareholders continuously. The Company also obtained the excellent level recognized for its corporate governance, based on the assessment survey results given in the Corporate Governance Report 2020 of Thai Listed Companies (CGR) issued by the IOD.
- TNI received the following: 1) A financial rating of "AA-" with "Stable" outlook by TRIS Rating; 2) 2nd Rank Award at Non-Life Insurance Companies with Outstanding Management Awards 2020, which was organized by the OIC; 3) Best Claims Management Insurance Company Award for two consecutive years; and 4) Best Award at the Product of the Year Awards 2021 under the category of Excellent Group Insurance of the Year for its auto insurance product namely "Thanachart 2+ Complete" for two consecutive years. Another award received was the one from the "Move Forward Community Power" Project, whose objectives were to strengthen local communities and to promote road safety which caused damage.
- THANI was selected by the SET as one of the sustainable stocks on the 2021 Thailand Sustainability Investment (THSI) list, which included 147 listed companies.
- Ms. Pimpaka Nichgaroon, Managing Director of TNS won the Best Economist Award from Asiamoney Brokers' Poll 2021.
- Mr. Pattadol Bunnak, Securities Analyst of TNS was awarded the 2021 Best Mid-small Capitalization Stocks by Institutional Investor Ranking (II).

In 2022, the Company plans to consider establishing the Environmental, Social and Governance (ESG) Policy, which will enable it to implement ESG-related activities with more concrete targets and plans which are suitable to



Thanachart Group's business operations as indicated in this 56-1 One Report - Driving Businesses for Sustainability.

The Board of Directors is determined to continue carrying out all its duties to the best of abilities. The purpose is to ensure that the operations of the Company and Thanachart Group's member companies create a stable performance and generate an appropriate return to shareholders and all the stakeholders concerned under the sustainability management guidelines. As well, we would like to express our thankfulness to all the stakeholders for continuously placing your trust in us. In addition, we would like to thank all the staff for working together well as always.

On behalf of the Board of Directors



(Mr. Somjate Moosirilert)

Chief Executive Officer

Board of Directors

1. **Mr. Banterng Tantivit**
Chairman

2. **Mr. Suphadej Poonpipat**
Vice Chairman and
Chairman of the
Executive Committee



3. **Ms. Suvarnapa Suvarnaprathip**
Vice Chairperson
of the Executive Committee

4. **Mr. Somjate Moosirilert**
Member of the Executive
Committee, Member of the
Risk Oversight Committee,
and Chief Executive Officer





5. **Mrs. Siripen Sitasuwan**
Chairperson of the Audit Committee and Member of the Nomination, Remuneration, and Corporate Governance Committee



6. **Mr. Tiraphot Vajrabhaya**
Chairman of the Nomination, Remuneration, and Corporate Governance Committee and Member of the Audit Committee



7. **Dr. Thanachart Numnonda**
Chairman of the Risk Oversight Committee



8. **Mrs. Salinee Wangtal**
Member of the Audit Committee and Member of the Risk Oversight Committee



9. **Mr. Vichit Yanamorn**
Member of the Nomination, Remuneration, and Corporate Governance Committee and Member of the Risk Oversight Committee

1

Business Operations and Performance

- Structure and Business Operations of Thanachart Group
- Risk Management
- Driving Business for Sustainability
- Management's Discussion and Analysis
- General Information and Other Important Information



Section 1 Business Operations and Performance

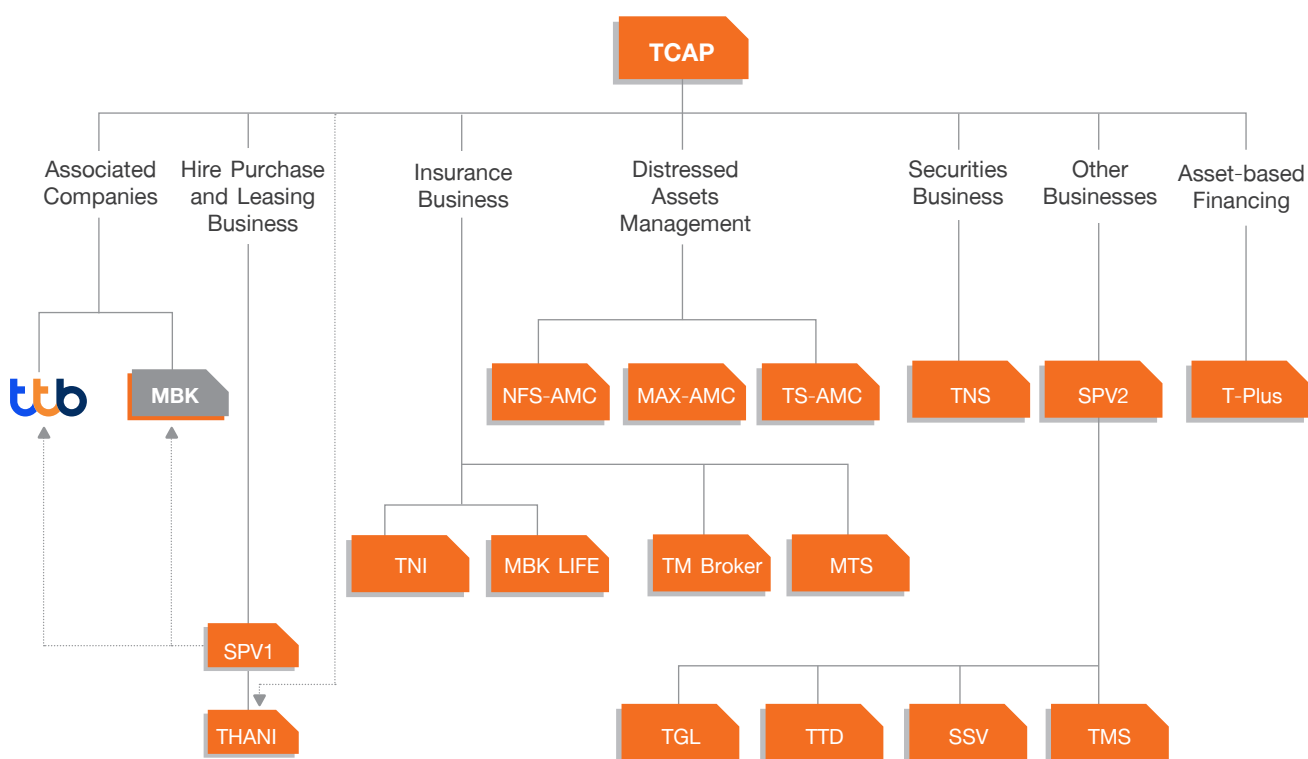
1.1 Structure and operation of the Group Companies

Company History

Thanachart Finance and Securities Company Limited was established in 1980. It gradually evolved and expanded into various financial businesses until it covered all types of financial businesses. It advanced further and became the country's leading financial business group which was widely accepted.

Currently, the Company operates an investment business and is the parent company (holding company) of Thanachart Group. It operates a wide range of financial businesses, including hire purchase, non-life and life insurance, securities brokerage, asset-based financing, non-performing asset management, and investment.

Thanachart Group's Shareholding Structure As of 31 December 2021



Remark : TCAP = Thanachart Capital PCL., ttb = TMBThanachart Bank PCL., MBK = MBK PCL., SPV 1 = Thanachart Special Purpose Vehicle 1 Co., Ltd., THANI = Ratchthani Leasing PCL., TNI = Thanachart Insurance PCL., MBK LIFE = MBK Life Assurance PCL., TM Broker = TM Broker Co., Ltd., MTS = MT Service 2016 Co., Ltd., NFS-AMC = NFS Asset Management Co., Ltd., MAX-AMC = MAX Asset Management Co., Ltd., TS-AMC = TS Asset Management Co., Ltd., TNS = Thanachart Securities PCL., SPV2 = Thanachart Special Purpose Vehicle 2 Co., Ltd., TGL = Thanachart Group leasing Co., Ltd., TTD = Thanachart Training & Development Co., Ltd., SSV = Security Scib Services Co., Ltd., TMS = Thanachart Management and Service Co., Ltd., T-Plus = Thanachart Plus Co., Ltd.

1.1.1 Policies and Overview of Business Operations

The Company operates an investment business and is the parent company (or holding company) of Thanachart Group which its vision is to **“be the parent company of a financial conglomerate which gives appropriate returns to all groups of stakeholders in a sustainable manner”**. On the other hand, its subsidiaries continue to espouse the philosophy of the customer-centric strategy in order to develop the products and services that meet the needs of each customer group and to deliver good experience to customers through the use of the products and services offered by the Group’s member companies. Moreover, the Company still has investment in commercial banking business. In particular, it has an equity stake in TMB which was merged with TBANK at a level which allows the Company to participate in the conduct of their business affairs. The Company will also continue implementing the policy which covers all aspects of auto hire purchases through TTB-the leader in auto hire purchase business which places emphasis on hire purchases for both new and used cars as well as cash your car loans. The Company also has an equity stake in THANI which places emphasis on hire purchases for trucks.

As regards the overall business operations in 2021, operating results of Thanachart Group declined, primarily due to the fact that in the first quarter of 2020, the Company recognized a gain of about 3 billion baht from selling its investment in AJT, which was a special one-time gain. As well, the performances of the associate companies including TTB and MBK which were in the commercial banking business as well as shopping center and hotel businesses continued to be adversely impacted directly by the state’s restrictive infection containment measures. In case the special gain was excluded, performance of the Company and its subsidiaries registered a growth. This was mainly due to the performances of all the Company’s subsidiaries which were relatively strong. Furthermore, in 2021 the Company started using the excess cash of about 10 billion baht from business restructuring to make investments for the purpose of generating additional return to the Company. Among others, these investments included the establishment of

T-Plus which offered asset-based financing services as well as additional investments in TTB, THANI, MBK, and MBK LIFE.

As for the direction of business operations in 2022, the Company continues to maintain its current shareholdings in the various companies and support the business operations of all the subsidiaries, ensuring that their financial positions are stable. As well, the Company will consider making new investments in a proactive manner, not only in the expansion of business networks of the Group’s member companies but also in the conduct of businesses in which it has expertise. The purpose is to generate an appropriate return to shareholders further in the long term.

In 2022, Thanachart Group will adhere to the above policies and business strategies. It aims to achieve the objectives of growing in a sustainable and stable manner and producing appropriate returns for all the stakeholders concerned. On the other hand, in order to achieve such objectives, good corporate governance is required and it is also necessary to implement in parallel the activities related to sustainable development and corporate social responsibility. As a result, it has put in place the following practice framework for the conduct of business affairs under the principles of good corporate governance, sustainable development and corporate social responsibility.

1. To compete in a morally responsible and ethical manner, achieving a good performance while taking into account both short-term and long-term effects.
2. To operate its businesses by respecting and being responsible for its shareholders and stakeholders.
3. To adhere to the business operations which care for the society and development or reduced the negative impacts on the environment.
4. To be able to make adjustments amidst changes in factors.

Overview of Business Operations

On 3 December 2019, the Company implemented the following: 1) purchased the shares of certain companies in the Group from TBANK in line with the business restructuring plan, 2) sold all its ordinary shares of TBANK to TMB, and

3) subscribed the newly issued ordinary shares of TMB in line with the plan related to the merger between TBANK and TMB. As a result, the Company was no longer the parent company of TBANK and Thanachart Financial Conglomerate.

Therefore, as from 3 December 2019, the Company became one of TMB's major shareholders together with two other major shareholders, namely ING and the Ministry of Finance. All the three major shareholders assigned their representatives to sit on TMB's Board of Directors. The objective was to jointly manage TMB's business operations. The Company's main income would be from its investment in TMB. Moreover, the Company remained a company listed on the SET as before. In this connection, the Company became a holding company, with the sizes of its core business and other subsidiaries being in compliance with the related requirements imposed by the Capital Market Supervisory Board as well as the related regulations of the SET.

In this connection, the Company designated MAX Asset Management Company Limited as a subsidiary which operated core businesses in line with the definition given in the relevant regulations of the SET. The member companies of Thanachart Group operate the following businesses:

Hire Purchase and Leasing Business

1. Ratchthani Leasing Public Company Limited

provides auto hire purchase and financial lease services with the focus on auto market for new and used car markets for passenger cars as well as vehicles for commercial purposes, such as pick-ups, taxis, truck tractors and lorries, etc. It also offers other services related to hire purchases and financial lease, which were THANI's main businesses. In this connection, the Company holds the shares of THANI through SPV1.

2. RTN Insurance Broker Company Limited provides insurance brokerage services which cover non-life and life insurance as well as other related businesses in line with the established regulations. Currently, it gives services mainly to customers of THANI.

Insurance Business Group

1. Thanachart Insurance Public Company Limited

offers insurance services which cover non-life insurance services such as fire insurance, auto insurance, marine and transportation insurance, miscellaneous insurance, and investment business.

2. MBK Life Assurance Public Company Limited

operates a life insurance business. MBK LIFE provides individual and group life insurance to assure savings. Life and health protection are also offered to individuals, institutions and organizations.

3. TM Broker Company Limited operates the business of customer referral and serves as an intermediary for supplying non-life and life insurance products and introducing financial products such as loans. It also organizes trainings and seminars for license applicants who are required to take non-life and life insurance agent license examinations. In addition, in meeting the needs of individuals and juristic persons through its affiliated business channels and agents who have direct access to customers, it seeks courses for enhancing the potential of personnel in the organizations.

4. MT Service 2016 Company Limited operates back office and business support services for MBK LIFE and TM Broker.

Securities Business Group

Thanachart Securities Public Company Limited was granted Full-Services License Type Gor to operate securities businesses and other related businesses such as securities brokerage, securities underwriting, investment advisory services, securities borrowing and lending, financial advisory services, unit trust underwriting and repurchasing, securities registrar, issuer and offerer of derivative warrants for sale as well as investment portfolio advisory services. It was also granted Derivatives Business License Type Sor-1 to operate derivatives business and other related businesses such as derivatives brokerages and proprietary trading, derivatives trader as well as issuer and offerer of structured debentures for sale.

Asset-based financing business

Thanachart Plus Company Limited is an asset-based financing service provider. The service is given in the form of term loan facility and working capital facility. The security to be used as collateral includes real estates in good location, with potential for commercial development, or securities listed on the SET, which have high liquidity and good fundamentals. On the other hand, the target groups for the service include medium and large-sized enterprises. With Thanachart Group's experiences, the company has good understanding of customers. It is able to process loan applications in an efficient manner and offer flexible terms and conditions in line with customer needs.

Asset Management Business Group

1. NFS Asset Management Company Limited operates asset management business. In this connection, it purchases or takes transfers of non-performing assets from financial institutions of Thanachart Group and other financial institutions.

2. MAX Asset Management Company Limited operates asset management business. In this connection, it purchases or takes transfers of non-performing assets from other financial institutions.

3. TS Asset Management Company Limited operates asset management business. In this connection, it takes transfers and managed non-performing assets, which include non-performing loans as well as property foreclosed, from SCIB and TBANK.

Investments Business

1. Thanachart SPV1 Company Limited operates investment business. It was established for the purpose of buying shares of THANI from TBANK, as part of the business restructuring plan.

2. Thanachart SPV2 Company Limited operates investment business. It was established for the purpose of buying shares of 1) Seacon, 2) Ajinomoto, 3) TGL, 4) TTD, 5) SSV, and 6) TMS from TBANK, as part of the business restructuring plan.

Other businesses include: **1) Thanachart Group Leasing Company Limited, 2) Thanachart Training and Development Company Limited, 3) Security SCIB Services Company Limited, and 4) Thanachart Management and Service Company Limited.** These companies were transferred by TBANK to the Company. They do not operate new businesses. Eventually, they will be dissolved and liquidated. In this connection, the Company holds the shares of these companies through SPV2.

Important Changes and Development in the Past 3 Years

2019 Major restructuring of Thanachart Group's business operations, turning the Company into a diversified investment holding company that generates stable returns for shareholders in the long term

The Company, as TBANK's parent company, changed the shareholding structure of Thanachart Group's member companies. In this connection, it sold all its equity stake in TBANK to TMB for the purpose of the merger between TMB and TBANK. Recognizing the potential and strengths of two banks, the Company foresaw that the merger would produce a large commercial bank which almost doubled in size with total assets amounting to almost 2 trillion baht. Importantly, their business structures and expertise would support each other. The new bank which was created from the merger would be a bank whose number of customers increasing to about 10 million. This represented greater market opportunities as a result of the two banks' combined competitiveness and expertise.

In this connection, the Company will become a diversified investment holding company. It invests in companies operating a variety of financial services businesses in which Thanachart Group has expertise. The Company is also a major shareholder of the new bank which is created from the merger. As a result, the Company will earn stable long-term returns on investment.

2020

- On 21 January 2020, the Board of Directors adopted a resolution approving a share repurchase program for financial management, with a spending limit of 6 billion baht. In this connection, no more than 97,045,970 shares would be repurchased. On 27 April 2020, the Company announced the closure of the share repurchase program. The repurchased shares were worth 4,863 million baht while the total number of the repurchased shares amounted to 97,045,970 shares.
- On 31 January 2020, the Company signed an agreement to sell shares of AJT. In particular, it agreed to sell all the shares it held through SPV2, which accounted for 6 percent of the total shares of AJT, to Ajinomoto Co. Inc. in Japan. The total transaction value amounted to about 7,167 million baht. The payment was made and the shares were transferred in February 2020.

2021

- On 29 March 2021, the Board of Directors adopted a resolution to establish T-Plus for the purpose of operating asset-based financing services, in which Thanachart Group had expertise. The objective was to generate additional return to the Company further. In this connection, the Company established T-Plus on 26 April 2021.
- On 7 July 2021, the Board of Directors adopted a resolution to buy all the shares of MBK LIFE, TM Broker, and MTS, which were held and owned by MBK. As a result, the Company's shareholdings in the three subsidiaries increased to 100 percent. The transactions were executed in August 2021.
- During the year 2021, the Company and its subsidiary purchased additional ordinary shares of THANI, resulting in the increase of the combined shareholdings to 60.16 percent. In addition, the Company was granted from the BOT to hold additional shares of TTB in the amount not exceeding 24.99 percent. In this regard, the Company and its subsidiary purchased additional

ordinary shares of TTB, resulting in the increase in the combined shareholdings to 23.32 percent. As well, the Company's subsidiary purchased additional ordinary shares of MBK, resulting in the increase in the combined shareholdings of the Company and its subsidiary to 23.32 percent.

Awards Received in 2021

- The Company was ranked as the Best Company 2021 in the financial sector. This was organized by Money & Banking Magazine which was a content leader in the fields of economy, finance, and investment. In this connection, the Company was given the award for its stable financial position and the ability to make dividend payments to shareholders continuously.
- The Company achieved the excellent level recognized for its corporate governance, based on the assessment survey results given in the Corporate Governance Report 2020 of Thai Listed Companies (CGR) issued by the IOD.
- TNI had a financial rating of "AA-" with "Stable" outlook assigned by TRIS Rating Company Limited. This reflected the fact that TNI was a leading insurance company with business operations and management systems at a good level. In terms of marketing position, TNI with its expertise in automobile insurance was among the country's top ten non-life insurance companies. In addition, thanks to its comprehensive risk management and corporate governance framework supported by the oversight units concerned, TNI's financial position was strong with a high level of liquidity.
- TNI received the Best Claims Management Insurance Company Award for two consecutive years. This was organized by the UK-based International Finance Magazine (IFM), which was the magazine devoted to presentations on analyses about international business and market development. Awards were given in honor of organizations with excellent business development. In this connection, TNI was awarded for the determination

to gain a competitive edge in providing customers with the best services possible by paying attention to details. In particular, TNI stood ready at every touch point to help customers deal with all their pain points. This was considered the master key to delivering the best and most satisfactory experiences possible to customers.

- TNI received the Product of the Year Award 2021 under the category of the Best Insurance Group of the Year for the automobile insurance namely “Thanachart 2+ Complete”. This award was given for the second consecutive year. The awarding activity was jointly organized by the College of Management of Mahidol University and Business Plus magazine. The award was based not only on the marketing survey and research which was conducted in line with the academic principles of experts but also on the votes cast by over 10,000 consumers. The survey results showed that TNI’s product was in line with and met customer needs most. The product served as a success model for developing products or services with the innovation which was capable of meeting customer needs.
- TNI received the CSR of the Year Award 2021. The awarding activity was jointly organized by the College of Management of Mahidol University and Business Plus magazine. The award was given in honor of the organization which recognized the importance of continuous participation in the “Move Forward Community Power” Project, whose objectives were to strengthen local communities and to promote road safety with an aim to reduce traffic accidents in a sustainable manner. Thailand was one of the leading countries in the world with the highest rate of traffic-incident related fatalities.
- TNI received the Prime Minister Road Safety Award under the private sector category in honor of TNI’s participation in the “Move Forward Community Power” Project, which put in place a clear and continuous management mechanism whose practice guidelines placed emphasis on

prevention and fixing problems in relation to crash-prone points on the road. The purpose was to ensure road safety for people living in communities and road users in a sustainable manner.

- TNI received the 2nd Rank Award at the Non-Life Insurance Companies with Outstanding Performance Awards 2020, which was organized by the OIC. Awards were given to organizations with efficient management under good corporate governance, strong financial position, adherence to the good principles of corporate governance, standard quality in development of insurance products and services, as well as introduction of new insurance innovations that met all customer needs, apart from the conduct of business affairs in a socially responsible manner.
- THANI was selected by the SET as one of the sustainable stocks on the 2021 Thailand Sustainability Investment (THSI) list, which included 147 listed companies.
- Ms. Pimpaka Nichgaroon, Managing Director, TNS, was granted 2021 Best Economist from Asiamoney Brokers, arranged by Asiamoney magazine, a leading financial magazine in Asia-Pacific region, which conducted survey assessment from financial analysts and institutional investors from around the world.
- Mr. Pattadol Bunnak, Securities Analyst, TNS, was granted 2021 Best Mid-small Capitalization Stocks from Institutional Investor (II), arranged by Institutional Investor based on 154 financial analysts from 107 companies.

Purposes of Fund Mobilization

The Company used the proceeds from issuing and offering for sale the debentures and bills of exchange in line with the purposes already specified in the debenture registration statements. The details related to the Company’s debentures and bills of exchange are given in Section 1.1.5 on the Other Securities Issuance in this 56-1 One Report.

Obligations Given by the Company in Securities Registration Statements

- None -

1.1.2 Nature of Business Operation

Income Structure of the Company and Its Subsidiaries

Income structure of the Company and its important subsidiaries based on the consolidated financial statements as at 31 December 2021, 2020 and 2019 was as follows:

(Unit: Million Baht)

	For the year ended 31 December					
	2021		2020		2019	
	Amount	Percent	Amount	Percent	Amount	Percent
Interest Income						
Interbank and Money Market Items -						
Deposit at Financial Institutions	81	0.72	150	1.16	148	1.98
Financial Assets Measured at Fair Value through Profit or Loss	27	0.24	83	0.64	-	-
Investments and Trading Transactions	-	-	-	-	121	1.62
Investments in Debt Securities Measured at Amortized Cost	1	0.01	2	0.02	-	-
Investments in Debt Securities Measured at Fair Value through						
Other Comprehensive Income	115	1.03	234	1.81	-	-
Investments in Debt Securities	-	-	-	-	281	3.75
Loans to Customers	372	3.33	228	1.77	250	3.34
Hire Purchase and Financial Lease	3,430	30.67	3,516	27.24	3,539	47.29
Total Interest Income	4,026	36.00	4,213	32.64	4,339	57.98
Interest Expenses	1,355	12.12	1,620	12.55	1,599	21.37
Net Interest Income	2,671	23.88	2,593	20.09	2,740	36.61
Non-interest Income						
Net Fees and Service Income	1,454	13.00	1,249	9.67	1,084	14.49
Gains on Financial Instruments Measured at Fair Value through						
Profit or Loss/Gain on Trading and Foreign Exchange						
Transactions	527	4.71	151	1.17	146	1.95
Gain (Loss) on Investments	(3)	(0.03)	3,757	29.10	514	6.87
Share of Profit from Investments Accounted for under						
Equity Method - Associated Companies and Joint Venture	1,986	17.76	2,154	16.69	367	4.90
Gain on Property Foreclosed and Other Assets	850	7.60	225	1.74	222	2.97
Net Non-life insurance/Life Insurance Income	2,411	21.56	1,888	14.62	1,408	18.81
Dividend Income	145	1.30	308	2.39	181	2.42
Other Operating Income	1,143	10.22	585	4.53	822	10.98
Total Non-interest Income	8,513	76.12	10,317	79.91	4,744	63.39
Net Operating Income	11,184	100.00	12,910	100.00	7,484	100.00

Hire Purchase and Leasing Business

Ratchthani Leasing Public Company Limited



"In 2021, the world continued to be affected by the COVID-19 pandemic. The situation inevitably had impacts on the economic system and people's ways of living, resulting in a new normal for the Thai society as well as the world society. However, there started to be positive signs from the testings of the efficacy and safety of new vaccines, easing virus containment measures and economic stimulus through the state's various policies. In this connection, THANI closely monitored and assessed the situation to adapt in order to be able to operate businesses in line with the constantly changing economic conditions, bearing in mind the best interests of THANI and stakeholders."

Mr. Kovit Rongwattanasophon

Managing Director

The Structure of the Board Company and Sub-committees

List of Directors		Position
1. Mr. Virat	Chinprapinporn	Chairman of the Board of Director, Member of the Executive Committee, Member of the Risk Management Committee, and Chairman of the Corporate Governance Committee
2. Mr. Kovit	Rongwattanasophon	Chairman of the Executive Committee, Chairman of the Risk Management Committee, Member of the Corporate Governance Committee, and Managing Director
3. Mr. Charoensuk	Kijitti	Member of the Corporate Governance Committee
4. Mr. Somjate	Moosirilert	Member of the Executive Committee, Member of the Risk Management Committee, Member of the Nomination and Remuneration Committee, and Member of the Corporate Governance Committee
5. Ms. Suvarnapha	Suvarnaprathip	Member of the Corporate Governance Committee
6. Mr. Kamtorn	Tantisirivat	Member of the Executive Committee, Member of the Risk Management Committee, and Member of the Corporate Governance Committee
7. Mr. Sorasak	Chayarak	Member of the Corporate Governance Committee
8. Dr. Thakol	Nanthirapakorn	Chairman of the Audit Committee, and Member of the Corporate Governance Committee
9. Mr. Suvit	Arunanondchai	Chairman of the Nomination and Remuneration Committee, Member of the Audit Committee, and Member of the Corporate Governance Committee
10. Mr. Varavudh	Varaporn	Member of the Audit Committee, Member of the Nomination and Remuneration Committee, and Member of the Corporate Governance Committee
11. Dr. Naree	Boontherawara	Member of the Audit Committee, and Member of the Corporate Governance Committee
12. Mr. Surapon	Satimanont	Member of the Audit Committee, and Member of the Corporate Governance Committee

Vision

To be the leader in the loan services for commercial cars, vehicles, other assets and one-stop services that can satisfy customer's needs covering all provinces nationwide.

Missions

Mission to Shareholders

THANI will conduct business with transparency, efficiency and sustainable growth in order to continuously gain good performance and business result for shareholders.

Mission to Employees

THANI will develop human resources to occupy capabilities, expertise, skills, professionalism while sustaining honesty and professional code of conduct. THANI will provide the proper remuneration to sustain the qualified employees with the Company.

Mission to Trade Partner

THANI will create confidence, good relationship, fast services and fair return on business to trade partners for the efficient long-term business partnership.

Mission to Customers

THANI will develop products and services to the excellence to meet targeted customer's needs and create highest customer satisfaction.

Mission to the Society

THANI will conduct business in accordance with good corporate governance with honesty and resistance to all forms of corruption in order to give back to society and to cooperate in the country's economy development.

Mission to the Environment

THANI will conduct business with responsibility to the resources and environment and involving in the conservation, rehabilitation and balance of the ecosystem.

Income Structure

Income structure of THANI according to consolidated financial statements for the year ended 31 December 2021, 2020, and 2019 are as follows:

Income	2021		2020		2019	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Hire Purchase Interest Income						
Passenger Cars	1,011.71	23.94	1,012.18	23.74	946.05	22.32
Commercial Cars	2,373.21	56.15	2,454.75	57.59	2,552.08	60.22
Total Hire Purchase Interest Income	3,384.92	80.09	3,466.93	81.33	3,498.13	82.54
Financial Leases Interest Income	45.33	1.08	48.82	1.15	40.52	0.96
Other Income						
Fees and Service Income	201.91	4.78	161.94	3.80	175.33	4.14
Income from Late Payment	165.22	3.91	159.12	3.73	133.78	3.16
Bad Debts Recovery	90.63	2.14	37.62	0.88	28.86	0.68
Insurance Premium Income	177.63	4.20	154.23	3.62	152.83	3.60
Others*	160.85	3.80	234.07	5.49	208.70	4.92
Total Other Income	796.24	18.83	746.98	17.52	699.50	16.50
Total Income	4,226.49	100.00	4,262.73	100.00	4,238.15	100.00

Note: * Others mostly included income awarded for winning the cases in which borrowers were sued for damage, miscellaneous income, interest income from deposits with banks and receivable dividends.

Characteristics of Product and Service

THANI offers auto hire purchase and financial lease services with focus on auto hire purchase market in which it had special expertise. This included the market for both used and new commercial vehicles such as pick-ups, taxis, truck tractors and lorries, as well as the market for used sedans (secondhand). As of 31 December 2021, THANI's loans for new cars accounted for 69 percent of total loan portfolio with used cars accounting for the remaining 31 percent. In addition, in 2020, emphasis was still placed on the market for commercial vehicles, both new and secondhand. In this connection, the commercial vehicles accounted for 65 percent while other vehicles accounted for the remaining 35 percent. Once a customer paid off an installment plan, the ownership of the car would be transferred to the customer.

Used car hire purchase is relatively more risky than new car. In addition, the risk is mainly from car for commercial transportation which is sensitive to the domestic economy. THANI has taken into consideration various factors in loan approval, such as car condition, market price, substantial documentation, car registration, etc. The team has high experience and specific expertise on the condition evaluation and used car market price, checking of car registration documents, and among others. As a result, it was necessary to put in place a work team consisting of staff with experience in checking the condition and market prices of used cars.

Moreover, THANI offers after-sales services which are connected to its main businesses consisting of hire purchase and financial lease. Among others, the services include annual tax registration renewal, coordination on renewal of insurance policies, as well as technical check of car prior to tax registration renewal. The services not only provide customers with convenience, but also help earn supplemental income for THANI. Moreover, the services are beneficial in the form of asset protection for customers and damage protection for THANI.

Market and Competition

The year 2021 was the second consecutive year in which the COVID-19 pandemic remained severe. As a result, the state reinstated a countrywide lockdown. The Thai economic sector was considerably affected by the disruptions in economic activities. As well household income dropped while the private sector's spending and investment slowed down. Under the situation whereby the COVID-19 pandemic still had impacts not only on the economy throughout 2021 but also on the business sector's operations, particularly in lending business, lenders had to implement the cautious lending policy in their business operations by placing emphasis on quality loans. Furthermore, the state's tighter oversight of retail loans gave rise to captive financing services whose providers competed in the market and played a more active role in the industry. As a result, THANI had to take steps to speed up the development of various strategies, aiming at expanding the market, particularly through digital platforms which would enable THANI to reach a diverse range of potential customer groups. This would serve as an important factor in maintaining business competitiveness in the future.

However, THANI planned to maintain its commercial vehicles hire purchase lending in the next 3-5 years at 65 - 70 percent of THANI's hire purchase portfolio. The reason was that this customer group was expected to grow continuously and to generate high profitability. In addition, THANI's extensive experience and business expertise proved to be advantageous for competitiveness, customer retention, high return paid to used car dealers, fast services, market share retention, and extending relationship with used car dealers, in order to increase business opportunities and business channels.

Funding of Products and Services

Sources of Fund

Apart from capital used by THANI as a source of funds in business operations, it borrowed money from financial institutions. In this connection, the funding sources of THANI as of 31 December 2019, 2020 and 2021 were as follows:

(Unit: Million Baht)

Items	2021		2020		2019	
	Amount	Percent	Amount	Percent	Amount	Percent
Shareholder's Equity	11,566.57	24.00	10,818.69	22.78	7,671.02	15.39
Loans						
Short-term Loans ⁽¹⁾	17,796.32	36.92	10,991.23	23.14	29,085.49	58.34
Long-term Bonds ⁽²⁾	16,794.34	34.84	18,098.73	38.10	12,496.33	25.06
Long-term Loans	2,044.76	4.24	7,589.98	15.98	600.91	1.21
Total Loans ⁽³⁾	36,635.42	76.00	36,679.94	77.22	42,182.73	84.61
Total	48,201.99	100.00	47,498.63	100.00	49,853.75	100.00

Notes: ⁽¹⁾ Short-term loans, overdrafts, and long-term loans to be repaid within one year.

⁽²⁾ Net long-term bonds (excluding those to be repaid within one year) are the amount before the deferred expenses which are associated with bond issuance.

⁽³⁾ Other current liabilities are not counted as loans from normal business operations, such as transfer amount to be written off, creditor - the Revenue Department, performance insurance payable, and others.

As of 31 December 2021, total loans amounted to 36,635.42 million baht. The related repayment schedule was as follows:

(Unit: Million Baht)

Loan Repayment	Amount
Within 1 year	17,796.32
1-up to 2 years	6,169.93
2-up to 3 years	5,588.66
Over 3 years	7,080.51
Total	36,635.42

Taking into account the loan agreements which exclude the loans whose repayments were more than 4 months overdue and the debtors who were being sued, THANI's loans whose repayments were scheduled to be made were as follows:

(Unit: Million Baht)

Debt Repayments	Hire Purchase Agreements	Finance Lease Agreements	Total
Within 1 year	19,327.82	242.89	19,570.71
1-up to 2 years	15,073.99	179.82	15,253.81
2-up to 3 years	10,394.71	100.70	10,495.41
Over 3 years	7,347.81	60.67	7,408.48
Total	52,144.33	584.08	52,728.41

As of 31 December 2021, THANI's loans (including overdrafts and short-term loans) due to be repaid within one year amounted to 17,796.32 million baht while its long-term loans due to be repaid after one year but not more than two years amounted to 6,169.93 million baht. On the other hand, the installment payments due to be repaid by debtors within one year amounted to 19,570.71 million baht while the installment payments due to be repaid after one year but not more than two years amounted to 15,253.81 million baht. It could be seen that THANI's sources of funds were adequate to repay the loans which were due within one year as part of the short-term loans would be repaid by the long-term loans. This was a capital structure strategy adopted by the company. In this connection, the short-term loans due to be repaid within one year consisted of overdrafts, loans in the form of promissory notes issued by financial institutions and third parties as well as long-term debts due for repayment within one year.

THANI recognized the importance of liquidity. As a result, it took out long-terms loans which carried a fixed interest rate as a new source of funds, ensuring that it was in line with the repayments of the debtors. The arrangement also helped reduce interest risk and mitigate funding mismatch. In this connection, THANI continued to closely monitor the risk management in a careful manner.

Lending

THANI's lending policy placed emphasis on the high quality of customers. Most of its customers were members of the general public. In considering the hire purchase loans for customers, THANI took into account their repayment ability and their guarantor's creditworthiness. Factors including the stability of their income and occupation, as well as the location of their residence or workplace were also taken into consideration. In particular, their personal history would be checked in detail. Moreover, an officer would be assigned to carefully check each procedure related to application approval.

Lending Money through Parties Related to Executives or Major Shareholders

Currently, THANI had no loans which were given through executives, major shareholders or related parties.

Investment

THANI invested in Kamrai Permpoon Open-ended Fund (KPLUS). The objective was to make a long-term investment. The investment was made in 1993 at the cost of 300,000 baht. However, as of 20 May 2021, THANI has divested such investment.

Insurance Business

The insurance business of Thanachart Group can be divided into two key areas, namely non-life insurance operated by TNI, which offers all types of non-life insurance services, and life insurance operated by MBK LIFE, which offers life insurance services to institutional, corporate, and individual customers.

Thanachart Insurance Public Company Limited



“In 2021, Thailand was still in the midst of the COVID-19 pandemic. Overall, the Thai non-life insurance industry continued to grow. As at the end of 2021, the total premiums received amounted to 265,849 million baht, representing an increase of 5.2 percent. This was mainly due to the health insurance premiums including COVID-19 insurance premiums, which registered a growth of 18.5 percent. However, as COVID-19 was rapidly and widely transmitted, the group of 16 non-life companies which underwrote the COVID-19 insurance policies under the “Find-Pay-End campaign suffered underwriting losses with claims worth up to 40,000 million baht.

Thanks to its business management direction which focused on pursuing a prudent policy underwriting approach, TNI did not underwrite COVID-19 insurance policies since the beginning. As a result, total insurance premiums received in 2021 amounted to 8,334 million baht while net profit amounted to 768 million baht. Total assets amounted to 14,906 million baht with high liquidity and very high financial strength. Noteworthy was its Capital Adequacy Ratio (CAR) which was very high at 1,386 percent. Moreover, TNI received a rating of “AA-“ with “Stable” outlook assigned by TRIS Rating, which was a credit rating agency.

As for its 2022 business plan, TNI has set a target of increasing total premiums received to 10,000 million baht, representing an increase of 22 percent. Emphasis will be placed on implementing the strategy to increase distribution channels by joining hands with business alliances, particularly the online channels. The purpose is to enable customers to have most convenient access to TNI’s products. Emphasis is also placed on developing the products which meet customer needs, with focus on the protection which is easy to understand, of good value and appropriate price. In this connection, TNI has joined hands with the standard car repair garages in the networks and the reputable hospitals nationwide in improving claim services. Furthermore, focus is given to development of servicing systems using digital platforms. The purposes are to support limitless business expansion and to provide its customers with the most satisfactory experience possible from receiving services.”

Mr. Perapart Meksingvee
Managing Director

The Structure of the Board Company and Sub-committees

List of Directors			Position
1.	Mr. Banterng	Tantivit	Chairman of the Board of Director
2.	Mr. Suphadej	Poonpipat	Vice Chairman and Chairman of the Executive Committee
3.	Mr. Praphan	Anupongongarch	Vice Chairman of the Executive Committee
4.	Mr. Wichian	Mektrakarn	Chairman of the Audit Committee, Member of the Risk Oversight Committee, and Member of the IT Oversight Committee
5.	Mr. Pirus	Pradithavanij	Chairman of the Risk Oversight Committee, Member of the Audit Committee, and Member of the IT Oversight Committee
6.	Mr. Surapant	Meknavin	Chairman of the IT Oversight Committee, Member of the Audit Committee, and Member of the Risk Oversight Committee
7.	Mr. William	George Said	Director
8.	Mrs. Thanawan	Chaisithikarnkha	Director
9.	Mr. Perapart	Meksingvee	Member of the Executive Committee, Member of the Risk Oversight Committee, Member of the IT Oversight Committee, and Managing Director

Vision

TNI has determined to become excellent in the insurance business by changing the frame of product development and service with creativity. It has risk management with professionalism to increase the potential in the competition by considering the demand of the customer as the basis. It is to give optimized benefit to its customers, employees, trade partners, society and shareholders.

Missions

- Development of products creatively with diversity in response to all the demands of the customers exactly.
- Development of quality on providing the service and after sales service for optimum benefit to its customers.
- Provide the service with fairness.

Characteristics of Product and Service

TNI is one of the top ten leaders in the Thai non-life insurance industry in terms of total premium written. The services in which it has expertise include car insurance, fire insurance, miscellaneous insurance and investment business. Its customers consist of both individuals and corporate clients. The total number of policies underwritten by TNI amounted to about 1.5 million while the total number of its customers amounted to about one million. The majority of its customers accounting for about 98 percent of the total number of customers are retail customers whose sum insured of the insured assets amounting to below 5 million baht.

Details of TNI's revenue structure for the past 3 years were as follows:

(Unit: Million Baht)

Income Structure	2021	2020	2019
Insurance Business (Direct Premiums)	8,334	8,682	8,368
Auto	7,146	7,419	7,048
Fire	69	79	72
Miscellaneous	1,119	1,184	1,248
Investment Business (Investment Income)	144	103	1,016

Market and Competition

In 2021, the COVID-19 pandemic remained severe globally and also in Thailand. There was a new wave of virus transmission since the latter part of March last year. As the pandemic spread widely in the region, the COVID-19 insurance registered significant growth. Overall, the non-life insurance business in 2021 achieved continuous growth at about 5.2 percent, when compared with the same period in the previous year, with the direct premium received amounting to about 265,849 million baht. In this connection, auto insurance which accounted for the majority of the non-life insurance increased by 2.1 percent, reflecting the decline in car sales during the COVID-19 outbreak in the past two years, which was mainly due to the government's announcement of the lockdown and curfew measures as well as economic contraction.

With regard to the overall performance of the non-life industry as at the end of 2021, losses from COVID-19 policies amounted to 24,000 million baht. This was mainly due to the rapid spread of the virus transmission as well as emergence of fast-spreading new virus variant in the latter part of the year. As a result, the non-life insurers which sold COVID-19 policies had to make substantial payments in claims. This had adverse impacts on the

financial liquidity and stability of several non-life insurers.

As regards TNI, it was slightly affected by the situations. The company's performance remained strong despite the unpleasant economic conditions. This was mainly due to its policy to exercise caution on underwriting. Thanks to its risk management process, TNI's board of directors made the right assessment of the risk and focused on selling insurance products in which it had expertise in order to expand the market share. Noteworthy was its automobile insurance which accounted for 86 percent of its sales revenue while its other insurance products accounted for the remaining 14 percent. TNI was able to successfully control and managed insurance claims, keeping them at 52 percent.

Marketing of key products and services

TNI continuously emphasized on market segmentation. It recognized the rapid changes of consumer behavior. Each group of customers had different needs. To assess and gain insights into customer needs, TNI used modern information technology tools for more efficient assessment. As a result, it was able to deliver good experience to customers. Emphasis was placed on providing customers with the best impression possible on both products and

services.

Products

TNI's business practices focus on providing customers with higher protection coverage rather than competing on prices. As a result, TNI places emphasis on development of products and services which offer higher benefits and better quality to customers, particularly with regard to auto insurance in which Thanachart Group has extensive expertise. In relation to coverage, TNI introduces additional coverage called "Fully Protected", which serves as additional protection to the standard protection normally offered by traditional auto insurance products. The purpose is to protect customer lifestyle, ensuring that they can return to normal living soonest possible although they have to take their car to the repair shop after a car accident.

In 2020 and 2021, its product namely "Fully Protected 2+" of which TNI was most proud won the Product of the Year Award for two consecutive years.

Distribution Channels

After TBANK merged with TMB and the name of the merged entity was changed TMBThanachart Bank, TNI participated in the implementation of the Bank's key policy to promote the well-being of Thai people. In this connection, TNI provides customers with all non-life insurance products through all distribution channels of the Bank, which include online channels. Both TNI and the Bank participated in product development, aiming at offering the best products possible to the Bank's customers. In addition, as part of business expansion, TNI introduced its products to new markets such as big electric trucks. TNI also teamed up with other financial institutions in offering loan protection insurance products. The purpose was to expand the customer base of TNI as well.

Services

TNI has developed and improved services in various areas in response to changes in the insurance industry as well as changes of customer behavior under the new normal. It also aims to provide customers with additional best experience in their access to products and services.

The related details are as follows:

1. Development of the online customer service system on a platform for the LINE Official Account of "Thanachart Insurance"

The system enables TNI to provide customers with fully integrated services and convenience. Customers can execute all types of transactions through the LINE account. These include checking of information about details of the protection under their insurance policies, online submission of claims, immediate sharing of the location where the car accident takes place, and tracking of the current travel status of the car accident surveyor. This helped reduce time waiting for customer service representatives to respond to phone calls and claim notifications. Customers can also renew their insurance policies and pay insurance premiums online themselves. They will receive their e-policies right afterwards. Furthermore, they can receive special privileges and discounts from various stores through the LINE account.

2. "Meet and Care" Services

Customers are provided with personal assistants responsible for looking after their car repair work at every step. The services answer the lifestyle of customers who live in the city and need to take their car to repair shops. They look for assistants or experts who can assist or advise them on details related to the repair. In this connection, experts from the "Meet and Care" services serve as personal assistants to check and coordinate at the pickup and drop off point for car repairs. Customers can rest assured that they are well taken care of from the very first step when their car is picked up. They can monitor and check their car's repair status at any stage. Once the car repair is completed, the assistant will check the quality of repair work before confidently delivering the car back to customers.

3. “Orange Garages with Professional Repair Standards”

Orange garages are affiliated car repair service providers whose service quality meets the standards imposed by TNI. Putting in place the Orange Garages was the offshoot of the concept of focusing primarily on customer satisfaction in quality car repairs. Repair shops are carefully selected and subject to strict testing and assessment of their quality, ensuring that they meet the established standards. The “Orange Garages” serve as a guarantee of high quality services. Customers using the services of these garages receive special treatment as their cars are repaired right away without having to wait in queue. The repaired car is offered a one-year service guarantee. For customers who want to use the “Meet and Care” services together with the services of the Orange Garages, TNI’s supporting teams provide them with convenience at every pickup and drop off point. Their cars are repaired right away and they can rest assured of the repair service quality.

Emphasis is placed primarily on the convenience which customers should receive. In this connection, TNI is confident that the service potentials integrated with its expertise and technological tools used for linking customer experience to the use of digital services through the above 3 types of fully integrated services are not only satisfactorily answer customer needs during the prevailing COVID-19 situation but also elevate the customer experience to a higher level. As a result, TNI finally achieved the established target growth of 8,334 million baht in 2021 in terms of total premiums received.

Thanachart Insurance’s Competitive Strategy

The year 2022 is another one in which businesses will continue to be faced with challenges as Thailand still grapples with COVID-19 pandemic and its economic recovery is gradual. Based on the Thai General Insurance Association’s forecasts, the non-life insurance industry will grow by 1.5-2.5 percent with total premiums received

amounting to 267,100-269,800 million baht which grows at a reduction rate from the growth rate in 2021 of 4.2 percent. This is due to the absence of COVID-19 policies of around 6.2 billion baht that is no longer available and does not accept the renewal of the policy from the risk limitation of each insurance company.

TNI has set a target growth rate of 10 billion baht in terms of total premiums received, representing a growth rate of 22 percent when compared with the year 2021. TNI have a credit rating of AA-(stable) assigned by TRIS Rating Company Limited, thanks to its stable financial position and strong financial liquidity. TNI is at the top in the non-life insurance industry in terms of financial strength, with its Capital Adequacy Ratio (CAR) amounting to 1,318 percent as at the end of December 2021, which is well above the standard level imposed by the OIC.

Thanks to its strong financial capital, TNI is well prepared for achieving the target growth established for 2022. In this connection, it has adopted the following five main proactive strategies:

1. Increasing Business Distribution Channels

TNI forms business alliance with a number of partners, aiming at creating new opportunities and growing business from a different perspective. It increases the number of distribution channels through brokers, enabling customers to access TNI’s products more conveniently. In this connection, its products are made available for sale through the digital platforms of its trading partners. The purpose is to expand business and attract new customer groups.

2. Development of Insurance Products

In developing insurance products, TNI ensures that they will match the lifestyle of its customers. It offers a wide range of products and new alternatives which are different, aiming at fulfilling all the changing needs at the prices most appropriate to each customer group, using a customer segmentation approach. The products include, among others, Auto Insurance Thanachart 2+ Fit, accident and health insurance products for family customer groups under one single insurance policy, and

travel insurance.

3. Service Quality Development

Emphasis is placed on enhancing service efficiency throughout the supply chain, aiming at delivering the best experience possible to customers. In this connection, TNI invests in modern technological systems for limitless business expansion. These systems include iCloud Systems and Artificial Intelligence (AI), among others. TNI also works with a number of its affiliated car repair garages with quality in developing its products. Customer data are assessed and used for improving service quality and developing products which encompass all customer needs.

4. Elevated Customer Care Experience

TNI aims to provide customers with utmost satisfaction. They get impressed with good experience at each step of service delivery.

Noteworthy is the fact that the company use platforms familiar to customers in their everyday life as a tool to link them to all products of TNI around the clock, such as through TNI's LINE Services Account namely "Thanachart Insurance", in addition to the website www.thanachartinsurance.co.th which has been developed by TNI.

5. Investment

Emphasis is placed on investing in financial assets which give the best returns under appropriate risks and in line with the market conditions in each period.

TNI is committed to enhancing its potential to become a leader in the insurance business. To grow business further and move forward, TNI is prepared not only for delivering services to customers and trading partners in an efficient and comprehensive manner but also for enlarging its customer base. This will help increase its competitiveness in the long term and enable it to grow in a stable and

Assets Used in Business Operations

TNI has equipment, right-of-use assets and intangible assets for business operations as follows:

(Unit: Million Baht)

Items	2021	2020	2019
Equipment	56	34	37
Right-of-use Assets	178	206	-
Intangible Assets	89	60	40
Total Assets Used in Business Operations	323	300	77

MBK Life Assurance Public Company Limited



“MBK LIFE adopted a business operations practice which was capable of dealing with the COVID-19 situation, with an aim to mitigate risks to customers, trading partners, and its staff. Emphasis was placed on improving work processes and services, ensuring that they were up to date and safe for all groups of our stakeholders concerned. In the meantime, MBK LIFE continued to develop new structures of distribution channels which could support its growth as well as continuous development of various types of insurance policies which met life assurance needs of customers. Focus would be given not only to credit protection insurance and group insurance but also to management of MBK LIFE's resources, ensuring that they were more efficiently used in the future.”

Mr. Wuthilert Suwannasri
Managing Director

The Structure of the Board Company and Sub-committees

List of Directors		Position
1. Mr. Suphadej	Poonpipat	Chairman of the Board of Director
2. Mr. Nophadon	Ruengchinda	Vice Chairman, Chairman of the Executive Committee, Chairman of the Risk Management Committee, and Member of the Information Technology Oversight Committee
3. Mr. Sidhinard	Duangratana	Chairman of the Audit Committee, Member of the Risk Oversight Committee, and Member of the Information Technology Oversight Committee
4. Pol.Col. Yanaphon	Youngyuen	Chairman of the Information Technology Oversight Committee, Member of the Audit Committee, and Member of the Risk Oversight Committee
5. Mr. Pandit	Chanapai	Chairman of the Risk Oversight Committee, Member of the Audit Committee, and Member of the Information Technology Oversight Committee
6. Mr. Kamtorn	Tantisirivat	Director
7. Mrs. Thanawan	Chaisithikarnkha	Member of the Executive Committee
8. Mr. Sorasak	Chayaraks	Director
9. Mr. Wuthilert	Suwannasri	Member of the Executive Committee and Managing Director

Vision

To be an alternative life insurance provider which continuously offers products to the specific target customer groups which have been selected by MBK LIFE, making the company a stable company and trusted by all the stakeholders concerned.

Missions

To introduce up-to-date life insurance products which adhere mainly to the needs of MBK LIFE's customers while delivering excellent services which make MBK LIFE's members happy and feel at peace.

Characteristics of Product and Service

MBK LIFE offers a wide range of life insurance products including:

1. Individual life insurance products

These are products suitable for future planning in order to truly strengthen the security in line with each person's purposes. These include savings, protection or wealth creation in terms of returns, insurance premiums, or coverage time period, which satisfactorily meet the needs at each stage of life in one's life plan.

Available types of insurance policies offered by MBK LIFE

- Whole life assurance products,
- Savings life assurance products,
- Pension life assurance products, and
- Personal accident insurance.

2. Group life insurance products

These products give life assurance protection and health insurance coverage that have been created and developed, taking into consideration the needs of each business organization. The key objective is to provide employees in the organization with welfare benefit coverage which is appropriate and of best value for money.

3. Mortgage assurance products

These products focus on the mortgage assurance based on the loan repayment period. For convenience, the premium for the insurance is paid only once. The benefits given by these products will help pay off any outstanding mortgage amount in case the customers are hit by unforeseen circumstances (death or total permanent disability) during the repayment period. It addresses the problem of having to pay off outstanding mortgage debt obligations and does not impose a burden on the family left behind.

Market & Competition

The COVID-19 pandemic in 2021 had adverse impacts on the financial positions of MBK LIFE's customers. For example, corporate customers in many groups decided to reduce some parts of insurance coverage in relation to staff welfare. The changes had impacts on MBK LIFE's market and the life insurance industry as a whole. On the other hand, as regards some groups of life insurance such as mortgage assurance, they remained MBK LIFE's main source of income. In this connection, MBK LIFE managed to maintain the growth in line with the established targets.

Nevertheless, while MBK LIFE adapted itself to respond to the COVID-19 pandemic, it successfully maintained customer service capacity, ensuring that service quality did not suffer when compared to the normal situation.

In addition to standard products, MBK LIFE launched a loan program against insurance policies. Currently, there were customers who obtained the loans or surrendered their policies. These were available alternatives for MBK LIFE's customers to lessen their financial burdens.

Furthermore, MBK LIFE adopted work from home as its key policy, to which 90 percent of its staff adhered. The policy helped mitigate the COVID-19 transmission risk for MBK LIFE's customers, trading partners and employees. Importantly, MBK LIFE was able to continue giving normal services as mentioned above.

Distribution Channels

MBK LIFE focused on maintain existing customer base and acquiring new customers through organizational customer groups which included leading companies and other juristic persons. Emphasis was placed not only on group life insurance products with or without riders, depending on the needs of the customers, but also on group health insurance products. Offers would be made directly to organizational customers in the form of employee benefits. In addition, both group life and group health insurance products were offered through MBK LIFE's partnership brokers having target customer groups which were in line with MBK LIFE's business operations as well as through the company's own direct sales teams.

MBK LIFE also offered group mortgage assurance which includes both group mortgage reducing term assurance and group mortgage level term assurance. The products were presented to loan customer groups of small and medium-sized lenders. The purpose was to cover the debt obligations of the lenders' customers. Emphasis was placed on introducing the products that met customer needs. In this connection, integrated services would be offered. To start with, the products would be tailored to meet the specific needs of the customers. In particular, MBK LIFE would provide the lenders with training support, establishment of workflow systems, trainings for the lenders' sales staff who would take an insurance agent

qualifying examination conducted by the OIC. MBK LIFE would focus on serving as a solution provider for its business alliances.

Acquisition of Products and Services

Using actuarial science, MBK LIFE designs products which meet the needs of each group of customers and trading partners. Once a new product design is completed, MBK LIFE will submit the new product to the OIC for approval in line with the legal process. The approval will enable MBK LIFE to offer the new product to customers in an appropriate manner.

Services

MBK LIFE plans to use increasingly more information technology in a continuous manner to provide its business alliances and customers with convenience. After its successful registration with the OIC of the offer for sale of its insurance policies through electronic channels of distribution in 2017, MBK LIFE adopted its policy to develop and implement an office automation system for its work. It is now well prepared for adopting work from home culture. In this connection, MBK LIFE aims at achieving continuous improvements with respect to servicing activities and other internal work systems. This will enable MBK LIFE to not only manage its resources in a more efficient manner but also develop increasingly better quality of service in the future.

Securities Business

Thanachart Securities Public Company Limited



"In the past year, the securities brokerage business benefited from the COVID-19 situation which gave rise to work from home practices and economic stimulus. As a result, securities trading volume increased significantly although competition in the securities brokerage business remained intense. Overall, TNS was able to maintain its competitiveness and generate a good return to shareholders, thanks to the continuous delivery of good services to customers and the success in introducing new types of investment products which met more investors needs. Among others, these included the introduction of the portfolio advisory services called ZEAL to investors, with an aim to create efficient investment portfolios. Noteworthy was TNS's issuance of derivative warrants which grew considerably over the past year. On the other hand, TNS was able to cut costs while maintaining the services on par with the international standard."

Ms. Pimpaka Nichgaroon
Managing Director

The Structure of the Board Company and Sub-committees

List of Directors		Position
1. Mr. Somjate	Moosirilert	Chairman of the Board of Director and Chairman of the Executive Committee
2. Mrs. Asvini	Tailanga	Vice Chairperson, Member of the Executive Committee and Member of the Risk Oversight Committee
3. Mr. Punsak	Vejanurug	Chairman of the Audit Committee and Member of the Risk Oversight Committee
4. Mr. Nakarin	Virameteekul	Member of the Audit Committee
5. Mr. Pong-amorn	Nimpoonsawat	Chairman of the Risk Oversight Committee
6. Mr. William	George Said	Director
7. Ms. Pimpaka	Nichgaroon	Member of the Executive Committee and Managing Director

Vision

To make financial freedom a reality.

Missions

We provide investment ideas, recommendations, products and services with the best of our knowledge, integrity and technology to help people create their wealth.

Characteristics of Product and Service

1. Brokerage Business

TNS is a member number 16 of the SET. It provides securities brokerage services and also gives customers stock research to be used for investment decision making. Customers of TNS include individuals, juristic persons, and corporate customers, both local and abroad.

TNS's trading volume in 2021 and 2020 amounted to 845,286 million baht and 866,725 million baht, accounting for 2.06 percent and 2.91 percent of the SET's total trading volume respectively. In terms of market share, TNS was

ranked 18th among the SET's 38 brokers. In this connection, the SET's average daily trading volume (including MAI) increased by 37 percent from 68,607 million baht in 2020 to 93,846 million baht in 2021.

Market Share and Trading Volume

	2021	2020	2019
Trading Volume (Million Baht)			
The SET	40,997,605	29,828,660	22,441,651
TNS	845,286	866,725	650,075
Market Share (Percent)	2.06	2.91	2.90

Source: the SET

In 2021, TNS set a goal to better serve investors in securities trading. Its services encompassed a wide range of investment instruments including ordinary shares, equity funds, fixed income funds, derivative funds as well as asset allocation funds. In addition, TNS placed emphasis on the investment portfolio advisory service called ZEAL. The objective was to provide investors with absolute return. This service was well received by both existing investors who were already the company's customers and new investors.

Characteristics of Customers and Target Groups

TNS's customer groups included individuals and institutional customers, both domestic and overseas. In 2021, based on the types of customers, the trading volume of TNS's domestic institutional customers, overseas institutional customers, and individual customers (or retail customers) accounted for 20 percent, 1 percent and 79 percent respectively.

For target customer groups in 2022, TNS placed emphasis not only on the continuous growth of domestic institutional customers but also increasing the proportion of long-term investors who wanted to generate absolute return through the investment portfolio advisory service (ZEAL) whose goal was to achieve higher absolute return. Focus was also on increasing the number of short-term

investors through THINK+ App which gave latest investment information to users. For investors who primarily made short-term speculative investments, TNS also promoted investments through derivative warrants.

2. Futures Brokerage Business

Being a member of the Thailand Futures Exchange Public Company Limited (TFEX), TNS has started offering futures brokerage services since 20 July 2006, through investment consultants and internet systems. TNS continues developing the futures brokerage services. The services attract both existing customers and new investors who make their investments through TNS. Currently, the customers who invest in futures consist of retail customer groups and local institutional customers. In this connection, TNS has adopted a strategy to expand its customer base, which includes both local and foreign institutional customers. Importantly, TNS focuses on providing customers and members of the general public with the education which includes basic knowledge, introduction of new products, and investment techniques. In this connection, TNS publishes articles and disseminates public relations news about futures through electronic media and mails to customers. In addition, it organizes training activities and seminars

in a continuous manner. Through its exhibition booth, it also participated in the activities organized by the SET and TFEX. These marketing activities are considered as key channels for expanding TNS's customer base as well.

As regards 2022, TNS remains committed to developing the preparedness of personnel and systems to support the delivery of services to customers and investors. TNS continues to provide investment consultants and supporting staff with knowledge and understanding and also provides customers with knowledge and understanding by disseminating public relations materials about the services to supporting staff, customers, and members of the general public.

3. Securities Borrowing and Lending (SBL)

TNS began giving Securities Borrowing and Lending (SBL) services on 9 September 2009, based on the idea of putting in place additional investment tools for customers, resulting in the availability of a full range of integrated services. In this connection, TNS served as an intermediary between customers who wanted to increase returns from the securities held by them by lending and those who wanted to borrow securities and sell short when the market was bearish. TNS already developed its SBL services, making them more convenient and efficient through the establishment of the SBL real time system which enabled customers to sell short right after borrowing securities. In this connection, the value of the securities borrowed in 2021 amounted to 3,497.50 million baht.

In 2022, TNS has a plan to expand its customer base consisting of both retail and institutional customers. It also plans to improve its services, aiming at providing customers with maximum benefits from investment. In addition, it provides investment consultants and supporting staff with knowledge and understanding of the SBL. TNS also provides customers with the knowledge and understanding by disseminating public relations materials about the services to supporting staff, customers, and members of the general public.

4. Securities Registrar Services

TNS has established a work unit for the Securities Registrar Services which include the following three functional characteristics:

1. Services to the securities issuers, such as preparation of the lists of transactions related to securities transfers, pledging, freezing, allocation, notifications of allocation amounts, dividend payments, interest payments to securities holders, calculation of taxes, dividends and withholding interest tax, as well as preparation of various reports as requested by the securities issuers.
2. Services to securities holders, such as securities holder register, changes to information of securities holders, securities transfers, issuance of new securities certificates, publishing and dissemination of documents to securities holders.
3. Services related to rights offering and securities holders' exercise of rights offering warrants. Among others, these include preparation and updating of information of securities holders, register containing details of securities holders, preparation of reports to be sent to securities depository companies, and preparation of information for securities issuers for the purpose of securities registration application.

5. Agency Business Supporting Sale and Repurchase of Mutual Funds

TNS is an agent supporting the sale and repurchase of mutual funds. In particular, TNS offers two types of account services including (a) selling agent account which discloses the name of unit trust holder and (b) omnibus account which does not disclose the name of unit trust holder. Being responsible for selling mutual funds, TNS is currently an agent of 18 mutual fund companies. While customers can select appropriate mutual funds, TNS provides customers with investment consultants who give advice on all types of investments. TNS also joins

the Fund Service Platform Project under a service called Fund Connex developed by Thailand Securities Depository Company Limited in collaboration with the SET and other securities companies which participated in the project. The objective of the project is to establish a common platform for mutual fund trading transactions, which receives and sends information about trading transactions and payments of prices between mutual fund selling agents. The platform provides investors with additional investment opportunities. Customers not only can access the systems for trading mutual funds themselves but also can make investments themselves by using the Dollar-Cost Averaging (DCA) strategy through the Streaming System for Fund System on mobile phones. Importantly, customers can review the consolidated portfolio which incorporates all of their investments in mutual funds in one place. In this connection, TNS's product development team prepares research papers and gives recommendations on noteworthy mutual funds by type, based on Morningstar fund data. The information serves as a guideline and tool for product introduction for sellers and help investors see a clearer picture of investment.

6. Financial Advisory and Securities Underwriting Services

TNS started giving financial advisory and firm commitment underwriting services since it was Thanachart Finance and Securities Company Limited. Throughout the past, TNS offered financial advisory services in several areas as well as services related to underwriting of securities issued by numerous leading companies. In this connection, TNS is supported by adequate personnel who are licensed to work in the field of financial advisory services and approved by the SEC for controlling operations.

In 2021, TNS was appointed as lead underwriter with a firm commitment for the Initial Public Offering (IPO) of the ordinary shares of TQR Public Company Limited. TNS was also the underwriter of Initial Public Offering (IPO) of the ordinary shares of The One Enterprise Public Company Limited and World Flex Public Company Limited. In addition, TNS was the lead underwriter of the debentures

of Rojana Industrial Park Public Company Limited and Sahakol Equipment Public Company Limited. As well, TNS was entrusted to serve as financial advisor on investment as well as Mergers and Acquisitions (M&A) for TQM Corporation Public Company Limited, Saksiam Leasing Public Company Limited, and Thai Energy Storage Technology Public Company Limited. Furthermore, it served as financial advisor on investment for investors, tender offer preparer and tender offer agent for all the securities of PSG Corporation Public Company Limited.

During the past five years, TNS was continuously successful in giving financial advisory services, as evidenced by the domestic and foreign awards it received for financial advice on Mergers and Acquisitions and fund mobilization through offer for sale of ordinary shares to the general public. Among others, these included SET Awards under the category of Deal of the Year Awards related to Mergers and Acquisitions in 2020 and also under the category of Deal of the Year Awards related to fund mobilization through offer for sale of ordinary shares to the general public in 2016. Other noteworthy awards it received were Thailand Capital Markets Deal of the Year 2016 (IFR Asia Award), the Best IPO Deal of the Year 2016 in Southeast Asia (10th Annual Alpha Southeast Asia Deal & Solution Awards) as well as the Best Country Deals 2016 (Thailand) (Global Capital Asia and Asia Money).

7. Issuance and Offer for Sale Derivative Warrants (DW)

TNS was authorized by the SEC to issue and offer for sale derivative warrants on 4 May 2012. It has started offering for sale derivative warrants since September 2021, with focus on the securities with high trading liquidity under SET50 and SET100 respectively. In this connection, TNS ensures that the securities are selected from all industry groups and business sectors. The objective is to enable investors to invest in quality derivative warrants as there are additional protection and price volatility risk management of the underlying securities. The availability of derivative warrants helps meet all investment needs in any market situation, bringing about investment benefits for customers.

In 2021, TNS issued and offered for sale altogether 278 batches of derivative warrants. In 2022, TNS planned to continue issuing and offering for sale quality derivative warrants. As well, TNS plans to organize training activities and seminars, aiming at providing investment consultants and supporting staff with knowledge and understanding about derivative warrants. It also plans to hold training activities and seminars, aiming at providing customers with similar knowledge and understanding. Importantly, TNS continuously publishes public relations materials about its various services and disseminates the information to the related staff, customers and members of the general public.

8. Issuance and Offer for Sale Structured Notes

TNS was authorized by the SEC to issue and offer for sale structured notes on 19 November 2013. In this connection, it has issued and offered for sale structured notes since April 2014, with the underlying securities issued by the top 50 listed companies of the SET (SET50). In this connection, TNS ensures that the securities are selected from all industry groups and business sectors. The objective is to enable investors to invest in quality structured notes as there are additional protection and price volatility risk management of the underlying securities.

As for 2022, TNS plans to continue issuing and offering for sale quality structured notes. In addition, it plans to provide investment consultants and supporting staff with knowledge and understanding of structured notes. It also plans to hold training activities and seminars, aiming at providing customers with similar knowledge and understanding. Importantly, the company continuously publishes public relations materials about its various services and disseminates the information to the related staff, customers and members of the general public.

9. Wealth Advisory Services

The wealth advisory services enable customers to easily access financial services and the capital market as well as a diverse range of instruments. The advice will be mainly based on the personal needs and characteristics of customers. In selecting, evaluating and deciding on investments,

the company will take into consideration the best interests of customers. Importantly, the wealth advisory services will help determine the fully integrated investment portfolio at a not too high cost.

In this connection, there are 5 steps to be taken as follows: (1) Exploring and understanding investors; (2) Determining the investment structure (portfolio construction); (3) Investing in line with the investment allocation plan (portfolio implementation); (4) Monitoring and improving investments (monitoring and rebalancing); and (5) Reporting on the overall investment status (consolidated reporting). All of them are important as they help investors manage their financial security.

10. Portfolio Advisory Services (ZEAL)

TNS gives portfolio advisory services called ZEAL in the form of wealth platform which offers a wide range of asset classes including, among others, ordinary shares, equity mutual funds, foreign equity mutual funds, as well as derivatives. The objective is to provide investors with absolute return. In 2021, all its four asset allocation portfolios successfully generated much higher returns than the established absolute return targets. On the other hand, its three asset allocation portfolios generated significantly better returns than the returns of the Thai bourse.

Asset-based Financing Business

Thanachart Plus Company Limited

Characteristics of Products and Services

T-Plus is an asset-based financing service provider. The service is given in the form of term loan facility and working capital facility. The security to be used as collateral includes real estates in good location, with potential for commercial development, or securities listed on the SET, which have high liquidity and good fundamentals. On the other hand, the target groups for the service include medium and large-sized enterprises. With Thanachart Group's experiences, T-Plus has good understanding of customers. It is able to process loan applications in an efficient manner and offer flexible terms and conditions in line with customer needs.

Market and Competition

Currently, there is increasing competition from non-bank service providers in line with the increase in customer financial needs as a result of the COVID-19 pandemic which has direct impacts on businesses and their cash flows. Due to various constraints faced by enterprises in using credit lines of commercial banks, services offered by non-bank operators are on the rise.

Acquisitions of Products and Services

In considering credit lines, the company has established clear policies and procedures. The purpose is to appropriately control loan quality. In this connection, the company uses asset valuation service providers which are selected by its board of directors. On the other hand, its credit analysis unit with expertise in assessing borrower creditworthiness as well as quality and liquidity of collateral is responsible for not only setting a credit line but also loan terms and conditions for each borrower, ensuring that they are suitable. Importantly, the loan will require the approval of its loan committee which has experience in finance and banking business. In addition, T-Plus has put in place appropriate credit procedures and risk control processes.

Asset Management Business

NFS Asset Management Company Limited and MAX Asset Management Company Limited

Characteristics of Product and Service

NFS AMC and MAX AMC are directly held by the Company. They operate the asset management business by buying or taking transfers of non-performing assets including collateral of those assets of financial institutions and financial institutions which have been closed down, for the purpose of managing or selling them. They are also engaged in other related businesses which are permitted by the Ministry of Finance's notifications or the law related to the asset management corporation or other related laws.

Market and Competition

In managing non-performing assets, the main focus is given on finding solutions to non-performing loans problems. It needs to access the financial health of the debtors and their ability to repay debts. The main objective and policy in managing non-performing loans and restructuring quality of debtors are to contact the debtors for debts restructuring, making them repay debts according to their abilities and turning them into performing loans. For managing foreclosed properties including selling foreclosed properties to interested third parties and a strategy to sell the assets efficiently and to be able to compete with other players in the market, it has hired special consultants specifically for managing properties for sale. These consultants are responsible for collecting information about the properties for sale, determining their selling prices, managing high-value assets, as well as appointing selling agents or brokers with prior experience in selling these types of assets. Asset packaging is done to create more value-added. The coordination with the companies under the Group is promoted to increase sale channel which includes brokers or agents, finding and contacting private companies in organizing public auctions to dispose of the properties, and selling on the website of Thanachart Group, as well as finding and selecting media which helps promote sales and reach as many target groups as possible.

Acquisitions of Products or Services

NFS AMC and MAX AMC looked for opportunities to purchase non-performing loans (NPLs) and non-performing assets (NPAs) from various domestic financial institutions. In most cases, they would purchase non-performing loans at public auctions. Sometimes they might purchase non-performing loans directly from financial institutions. These also included the acquisition of non-performing assets at auctions in which pledged collateral of non-performing assets previously managed by NFS AMC

or MAX AMC was sold. Also included were the collateral and/or assets transferred by the debtors as debt repayments.

TS Asset Management Company Limited

Characteristics of Product and Service

TS AMC operates the distressed asset management business particularly for non-performing loans and foreclosed assets transferred from SCIB and TBANK. In order to restructure debts, TS AMC contacts debtors for debt restructuring, making them repay debts according to their abilities and turning non-performing loans into performing loans.

Market and Competition

TS AMC focuses in non-performing loan management and restoring the quality of debtors transferred from SCIB and TBANK in order to manage, sell or transfer. TS AMC manages and sells non-performing assets to the interested third party. To gain competitive advantage, TS AMC hired special consultants specifically for managing properties

for sale. These consultants are responsible for collecting information about the properties for sale, determining their selling prices, managing high-value assets and examining their possibility, preparing business plan and presenting to target customers, as well as appointing selling agents or brokers with prior experience in selling these types of assets. Asset packaging is done to create more value-added. The coordination with the companies under the Group is promoted to increase sale channel which includes brokers or agents, finding and contacting private companies in organizing public auctions to dispose of the properties, and selling on the website of Thanachart Group, as well as finding and selecting media which helps promote sales and reach as many target groups as possible. However, TS AMC has no policy to purchase additional non-performing loans and non-performing assets. TS AMC places emphasis not only on managing the existing non-performing loans but also on restoring the quality of existing debtors to the best of its ability.

Assets Used for Business Operations

Key Fixed Assets Used for Business Operations

Land, Buildings, Equipment and Rights-of-use Assets

The following were land, buildings, equipment and rights-of-use assets which were owned by the Company and its subsidiaries and had not been pledged and/or mortgaged as collateral.

(Unit: Million Baht)

Items	As of 31 December		
	2021	2020	2019
Land ⁽¹⁾	32	32	32
Buildings and Buildings Improvement ⁽¹⁾	178	178	178
Furniture, Fixtures and Equipment	648	497	544
Right-of-use Assets	581	512	-
Others	26	36	62
Total	1,465	1,255	816
Less Accumulated Depreciation	(709)	(577)	(515)
Land, Buildings, Equipment and Right-of-use - Net	756	678	301

Note: ⁽¹⁾ Revaluation basis

Loans to Customers

Policies - Allowance for expected credit loss on financial assets/Allowance for doubtful accounts

Loans purchased of receivables

From 1 January 2020, The Company and its subsidiaries record allowance for expected credit loss when there are changes in the estimated cash inflows expected from receivables discounting the projected cash flows with reference to historical data and adjusts it on the basis of current observable data.

The Company and its subsidiaries recognise changes in lifetime of expected credit loss as gain or loss on impairment in profit or loss. And are required to recognise positive changes in expected credit loss as reversal of impairment, to the extent that they do not exceed the expected credit loss recognised in the past.

Other financial assets

The Company and its subsidiaries use general approach to calculate expected credit loss on other financial assets, such as deposits at financial institutions, investments in debt instruments measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, loans to customers and accrued interest receivables (Not including loans purchased of receivables). The Company and its subsidiaries classify the financial assets into three groups (three-stage approach) to measure the value of the expected credit loss, with the classification determined on the basis of the change in credit quality since the initial transaction date, as follows:

Group 1: Financial assets with no significant increase in credit risk (Performing)

For financial assets which no significant increase in credit risk since initial recognition, the Company and its subsidiaries recognise the expected credit loss at an amount equal to 12-month expected credit loss. And for financial assets with maturity of less than 12 months, the Company and its subsidiaries will use the probability of fulfilling the contract in accordance with the remaining terms of the contract.

Group 2: Financial assets with significant increases in credit risk (Under-performing)

For financial assets with significant increases in credit risk since the initial recognition date but that are not credit-impaired, the Company and its subsidiaries recognise the expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial instrument.

Group 3: Financial assets that are credit-impaired (Non-performing)

Financial assets are assessed as a credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset occur. The Company and its subsidiaries recognise the expected credit loss at the amount equal to expected credit loss over the expected lifetime of the financial assets.

At the end of the reporting period, the Company and its subsidiaries assess whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of default on the financial assets as at reporting date with the risk of default as at the initial recognition date. The Company and its subsidiaries may use internal quantitative or qualitative basis and expected data for evaluate a decrease in credit quality such as debtors which are overdue for more than 30 days. In determining whether the credit risk has increased significantly since the initial recognition date, financial assets will be considered either by individual or group of contract of financial assets.

Financial assets are considered to be credit-impaired when one or more events occurs affecting the estimated future cash flows of the loan agreements. Evidences that financial assets are credit-impaired, includes overdue for more than 90 days or there are indicators that debtors are in significant trouble financial position, legal status, renegotiate terms of repayment or debt restructuring.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer the significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Company and its subsidiaries will change from

recognising the lifetime expected credit loss to recognising the 12 month expected credit loss.

When the terms of repayment of a loan to customer are renegotiated or the terms of the contractual cash flow are modified because the debtors are in financial difficulty, the loan is considered to be a financial asset with a significant increase in credit risk or credit-impaired, unless there is evidence that the risk of that contractual cash flows will not be recoverable has decreased significantly and there are no other indicators of impairment.

Expected credit loss is the probability-weighted estimate of credit loss over the expected lifetime of the financial asset, consider the present value of all cash expected not to be recoverable. The Company and its subsidiary consider historical loss experience on the basis of shared credit risk characteristics, taking into account type of loans, type of collateral, month on book, and other relevant factors, adjusts this for current observable data, as well as forward looking information that is supportable and reasonable provide. It can be shown as well as exercising appropriate of judgement, to estimate the amount of an expected credit loss based on macroeconomic data and determines both current and future economic scenario, and probability-weighted in each scenario (base scenario, best scenario and worst scenario) for calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit loss. However, the Company and its subsidiaries have established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. Furthermore, expected credit loss was included management overlay.

Increase (decrease) in an allowance for expected credit loss is recognised as expenses in profit or loss in the statement of comprehensive income. The Company and its subsidiaries have a policy to write-off receivables when they are determined that such receivables may not be collectible.

For other financial assets or contract assets that do not contain a significant financing component, the subsidiary applies a simplified approach to determine the lifetime expected credit loss. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Accounting policies are applied before 1 January 2020

a) Allowance for doubtful accounts for loans

The Company and its subsidiary companies, that operate in banking and asset management businesses, provide allowance for doubtful accounts in accordance with the Notifications of the BOT and adjust these by the additional amount which is expected not to be collectible based on an evaluation of the current status of the debtors, taking into consideration the recovery risk and the value of collateral. Increase (decrease) in an allowance for doubtful accounts is recognised as an expense during the year.

For loans, excluding hire purchase receivable - personal consuming of the subsidiary operates in banking business, the Company and its subsidiary companies set provision for normal loans (including restructured receivables) and special mention loans at minimum rates of 1% and 2%, respectively, of the loan balances (excluding accrued interest receivable) net of collateral value. For non-performing loans, provision is set at a rate of 100% of the debt balance remaining after deducting the present value of expected future cash flows from debt collection or the present value of expected cash flows from collateral disposal, based on the use of a discount rate and assumptions as to the time needed to dispose of the collateral, in accordance with the BOT's guideline. However, non-performing hire purchase receivables and financial lease receivables are treated as uncollateralised.

The subsidiary that operates in banking business sets provision for hire purchase receivable - personal consuming using the collective approach, which classifies groups of receivables having similar credit risk characteristics, and taking into account the historical loss of loans, calculated

based on the probability of default and a percentage of the loss given default. Furthermore, the subsidiary has set aside an additional provision by taking into consideration the potential additional loss arising from changes in economic circumstances that may impact certain borrowers' ability to pay. This methodology, its parameters and assumptions have been reviewed in detail and will be monitored on an ongoing basis for continued applicability.

b) Subsidiary engaged in securities business has provided an allowance for doubtful accounts based on a review of debtors' repayment capability, taking into consideration the risk of recovery and the value of collateral. An allowance is set aside for doubtful debts not fully covered by collateral and/or those which may not be fully recovered. Such debt classifications and provisions are made in accordance with the Notifications of the SEC.

c) Subsidiaries engaged in hire purchase and leasing businesses have provided allowance for doubtful accounts at percentages of the amount of principal outstanding net of unearned income, based on the number of months overdue (with reference to the classification of loans under the BOT's guidelines). Allowance for doubtful accounts is provided based on the loan balances after net of collateral value for receivables overdue no more than 3 months, while provided based on the loan balances without deducting collateral value for receivables overdue more than 3 months.

d) Allowance for doubtful accounts for other receivables is set up based on the amount of debts that may not be collectible, determined from a review of the current status of the receivable as at the financial reporting date.

e) The Company and its subsidiaries write off receivables when they determine that such receivables may not be collectible. Amounts written off as bad debts or bad debt recovery are deducted from or added to the allowance for doubtful accounts.

Revenue recognition-Income from Loans to Customers

Interest income and discounts on loans

Hire purchase and finance lease receivables

Since 1 January 2020, The subsidiary company recognises interest income from hire purchase and finance lease on an accrual basis, using the effective interest rate method, over the term of the contract with the calculation based on the gross carrying amounts of the hire purchase receivables and finance lease receivables. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument by considering the discounted or excess of the asset acquisition and fees including costs that are part of the effective interest rate.

And when the hire purchase receivables and finance lease receivables subsequently become credit-impaired, the subsidiary recognises interest income by using the effective interest rate method, based on the net carrying amount of the receivables (gross book value net of allowance for expected credit loss). If the financial assets are not credit-impaired, the subsidiary recognises interest income with the calculation based on book valued. (Before 1 January 2020, the subsidiary company ceases accruing interest income for receivables which installment payment has been defaulted for more than three installments past the due date).

Initial direct income/expenses at the inception of hire purchase/financial lease contracts are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Loans purchased of receivables

From 1 January 2020, The Company and its subsidiaries recognised interest on loans purchased of non-performing receivables based on the cost net of allowance for expected credit loss, using an effective interest rate adjusted to reflect the credit risk, and recognised on an accrual basis. (Before 1 January 2020, the Company and its subsidiaries recognised interest income based on the effective yield rate of the portfolio multiplied by the new book value (acquisition cost) of the outstanding balances of receivables for those receivables with loan repayment was received during the year and recognised interest income by using the effective interest method for those receivables to the extent that this is not greater than the amount received from such receivables and in case the amount received is greater than purchased cost and interest income, the Company recognised the difference amount to be gain on debt settlement in profit or loss).

The credit risk-adjusted effective interest rate is calculated by discounting the estimated future cash flows to be paid or received over the expected life of the financial asset to derive the amortised cost of purchase or originated credit-impaired financial assets. In estimating the net expected cash inflows, reference is made to historical data on net cash inflows from related actual expenses in the past to develop a model, based on the assumption that the net expected cash inflows and the expected life of financial instruments with similar characteristics can be estimated reliably.

In cases where the cost of an acquired NPL receivable has been fully amortised, the Company and its subsidiaries still has the right to demand the debtor make payment under the contract. When such payments are received from a debtor, the Company and its subsidiaries recognise such amount as gain on debt settlement.

Other Loans

From 1 January 2020, The Company and its subsidiary recognised interest income from loan on an accrual basis, using the effective interest rate method, over the term of the contract with the calculation based on the gross carrying amounts of receivables. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument by considering the discounted or excess of the asset acquisition and fees including costs that are part of the effective interest rate.

For loan subsequently become credit-impaired, the Company and its subsidiary recognised interest income by using the effective interest rate method, based on the net carrying amount of the receivables (gross book value net of allowance for expected credit loss). If the financial assets are not credit-impaired, the subsidiary recognises interest income with the calculation based on initial book value.

Before 1 January 2020, the Company and its subsidiaries cease accrual of interest income for loans on which principal or interest payments have been defaulted for more than three months past the due date and reversed accrued interest which already recorded and recognised as interest income from the accounts. Interest is then recognised as income on a cash basis until the debtors are able to make payment. In addition, the Company and its subsidiaries recognise interest income on restructured loans on an accrual basis, with reference to the interest rate stipulated in the agreements, with the exception of interest on loans that are subject to monitoring for compliance with restructuring conditions, which the Company and its subsidiaries recognise as income on a cash basis until the receivable is able to comply with the restructuring conditions for a period of no less than three months or three installments, whichever is longer.

Debt Restructuring Policy

The Company and its subsidiaries put in place a debt restructuring policy, ensuring that it is transparent, fair, and verifiable. The purposes are not only to enable borrowers to continue operating their businesses and to repay as much as possible to the Company but also to minimize losses from the debt restructuring.

Investments in Securities

Policy on Investments in Securities

The Company and its subsidiaries consider investment management as an important part of the Company's business operations. This includes management of investments in temporary and long-term securities issued by public or private sectors. In this connection, its investment plans are subject to a review annually or anytime when there is a significant change in the money market or the capital market. In addition, it is required that the reports on measurement of investment returns and risk management are submitted to high level executives on a regular basis.

The Company and its subsidiaries have also adopted a policy to invest in equity and debt instruments issued by businesses with strong potentials, relatively low risk, and opportunities to generate high returns. In this connection, the Company and its subsidiaries have established a work unit responsible for overseeing the investments in equity and debt instruments, ensuring compliance with the requirements, steps, and operational procedures imposed by the state agencies concerned.

Investment Risk Management

Investment risk management of the Company and its subsidiaries starts from considering and approving investments as well as monitoring and reviewing investment performance. In this connection, the risk management also covers the establishment of an investment policy. As regards the management of the market risk, the Company and its subsidiaries have established the thresholds for early warning risk signals and risk limits, the purpose of which is to keep the risks at an acceptable level.

Allowances for Expected Credit Loss

In considering the allowances for expected credit loss, the Company and its subsidiaries use the fair valuation method. The establishment of a fair value will depend on the characteristics of the financial instruments. In this connection, there are details related to the allocation of allowances for expected credit loss for the Company's each type of investments. The details are given in the table under Section 3 on the financial statements.

Investments in Subsidiaries and Associated Companies

Investment Policy of Subsidiaries and Associated Companies

The Company has adopted a policy to invest in subsidiaries and associated companies. The purpose is to support the core operations of Thanachart Group. Most of the subsidiaries and associated companies operate businesses related to financial services such as banking business, leasing, non-life and life insurance businesses, securities brokerage business, and asset management, among others. The Company has not capped the investments in the subsidiaries and associated companies. The level of investments depends on registered capital requirements and the amount of funds necessary to run the business. In this connection, the information related to equity stakes and investment amounts is given under Section 3 on the financial statements.

Management Policy of Subsidiaries and Associated Companies

The Company has adopted different management policies for its subsidiaries and associated companies, taking into consideration the nature of business and the investment strategies. While adopting a decentralized management approach, the Company participates in key policymaking. In this connection, it assigns its representatives or executives to sit on the board of directors. This will enable the Company to participate in policymaking, ensuring that their policies follow the main

policies of the parent company and that the Company is involved in managing the business operations of its subsidiaries.

For the associated companies in which it has a low equity stake, the Company may just assign its representatives or executives to sit on their board of directors for the purpose of participating in the establishment of their main policies only.

Scope of control and participation in policymaking

The scope of control over the subsidiaries and associate companies depends on the shareholding. In case the equity stake is high, the Company will have a larger scope of control and management over them than the ones in which it has a lower equity stake. However, in general

the Company involves in policymaking by assigning its representatives or executives to sit on the board of directors of the subsidiaries and associated companies. This will enable the Company to participate in policymaking of these subsidiaries or associated companies.

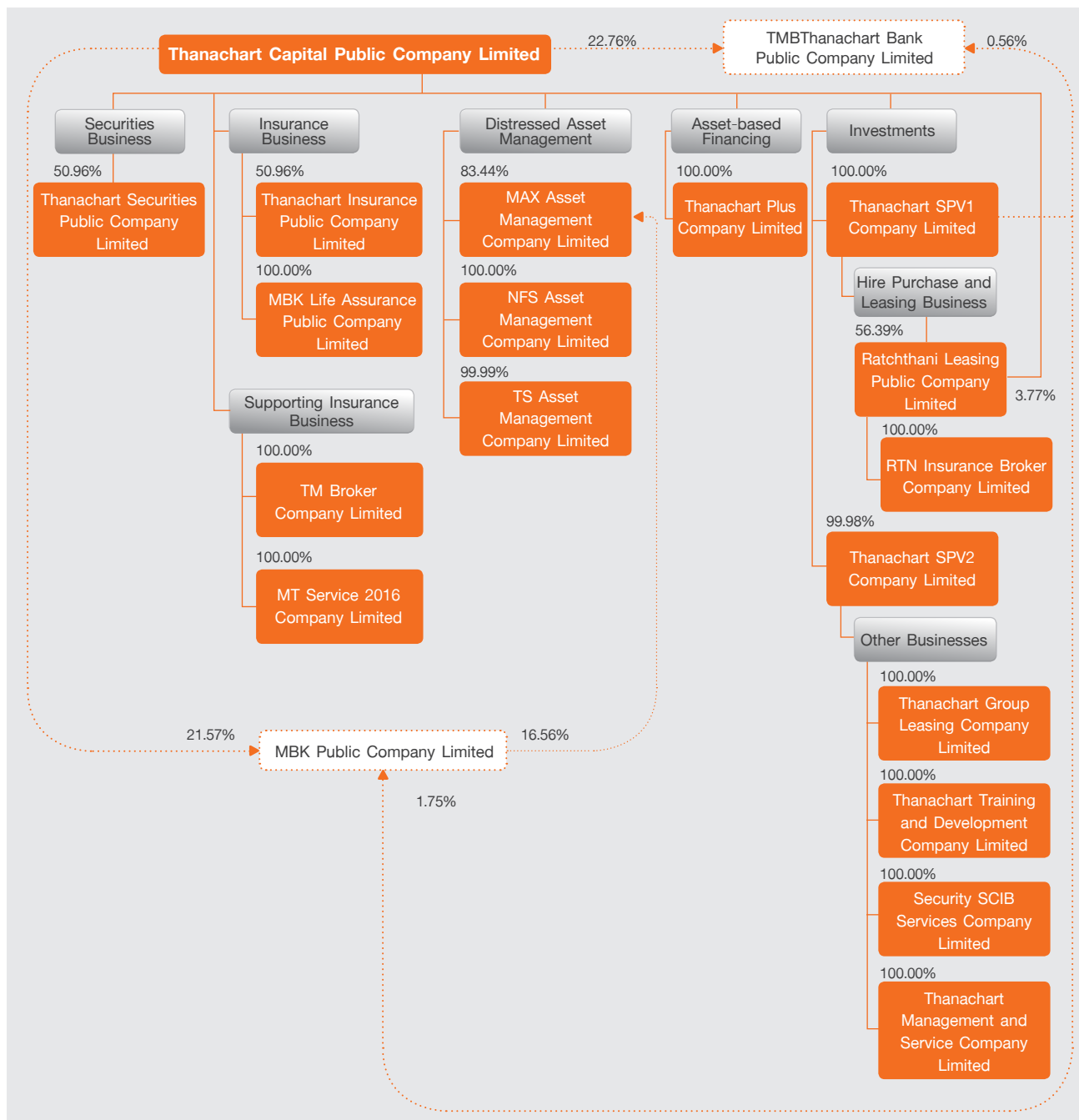
Assigning representatives of the Company to sit on the board of directors of subsidiaries and associated companies

The Company may assign its executives, employees, or qualified representatives to serve as directors or independent directors on the board of directors of its subsidiaries and associated companies for the purpose of participating in the management of their business affairs or in the establishment of their main policies.

1.1.3 Shareholding Structure of Thanachart Group

Diagram Depicting the Group Shareholding Structure

As at 31 December 2021



Notes: 1) The Company has voting right proportional to its shareholding.

2) Thanachart Securities Public Company Limited and Thanachart Insurance Public Company Limited have other two major shareholders i.e. Scotia Netherlands Holding B.V. and TMBThanachart Bank Public Company Limited. The other two major shareholders hold shares in those two companies in the amount of 39.00 percent and 10.00 percent respectively.

3) Thanachart Group Leasing Company Limited and Thanachart Training and Development Company Limited are being liquidated.

4) TMBThanachart Bank Public Company Limited and MBK Public Company Limited are not member companies of Thanachart Group.

Policy of Operational Member Companies of Thanachart Group

The Company is the parent company of Thanachart Group. It has a controlling interest (holding more than 50 percent of the paid-up capital) of the Group's member companies. In this connection, it has established the following guidelines for managing the Group's member companies.

Business Policies

The Company is responsible for establishing key business policies of Thanachart Group annually. Each subsidiary company is required to formulate business plans and budgets for 3 years and submit them to the parent company for consideration, in order to ensure that they are in alignment with the established key business policies. The business plans and budgets are also subject to evaluation and review regularly. The objective is to ensure that they are in line with the competitive environment of the business.

In 2021, at the Company's Board of Directors Meeting No. 1/2021 dated 1 February 2021, the Board considered the business plan and budgets of the subsidiary companies for the years 2021 - 2023 as well as considered and approved of the business plan and budget of the Company for the years 2021 - 2023.

Supervision of Subsidiary Companies

The Directors and/or high ranking executives of the Company are assigned to sit on the boards of directors of the subsidiary companies. The arrangement not only enables the Company to assist the subsidiary companies in establishing their policies and in determining their business direction, but also ensures the close supervision of the subsidiary companies business operations. In this connection, each subsidiary prepares a monthly performance report and sends it to the Executive Committee and the Board of Directors for information. In addition, the Company's finance department prepares a summary report on the financial statements and the performance of the Company and the Group's member companies and sends it to the Executive Committee and the Board of Directors on a monthly basis. Importantly, Managing Directors of the Company's key subsidiaries are required to present a

performance report to the Executive Committee and the Board of Directors every three months.

Policy to Nominate the Company's Representatives to Serve as Directors or Executives in Thanachart Group's Member Companies

In line with Thanachart Group's corporate governance policy, the Company's Board of Directors is required to nominate persons to serve as directors of its subsidiaries as deemed appropriate. In this connection, the Board of Directors assigns the Executive Committee to appoint persons as directors, executives or ones with the controlling power in the company concerned. Except in the case that the company concerned is of small size and serves as the Company's operating arms, the Chief Executive Officer is responsible for appointing the person.

Management of Support Services

Each member company of Thanachart Group operated a clearly separate business. On the other hand, the Company in its role as the Group's parent company operated as a holding company with the size organizational structure as well as the number of work units and work systems being at the levels adequate for handling only its own business affairs and operations. As a result, as from the beginning of the year 2021 onwards, each company would be separately responsible for their own main support services. In this connection, the Company would provide important support services or some support services for only the companies which operated asset management business and asset-based financing business.

Internal Control, Audit, and Corporate Governance of Parent Company and Member Companies of Thanachart Group

Thanachart Group places strong emphasis on internal control. The Group adheres to the principle of adequate and appropriate internal control by establishing procedures for the conduct of business, provision of services, and operations. The Group also separates the duties and responsibilities of each unit from those of others, based on a system of checks and balances. In addition, it puts in

writing the announcements, order mandates, and rules and regulations covering key business areas and operations. This information is also disclosed to all staff in such a way that they can always study them in order to gain a full understanding.

As regards the internal audit, the Internal Audit Department of the Company is responsible for auditing business operation of all member companies of Thanachart Group, ensuring that they comply with the regulations and the established work systems. The Internal Audit Group also assesses errors and defects in operations in order to propose corrective measures for improvement. In addition, a Compliance Unit had been put in place for the Company and the Group's member companies for monitoring and studying laws, notifications, and orders related to the Group's business affairs and operations and disseminating the information to the staff. The Compliance Unit is also responsible for ensuring that the conduct of business affairs of the member companies of the Group is in compliance with the legal requirements.

Moreover, the audit committee of each company, which is the main business, is responsible for governing, controlling, and auditing their respective business operations. The audit committee is also allowed to carry out its duties and gives its opinions in a manner independently of the management of each company. The purpose is to ensure that internal control and audit systems are effective and that the financial statements are properly reviewed. As regard corporate governance of member companies of the Group, the Internal Audit Department of the Company is responsible for summarizing the audit report of the member companies of the Group. As well, the report of the authorities concerned is required to present to the Audit Committee for acknowledgement and giving opinions as well as guiding the direction.

As regards the corporate governance, the Boards of Directors of the Company and the member companies in the Group place strong emphasis on the good corporate governance in both at the level of the Boards of Directors and the level of sub-committees. Non-executive Directors (including the Independent Directors) are appointed to the Boards of Directors to provide effective checks and balances on the powers of executive directors. The established scopes of responsibilities of the Boards of Directors are also in line with the principles of good corporate governance and the requirements imposed by the authorities concerned, ensuring that they were adequate and appropriate in line with each company's governance. In addition, the Company had developed the Good Corporate Governance Policy and the Handbook of the Code of Ethics, requesting Directors, executives and employees of Thanachart Group's member companies to comply with. In this connection, they were required not only to adhere to the principles of integrity and transparency but also to refrain from any act which gave rise to a conflict of interest.

Risk Management

The Company had developed the Risk Management Policy for Thanachart Group. The Company ensures that the member companies of the Group analyze and assess various risks of their business operations and that the risks are properly managed in line with the guidelines given by the authorities concerned. In addition, the Company conducts analysis of the key risks faced by the member companies of the Group which may need direct financial or management support from the Company. The report on risk factors and risk status is prepared and monthly reported to the Risk Oversight Committee and the Boards of Directors of member companies of Thanachart Group.

Shareholders

Structure of Major Shareholders of the Company

The list of the Company's top ten shareholders/group of shareholders holding ordinary and preferred shares.

Name of Shareholders/Group of Shareholders	Ordinary Shares	Preferred Shares	Total Shares	Percentage of Shareholding
1. MBK Public Company Limited	129,914,400	-	129,914,400	11.150
PRIMACY ELEGANCE INVESTMENTS LIMITED	3,400,000	-	3,400,000	0.292
2. Thanachart Capital Public Company Limited	116,512,970	-	116,512,970	10.000
3. Thai NVDR Company Limited	82,231,566	-	82,231,566	7.058
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	28,541,800	-	28,541,800	2.450
5. N.C.B. TRUST LIMITED-NORGES BANK 5	22,533,836	-	22,533,836	1.934
6. STATE STREET EUROPE LIMITED	19,836,324	-	19,836,324	1.703
7. BBHISL NOMINEES LIMITED	18,690,500	-	18,690,500	1.604
8. NORTRUST NOMINEES LTD-CL AC	14,683,700	-	14,683,700	1.260
9. Mrs. Atinuch Tantivit	14,595,172	-	14,595,172	1.253
10. Mr. Atipong Tantivit	14,330,500	-	14,330,500	1.230
Other Shareholders	699,845,809	13,126	699,858,935	60.067
Issued and Paid-up Shares	1,165,116,577	13,126	1,165,129,703	100.000
Thai Shareholders	968,323,775	13,066	968,336,841	83.110
Foreign Shareholders	196,792,802	60	196,792,862	16.890

Source: Report of the Company's Major Shareholders as at 14 September 2021 (the most recent record date of the register book) prepared by Thailand Securities Depository Company Limited.

Notes: 1) The first largest shareholder is included the relevant person under the amended Securities and Exchange Act (No. 4), B.E. 2551, section 258. MBK Public Company Limited operates rental property business and hotel and tourism business. The following is the most recent record date of registration book which was on 28 October 2021.

Name of Shareholders/Group of Shareholders	Total Shares	Percentage of Shareholding
1. Thanachart Capital Public Company Limited	379,947,739	21.631
Thanachart SPV 1 Company Limited	30,895,764	1.759
2. Patum Rice Mill and Granary Public Company Limited	255,000,000	14.517
PRG Corporation Public Company Limited	219,249,530	12.482
PRG. Granary Company Limited	25,000,000	1.423
3. Thai NVDR Company Limited	115,308,162	6.565
4. MORGAN STANLEY & CO. INTERNATIONAL PLC	40,336,300	2.296
5. Mr. Prinya Tieworn	34,000,000	1.936
6. STATE STREET BANK AND TRUST COMPANY	27,477,564	1.564
7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	23,291,758	1.326
8. DBS BANK LTD	20,972,721	1.194
9. Mrs. Natteera Boonsri	20,698,900	1.178
10. Support Foundation of Thai	20,182,000	1.149
Other Shareholders	544,155,627	30.979
Issued and Paid-up Shares	1,756,516,065	100.000
Thai Shareholders	1,579,407,305	89.920
Foreign Shareholders	177,108,760	10.080

Note: The first and second largest shareholder are included the relevant person under the amended Securities and Exchange Act (No. 4), B.E. 2551, Section 258.

2) The major shareholders of the Company no. 4 - 8 are Nominee Accounts that cannot be identified real shareholders.

The Group of Major Shareholders Having Significant Influence over the Formulation of Management Policies

- None -

Shareholders' Agreement

- None -

Shareholders' Agreement Affected to Newly Offered and Issued Securities

- None -

1.1.4 Registered and Paid-up Capital

Ordinary and Preferred Shares

As of 31 December 2021, Thanachart Capital Public Company Limited's registered and paid-up capital were as follows:

Registered Capital	:	11,651,297,030	Baht	
Paid-up Capital	:	11,651,297,030	Baht	
Divided into Ordinary Shares	:	1,165,116,697	Shares	at par value of 10 baht per share
Preferred Shares	:	13,006	Shares	at par value of 10 baht per share

- Notes:**
- 1) Preferred shareholders have right to convert preferred shares into ordinary shares at the ratio of 1 : 1 without any costs, and can subscribe conversion on every 15th of February, May, August, and November of every year.
 - 2) Ordinary shareholders and preferred shareholders have equal right for gaining dividend, attending the meeting, and voting in shareholder's meeting and other rights. Voting right equals one share per one vote.
 - 3) The aforementioned ordinary shares include the repurchased shares amounting to 116,512,970 shares (19,467,000 shares under the Treasury Stock Project from 8 August 2018 to 7 February 2019 and 97,045,970 shares under the Treasury Stock Project from 11 February 2020 to 10 August 2020 which was completed on 27 April 2020).

1.1.5 Issuance of Other Securities

1. Debentures

Debentures issued by Thanachart Capital Public Company Limited as of 31 December 2021

1.1 Security name	Debentures of Thanachart Capital Public Company Limited No. 1/2012 due for redemption in 2022 (TCAP22NA)
Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
Tenure	10 years from the issuance date
Issue date	21 November 2012
Maturity date	21 November 2022
Total issued value	3,000,000,000 baht
Outstanding value	3,000,000,000 baht
Interest rate	Fixed rate of 4.60 percent per annum
Interest payment date	Every year on 21 May and 21 November throughout the tenure of the debentures
Credit rating score	A+ by TRIS Rating Company Limited
1.2 Security name	Debentures of Thanachart Capital Public Company Limited No. 1/2013 due for redemption in 2023 (TCAP238A)
Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
Tenure	10 years from the issuance date
Issue date	9 August 2013
Maturity date	9 August 2023
Total issued value	500,000,000 baht
Outstanding value	500,000,000 baht
Interest rate	Fixed rate of 4.85 percent per annum
Interest payment date	Every year on 9 February and 9 August throughout the tenure of the debentures
Credit rating score	A+ by TRIS Rating Company Limited

1.3 Security name	Debentures of Thanachart Capital Public Company Limited No. 1/2013 due for redemption in 2025 (TCAP258A)
Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
Tenure	12 years from the issuance date
Issue date	9 August 2013
Maturity date	9 August 2025
Total issued value	900,000,000 baht
Outstanding value	900,000,000 baht
Interest rate	Fixed rate of 4.95 percent per annum
Interest payment date	Every year on 9 February and 9 August throughout the tenure of the debentures
Credit rating score	A+ by TRIS Rating Company Limited
1.4 Security name	Debentures of Thanachart Capital Public Company Limited No. 2/2013 due for redemption in 2023 (TCAP230A)
Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
Tenure	10 years from the issuance date
Issue date	22 October 2013
Maturity date	22 October 2023
Total issued value	1,300,000,000 baht
Outstanding value	1,300,000,000 baht
Interest rate	Fixed rate of 5.00 percent per annum
Interest payment date	Every year on 22 April and 22 October throughout the tenure of the debentures
Credit rating score	A+ by TRIS Rating Company Limited
1.5 Security name	Debentures of Thanachart Capital Public Company Limited No. 1/2019 due for redemption in 2029 (TCAP290A)
Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
Tenure	10 years from the issuance date
Issue date	29 October 2019
Maturity date	29 October 2029
Total issued value	5,000,000,000 baht
Outstanding value	5,000,000,000 baht
Interest rate	Fixed rate of 3.01 percent per annum
Interest payment date	Every year on 29 April and 29 October throughout the tenure of the debentures
Credit rating score	A+ by TRIS Rating Company Limited

Note: The credit rating scores given by TRIS Rating Company Limited for the debentures issued by the Company were adjusted from A+ to A on 10 April 2020.

2. Bill of Exchange

Bill of exchange issued by Thanachart Capital Public Company Limited as of 31 December 2021

2.1 Security name	Bill of exchange of Thanachart Capital Public Company Limited value 500 million baht due for redemption on 31 May 2022 (TCAP22531A)
Tenure	180 days from the issuance date
Issue date	2 December 2021
Maturity date	31 May 2022
Total issued value	500,000,000 baht
Outstanding value	500,000,000 baht
Interest rate	Fixed rate of 0.955 percent per annum
2.2 Security name	Bill of exchange of Thanachart Capital Public Company Limited value 500 million baht due for redemption on 29 June 2022 (TCAP22629A)
Tenure	180 days from the issuance date
Issue date	28 December 2021
Maturity date	29 June 2022
Total issued value	500,000,000 baht
Outstanding value	500,000,000 baht
Interest rate	Fixed rate of 0.94 percent per annum

3. Issuance and offer for sale shares or other convertible securities

- The plan to issue or offer for sale shares or convertible securities to Thai Trust Funds whose investors are foreigners or issuance and offer for sale shares or other convertible securities
- None -
- Issuance of Non-Voting Depository Receipts (NVDRs)
On 14 September 2021, Thai NVDR Company Limited, a subsidiary of the Stock Exchange of Thailand (SET), issued NVDRs which used 82,231,556 shares of the Company as underlying stock. These shares accounted for 7.06 percent of the Company's paid-up capital. Although holders of the NVDRs received all the benefits deriving from the Company's underlying stock, they did not have any voting rights at annual general meetings of shareholders. However, they were entitled to cast their votes on the agenda related to delisting of shares from the stock exchange.

In this connection, the number of the Company's shares which were used for issuing the NVDRs could be changed in ways beyond the Company's control. Investors could check with the Stock Exchange of Thailand about the number of the Company's ordinary shares which were used as the underlying stock of the NVDRs through the website: www.set.or.th/nvdr.

Note: NVDRs stand for non-voting depository receipts which are issued by Thai NVDR Company Limited. They are automatically considered as listed securities. The main purposes for issuing NVDRs are to stimulate investment and to increase market liquidity in the capital market. Serving as alternative options for foreign investors, NVDRs enable them to make investments without being subject to the foreign limit. On the other hand, Thai investors can also make investments in NVDRs.

4. Obligations related to the issuance of shares in the future

The Company has no obligations related to the issuance of shares in the future.

1.1.6 Dividend Policy

Dividend Policy of the Company Made to the Shareholders

In considering dividend payments, the Company takes into consideration its performance and the long-term benefits to its shareholders. The dividend payments must also receive the approval at the shareholders' meeting. However, the Board of Directors may pay an interim dividend to shareholders occasionally when it considers that the Company has an adequate profit and deems appropriate to make the payment. The Board of Directors is required to report the interim dividend payments to the shareholders at its next shareholders' meeting.

Dividend Payment in the Past 5 Years

Operating Performance	2020	2019	2018	2017	2016
Earnings per Share (Consolidated Financial Statements) (Baht)	6.26	9.43	6.74	6.01	5.16
Dividend per Share (Baht)	3.00	7.00	2.60	2.20	2.00
Dividend Payout Ratio from Net Profit Attributable to the Company (Consolidated Financial Statements) (Percent)	47.17	72.59	38.25	36.61	38.76

Notes: 1) Dividend payment of 2019 at the rate of 7.00 baht per share includes the special interim dividend of 4.00 baht per share paid on 16 January 2020.

2) The Company has paid the interim dividend of 2021 at the rate of 1.20 baht per share on 28 September 2021.

Dividend Payment Policy of Subsidiary Companies Made to the Company

Each subsidiary company's dividend payment policy is to pay a dividend when it has profit. In order to make the dividend payments, it has to take into account the excess cash for business operation, the capital adequacy for supporting the business, and legal reserve, depending on the business of each subsidiary company. Any subsidiary company may pay an interim dividend occasionally to the Company when it considers that it has an adequate profit and deems appropriate to make the payment. After making the interim dividend payment, it is required to report the dividend payments to the shareholders at its next shareholders' meeting.

1.2 Risk Management

Risk Management Policy and Plan

The Company aims to strengthen risk management as part of the corporate culture through the formulation of the risk management policy and risk appetite statement as well as the implementation of the risk management guidelines as a tool for formulating the Company's strategies and conducting business affairs. The purposes were to achieve business growth and generate a sustainable return to stakeholders in the long term. The Company believes that efficient risk management is an extremely important factor for achieving sustainable growth and maintaining the Company's profitability.

The Company's Board of Directors and senior executives attach great importance to risk management practices which respond to changes in a timely manner. In this connection, they continuously oversee, monitor, and develop risk management systems, ensuring that the various measures remain appropriate and keep pace with changing risk factors, both internal and external. The Company puts in place the organizational structure to support risk management, ensuring that it is in line with the established framework, through the various committees' supervision. The related details are as follows:

The Company's Risk Management Structure

The Company's Board of Directors has a role in policy determination and establishes guidelines for an efficient enterprise-wide risk management including risk management

and business continuity management of Thanachart Group, ensuring that it is efficient and in line with the Company's operations by taking into consideration the impact of risks on the Company's operational goal and financial position.

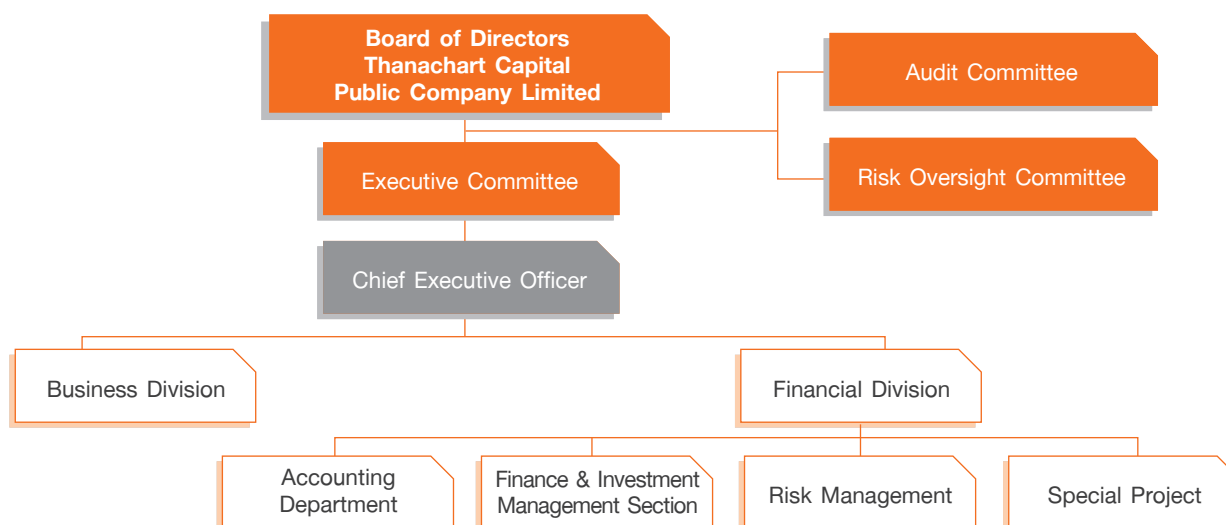
Executive Committee has a role in considering and approving all activities to be in line with the Company's Risk Management Policies, as well as, assessing the business continuity management of Thanachart Group to present to the Company's Board of Directors for approval.

Risk Oversight Committee has a role in proposing the Company's Risk Management Policy and the Group's Risk Management Policy to the Company's Board of Directors for approval. The Committee also establishes risk management strategic plans to be in line with the Risk Management Policy and revises the sufficiency of the Company's Risk Management Policy including the efficiency of the system and practice of the specified policy. Furthermore, it has a role to control, monitor, and supervise the Company and the companies under the Group to comply with the Risk Management Policy as well as regularly report the result of the compliance to the Board of Directors including the adjustments to conform to specified policies and strategies.

Audit Committee has a role in determining the supervisory guidelines for the operation, ensuring that the Company and the Group are operating in compliance with measures of related authorities. The Committee also has a role in assessing the effectiveness and competency of the overall Group's risk management process and sufficiency of overall internal control system.

The Company's Risk Management Structure Chart

As at 31 December 2021



- The conduct of business affairs is under a system of check and balance with Middle Office comprising of the Risk Control Unit and Back Office, being separated from the Front Office.
- The Company puts in writing of all the established policies and guidelines regarding the risk management that specifies responsibilities of related unit as the operational guidelines for the employees. Moreover, the Company has established a four-step guideline for risk management. The guideline includes 1) the identification of the characteristics of risk as well as risk factors, 2) the development of appropriate tools and models for risk measurement, 3) the control of risks within acceptable limits, and 4) the close monitoring of risk status in order to properly manage any possible risks in a timely manner.
- The differences in size and risk ratios determined for each exposure measured by tools and models allowed the Company to be able to perceive the degree of severity from the possible risks. These risk variables could also be used as a ceiling or the acceptable risk level as well as to provide warning signals before severe losses occur.
- The risk management report is presented to the board of directors of each subsidiary company and the overview report is presented to the Company's Board of Directors in a periodic and timely manner.

The aforementioned risk management systems are developed based on prudent principles and will be reviewed regularly to suit prevailing situations. The systems are designed to be transparent, explicit, and examinable, and to take into consideration the interests of shareholders, customers, and staff.

Risk Factors Affecting the Company's Business Operations

The risks to business operations of the Company and its subsidiaries are as follows:

1. Credit Risk

Credit risk arises from a situation in which the debtors or counterparties fail to repay or fulfill their agreed obligations. This might be contributed by the fact that the debtor's financial position is under distress due to volatilities of economic conditions that pose adverse impact on businesses or the debtors' mismanagement, which as a result, may adversely affect the Company and its subsidiaries' earnings and capital. The credit risk may arise from ordinary financial

transactions such as credit lending, financial obligations in the form of avals or guarantees, other transactions related to credit lending, as well as investment in debt instruments issued by state agencies or state enterprises with neither guarantee from government nor the BOT and private debt instruments such as debentures.

Under its credit risk management policies and guidelines, the Company and its subsidiaries have successfully established a credit culture. To start with, the credit risk of the borrowers or counterparties or issuers of debt instruments will be independently assessed by the model developed specifically to each type of borrowers or counterparties by the Credit Analysis Unit. At this juncture, authorized Credit Committee would then consider and determine the level of credit risk of borrowers or counterparties, appropriate credit lines and investment budget, as well as terms and conditions on loans or other obligations. The Committee also controls the overall risk status by appropriately diversifying credit risk into various business sectors and groups of customers within the established risk ceilings. In addition, the Committee closely monitors the quality of loans to ensure proper and vigilant management by emphasizing on business capability and repayment ability under the supervision of an independent risk control unit-ensuring that credit transactions are in line with the policies and guidelines of credit risk management.

Key Credit Risk Factors

1.1 Credit Concentration Risk

The Company and its subsidiaries aim to appropriately diversify its loans to various groups of customers, focusing on high potential customers and attempt to prevent concentration of loans to a particular group of customers. Group limits and single limits are set in accordance with risk level of the borrowers. Analyzing and monitoring are carried out, and results are regularly reported to relevant committees to minimize risks from uncontrollable factors. Furthermore, the Company and its subsidiaries has loan portfolio management and analyzes the loan portfolios in general, and manages the portion of the portfolios in correlation with circumstantial changes for maximum return under acceptable risk levels.

1.2 Risk of Non-performing Loans

Non-performing loans are loans classified as substandard, doubtful, and doubtful of loss. They have been the major concerns of each financial institution. They have adverse effect on earnings and capital of the Company. At this juncture, the Company and its subsidiaries have focused efforts on controlling credit quality through appropriate policies and procedures to regularly monitor the quality of the loans.

1.3 Risk from Collaterals

For collateralized loans, the Company and its subsidiaries carefully assess and classify quality of each type of collateral by taking into account the liquidity and overall risk from that collateral. The assessment result is one of the important factors applied in the classification of each credit exposure. In this regard, the collateral, both in the form of immovable and movable whose value could be appraised, is subject to appraisal or valuation complying. The Company and its subsidiaries significant types of collaterals are marketable equity securities, commercial immovable property, immovable property from housing, vehicles, machinery, etc. The Company and its subsidiaries have determined guidelines, standards, and frequency of appraisal and valuation of each type of collateral. Furthermore, a report of the appraisal and valuation is made which includes clear and sufficient data and analysis to determine the price. In case that it cannot be specified whether the collateral price has decreased or depreciated over time, the impairment of the asset must be considered by a concerned official.

1.4 Risk from Impairment of Property Foreclosed

The Company and its subsidiaries consider setting aside allowance for impairment of property foreclosed, by using the guidelines on setting aside allowance for impairment of property foreclosed and also by exercising discretion in estimating impairment loss when it is found that the value expected to be received from the property would be lower than the book value, taking into account the most recent appraisal value of the property, as well as type and characteristics of the property.

2. Market Risk

The market risk arises from movements in interest rates, exchange rates, and prices of instruments in money market and capital market, which may adversely affect earnings and capital of the Company and its subsidiaries. It could be divided into two main risks including price risk and interest rate risk. In this connection, the Company and its subsidiaries had adopted a risk oversight and management policy aiming at keeping the risk at an appropriate level and in compliance with the Risk Management Policy of the Company and its subsidiaries.

2.1 Price Risk

Price risk is the risk arising from the decrease in revenue or from negative impacts on the value of financial assets or liabilities. When the prices of debt instruments or equity instruments change, the available-for-sale investments and trading investments of the Company and its subsidiaries may be reduced in value.

The Company and its subsidiaries have developed risk measurement tools based on the Value-at-Risk model (VaR Model) to estimate the maximum loss amount at a certain confidence level and over a given asset holding period. The Company and its subsidiaries had imposed various ceilings in relation to of transaction in order to control risk to remain in an acceptable level, for example, Position Limit and Loss Limit. The Risk Control Unit separated from the front office and back office, has the duty of risk control and reporting on the status of the ceilings imposed on various risks to the Board of Directors and departments and executives associated to the risk management in order to respond to the risk in a timely manner. The Company and its subsidiaries had designated the Executive Committee to be responsible for overseeing and monitoring this type of risk.

2.2 Interest Rate Risk

Interest rate risk is the risk that earnings or capital are adversely affected by changes in interest rates that pose impact on its rate-sensitive items including assets,

liabilities, and off-balance sheet items. These changes may have a negative impact on net interest income and capital fund of the Company and its subsidiaries.

It is a goal of the Company and its subsidiaries to run their business operations under a long-term effective interest rate risk management system, in other words, to maintain an appropriate structure of assets and liabilities which are rate-sensitive at different time intervals. To ensure maximum benefits of the Company and its shareholders, the Company and its subsidiaries have developed the Repricing Gap Analysis Model as a tool for measuring interest rate risk by assessing the impact that may arise from the mismatch of the repricing periods of assets, liabilities, and obligations at different time intervals, which is used for risk measurement every month. In order to ensure that the risk of the Company and its subsidiaries business operation is within an acceptable limit, they have also established an acceptable risk ceiling and an early warning risk level, taking into consideration the structure of assets, liabilities, and obligations as well as interest rate repricing which are expected to take place in each period of the Company and its subsidiaries' business plan. The Executive Committee is responsible for monitoring and controlling such risk very closely. To effectively design appropriate measures to accommodate the risks, the committee has to monitor economic conditions, development in the money market and capital market, and the interest rate trend which could become important interest rate risk factors.

3. Liquidity Risk

Liquidity risk arises from the inability of the Company and its subsidiaries to repay their debts or obligations upon the delivery date due to the lack of ability to convert assets into cash or to mobilize adequate funds or to mobilize funds at an acceptable cost. This could adversely affect the current and future earnings and capital of the Company and its subsidiaries. The liquidity risk management mechanism starts with the assessment of the cash flows

and liquidity position over particular time horizons of the Company and its subsidiaries when the different levels of funds may be required to accommodate borrowings upon maturities, to reduce other types of liabilities, or to acquire of assets by using Liquidity Gap Analysis, various liquidity ratios, and “What If” scenarios to evaluate the sufficiency of the cash flow liquidity depending on customer behavior in extending contracts upon maturity and estimate the need of liquidity in various “What If” scenarios.

Meanwhile, the Company and its subsidiaries develop an emergency plan in the case of a liquidity problem and there will be a revision of the significant occurrences that affect working operations. In this regard, the Company and its subsidiaries have assigned the Executive Committee in controlling and managing the liquidity risk to monitor and manage risk on a regular basis.

4. Operational Risk

The operational risk is the risk that arises from the damage that occurs from lack of good corporate governance within the organization. Risk may arise from the inadequate efficiency of the internal audit and internal control systems which could be relating to internal operation process, personnel, systems or external events and adversely affect the Company and its subsidiaries’ operating income and capital. This also includes legal risks such as litigations, exploitation by the government, and also damage from settlements outside the courtroom. Such risk can pose an adverse impact on other risks, especially strategic risk and reputation risk.

The Company and its subsidiaries are well aware that efficient operational risk management is crucial to the business to achieve goals sustainably. Under current uncertainties, the Company and its subsidiaries, thus, place importance on efficient and effective operational risk management that is sufficiently comprehensive across the Company and its subsidiaries, so that timely preparations can be made in unexpected situations and increasingly stringent regulations are followed. The Company and its subsidiaries set Operational Risk Policies and management that gear toward risk protection and monitoring. In addition, as internal control is a key mechanism in controlling and mitigating

possible damage, the Company and its subsidiaries ensure that there is a strong internal control system: an organization structure that has counterbalance, transaction-supporting units with a specialized skill set and independence to reduce possible errors, practice regulations applicable to all types of transactions, information technology system management and data security system, including the business continuity plan.

The Company and its subsidiaries determine a principle, form or condition of the process used in the measurement and assessment of internal risks of the Company and its subsidiaries. In the determination of this process, the Company and its subsidiaries consider the circumstantial factors such as supervising guidelines of the government units associated with the Company, state and complexity of the business, the capability of the Company in accepting risks. The Company has also put in place the tools for important operational risk management e.g. Risk and Control Self-Assessment, Key Risk Indicators (KRIs), in case of disaster and loss storage (Loss Data), the use of external service providers for Thanachart Group (Outsourcing Policy), incident management, and business continuity plans (BCP).

In addition, to monitor operational risk, the Company and its subsidiaries determine a policy for executives of each department to be responsible for monitoring the risk by considering this as a part of their regular duties. This will help identify all risks and problems that occur in order to respond to the changes in an appropriate and timely manner and not damaging to the Company and its subsidiaries. Nevertheless, to be informed of the result of business operations and problems that occur, as well as trends and changes in information of risk factors, the Company and its subsidiaries organize a filing and reporting of the information associated with operational risk management to be continually and regularly reported to the Board of Directors, the Risk Oversight Committee, and high-level executives to use in the determination of policies, to develop a sufficient risk management system, and to be a tool in aiding the Company and its subsidiaries to evaluate the capability and efficiency of the internal control system.

5. Information Technology Risk

Today, information technology plays a very important role in the business operations of the Company and its subsidiaries, particularly in increasing efficiency in providing customers with financial services which are accurate, efficient, safe and meet customer needs at a lower cost. The Company and its subsidiaries recognize that the use of information technology which is changing rapidly all the time, may pose risks to service-related security, customer information, service continuity and impacts on the business operations of the Company and its subsidiaries. As a result, the Company and its subsidiaries pay great attention to the management of information technology risks, ensuring that they are managed in line with international standards. Emphasis is placed on protecting information and interests of customers, taking into consideration three key principles including 1) Confidentiality-security of systems and information, 2) Information integrity-trustworthiness and dependability of systems and information, and 3) Availability-ability to make systems and information accessible as needed.

To enable the Company and its subsidiaries to manage information technology risks in an efficient and continuous manner and also in line with the nature of their business operations, volume of transactions, information technology complexity, and related risks such as operational risk, strategic risk, reputational risk and legal risk, the Company and its subsidiaries have established a risk governance framework based on the fundamental principle of the three lines of defense—a guide to how responsibilities should be clearly divided and segregated. These include the following: 1) operations of information technology, 2) management of information technology risks, and 3) audit of information technology. Moreover, the Company and its subsidiaries have established the policy and standards for ensuring information technology security, the policy on information technology management, regulations as well as procedures and processes related to risk management. Importantly, they provide Directors, executives and staff with knowledge and awareness of information technology risks on a continuous basis.

The Company and its subsidiaries have put in place the following processes for managing the information technology risks in line with international standards.

- The risk assessment consists of 1) risk identification, 2) risk analysis, and 3) risk evaluation. The objectives are to estimate the likelihood that the risks may arise and to assess the extent of effects on business operations.
- As regards risk treatment, the Company continues to manage, control and prevent the risks in an appropriate manner, in line with the risk assessment results. The objective is to keep the remaining IT risks at an acceptable level. In this connection, the Company has established a number of IT key risk indicators.
- The Company has put in place a process for monitoring, reviewing and reporting the risk, ensuring that the IT risk is at an acceptable level. In this connection, reports are presented regularly to the committee concerned.

6. Strategic Risk

This type of risk arises from the inappropriate formulation of strategies, business planning, and implementation which are not compatible with internal setups and external environment, resulting in an adverse impact on earnings, capital or the existence of the Company and its subsidiaries. In managing the strategic risk, the formulation of strategies of the Company and its subsidiaries will be considered over the three years ahead, with the review required annually or in the case of an external event that may impact the achievement of the Company's business goals. The Executive Committee is responsible for regular monitoring and evaluating the performance of the work units upon the established targets stated in the annual operation plan.

7. Reputation Risk

The reputational risk means a risk that occurs when the public i.e. customers, strategic or alliance partners, investors, and regulators have a negative perception of or lose confidence in the Company and its subsidiaries. This

risk may impact the Company and its subsidiaries' revenue and/or capital at present and in the future. Reputational risk may arise from noncompliance with corporate governance and business ethics, or nonconformity to the laws, regulations, as well as the Company and its subsidiaries practice rules.

The Company and its subsidiaries have continuously taken into account the importance of the reputational risk. The policy consists of reputational risk framework and reputational risk management processes which entail reputational risk assessment and measurement divided into 5 levels of impact and likelihood, reputational risk prevention by raising awareness and devising measures to prevent reputational risk events, regular monitoring and reporting to relevant committees, including risk management in case of high and very high risk levels. The Company and its subsidiaries set up a main working unit to be directly responsible for risk management processes.

8. Regulatory Risk

The regulatory risk arises from incompliance to laws, regulation, requirements, standards, and guidelines in the Company and its subsidiaries transactions which can lead to financial loss, reputation damage, and interference by state entities. Also, there are risks from the amendments or changes in regulations, laws or requirements of the authorities especially the SEC, the SET, the OIC, the AMLO, the BOT, etc. Such changes may affect the strategies and business operations of the Company and its subsidiaries.

The Compliance Unit of each member company of Thanachart Group is the department responsible for ensuring that the companies are incompliance with regulations and requirements from related various state agencies and the Code of Business Ethics. The department also provides advices and disseminates knowledge to executives and employees. Furthermore, it helps high-level executives to effectively manage risk of regulatory violation. The role and responsibilities do not overlap with the Internal Audit Department. As well, its specific responsibilities Among others, these included work related to participation in Thailand's Private Sector Collective Action Coalition Against

Corruption (CAC) and collaboration with the regulators or state agencies concerned. In this connection, related reports would be sent to the top management as well as the Audit Committee of each company in parallel.

In evaluating regulatory risk, the Compliance Department assesses incompliance risks in various transactions by considering all related internal and external factors for the Company. These include regulatory climate and outlook of the authorities, auditing assessment by the officials, business policies, debates and complaints, internal audit, and internal work procedures. The consideration is placed on the magnitudes of possible impact and likelihood of occurrence in each aspect of incompliance risks. Random review is executed to comply with Control and Monitor standard, and a recommendation is proposed to correct errors and improve performance.

New Potential Risk Factors

Risks Arising from Climate Change and Environment

Climate change has direct impacts on the risks arising from the environment in the form of various natural disasters such as floods, droughts, and famines. Meanwhile, there are also impacts from changes in greenhouse gas emission policies such as the Carbon Border Adjustment Mechanism (CBAM) announced by the EU, which will have impacts not only on the export sector which is the country's economic driver but also on the use of more eco-friendly technologies.

The Company and its subsidiaries support the country's target of greenhouse gas emission reduction target of 20 - 25 percent (compared to the normal case) by 2030. In this connection, Thailand ratified its participation in the Paris Climate Accords whose goal was to keep the rise in mean global temperature to well below 2 °C in line with the United Nations' Sustainable Development Goals. The Company and its subsidiaries also look for opportunities to develop investment products which promote society and environment. In this connection, efforts are made to corporate culture practices which promote energy conservation and environmental protection. Among others, these include replacing fluorescent lights with LED tubes in office buildings, reducing electricity consumption inside buildings, reducing use of split-type air conditioners and installing

sunlight blocking films. The Company and its subsidiaries also participated in the activities aimed at tackling climate change such as waste sorting management by separating plastic waste from other waste products, adjustment of work processes for the purpose of reducing use of natural resources. Among others, these include adoption of electronic systems for operations, meetings, and dissemination of information to customers as well as reuse of paper within work units.

Risks Arising from Epidemics and Serious Communicable Diseases

The COVID-19 pandemic is an outbreak that spreads over the whole world or to an extremely wide area, crossing national boundaries, and has impacts on a great number of people. This is not the first time in history that the world is hit by a global pandemic including cholera, plague, influenza, or HIV, among others. The efforts to contain infections lead to disruptions of economic activities and raise concerns to the business sector and people around the world over the uncertainties. Lockdown measures cause the business sector to close down operations temporarily, impacting its income, liquidity, and financial positions. Parts of labor force lose their jobs or become unemployed right away. As a result, parts of the household sector experience living hardships. In addition, in case the infections could not be controlled for a long period, it could trigger a global recession.

The Company and its subsidiaries put in place measures for managing the risks arising from epidemics and serious communicable diseases. The purpose is to ensure business continuity whereby business operations could continue and services could be delivered to customers, trading partners, and other stakeholders without disruptions. In this connection, there are action plans which cover protection, monitoring, and problem handling. Furthermore, the Company and its subsidiaries establish measures for giving assistance to the customers affected by the above-mentioned impacts.

Risks to Shareholders

The investment in Company's shares can give investment risk to shareholders as the return on investment may not meet shareholders expectations. The return varies in line with share prices, share liquidity, and investment conditions. In addition, the return in the form of dividend will depend on the Company's performance in each period. As a result, shareholders may receive more or less returns than expected. In this connection, the Company has already specified the key risks and the risk management. However, the Company may be faced with risks other than those already specified.

Nevertheless, shareholders must always be aware of the investment risk as there is no guarantee of the return to be received. As a result, shareholders should study the risk and exercise cautious discretion when making investment decisions by acknowledging that the Company may not be able to prevent all the risks which may arise as well as the surrounding factors such as domestic and international economic conditions, political situations, capital inflows and outflows, changes in the state policies as well as events that cannot be predicted in advance. They may have impacts on the Company's performance and dividend payments.

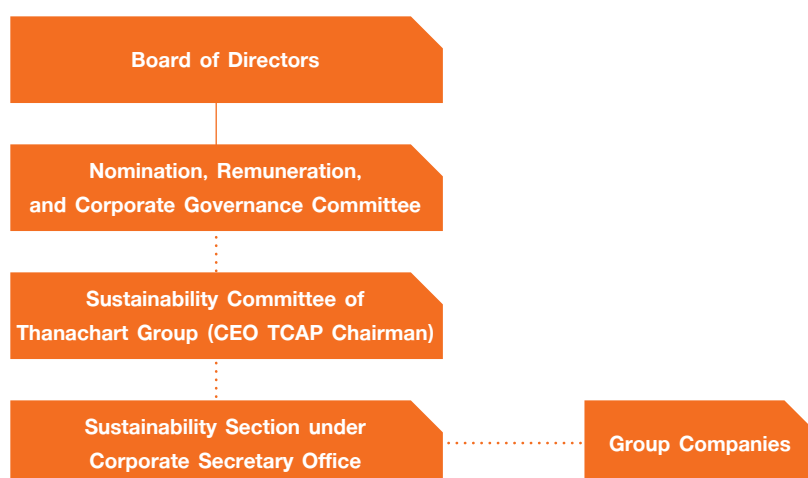
1.3 Driving Business for Sustainability

Thanachart Group is a business organization committed to conducting business to achieve stable and sustainable performance, with a vision for **“creating sustainable and reasonable returns for all stakeholders”**. In order to fulfill such a vision, it is therefore essential for the Group to focus on sustainability while conducting business with consideration of the impact on all stakeholders in three main areas: **economic, social and environmental dimension**. The objectives are to create, develop and fulfill businesses while striking the right balance between economy, society and environment in a sustainable manner. Attention is paid to the operations which encompass various key issues of

the Group’s business affairs to the greatest extent possible.

The Company is a listed company on the SET under the Financials and Banking sector. The Company operates by holding shares in other companies (Holding Company). The preparation of this report of Driving Business towards Sustainability is to present sustainability performance covering economic, social, and environmental dimension of the Group companies that operate insurance business, life insurance business, securities business, hire purchase and leasing business, non-performing asset management business and secured lending business, for the period of 1 January to 31 December 2021.

Governance Structure



Thanachart Group’s sustainability actions are carried out under a governance structure where the Board of Directors arranges for the Nomination, Remuneration, and Corporate Governance Committee to be responsible for determining the strategy, policies, goals, and plans to establish the Thanachart Group Sustainability Committee in 2022. The Sustainability Committee is to be chaired by the Company’s CEO and has committee members comprising representatives of both executives and employees of the Company and the Group companies. The Sustainability Committee is to consider sustainability guidelines, supervise and propose to the Nomination, Remuneration, and Corporate Governance Committee. The Sustainability Committee also reviews practices and promotes more participation of the Group

employees in the implementation. There shall be a Sustainability Section under the Corporate Secretary Office to oversee the collected sustainability effort whereby the Group companies jointly implement relevant strategies and policies to achieve the desired goals and to meet the expectation of all stakeholders in a sustainable manner.

Sustainability Management Policies and Goals

Thanachart Group places emphasis on business operations aimed at sustainability. This will bring about the mutual benefits between Thanachart Group and all stakeholders of the Group. The sustainability management approach has been adopted and continually integrated with the Group’s business practice throughout the year. There is a plan to

formulate a sustainability action policy and to formally announce it in 2022. The policy shall serve as a guide to enable its appropriate implementation to be in line with businesses that the Group operates, with a view to fulfilling the vision of the Group. In addition, short-term and long-term goals will be set to monitor actual progress and performance of the Group's sustainability effort. The sustainability management goals in each dimension are as follows:

1. Economic Dimension

Economically Thanachart Group has a management goal whereby the Group strives to be a business group that is capable of generating returns, growing in a sustainable way. It is the Group's policy to run business based on good governance. Each company in the Group places strong emphasis on good governance in various areas of customer service i.e., product development and financial innovation that generate returns as well as effective risk management. Each company also creates trust and financial stability for customers by focusing on protecting customer privacy data. As a result, the products and services they choose are considered safe and truly sustainable.

2. Social Dimension

Thanachart Group formulates social policies in order to take part in creating a more valuable society. The Group

shall focus on running business based on good governance, promote ethics, transparency, and social responsibility, and always take into account the interests of all stakeholders. Policy and guideline are formulated to promote the importance of human rights. Employees are to be treated equally and fairly. In addition, career advancement, career opportunities and stable career growth for all employees of all levels shall also be encouraged. Furthermore, Thanachart Group focuses on giving good things back to the society by organizing activities to support, promote and cooperate with both public and private agencies for the benefit of communities and society in areas such as education, public health, etc.

3. Environmental Dimension

Environmentally Thanachart Group is well aware of its role as a responsible organization in terms of resource use, energy consumption, and environmental conservation. The goal is to run business to go hand in hand with their social and environmental operations. Policies have been formulated to promote and support efficient energy consumption i.e., formulating a policy to cut down electricity consumption in office buildings, reducing water consumption, and reduction of waste, and reduction the use of paper etc.

Examples of Policymaking and Implementation in the Environmental Dimension by TNI

Policy	Operational Details	Performance
Consumption of alternative energy and clean energy by using solar energy to generate electricity	TNI joins hands with The Nine Center Rama 9 in the installation of rooftop solar power panels on the latter's building.	Store solar energy and convert it to 544 kW electricity for the latter's daily consumption
Maintenance of air conditioning and indoor aeration systems	Set a plan for maintenance and system usage i.e. setting the air conditioning on-off period from 08.00 - 10.00 hours. and 13.00 - 15.00 hours., weekly cleaning of AHU machine filter	Reduce electricity consumption costs by 38,115.69 baht per month, or 457,391.47 baht per year.
Reused Paper Campaign	Reused paper points are clearly marked in the copy room of all offices and various campaign stuff are placed.	Reduce paper consumption
Waste materials sorting campaign	Provide bins for sorting wet waste and recycled waste in the kitchen of each office floor	Reduce waste and create better environment within the office

Managing the Impact on Stakeholders in the Value Chain of Business

The Value Chain of Business

Business operations of Thanachart Group both directly and indirectly affect their stakeholders. Therefore, in order to create opportunities and mitigate the impact of their business activities, Thanachart Group has prepared an analysis of the value chain of their business, with a view to explaining the nature of the Group's business activities as follows:

1. Input Management

Financing:

Thanachart Group's capital structure consists of



whereas the funding source of the **Insurance/Life Insurance Business** will be primarily in the form of **premium**.



Product Design and Development:



Thanachart Group designs and develops financial and insurance products suitable for the target audience.



The Group also provides Non-performing Asset management including efficient and transparent management of investment.

2. Operation

Lending in terms of Hire Purchase and Asset-based Financing



Underwriting Insurance/ Life Insurance



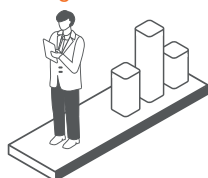
Securities Trading



Financial Consulting



Distressed Asset Management



Investment



3. Distribution of Goods and Services



Hire purchase loans through subsidiary's channels



Secured lending through direct sale



Underwriting through partner channels



Telesales services



Social media services



Online services via application



Securities marketing



Securities analysis



Marketing Events



Investment Analysis



Announcement of asset sale on the website of Thanachart Group

4. Marketing & Sales



Providing the target group with service and the right knowledge about finance, insurance and life insurance



Providing customers with accurate information about financial service and insurance/life insurance service, and enough for them to make their decision to buy



Promotion of non-performing asset sale

5. After-sales Service



System for managing customer relations



Service center that also collects customer feedback and suggestion about financial insurance/life insurance services



After-sales service is appropriately provided through various channels



Disseminating information and creating good interaction with customers

Supporting activities to help drive business to achieve maximum efficiency are as follows

1.

Procurement:



Provide appropriate financing and loans in line with market conditions, considering the appropriateness of the Debt to Equity Ratio. Design financial and insurance products that meet the needs of customers and in line with the risk.

2.

Continuous Technology Development for Better Products and Services:



Be responsive to changing situations, make the service more accessible to every group of customers, and offer them more convenience to use the service.

3.

Human Resource Management:



Continuously train and develop the full potential of personnel in various aspects.

4.

Infrastructure Management:



Properly done in order to handle more diverse and complex financial transactions in the future.

Stakeholder Analysis

Thanachart Group's stakeholders can be divided into eight groups: shareholders and investors, committees, employees, customers, partners and creditors, competitors, society and environment, and regulatory authorities. Thanachart Group

regularly communicates and engages with issues related to stakeholders. Comments from stakeholders have also been used to assess major sustainability issues.

Table shows details of communication with stakeholders

Stakeholders	Participation Channels	Stakeholders' Expectation	Response Guidelines
Shareholders and Investors	<ul style="list-style-type: none"> Shareholders' Meeting Disclosure of Quarterly Financial Results and Annual Report Analyst Meeting Investor Relations Inquiries via the website Complaints and whistle-blowing channels Disclosure of Information 	<ul style="list-style-type: none"> Good performance, sustainable and stable growth Dividends are paid regularly at a rate close to the previous year Effective risk management Good corporate governance Business is conducted transparently in accordance with applicable laws and regulations Obtain accurate, complete, and timely information 	<ul style="list-style-type: none"> Disclose information with transparency and meet the official criteria Cautious business practice. The team has knowledge and competence under effective risk management Seek investments that provide worthy returns for shareholders. Invite shareholders to attend the annual general meeting and allow shareholders to ask questions and comment Senior executives provide investors with information
Board of Directors	<ul style="list-style-type: none"> Monthly Board of Directors' meetings Requesting information from management directly Meetings of Non-executive Directors 	<ul style="list-style-type: none"> Continuous learning in order to cope and adapt under various changing factors Receive information about meetings well in advance. 	<ul style="list-style-type: none"> Collect and present appropriate training courses or seminars Information about the meeting is submitted to the Board of Directors in a timely manner

Stakeholders	Participation Channels	Stakeholders' Expectation	Response Guidelines
	<ul style="list-style-type: none"> • Providing Directors with information through channels such as E-mail and Diligent Boards System for meeting documents Director's manual, which is essentially official rules for governing including related internal policies 	<ul style="list-style-type: none"> • Access to up-to-date news and information • Be free to express an opinion • Business operations are transparently carried out in accordance with good corporate governance principles, with all stakeholders taken into account 	<ul style="list-style-type: none"> • Thanachart Group's information is timely reported • Facilitation in various areas is fully carried out • Provide regular performance reports including note-taking and preparation of minutes of meetings, complete with Director's opinions • Monitoring is to be done in line with the Director's opinion
Employees	<ul style="list-style-type: none"> • Employee meetings to communicate policies and news • Employee Survey • Meetings to strengthen relationship in the organization • Performance Evaluation • Welfare Committee meetings • Signing of the acceptance form to comply with non-exploitation of interests that conflict with those of Thanachart Group and preparing self-assessment form on good governance and anti-corruption. • Internal data communication via Intranet 	<ul style="list-style-type: none"> • Opportunities and career advancement • Compensation, fair welfare, commensurate with job performance evaluation results, and socioeconomic conditions. • Corporate Growth • All employees play an important part in driving the organization • Employee feedback • A supportive work system is in place • Occupational health in the workplace and operational facilities are in place • Increase employees' knowledge and competence by allowing them to attend training, seminars for skill development in related areas 	<ul style="list-style-type: none"> • Encourage employees to train to increase knowledge and create opportunities for career advancement • Treat employees equally • Fairly review the remuneration in accordance with the Company's performance • Review succession plans • Procure a supportive work system in accordance with changing technology • Provide the workplace with the right environment and good occupational health. • Disclose the Company's performance to employees

Stakeholders	Participation Channels	Stakeholders' Expectation	Response Guidelines
Customers	<ul style="list-style-type: none"> • Emailing relevant information to customers • Customer Visits • The employee has customer relationship management. • PR media provides information about products and services • Customer Satisfaction Survey • Service Complaints Channels • Digital Communications • Branch Services 	<ul style="list-style-type: none"> • Wide range of products and services meet specific need of each group of customers • Provide information and advice on products and services in a comprehensive, appropriate, and timely manner • Products and services are affordable, fairly priced, and offer good value. • Maintain customer confidentiality and transparency in business operations • Hassle-free and speedy service • COVID-19 mitigation measures are taken 	<ul style="list-style-type: none"> • Design diverse products and services to meet customer's needs • Market Conduct • Train employees to efficiently serve customers • Periodic survey of customer satisfaction • Process for receiving complaints and managing complaint issues is well-defined and appropriate • Encourage employees to have good governance in their operations, adhere to morality, ethic, and code of conduct. • Announcement of Cybersecurity Policy and Privacy Policy • Use efficient technology to speed up, secure, and reduce costs • Formulate measures to mitigate the COVID-19 impact
Trading Partners and Creditors	<ul style="list-style-type: none"> • Data Exchange via E-mail • Regular discussion and exchange of ideas • Contracting among them 	<p>Trading Partners</p> <ul style="list-style-type: none"> • Good governance in business operation • Trade fairly • Clear procurement policy and regulations <p>Creditors</p> <ul style="list-style-type: none"> • Repay principal and interest on schedule • Strictly adhere to the contractual clause • Transparent disclosure of information 	<p>Trading Partners</p> <ul style="list-style-type: none"> • Review and improve procurement policy and process • Announcement of policy to ensure good corporate governance • Secure trading partner data storage system <p>Creditors</p> <ul style="list-style-type: none"> • Formulate financial liquidity management plan • Repay principal and interest on schedule • Provide accurate, complete, information periodically or on demand

Stakeholders	Participation Channels	Stakeholders' Expectation	Response Guidelines
Competitors	<ul style="list-style-type: none"> Meetings with the associations of each business 	<ul style="list-style-type: none"> Transparent disclosure of information Fair competition 	<ul style="list-style-type: none"> Established as one of the principles in conducting business of Thanachart Group. Conduct business and compete with transparency, fairness, without harming or bullying competitors Cooperate with one another to develop the overall industry of the business sector
Society and Environmental	<ul style="list-style-type: none"> Paying a visit to hear about problems and needs from people in the communities Meeting with both the public and private agencies aimed at promoting the well-being of society 	<ul style="list-style-type: none"> Financial education is provided to the communities Promotion and support for social activities Environmental care and preservation guidelines have been developed for both the workplace and the communities Contribute to helping alleviate the plight of people affected by COVID-19 	<ul style="list-style-type: none"> Conduct financial education programs for youth Be fully aware of environmental problems in the communities and help solve them Provide budgets and conduct social activities The Thanachart Foundation for Thai Society has been established as an important mechanism for driving social activities Support COVID-19 prevention and alleviation projects Contribute towards the reduction and control of energy consumption that adversely affects the environment
Regulation Authorities	<ul style="list-style-type: none"> Disclosure of information and reports in conformity to the specified official criteria Discussion of regulatory guidelines or related rules, as well as obtaining permission on various matters 	<ul style="list-style-type: none"> Employees gain understanding of official rules and ensure that the company is fully complying with the laws as well as relevant official regulations The Company supports and values good corporate governance and anti-corruption 	<ul style="list-style-type: none"> The laws, official rules, and regulations are completely and correctly complied Disclose information to official authorities at specified period

Stakeholders	Participation Channels	Stakeholders' Expectation	Response Guidelines
	<ul style="list-style-type: none"> Commenting on the draft official rules due to be altered Join seminars to gain understanding and clarity in official criteria or guidelines to be observed 	<ul style="list-style-type: none"> Clear disclosure of information can be verified Cooperating and supporting the work of regulatory authorities 	<ul style="list-style-type: none"> Employees comply with good governance policy, business ethics, and anti-corruption policy Cooperate and support the work of the regulatory authorities Participate in events, trainings or seminars held by the regulatory authorities

Ranking Major Sustainability Issues

The Company has assessed major sustainability issues in order to identify and prioritize issues relevant to Thanachart Group and its stakeholders. The process of assessing major sustainability issues has 4 steps as follows:

1. Identifying major sustainability issues

Identify and consider major sustainability issues affecting Thanachart Group.

2. Ranking major sustainability issues

Conduct assessment and analyze the information received from stakeholders' participation through various channels in order to rank major sustainability issues.

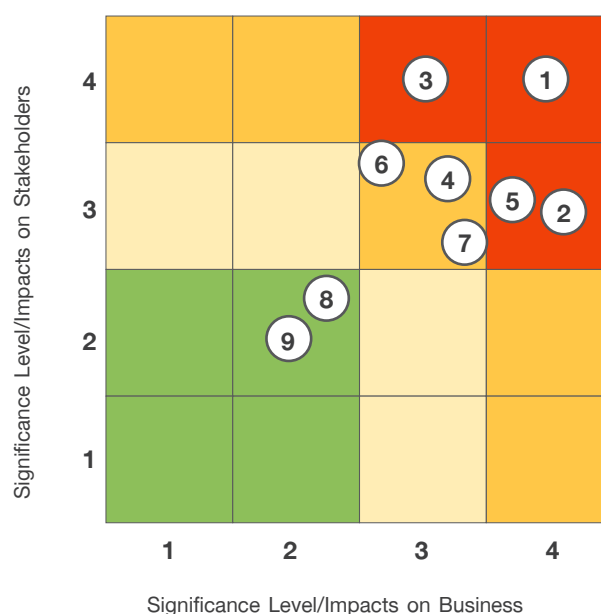
3. Investigating major sustainability issues

Communicate to all businesses in Thanachart Group to investigate major sustainability issues, present to the Nomination, Remuneration, and Corporate Governance Committee for their approval of major issues and report to the Board of Directors for acknowledgement.

4. Reviewing of major sustainability issues

Regularly conduct review of key issues through stakeholders' participation with a view to improving sustainability actions to be more efficient and more effective.

Key Sustainability Points in 2021



In 2021, Thanachart Group was able to identify nine major sustainability issues.

1. Good Corporate Governance
2. Risk Management
3. Shareholder Returns and Performance
4. Promoting Financial Innovation
5. Cybersecurity and Personal Data Protection
6. Respect for Human Rights and Diversity
7. Equal and Fair Treatment of Employees
8. Corporate Social Responsibility
9. Promoting Participation in Environmental Protection

Order of Key Points	Indicators	Internal Boundary	External Boundary
Good Corporate Governance	<ul style="list-style-type: none"> Complaints of non-compliance with Corporate Governance The issue of corruption 	All Business Units	Shareholders and Investors Customers Regulatory Authorities
Risk Management	<ul style="list-style-type: none"> Conduct business under designated risk ceiling 	All Business Units	Shareholders and Investors Customers Trading Partners and Creditors Regulatory Authorities
Shareholder Returns and Performance	<ul style="list-style-type: none"> Dividend payment in accordance with the policy Performance is on track 	All Business Units	Shareholders and Investors Customers Trading Partners and Creditors
Promoting Financial Innovation	<ul style="list-style-type: none"> Constantly design and innovate to keep up with changing technologies 	All Business Units	Customers Trading Partners and Creditors
Cybersecurity and Personal Data Protection	<ul style="list-style-type: none"> No personal data breach complaints Follow the policy 	All Business Units	Shareholders and Investors Customers Trading Partners and Creditors
Respect for Human Rights and Diversity	<ul style="list-style-type: none"> No issues of human rights abuses such as child labor and forced labor 	All Business Units	Customers Trading Partners
Equal and Fair Treatment of Employees	<ul style="list-style-type: none"> Unfairly favoring or depriving employees of their rights 	All Business Units	Customers
Corporate Social Responsibility	<ul style="list-style-type: none"> Implement projects that promote social responsibility 	All Business Units	Society and Environment
Promoting Participation in Environmental Protection	<ul style="list-style-type: none"> Environmental standards are met Promote and support businesses engaged in environmental protection 	All Business Units	Trading Partners Society and Environment

Sustainability Performance

Economic Dimension

1. Good Corporate Governance

Good corporate governance in accordance with international standards increases the competitiveness of the business and makes Thanachart Group's member companies better accepted at home and abroad. This is one of the key factors in achieving business goals and increasing the economic value of Thanachart Group's member companies, as well as ensuring confidence in all stakeholders. This also reflects the positive public image of Thanachart Group's member companies and makes them globally accepted.

The Board of Directors has therefore formulated a good corporate governance policy and a written code of conduct manual, both of which are to be considered as an operation framework for the Group personnel. Thanachart Group's member companies are required to apply such guidelines to match the nature of their business by

adhering to morality, integrity, and practices in conformity with relevant laws. A review of the good corporate governance policy and the code of conduct manual is required at least once a year. The Board of Directors is responsible for regulating and monitoring the Company's business operations in accordance with its strategies, objectives, goals, regulations, resolution of the shareholders' meeting, and good corporate governance principle. In addition, the Board shall also regulate to ensure that Thanachart Group has a sound risk governance framework, adequate audit process, internal control system, risk management, and managerial regulation in line with current and future business situation. This is intended to facilitate the Group's operation in successfully implementing its policies, goals and business plans as well as meeting the expectation of all stakeholders.

Corporate Governance Structure



In 2021, the Company had 9 directors: 3 executive directors and 6 non-executive directors (among them, 4 are independent directors, and 3 are female directors) Each has a wide range of knowledge and abilities, including those applicable to the business operation of the Company and also to related businesses. As a result, the performance of the Company directors is efficient. After all, the Chairman is not the same person as the Chief Executive Officer in order to clearly distinguish the duty of the policymaking and governance from that of day-to-day management. In 2021, a total of 13 Board meetings was held.

The Board of Directors is responsible for supervising and monitoring the Company's business operations in accordance with its strategies, objectives, goals, regulations, resolutions of the shareholders' meeting, and Good Corporate Governance Principles. The Board also defines and reviews the structure of the Board of Directors in terms of size, organization, the appropriate proportion of independent directors within the Board. The Board ensures that the Board comprises a wide range of qualified directors in terms of skill, experience, competence, specific characteristics as well as gender and age essential

to achieve the objectives and main goals of the organization. The Board serves to oversee the recruitment and selection of directors and senior executives and ensures a transparent and clear process to produce directors with qualifications in line with the given requirements. The Board can rest assured that their structure and operation are conducive to the exercise of discretion in their independent decision making. In this regard, the Company also gives shareholders the opportunity to nominate individuals for election as directors at the annual general meeting of shareholders.

In order to fulfill the corporate governance objectives, the Board has appointed four sub-committees, namely the Audit Committee, the Nomination, Remuneration, and Corporate Governance Committee, the Risk Oversight Committee, and the Executive Committee. The details are as follows:

1. Audit Committee

A three-member audit committee is formed. All members are independent directors. The committee is responsible for reviewing financial reports, ensuring that the Company has an efficient internal control system and an internal audit in place, and sees to those the Company's operations are in conformity with relevant law and regulations. In 2021, the Audit Committee held in total 13 scheduled meetings with the management, senior executives from related groups, and auditors.

2. Nomination, Remuneration, and Corporate Governance Committee

Nomination, Remuneration, and Corporate Governance Committee comprises 3 directors including 2 independent directors and 1 non-executive director. The main functions are as follows:

- Nominate, select, and propose eligible persons to be appointed as directors of the Board, directors of the sub-committees, CEO, and executives in positions from Executive Vice President upwards. Ensure that the committee has an appropriate number and structure as well as qualifications, knowledge and expertise

essential for the governance of the Company, and in line with the organizational strategy.

- Determine remuneration, review remuneration rates paid to directors, members of the sub-committees, and CEO, and keep the rates within reasonable limit.
- Conduct corporate governance, review, propose, and monitor the implementation of good corporate governance policies to be in line with the code of conduct, regulations, and guidelines. Consider the results of the Company's corporate governance assessment as well as monitor the adequacy of the Company's disclosure principle in relation to corporate governance and sustainability development

In 2021, the Nomination, Remuneration, and Corporate Governance Committee held in total 4 meetings.

3. Risk Oversight Committee

The Risk Oversight Committee has 5 directors, including 2 independent director, 1 non-executive director, 1 executive directors and 1 executive in charge of risk management, with an independent chairman. The committee is responsible for proposing the Company's risk management policy, formulating a risk management strategy in line with the Company's risk management policy, and reviewing as well as verifying the adequacy of the policy and effectiveness of the overall risk management strategy. In 2021, the Risk Oversight Committee held in total 12 meetings.

4. Executive Committee

The Executive Committee comprises 3 directors. The Committee is responsible for managing in accordance with the policy, goals, budgets, and plans as approved by the Board of Directors, and in line with appropriate risk management practices. In 2021, the Board of Directors held in total 12 meetings.

More details can be found in Section 2.6 Corporate Governance Policy and Code of Ethics.

Anti-Corruption

As far as good corporate governance is concerned, Thanachart Group places special emphasis on anti-corruption. The Group deemed it an important principle in its business operation that it shall not support businesses, groups of individuals, or individuals engaged in undeserved exploitation, either directly or indirectly, resulting from the abuse of power and duties. The Group pledges its support for both the public and private sector in the fight against corruption in any form. Thanachart Group has therefore partnered with both the public and private sector under the initiative called Thai Private Sector Collective Action against Corruption (CAC) by declaring its intent and having joined the CAC initiative since 2014. In the third quarter of 2020, the Company and Thanachart Group's member companies have earned their second membership renewal certification whereby the Group formulated its "anti-corruption policy", complete with measures, and related procedures for all employees in the Group to adhere to.

In 2021, the Company issued a notice to partners, business representatives in a bid to combat corruption by refraining from giving and receiving any gift informing stakeholders of the Company's practices and requesting cooperation from them in promoting this anti-corruption campaign. The said notice was sent via electronic mail to trading partners as well business representatives, and also published on the Company's website from December 2021 to 31 January 2022. In addition, the Company and the Group's member companies made this No Gift Policy public with a view to discouraging unfair motivation/incentive in doing business and averting conflict of interests. Moreover, CAC went on to present the Company and the Group's member companies a No Gift Policy logo, exclusively designed for those companies certified by CAC, whereby the Company and the Group's member companies then published the logo via each company's intranet and website.

Executives and employees at all levels of the Company signed a confirmation form validating the acceptance of non-exploitation of business interests that conflict with those of Thanachart Group. This essentially means their compliance with the good corporate governance policy, code of conduct manual, anti-corruption policy, disclosure policy and use of internal information, anti-corruption measures, Message from the CEO on anti-corruption, whistleblowing regulations complaints of corruption, regulations on giving/accepting presents, gifts, welcoming dinners or benefits as well as other related regulations, and their non-exploitation of business interests that conflict with those of Thanachart Group. Self-assessment forms are therefore provided for all employees in the Company to review, test, and measure the level of their knowledge and understanding of compliance with good corporate governance and anti-corruption guidelines. Each member company in the Group shall be instructed to arrange this kind of self-assessment for all employees on a yearly basis.

Handle Complaints or Whistleblowing

As far as complaints of corruption is concerned, Thanachart Group has opened an exclusive channel for complaints at the website of each Thanachart Group's member company. It can be done either in writing by post, E-mail, or verbally by phone. In addition, the Company has opened another complaints channel via its website, www.thanachart.co.th under the topic of reporting corruption incidents, or via email at Anticorruption@thanachart.co.th, whereby the Company's Internal Audit Department shall consider and take charge of this matter. As the Company has a policy as well as measures for the protection of complainants as stated in the disclosure regarding the prevention of involvement in corruption, which shall be reported to the Audit Committee and the Board of Directors respectively. The Company has clearly established guidelines for the protection of stakeholders in filing a complaint or whistleblowing regarding corruption. There shall also be a plan to track the number of complaints annually.

In addition to the complaint channel via website and E-mail above, complaints can be forwarded to:

Head of Audit Department

Address: 444 MBK Tower, 17th Floor

Phayathai Road, Wangmai, Pathumwan,

Bangkok 10300, Thailand

	2019	2020	2021
Total number of companies in the Group*	19	17	18
Number of the Group's member companies which are CAC members*	14	11	11
Number of complaints regarding corruption incidents	n.a.	n.a.	37

Note: * Other companies that do not participate in the CAC project membership are the Group's member companies that operate and their business operations are supervised by the Company's agencies.

More details can be found in Section 2.6 Corporate Governance Policy and Code of Ethics.

2. Risk Management

Risk management that is both effective and in line with changing circumstances shall help Thanachart Group respond to risks properly and in a timely manner. This shall lead to the confidence of all stakeholders. As a result, Thanachart Group can grow steadily and sustainably.

The Company has therefore formulated policies and guidelines for risk management clearly in writing whereby the responsibility of relevant agencies is defined, and all employees are supposed to observe them. Risk management process which is to be implemented is also defined in 4 steps as follows: 1) identifying the nature of risk and risk factors 2) developing appropriate tools and models for risk measurement and risk assessment 3) controlling risk within acceptable level, and 4) monitoring risk status in order to cope with it in time for any possible scenario.

The Company has arranged to set up a committee and related agencies whose roles and responsibilities are clearly defined in managing and overseeing risk in all possible aspects. For details, please refer to Section 1.2 Risk Management.

As for the risk of COVID-19 pandemic, Thanachart Group is fully aware of its risks and consequences. The Group focuses on the safety of employees in every member company in the Group as well as prevailing economic conditions, banking and financial volatility, and every aspect of service rendered to customers, trading partners including other business-related stakeholders. In summary, the risk management overview and related measures to prevent the spread of COVID-19 are as follows:

1) Employee Security Measures

1.1 In each member company in Thanachart Group, departmental measures are imposed for surveillance to contain the pandemic. Adjustment is made and a hybrid working format is adopted whereby on-site working and working-from-home is proportionately allotted for employees, based on appropriate time slots, and each employee's responsibilities. In this way, workplace density can be reduced. The consideration of hybrid format shall also be

based on the necessity of the work, which must not adversely affect customers and the Company.

- 1.2 Providing COVID-19 vaccination for employees without delay is high on the agenda.
- 1.3 Imposing strict control measures as follows: meetings are to be held through MS Teams or teleconference systems only, face-to-face meetings are refrained, and in case employees are required to perform duties on the premises, temperature checks must be carried out before entering the building, face mask wearing, etc., all to be strictly observed.

2) Risk management measures in office space

- 2.1 Temperature screening checkpoints are set up at the main entrance of the office building. Alcohol dispensing service points are strategically distributed around the office. Periodic ozone-based disinfection is to be done throughout the workplace.
- 2.2 Impose control over the entry and exit of third parties entering or contacting the office, everyone to be subject to mandatory temperature screening and face mask wearing.

3) Business Risk Management Measures

- 3.1 In the lending business, the companies are cautious in considering the customer's ability to repay debt as the economic conditions continue to be uncertain. The companies assess the situation as well as the economic impact closely and continuously, and regards this as a factor in determining the loan to the customer.
- 3.2 Assistance is given to debtors affected economically by the COVID-19 pandemic in the form of suspending debt, extending installment periods and refinancing as necessary and appropriate for each debtor. This is intended to help this group of debtors and prevent them from becoming non-performing loans (NPLs) in the future.

- 3.3 The high-level executives of all Thanachart Group's member companies have regular meetings to evaluate and review the plans in accordance with the changing circumstances and report progress to the Board of Directors and sub-committees on an ongoing basis.

3. Shareholder Returns and Performance

The Company operates investment business and is the parent company (Holding Company) of Thanachart Group, which operates a wide range of financial businesses including hire purchase business, insurance/life insurance business, securities business, non-performing asset management business, asset-based financing business, and investment business. The Company also holds shares of TTB as well as those in MBK, in a proportionate number for taking part in running their respective business. Realizing the importance of shareholders to the Company, the Company has been paying dividends in return to shareholders since 2002. The Company has a policy of paying dividend based on its performance and long-term shareholder returns. Evidently the Company has managed to steadily maintain dividend payment at an increasing rate. However, in 2021, businesses continued to be affected by the COVID-19 pandemic, especially commercial banking and tourism-related businesses. As the Company has main investment in these businesses, it is therefore inevitable that there will be consequences. In 2020, the Company profited from the sale of its investments in AJT, the only one-off profit-taking. As a result, Thanachart Group's performance in 2021 dropped from the previous year. However, other businesses in which the Company invested still managed to enjoy a satisfactory performance. This is a direct result of implementing risk management strategies that are in line with the Company's growth strategy. Such implementation includes strengthening the financial position of subsidiaries and supporting the business operation of each subsidiary to have a stable financial position, considering adding more new investments and more aggressively expertise-driven business operations, and expanding the business network of the group's member companies to generate appropriate returns for shareholders in the long run. Details of dividend payment are as follows:

Table of Dividend Payment

Performance	2017	2018	2019	2020	2021
Net profit attributable to the Company					
(Consolidated Financial Statement) (Million Baht)	7,001	7,839	10,807	6,669	5,287
Earnings per share (Consolidated Financial Statement) (Baht)	6.01	6.74	9.43	6.26	5.04
Dividend per share (Baht) For the year's performance	2.20	2.60	7.00	3.00	3.00
Dividend payout ratio (Consolidated Financial Statement) (percent)	37	38	73	47	60

Notes: 1. In 2019, the Company profited from the sale of TBANK to TMB in order to achieve a merger between the two banks whereby the Company paid a special dividend at the rate of 4.00 baht per share and paid a dividend of normal performance at the rate of 3.00 baht per share.

2. The Board of Directors has resolved to propose to the Shareholders' Meeting to approve the dividend payment at the rate of 3.00 baht per share, and the Company has paid an interim dividend for the year 2021 at the rate of 1.20 baht per share on 28 September 2021.

4. Financial Innovation Promotion

Thanachart Group values and encourages innovations that create value for business, benefit customers or related parties, and are socially responsible as follows:

1. Focus on creating an organizational culture that encourages innovation and ensure that the management adopts and integrates it into their strategic review, plan for improving operation and performance monitoring
2. Promote innovations that enrich the business in line with the ever-changing circumstances e.g. business model definition, approach and perspective in design work, product and service development, research and working process, and collaboration with business partners

Development of innovative financial products and services

Thanachart Group places emphasis on developing products and services that meet the needs of digital life. Products are improved to meet customers' demand in a timely manner in order to help them better cope with the ever-changing economic conditions. For example, insurance products and services are developed for customers whose

lifestyle have been changed during the so-called New Normal period due to the global spread of COVID-19 pandemic. Since early 2020, most people's lifestyle has been until recently restricted to only working from home or "Work from Home" in short. All commuting and travels were significantly reduced due to government restriction. Strict public health measures were imposed for anyone showing up in public to observe them. As a result, car use became less and less necessary. Everyday expenses require more planning. At the same time, more and more people are seriously affected by the pandemic, which has radically affected the cost of living of most people in the society. Consequently, in order to help customers better cope with adverse economic conditions during the COVID-19 pandemic, Thanachart Group has developed insurance products by placing more emphasis on the on-demand product design. This improved feature serves to provide more options based on each customer's financial preparedness, to alleviate their anxiety, and to help reduce expenditure for those affected.

Furthermore, the Group connects innovative media or platforms to all facets of its services. For instance, the Group provides service via LINE Official Account to make it easier, more convenient, and speedier for customers to

keep in contact. In this way, better mutual relationship is more achievable with a more accessible service for customers relying on a familiar platform they use in every life. The Group also introduces other innovative services

e.g. the Thanachart Think Trade application of TNS that responds to all the needs of investors and covers all investment tools, to mention only one.

Examples of innovation and new types of financial service from companies in Thanachart Group

Products/Services	Details of Financial Innovation	Performance
Service Development on LINE Official Account “Thanachart Insurance”	Use the insurance system under the concept of “simple, convenient, fast” by using a platform familiar to customers to connect all the services of the company such as Line-based insurance claims service, check policy information, search for garages, repair centers and affiliated hospitals, provide assistance and related service in a timely manner, as well as promote special offers, privileges etc.	Currently LINE Official Thanachart Insurance boasts an impressive number of 3,447,073 members with 1,382,052 of this number are regularly active on this Account. Based on these active members, up to 20 percent are TNI’s customers who use multiple functions on this LINE platform, representing a sharp rise from 2018 whereby only 1 percent of these active customers use marketing and product service via this particular platform.

Treating Customer Fairly

Thanachart Group focuses on providing fair service to customers by operating based on the concept of making customers confident in the Group’s working system that is clear, complete, transparent, and verifiable. This is to promote confidence of the customers in every group of our financial products and services, to furnish customers with the right information, and to promote clear understanding among them. In this way, they are better equipped to easily make a sound decision and get a fair treatment in either pricing or terms and conditions regarding products and services. Among the Group companies, certain measures are introduced the form of Employee-to-Customer Code of Conduct. For instance, as a broker or agent of the customer, the Group employee is expected to always perform in the best interests of the customer, without misrepresenting data, risk or business opportunity. In this way, they can be fully responsive to customer’s need and fair to the customer. Appropriate penalties have therefore been imposed if a complaint is lodged against any employee and he/she is later proved guilty.

General Complaint Management

The Group companies recognize the importance of feedback and complaints from customers as an integral part for correcting, improving, and developing while striving to build the standard of the Group’s products and services that shall maximize the customer’s satisfaction. The guidelines for customers and stakeholders as informant/complainant have been established in case of their witnessing or being affected by the actions of either the Group director, executive, or employee. The complaint can be lodged via multiple channels including website, telephone, letter, email or LINE Official Account. After receiving notifications, clues and complaints on various issues, each Group company conducts its own investigation, presents possible solutions, formulates preventive measures against recurring incidents, and reports to the relevant Board or management.

The process of considering and resolving complaints shall be carried out as soon as possible whereby the Compliance Section shall treat the complaint as preliminary information for further deliberation to proceed and to eventually find a resolution basing on fairness and adhering to

the principle of equality. Once a resolution regarding the complaint is reached, the Compliance Section shall report the resolution to the Managing Director via the management of relevant department/branch, and send a notice of the complaint resolution to the complainant/customer, advising the resolution within 7 days from the date of resolution.

5. Cybersecurity and Personal Data Protection

Thanachart Group recognizes the importance of maintaining the security of confidential data of customers, company personnel, and the Company. Because the misuse of, or inappropriate disclosure of information, or disclosure without the consent of the data owner may cause damage to the data owner as well as the Company, in terms of reliability, individual and public security. As a result, as a precaution against data rights violation, Thanachart Group has formulated a policy of information technology security as well as measures to strictly retain customer data. Both are specified in the Code of Conduct manual. The Group shall never disclose customer data or confidential data except required by law to do so, or given written permission from the customer. The Group shall never exploit customer data. In addition, Thanachart Group has made arrangements to comply with official rules regarding the protection of personal data and data security. This shall cover data of customers, persons doing transaction with the Company as well as the Group personnel. This is to ensure compliance on the Group's part when the Personal Data Protection Act comes into force.

Social Dimension

Thanachart Group has a policy to operate in compliance with the law, regulations, and rules regarding social management applicable to business operation of the Group companies. This includes observance of universal human rights in conducting every business activity throughout the value chain. What follows is to reflect Thanachart Group's commitment to do so. The Group issues guidelines for fair human rights and labor practices, lays down guidelines for treating customers so that they receive complete

information, get customized service, and no violation of customer rights is assured. Formulate criteria for a clear and fair procurement process for trading partners as well as conducting business with responsibility to the community and society are also included.

6. Respect for Human Rights and Diversity

Thanachart Group upholds important principles to respect human rights and will treat stakeholders with equality, uniformity, and indiscriminate consideration or differences of gender, color, race, religion, language, culture, disagreement, social status or any other status, as well as not supporting and resisting acts that violate human rights directly or indirectly. The Group has a guideline to formulate a human rights policy and shall review it on a yearly basis as well as assess related risk and its effect regarding human rights. The Group shall base its consideration on UN Guiding Principles on Business and Human Rights and use it as a guideline in handling any human rights issue that may arise throughout the supply chain in line with the Group's operation. As a result, it is certain that at every step of the Group's business operations, including that of all groups of stakeholders throughout the supply chain, no act of human rights violation shall occur.

7. Equal and Fair Treatment of Employees

Thanachart Group has taken steps regarding the issue of treating its employees equally and fairly, based on the operational standards as follows:

1. Thanachart Group follows employment practices in line with the established standards as well as the related laws. In this connection, the Company has also established a clear policy and clear regulations. Avoid violating human rights, e.g. employment of child labor and use of forced labor. Also put in place a process for checking various qualifications before recruitment.
2. Thanachart Group treats employees equitably without giving undue advantages or depriving employees of their rights unfairly, due to differences in their

- race, religion, social status, gender, age, physical impairment or disability. As well, the Group has adopted a clear policy aiming at adopting measures for preventing and addressing sexual harassment.
3. Thanachart Group supports the disabled so that they not only could earn income but also recognize their inherent dignity and worth. Thanachart Group has employed the disabled to work in positions appropriate to their qualifications and skills. They are provided with the same opportunities and compensation as those of normal employees. Moreover, Thanachart Group has joined the Thai Bankers Association, the Thai Red Cross Society, the Social Innovation Foundation, and the Don't Drive Drunk Foundation in employing the disabled in the form of service contracting since 2017. In particular, the disabled were employed to work at the Red Cross Society and also to help the Don't Drive Drunk Foundation conduct campaigns.
 4. As regards the disabled who work for Thanachart Group or the disabled who visit Thanachart Group for services, appropriate facilities and amenities are put in place in the buildings and premises concerned. In particular, parking spaces and wheelchair ramps are made available for the disabled.
 5. Emphasis is placed on ensuring procedural fairness in relation to disciplinary actions. As well, the Group has put in place procedures for investigating all people involved to establish facts and for hearing both sides of the story in a careful manner. It has also established a screening committee consisting of qualified outsiders who participate in the procedures. The objective is to ensure that the disciplinary procedures are followed in the fairest manner possible. Importantly, a procedure has been put in place to allow employees who are subject to disciplinary action to lodge an appeal so that the case could be reconsidered for ensuring fairness of disciplinary.
 6. Thanachart Group has issued regulations, the Handbook of the Code of Ethics as well as Good Corporate Governance Policy which serve as guidelines for handling various parties concerned, including, among others, shareholders, executives, employees and trading partners. The objectives are not only to ensure that Thanachart Group's business operations and the conduct of business affairs are in compliance with the laws or the regulations imposed by the authorities concerned, but also to promote transparency and implementation of the principles of good corporate governance. Emphasis is placed on protection against frauds and also on compliance with the regulations, guidelines, and work procedures, based on the principles of transparency.
 7. Thanachart Group also encourages collective bargaining negotiations, aiming at bringing about group discussions, suggestions and negotiations among the parties concerned, including the organization, employees' representatives, the employee welfare committee, and the employee committee. The objectives are to act on useful suggestions and to build good employer-employee relationships. In addition, arrangements have been made to the effect that the centralized human resource department establishes an HR business partner unit responsible for looking after employees, keeping them happy and productive so that they continue working for the organization.

Employees' Health Care

Thanachart Group recognizes the importance of ensuring that all employees are healthy and are able to access health services conveniently, mainly because the Well-being of employees brings about organizational productivity. As a result, Thanachart Group pays great attention to the health of all employees. On one hand, it promotes the maintenance of the employees' health by putting in place of preventive measures which raise the

awareness of and mitigate health risks. On the other hand, it puts in place the following measures with the aim of promoting the good health of employees.

- Health protection guidelines: Employees are provided with health knowledge in different areas so that they recognize the importance of keeping themselves fit and healthy. In particular, for the convenience of all employees, the Group makes arrangements for their annual medical examination. The annual checkups help early detection of harmful diseases such as cancer as well as prevention and minimization of illness. Employees also receive vaccines against infectious diseases. The objective is for them to rest assured that they will have good health and will not get sick.
- Based on the health promotion guidelines, the Company ensures that employees receive medical benefits when they get ill. As well, they are provided with convenient medical services. In particular, the Company puts in place a first aid room for giving medical services. As well, it arranges for doctors from hospital to share their health knowledge with employees. In addition, the Company makes available medicines and medical supplies for first aid services. The objectives are to give first aid treatment and to prevent illness or injury from becoming worse.
- As regards guidelines and measures for preventing COVID-19 spread, Thanachart Group coordinated with both the public and private sectors in ensuring that its staff would get COVID-19 vaccinations. Importantly, it also implemented public relations activities, aiming at making the staff aware of and recognize the importance of observing precautions and taking care of their health and those of their family members. In addition, the Group established practice guidelines when ones had to be in close contact with patients suffering from COVID-19.

Safety, Occupational Health, and Work Environment

Thanachart Group pays attention to safety management and ensures healthy working environment for all employees, in line with the principles of occupational health. In this connection, the Company has established a policy and practice guidelines on safety, occupational health, and work environment in compliance with the provisions of the law. The Company has also established the Committee on Safety, Occupational Health, and Work Environment. The Committee is responsible for implementing various activities with an aim of achieving the established objectives. In this connection, it encourages employees to recognize the importance of safety, occupational health, and work environment by sharing the related knowledge through activities and training courses on safety with employees at all level. As well, the Company looks after sick or injured employees, ensuring that they receive proper treatment. In this connection, it has established the policy as well as controlled and supervised the preparation of work plans on safety, occupational health, and work environment on an ongoing basis. This is to carry out the safety, occupational health, and work environment in accordance with the set policy. In addition, as the world was faced with the COVID-19 pandemic in the past year, Thanachart Group felt concern for the health of its staff, customers, and visitors. To ensure a safe working environment and business continuity, the Group established safety practice measures, which the staff were requested to strictly adhere to and cooperate. Furthermore, the Group established guidelines for working from home for its staff. The purposes were to contain the COVID-19 spread and to cooperate with the public sector, in addition to the established policy on safety, occupational health and working environment. The related details were as follows:

1. Comply with the rules and regulations, notifications, orders, and standards related to safety, occupational health, and work environment in line with the requirements imposed by the state agencies concerned.

2. Manage and oversee business locations, ensuring that employees have safe and healthy workplaces. As well, ensure that, in carrying out their duties, employees are prevented from loss of life and protected from physical or psychological injuries or illnesses.
3. Control, govern, and oversee the implementation of activities which promote occupational safety and health as well as healthy working environment in line with the scope of safety management systems.
4. Make available the regulations and handbook on workplace safety at business locations.
5. Support and promote the implementation of activities related to safety, occupational health, and work environment on a continuous basis. As well, make available appropriate and adequate human resources and budgets.
6. Improve the work environment and the areas surrounding the business locations on a continuous basis, ensuring that the workplaces are safe and the work environment is healthy. The improvements will bring about the quality of work life and the good health of employees.
7. Organize training courses for safety officers at management and supervisory levels as well as training courses for all employees.
8. Put in place a committee and personnel responsible for safety, occupational health, and work environment. The objective is to ensure proper implementation of Thanachart Group's related policies.

Human Resource Development

Based on the belief that personnel are the organization's most valuable resources, Thanachart Group pays serious attention to systematic human resource development with on-the-job learning experiences. As a result, staff could acquire relevant professional knowledge relating to the duties and responsibilities in their respective departments.

Practice Guidelines on Training

Thanachart Group's human resource development processes start with the development of newly recruited employees, training and development activities which focus on enhancement of key skills necessary for carrying out job duties of each position, as well as development activities aiming at raising the level of professionalism, which encompasses product knowledge, customer service, work processes, and work systems which are based on the conduct of business affairs in compliance with the regulations of the state agencies concerned and the code of professional ethics. Also noteworthy is the development of managerial skills and leadership for supervisors at each level. The objective is to develop potential of the Company's personnel so that they are well prepared for implementing the organization's business strategies in an effective and efficient manner.

In 2021, Thanachart Group continued to develop its personnel at all levels further in all areas which included the knowledge and skills necessary for enhancing professionalism in their respective fields of work. Another objective was to provide personnel with an opportunity to choose fields of study which matched their interest. All these developments would prepare personnel for their future career growth and truly help them keep pace with the digital technology trends. In relation to such personnel development, the Group implemented the following various training programs, using a blended learning approach which included online learning through the internet, learning via intranets, classroom methods, workshops, and group discussion activities. The objective was to develop personnel so that they became as efficient as possible.

1. **Corporate Training:** This type of training activities focuses on development of key skills necessary for performing one's duties. The objective is to achieve people excellence which covers four areas including (a) thinking skills, (b) people management, (c) performance management, and (d) communication skills.

2. Functional Training: This type of training activities focuses on development of skills suitable for one's roles, duties, and responsibilities. The objectives are to raise the level of customer service based on the concept of customer centricity and to ensure that customers receive financial services which meet their needs and are in line with their risk tolerances. Not less importantly, emphasis is placed on ensuring that the services are delivered properly in compliance with the requirements and regulations of the state agencies concerned and in a transparent manner.

2.1 Product knowledge training activities were organized, aiming at providing employees with knowledge and understanding of various products and services of the Group which were constantly improved and updated. As a result, employees were capable of appropriately introducing products and services that met the real needs of each group of customers.

2.2 The Group developed a branch academy training course which was aimed at building a body of knowledge and preparing branch employees at all levels so that they were capable of identifying customer needs, giving advice, and offering financial services that met customer needs (Customer Solutions) in an accurate, timely, and efficient manner.

2.3 As well, training activities were conducted on basic infrastructure of various work systems. The objective was to ensure that customer services could be delivered in a timely and efficient manner. Among others, these included training on customer management systems for introducing financial services, loan approval system, and systems related to buy and sell orders of life and non-life insurance products. The Group also provided employees with knowledge and understanding of information

technology which constantly changed. As well, it organized training activities and seminars on innovative concepts and innovation skills for employees. The objective was to encourage employees to have concepts of product development and to adopt work processes that met customer needs in the digital age in a timely manner.

2.4 Professional certificate courses were also organized. Among others, these included courses for securities investment consultants, general insurance agents, and life insurance agents as well as courses on unit-linked insurance plans.

2.5 As well, training courses on regulations of the authorities concerned were conducted. The objectives were to provide all executives and staff with knowledge and understanding of the regulations and to ensure that the executives and staff were able to manage and do their work in full compliance with the regulations. In this connection, tests were given to assess participants' knowledge of course contents after training. Among others, the trainings included courses on the Personal Data Protection Act, Anti-Money Laundering Act, Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act, Ministerial Regulations on Customer Due Diligence (CDD) as well as the course on CG & Anti-corruption Measures which covered the Group's corporate governance and anti-corruption policies. The Group also cooperated with the public sector in promoting ethical behavior and fostering fairness in business. As a result, the cooperation had positive impacts on the country's social and economic development.

3. Leadership and Managerial Development Training:

Executives play an important role in implementing the organization's policies and strategies. As a result, Thanachart Group has organized training activities with an aim of enhancing leadership and management skills for executives at each level in an earnest and continuous manner. The objective is to enhance, accelerate, and maintain potential, competence, and capacity of executives in managing their work and human resources in an efficient manner. Among others, the training courses included thinking and decision-making skills, strategic influencing skills, coaching skills, and leadership curriculum, which are the courses learning through intranet, combined with workshops and group discussions. In this connection, executives shall be encouraged to take part in training courses and seminars with both leading organizations, domestic and international. This is aimed at broadening their vision and building a network of cooperation with other organizations.

4. Blended-Learning Organization: To keep pace with today's ever changing world. The idea gives rise to a blended learning that could address the problem of personnel development: getting them well-prepared for business operation and customer service by means of the following learning methods:

- 4.1 Coaching: Supervisors were required not only to provide trainees with advice and suggestions but also to share various experiences with them so that they would be able to work efficiently.
- 4.2 On-the-job Training: Employees were encouraged to exchange their experiences with one another and to help solve problems together while they received suggestions from advisory experts. The objective was to promote group learning and foster teamwork skills which were beneficial to the organization.

4.3 Online learning via the internet and intranets:

In 2021, the Group made available several training courses which allowed personnel to study on their own throughout the duration of the training courses concerned. The objective was to enhance their potential and prepare them for future work. In this connection, the learning effectiveness was systematically measured pre-learning and post-learning.

4.4 Knowledge Management: The Group has made arrangements for collection of the body of knowledge that is useful to employees. It covers knowledge and skills necessary for employees to fulfill their tasks at various levels. As well, it includes the knowledge for raising the quality levels of products and services of the Group, knowledge about regulations of the authorities concerned, work manuals for related work systems, staff regulations and employee welfare as well as knowledge about how to look after physical and mental health and how to strike a work-life balance. Importantly, the collection of knowledge has been properly grouped and stored in the system so that it could be accessed conveniently and efficiently.

In addition to the above-mentioned elements, Thanachart Group has enhanced preparedness of newly recruited staff. Each new employee is required to attend a one-day orientation session, in which they will be provided with product knowledge, core values, organizational structure, compliance with the anti-money laundering law as well as the countering the financing of terrorism law as well as information about staff welfare. The objective is for new employees to know the business overview as well as direction and various strategies so that they could adjust themselves to Thanachart Group and establish good relationships with fellow colleagues and the organization. The orientation lays the foundation for the organization to retain the new employees.

Welfare Benefits

Thanachart Group provides welfare benefits to permanent employees as well as those on fixed-term and temporary employment contracts. These welfare benefits are as follows:

Welfare Benefits	Types of Employees		
	Permanent	Fixed-term	Temporary
Salaries	✓	✓	✓
Overtime	✓	✓	✓
Training/Staff Development/Staff Scholarship	✓	✓	✓
Funeral Benefits	✓	✓**	✗
Educational Assistance for Staff's Children	✓	✓**	✗
Medical Treatments	✓	✓**	✗
Residential Rental Expenses	✓	✓**	✗
Welfare Loans	✓	✓**	✗
Danger Pay Allowance	✓	✓	✓
Provident Fund	✓	✓**	✗
Staff Uniforms	✓*	✓*	✗

- Remarks:**
- 1) Permanent employees are those who are engaged by Thanachart Group on a permanent basis.
 - 2) Fixed-term employees are those who are on fixed-term employment contracts.
 - 3) Temporary employees are employed for the nature of work which is temporary or of a definite duration of not more than one year.
 - 4) * Only for some specified jobs.
 - 5) ** Only employees holding some positions are entitled to the benefits.

Performance Appraisal and Staff Remuneration

Thanachart Group has set up a clear and transparent performance appraisal process. Not only it adopted a standard methodology but also prepared a standard appraisal form for all work units. Performance appraisals, whether individuals, team or executives, have been clearly grouped. In this connection, the appraisal of the division/section must specify their main goals which are in line with the annual Key Performance Indicators (KPIs) of their respective department. As well, the individual KPIs and the team KPIs have to be in line with the main goals set by each of their respective division/section. Such appraisal process will help drive the performance of the staff members of the whole organization to achieve the established business goals. The appraisal will be conducted twice a year in order to allow proper monitoring of the implementation. A central unit will be responsible for ensuring that the appraisal of the whole organization follows the same direction as specified.




As regards remuneration, Thanachart Group has laid down the remuneration principles, ensuring that the remuneration is in line with the different nature of work, and that the remuneration in the form of monthly salaries and annual bonuses will be properly taken into account. The objectives are to motivate staff members to carry out their duties and achieve the goals established by each division/section and to ensure that the compensation levels the Group provides are competitive with those offered by companies in the same business.



8. Corporate Social Responsibility

Thanachart Group focuses on conducting business under good corporate governance based on ethics and social responsibility, taking into account relevant stakeholders, both inside and outside the organization as well as the wider society, with a view to achieving sustainable business development.

Examples of Social Projects of Thanachart Group in 2021

Project Name	"Funding Ramathibodi Foundation under the Royal Patronage of Princess Maha Chakri Sirindhorn"
Project Organizing Company	Thanachart Group and Its Allies
Project Objective	Focus on developing public interests for society, contribute funds towards the purchase of medical equipment and medical appliances
Project Details	
• How to Operate	Contribute 5,870,000 Baht to fund the purchase of medical equipment and medical appliances to promote the most effective medical treatment for patients at Chakri Naruebodindra Medical Institute, Faculty of Medicine, Ramathibodi Hospital, Mahidol University

Project Name	Supporting youth development through “Saturday School”
Project Organizing Company	Ratchathani Leasing Public Company Limited
Project Objective	Empower young people to have a wide range of knowledge and make use of their free time
Project Details <ul style="list-style-type: none"> • Execution Range • Person in Charge • How to Operate 	<p>January - December 2021</p> <p>Office of the directors and administration</p> <p>Contribute 200,000 Baht to “Saturday School”, a community-based youth development program through learning activities</p>
Project Success  	<p>56 percent of the young people participating in the event gain increased self-confidence and problem-solving skills after joining the activities (according to the assessment of volunteer teachers)</p>
Project Name	Contribute equipment and support educational readiness
Project Organizing Company	Ratchathani Leasing Public Company Limited
Project Objective	To provide needy students with study equipment and educational readiness.
Project Details <ul style="list-style-type: none"> • Execution Range • Person in Charge • How to Operate 	<p>January - December 2021</p> <p>Office of the directors and administration</p> <p>Funding to purchase educational equipment for schools and students in need</p>
Project Success 	<ol style="list-style-type: none"> 1) Contribute 45,000 baht towards the purchase of 100 copies of “Learn, Save the World” series to schools 2) Contribute 90,000 baht towards scholarships, materials and equipment to the Border Patrol Police Study Center at Ban Lang Ai Mae, Nakhon Si Thammarat province 3) Contribute 36,400 baht towards the procurement of school uniforms for 50 students at Makut Khiri Wan-Khao Yai School

Project Name	Support public healthcare
Project Organizing Company	Ratchathani Leasing Public Company Limited
Project Objective	Provide medical facilities with adequate medical equipment to treat patients.
Project Details	
<ul style="list-style-type: none"> • Execution Range • Person in Charge • How to Operate 	<p>January - December 2021</p> <p>Office of the directors and administration</p> <p>Funding to purchase medical supplies and supplies for medical facilities to hospitals</p>
Project Success	<div>   </div> <ol style="list-style-type: none"> 1) Contribute 158,000 baht towards the purchase of video-based ventilation duct tools for Bang Khun Thian Senior Hospital 2) Contribute 36,000 baht towards the making of locking partitions for separating patient beds at Buddhasothorn Hospital
Project Name	Project “Community Power, Build a Safe Road”
Project Organizing Company	Thanachart Insurance Public Company Limited
Project Objective	Promote community safety to reduce secondary road accidents
Project Details	
<ul style="list-style-type: none"> • How to Operate 	<div>   </div> <p>It is a partnership with Road Safety Collaboration Centre (RSCC), which is supported by various network associates. It aims at devising remediation process, both physically and social behavior-wise, and promoting management mechanisms for people in the community to participate in correcting their road risk points, along with building the body of academic knowledge. Annual budgets are allocated to address road risk points in 10 communities a year. No more than 200,000 baht shall be allowed per community, totaling 2,000,000 baht</p>

Project Name	“Award scholarships to Sirindhorn School of Prosthetics and Orthotics, Faculty of Medicine Siriraj Hospital, Mahidol University” This institute aims to produce professionals in prosthetics and orthotics, who shall rehabilitate people with disabilities and help restore their life
Project Organizing Company	Thanachart Insurance Public Company Limited
Project Objective	Focus on making a contribution to the betterment of youth in the society by funding their scholarships
Project Details <ul style="list-style-type: none"> • Execution Range • How to Operate 	(Continued operation from 2013 - present) Supporting 4 scholarships worth 25,000 baht per scholarship, totaling 100,000 baht per year to students who have studied well. To jointly develop important national healthcare workers who play an important role in helping those who have lost organs with disabilities or disabilities. By making physical accessories and body prosthetics such as prosthetic arms and legs, so that they can return to daily life like normal people

Project Name	“ASCO Joins Forces against COVID-19”
Project Organizing Company	Thanachart Securities Public Company Limited
Project Objective	Procure medical supplies and appliances
Project Details <ul style="list-style-type: none"> • How to Operate 	Donate 1,500,000 baht to procure medical supplies and appliances in order to enhance the treatment system for patients infected with COVID-19



Project Name	“Thanachart Securities Joins the Fight against COVID-19 Crisis”
Project Organizing Company	Thanachart Securities Public Company Limited
Project Objective	Procure medical supplies and appliances
Project Details	
<ul style="list-style-type: none"> • How to Operate 	Donate funds and medical equipment totaling 960,000 Baht to 4 organizations: Chaipattana Foundation, Thonburi Hospital, Chularath Hospital, and Bangkok Hospital

Project Name	Contribute towards the purchase of materials and durable articles for school and Border Patrol Police Education Centers through the Thanachart Foundation for Thai Society
Project Organizing Company	Thanachart Securities Public Company Limited
Project Objective	Procure educational materials and appliances
Project Details	
<ul style="list-style-type: none"> • How to Operate 	<p>Contribute towards the purchase of materials and durable articles for 3 schools and Border Patrol Police Education Centers in Nakhon Si Thammarat Province. TNS donates 20,000 baht per school, totaling 60,000 baht, to the following schools:</p> <ol style="list-style-type: none"> 1) Ban Khao Wang Border Patrol Police School, Hin Tok Subdistrict, Ron Piboon District 2) Ban Huai Tong Border Patrol Police Education Center, Krung Ching Subdistrict, Nopphitum District 3) Border Patrol Police Education Center Wang Ang Subdistrict, Cha-Uat District

Environmental Dimension

Thanachart Group has always focused on environmental management. Over the years, there has been a policy implemented to promote practices in line with the environmental law, regulations, and requirements related to the business operations of the Group's member companies. In order to show Thanachart Group's commitment to reducing negative impact on the environment, the Group has therefore implemented measures regarding energy management, water management, refuse, waste and pollution management, as well as greenhouse gas management. In addition, the Group encourages an organizational culture that cultivates environmental consciousness, and also continues to operate in areas related to environmental conservation.

9. Promoting Participation in Environmental Protection

Thanachart Group foresees the problem of energy shortage that the general public may consider to be far-fetched. With the rising trend of annual energy consumption, in line with the growth of the industry, economy, and population, the energy shortage problem is very likely to come sooner than expected. As the country's

energy demand continues to rise, it impacts on the environment, climate change, global warming, pollution including natural disasters and pandemic which significantly lowers people's life quality. Many sectors have jointly sought measures and procedures to seriously mitigate such impact with a view to having sufficient energy for the future as well as sustainable environment.

As a group of companies that contributes to the country's economic growth, it is fully aware of its role as an organization responsible for the use of national resources, energy, and for environmental conservation. From its inception of business to the present day, the Group has expanded its business operations as well as those reflecting its social and environmental responsibility. In addition, the Group formulates policies to seriously and practically promote efficient energy consumption as well as energy conservation in office buildings. The Group then integrates the environmental and energy management system into their day-to-day operations and sets up related guidelines for employees to participate. The Group believes that expanding cooperation of individuals at the enterprise level shall definitely have positive impact on energy conservation and the environment at the national level.

Examples of Thanachart Group Environmental Projects in 2021

Project Name	Promote participation in environmental protection
Project Organizing Company	Thanachart Group
Project Objective	To reduce and control the impact of the Group's business operations on the environment
Project Details	
<ul style="list-style-type: none"> • Execution Range • Person in Charge • How to Operate 	<p>January - December 2021</p> <p>Thanachart Group's member companies</p> <p><u>Electricity</u></p> <ul style="list-style-type: none"> • Purchase energy-saving electrical appliances to replace damaged electrical appliances • Campaign for economizing on electricity and turn off appliances after use • Designate the employee who is directly in charge of supervising the use of electrical appliances • Regular maintenance and monitoring of the operation of electrical appliances • Promote awareness of how to save electricity and use resources efficiently <p><u>Water Consumption</u></p> <ul style="list-style-type: none"> • Campaign for economizing on water and turn the tap off after use. • Campaign to ban dumping of food waste, toilet paper or anything else in the toilet bowl. • Promote awareness of how to save water and use resources efficiently <p><u>Paper Usage</u></p> <ul style="list-style-type: none"> • Campaign for reuse of used paper • Choose printers and photocopiers with a 2-page printing feature • Develop working system based on electronic transaction processing • Promote awareness of how to save paper and use resources efficiently
Successful Operation by THANI	<p>Water consumption decreased by 5.26 percent.</p> <p>Paper consumption decreased by 6.07 percent.</p> <p>Electricity consumption increased by 12.01 percent.</p> <p>(Electricity consumption, however, increased in the short term, as THANI was in the process of rendering changes to their work system. As a result, more work and system testing were higher than usual)</p>

Sustainability Performance

Economic Aspect

(Unit: Million Baht)

Consolidated Financial Statements	2019	2020	2021
Total Income	29,392	20,762	18,709
Employees' Expenses	1,895	1,887	2,052
Other Operating Expenses	8,087	7,254	7,361
Money Paid to the Owner of the Capital	9,390	4,766	4,501
Income Tax	1,367	1,557	836
Net Profit	16,760	7,848	6,722
Total Assets	160,927	140,756	142,735
Total Liabilities	86,868	67,987	68,594
Total Shareholders' Equity	74,059	72,769	74,141

- Notes:**
1. Total Income = Interest Income + Non-Interest Income
 2. Other Operating Expenses = Fees and Service Expenses + Insurance/Life Insurance Expenses – Employees' Expenses
 3. Money Paid to the Owner of the Capital = Dividend Paid during the Year + Interest Expenses
 4. In 2019, there was extra gain and profit from the restructuring of the business
 5. In 2020, there was an extra profit from the sale of AJT's shares

(Unit: Million Baht)

Separate Financial Statements	2019	2020 (Revised)	2021
Total Income	58,080	7,555	6,147
Employees' Expenses	139	179	200
Other Operating Expenses	156	136	152
Money Paid to the Owner of the Capital	8,329	3,713	3,572
Income Tax	(0)	(30)	(5)
Net Profit	57,261	6,669	5,287
Total Assets	97,297	75,022	77,336
Total Liabilities	23,323	11,712	12,222
Total Shareholders' Equity	73,974	63,310	65,114

- Notes:**
1. Total Income = Interest Income + Non-Interest Income
 2. Other Operating Expenses = Fees and Service Expenses + Insurance/Life Insurance Expenses – Employees' Expenses
 3. Money Paid to the Owner of the Capital = Dividend Paid during the Year + Interest Expenses
 4. In 2019, there was extra gain and profit from the restructuring of the business

Social Aspect
Employee Information

Employees	2019			2020			2021		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
By Age									
Under 30 Years Old	-	-	-	145	64	209	124	64	188
30 – 50 Years	-	-	-	748	572	1,320	737	545	1,282
50 Years or More	-	-	-	121	174	295	147	194	341
Total	8,951	4,872	13,823	1,014	810	1,824	1,008	803	1,811
By Position									
Senior Executives	-	-	-	54	54	108	54	49	103
Manager – Intermediate Executives	-	-	-	239	205	444	240	211	451
Operational Level	-	-	-	721	551	1,272	714	543	1,257
Total	8,951	4,872	13,823	1,014	810	1,824	1,008	803	1,811
By Workplace Location									
Head Office	4,222	2,674	6,896	859	602	1,461	859	607	1,466
Domestic Branch	4,729	2,198	6,927	155	208	363	149	196	345
Total	8,951	4,872	13,823	1,014	810	1,824	1,008	803	1,811
New Recruits by Age									
Under 30 Years Old	-	-	-	29	12	41	19	19	38
30 – 50 Years	-	-	-	46	39	85	46	54	100
50 Years or More	-	-	-	13	10	23	8	4	12
Total	1,154	412	1,566	88	61	149	73	77	150
Retired Employees									
Under 30 Years Old	-	-	-	8	12	20	17	5	22
30 – 50 Years	-	-	-	43	42	85	48	60	108
50 Years or More	-	-	-	12	10	22	16	17	33
Total	1,124	601	1,725	63	64	127	81	82	163

Other Human Resources Information

Type	Unit	2019	2020	2021
Employee's Leave				
Employees Entitled to Maternity Leave for Childcare	Person	8,951	1,014	965
Employees who Have Exercised Their Maternity Leave	Person	289	32	26
Employees who Return to Work after the End of Their Maternity Leave	Person	281	32	26
Sick Leave	Day/Person	-	3.78	2.62
Occupational Health and Safety				
Accident (Sick Leave not Required)	Case	-	0	0
Accident (Sick Leave Required)	Case	0	1	0
Training				
Total Trainings	Hour	-	14,615.14	7,347.36
Average for Senior Executives	Hour/Person	-	14.76	9.72
Average for Managers -Intermediate Executives	Hour/Person	-	20.51	10.16
Average for Operation Level Employees	Hour/Person	-	6.53	4.45
Human Resources Complaints				
Number of Complaints	Case	-	0	2

Environmental Aspect

THANI

Performance Indicators	2019	2020	2021
Electricity Consumption			
Electricity Consumption (kWh)	574,971	568,101	643,998
Increase (Decrease) of Electricity Consumption (Percent)	-	(1.19)	12.01
Electricity Consumption per Employee (kWh per Person)	1,197.86	1,181.08	1,384.94
Increase (Decrease) in Electricity Consumption per Employees (Percent)	-	(1.40)	15.62
Electricity Expenses (Baht)	2,740,264	2,706,107	2,898,040
Increase (Decrease) in Electricity Expenses (Percent)	-	(1.25)	5.62

Performance Indicators	2019	2020	2021
Water Consumption			
Water Consumption (Cubic Meters)	4,012	4,085	3,801
Increase (Decrease) of Water Consumption (Percent)	-	1.82	(5.26)
Water Consumption per Employee (Cubic Meters per Person)	12.54	12.49	11.52
Increase (Decrease) of Water Consumption per Employees (Percent)	-	(0.36)	(8.13)
Water Use Expenses (Baht)	80,280	81,707	76,020
Increase (Decrease) of Water use Expenses (Percent)	-	1.78	(5.31)
Using Paper			
Paper Consumption (Reams)	-	5,483	5,150
Increase (Decrease) of Paper Usage (percent)	-	-	(6.07)
Paper Purchase Expenses (Baht)	-	548,381	474,481
Increase (Decrease) of Paper Purchase Expenses (Percent)	-	-	(13.48)
Greenhouse Gas Emissions (Scope 2)			
Greenhouse Gas Emissions (TonCO ₂ e)	287.43	283.99	321.93
Increase (Decrease) of Greenhouse Gas Emissions (Percent)	-	(1.19)	12.01
Greenhouse Gas Emissions per Employees (TonCO ₂ e per Person)	0.60	0.59	0.69
Increase (Decrease) of Greenhouse Gas Emissions per Employees (Percent)	-	(1.40)	15.62

- Notes:**
1. The rate of Increase (Decrease) compares data to those of the base year whereby electricity consumption, water consumption and greenhouse gas emissions refer to the year 2019, and paper consumption refers to 2020 - the year THANI started collecting data.
 2. THANI is in the process of collecting data to measure long-term performance (3 - 5 years).
 3. Electricity consumption in 2021 increased due to overtime dedicated to the development of THANI's work system.
 4. Water usage, measuring the performance of the head office only.
 5. Scope 2 is indirect greenhouse gas emissions from electricity consumption, referring to the method of calculating greenhouse gas emissions (Carbon Footprint) from Thailand Greenhouse Gas Management Organization (Public Organization).

1.4 Management's Discussion And Analysis

Summary of Audit Reports 2021, 2020 and 2019

In 2021, the Auditor expressed an unmodified opinion on the Consolidated Financial Statements of the Company and its subsidiaries as well as the Company's Separate Financial Statements for the year ended 31 December 2021. As regards the information and events which were emphasized, the auditor would like to bring attention to Notes 1.2 and 14.2 to the Consolidated Financial Statements in relation to the the COVID-19 situation which had impacts on several businesses and industries. The situation might bring about uncertainties and might also have impacts on the performance and cash flows of the Group in the future. In view of the situation's impacts, in preparing the financial statements, the Group chose to use and follow the accounting practice guidelines on the temporary relief measures for entities which give assistance to borrowers impacted by the situation which affected the Thai economy as announced by the Federation of Accounting Professions. Attention should also be paid to Note 4 in relation to the change in the accounting policy from the cost method to the equity method with regard to the disclosure of the list of investments in the subsidiaries and associated companies in the Separate Financial Statements. In this connection, the auditor did not express any modified opinion on the above case.

In 2020, the Auditor expressed an unmodified opinion on the Consolidated Financial Statements of the Company and its subsidiaries as well as the Company's Separate Financial Statements for the year ended 31 December

2020. As regards the information and events which were emphasized, the auditor would like to bring attention to Note 1.2 and Item 3 a) to the Consolidated Financial Statements in relation to the the COVID-19 situation which had impacts on several businesses and industries. The situation might bring about uncertainties and might also have impacts on the performance and cash flows of the Group in the future. In view of the situation's impacts, in preparing the financial statements, the Group chose to use and follow the accounting practice guidelines on the temporary relief measures for entities which give assistance to borrowers impacted by the situation which affected the Thai economy as announced by the Federation of Accounting Professions. In this connection, the auditor did not express any modified opinion on the above case.

In 2019, the Auditor expressed an unmodified opinion on the Consolidated Financial Statements of the Company and its subsidiaries as well as the Company's Separate Financial Statements for the year ended 31 December 2019. As regards the information and events which were emphasized, the auditor would like to bring attention to Notes 2 and 5 to the Consolidated Financial Statements in relation to the business restructuring and the merger between Thanachart Bank Public Company Limited and TMB Bank Public Company Limited as well as the change in the accounting policy from the cost method to the revaluation method with regard to the disclosure of the value of buildings respectively. In this connection, the auditor did not express any modified opinion on the above case.

Financial Statements Tables

Consolidated Financial Statements of Thanachart Capital Public Company Limited and its Subsidiaries Statements of Financial Position As of 31 December

(Unit: Thousand Baht)

Assets	2021	2020	2019
Cash	4,477	2,471	2,970
Interbank and Money Market Items - net			
- Deposits at the Financial Institutions	8,946,827	7,811,600	7,404,040
Financial Assets Measured at Fair Value through Profit or Loss	2,780,747	3,356,589	-
Derivatives Assets	206,359	145,444	12,755
Investments - net	13,124,068	21,650,020	41,550,937
Investments in Subsidiaries, Associated Companies and Joint Ventures	52,955,094	48,006,971	45,420,712
Loans to Customers and Accrued Interest Receivables - net	55,220,642	50,250,543	53,159,444
Property Foreclosed - net	3,679,488	3,054,027	3,128,013
Land, Building, Equipment and Right-of-use Assets - net	755,575	677,699	301,038
Intangible Assets - net	245,481	163,898	138,628
Deferred Tax Assets	1,024,545	917,113	809,047
Receivables from Purchase and Sale of Securities	842,654	1,246,888	2,577,224
Assets Classified as Held for Sale	-	-	3,423,074
Other Assets - net	2,948,631	3,472,371	2,998,680
Total Assets	142,734,588	140,755,634	160,926,562

Consolidated Financial Statements of Thanachart Capital Public Company Limited and its Subsidiaries
Statements of Financial Position As of 31 December (Continued)

(Unit: Thousand Baht)

Liabilities and Equity	2021	2020	2019
Liabilities			
Interbank and Money Market Items - Borrowings from			
Financial Institutions	15,984,296	13,312,347	15,659,515
Derivatives Liabilities	17,655	14,219	46,515
Debts Issued and Borrowings	34,307,745	33,887,024	44,780,435
Provisions	324,264	410,153	468,225
Deferred Tax Liabilities	243,501	225,797	209,995
Insurance Contracts Liabilities	11,414,278	12,231,053	13,095,578
Dividend Payable	-	-	4,582,651
Payables from Purchase and Sale of Securities	1,264,051	2,083,488	948,244
Other Liabilities	5,037,756	5,823,399	7,076,651
Total Liabilities	68,593,546	67,987,480	86,867,809
Equity			
Share Capital			
Registered, Issued and Paid-up			
13,006 Preferred Shares of 10 Baht Each			
(2020: 13,156 Preferred Shares of 10 Baht Each)			
(2019: 13,156 Preferred Shares of 10 Baht Each)	130	132	132
1,165,116,697 Common Shares of 10 Baht Each			
(2020: 1,165,116,547 Common Shares of 10 Baht Each)			
(2019: 1,165,116,547 Common Shares of 10 Baht Each)	11,651,167	11,651,165	11,651,165
	11,651,297	11,651,297	11,651,297
Premium on Common Share	2,065,645	2,065,645	2,065,645
Other Components of Equity	(3,228,898)	(2,701,100)	(2,540,472)
Retained Earnings			
Appropriated - Statutory Reserve	1,277,830	1,277,830	1,277,830
- Treasury Shares Reserve	5,863,053	5,863,053	999,964
Unappropriated	53,348,103	51,016,932	53,378,669
Less: Treasury Shares - Common Shares	(5,863,053)	(5,863,053)	(999,964)
Equity Attributable to Owners of the Company	65,113,977	63,310,604	65,832,969
Non-controlling Interests	9,027,065	9,457,550	8,225,784
Total Equity	74,141,042	72,768,154	74,058,753
Total Liabilities and Equity	142,734,588	140,755,634	160,926,562

Consolidated Financial Statements of Thanachart Capital Public Company Limited and its Subsidiaries
Statements of Comprehensive Income for the Year Ended 31 December

(Unit: Thousand Baht)

	2021	2020	2019
Profit or Loss			
Continuing Operations			
Interest Income	4,026,686	4,213,087	4,339,052
Interest Expenses	(1,355,450)	(1,620,162)	(1,599,451)
Net Interest Income	2,671,236	2,592,925	2,739,601
Fees and Service Income	1,886,819	1,659,343	1,458,217
Fees and Service Expenses	(432,393)	(410,723)	(374,135)
Net Fees and Service Income	1,454,426	1,248,620	1,084,082
Gain on Financial Instruments Measured at Fair Value through			
Profit or Loss/Gain on Trading and Foreign Exchange Transactions	527,265	150,558	145,707
Gain (Loss) on Investments	(3,026)	3,756,985	513,526
Share of Profit from Investments accounted for under Equity Method			
- Associated Companies and Joint Venture	1,986,341	2,154,393	366,638
Gain on Debt Settlement/Assets Transferred for Debt Settlement	738,663	118,425	243,155
Gain on Property Foreclosed and Other Assets	849,500	225,455	221,627
Non-life Insurance/Life Insurance Income	8,148,356	7,708,659	7,982,593
Dividend Income	145,382	308,218	181,467
Other Operating Income	403,214	466,598	579,731
Total Operating Income	16,921,357	18,730,836	14,058,127
Non-life Insurance/Life Insurance Expenses	(5,737,095)	(5,820,603)	(6,574,234)
Net Operating Income	11,184,262	12,910,233	7,483,893
Other Operating Expenses			
Employee's Expenses	2,051,760	1,886,934	1,895,377
Directors' Remuneration	87,349	82,709	69,772
Premises and Equipment Expenses	272,845	244,765	245,286
Taxes and Duties	40,339	20,889	34,655
Other Expenses	690,610	663,902	789,062
Total Other Operating Expenses	3,142,903	2,899,199	3,034,152
Expected Credit Loss	482,865	606,102	-
Impairment Loss of Loans and Debt Settlement (Reversal)	-	-	(316,254)
Profit before Income Tax	7,558,494	9,404,932	4,765,995
Income Tax	(836,219)	(1,556,690)	(1,366,653)
Profit for the Year from Continuing Operations	6,722,275	7,848,242	3,399,342
Discontinued Operations			
Profit for the Year from Discontinued Operations	-	-	13,360,708
Total Profit for the Year	6,722,275	7,848,242	16,760,050

Consolidated Financial Statements of Thanachart Capital Public Company Limited and its Subsidiaries
Statements of Comprehensive Income for the Year Ended 31 December (Continued)

(Unit: Thousand Baht)

	2021	2020	2019
Other Comprehensive Income			
Continuing Operations			
<i>Transactions That Will Be Reclassified Subsequently to Profit or Loss</i>			
Loss on Debt Securities Measured at Fair Value through			
Other Comprehensive Income	(45,606)	(38,669)	-
Gain on Change in Value of Available-for-sale Securities	-	-	379,514
Share of Other Comprehensive Income of Associated Companies			
and Joint Venture (Loss)	(190,582)	10,034	(64,689)
Income Tax Relating to Components of Other Comprehensive Income	9,121	7,734	27,766
	(227,067)	(20,901)	342,591
<i>Transactions That Will Never Be Reclassified Subsequently to Profit or Loss</i>			
Loss on Investments in Equity Securities Designated to Be Measured			
at Fair Value through Other Comprehensive Income	(161,520)	(1,392,658)	-
Surplus on Revaluation of Assets	-	-	88,852
Share of Other Comprehensive Income of Associated Companies			
and Joint Venture (Loss)	128,454	(121,071)	246,604
Actuarial Gain (Loss) on Defined Benefit Plan	47,937	73,781	(75,622)
Income Tax Relating to Components of Other Comprehensive			
Income (Loss)	9,360	157,156	(14,039)
	(24,231)	(1,282,792)	245,795
Total Other Comprehensive Income (Loss) from			
Continuing Operations	(202,836)	(1,303,693)	588,386
Discontinued Operations			
Total Other Comprehensive Income from Discontinued Operations	-	-	2,996,555
Total Other Comprehensive Income (Loss)	(202,836)	(1,303,693)	3,584,941
Total Comprehensive Income			
Total Comprehensive Income from Continuing Operations	6,519,439	6,544,549	3,987,728
Total Comprehensive Income from Discontinued Operations	-	-	16,357,263
Total Comprehensive Income	6,519,439	6,544,549	20,344,991
Total Profit Attributable to:			
The Company			
Profit Attributable from Continuing Operations	5,287,180	6,669,030	1,729,979
Profit Attributable from Discontinued Operations	-	-	9,077,080
Total Profit Attributable to the Company	5,287,180	6,669,030	10,807,059

Consolidated Financial Statements of Thanachart Capital Public Company Limited and its Subsidiaries
Statements of Comprehensive Income for the Year Ended 31 December (Continued)

(Unit: Thousand Baht)

	2021	2020	2019
Non-controlling Interests			
Profit Attributable from Continuing Operations	1,435,095	1,179,212	1,669,363
Profit Attributable from Discontinued Operations	-	-	4,283,628
Total Profit Attributable to Non-controlling Interests	1,435,095	1,179,212	5,952,991
	6,722,275	7,848,242	16,760,050
Total Comprehensive Income Attributable to:			
The Company			
Comprehensive Income Attributable from Continuing Operations	5,164,808	5,527,435	2,108,033
Comprehensive Income Attributable from Discontinued Operations	-	-	10,495,185
Total Comprehensive Income Attributable to the Company	5,164,808	5,527,435	12,603,218
Non-controlling Interests			
Comprehensive Income Attributable from Continuing Operations	1,354,631	1,017,114	1,879,695
Comprehensive Income Attributable from Discontinued Operations	-	-	5,862,078
Total Comprehensive Income Attributable to Non-controlling Interests	1,354,631	1,017,114	7,741,773
	6,519,439	6,544,549	20,344,991
Earnings per Share of the Company			
Basic Earnings per Share (Baht per Share)			
Profit from Continuing Operations	5.04	6.26	1.51
Profit from Discontinued Operations	-	-	7.92
	5.04	6.26	9.43
Diluted Earnings per Share (Baht per Share)			
Profit from Continuing Operations	5.04	6.26	1.51
Profit from Discontinued Operations	-	-	7.92
	5.04	6.26	9.43

Consolidated Financial Statements of Thanachart Capital Public Company Limited and its Subsidiaries
Statements of Cash Flows for the Year Ended 31 December

(Unit: Thousand Baht)

	2021	2020	2019
Cash Flows from Operating Activities			
Profit before Income Tax	7,558,494	9,404,932	23,464,638
Adjustments to Reconcile Profit before Income Tax to Net Cash			
Received by (Paid from) Operating Activities			
Share of Profit from Investments Accounted for under Equity Method	(1,986,341)	(2,154,393)	(366,638)
Depreciation and Amortization	228,110	195,264	84,342
Expected Credit Loss	482,865	606,102	-
Reversal of Bad Debt and Doubtful Accounts and Impairment Loss	-	-	(316,254)
Increase in Provisions	(8,867)	45,350	122,721
Increase (Decrease) in Allowance for Impairment of			
Property Foreclosed	(771,301)	(73,075)	343,628
Decrease in Allowance for Impairment of Equipment/Other Assets	(18,616)	(8,716)	(1,732)
Loss from Revaluation of Buildings	-	-	1,678
Interest Income and Gain on Assets Transferred fro Debt Settlement	(206)	(2,733)	(6,012)
Unrealized Loss (Gain) from Change in Value of Investments/			
Allowance for Impairment of Investments	-	-	(266,274)
Gain on Financial Instruments Measured at Fair Value through			
Profit or Loss	(137,731)	(37,824)	-
Gain on Disposal of Investments in Subsidiaries/an Associated			
Company	-	-	(4,663,620)
Loss (Gain) on Disposal of Equipment and Intangible Assets	918	3,537	10,989
Decrease (Increase) in Accrued Other Income Receivables	(104,746)	20,237	(180,140)
	5,242,579	7,998,681	18,227,326
Net Interest Income	(2,671,236)	(2,592,925)	(2,739,601)
Dividend Income	(145,382)	(308,218)	(181,467)
Cash Received from Interest on Operating Activities	3,841,100	3,916,642	4,041,806
Cash Paid for Interest on Operating Activities	(262,534)	(207,427)	(362,494)
Cash Paid for Income Tax	(1,215,688)	(1,753,599)	(984,679)
Income from Operating Activities before Changes in Operating			
Assets and Liabilities	4,788,839	7,053,154	18,000,891

Consolidated Financial Statements of Thanachart Capital Public Company Limited and its Subsidiaries
Statements of Cash Flows for the Year Ended 31 December (Continued)

(Unit: Thousand Baht)

	2021	2020	2019
Cash Flow from Operating Activities (Continued)			
Decrease (Increase) in Operating Assets			
Interbank and Money Market Items	(1,134,647)	(413,528)	(68,888)
Derivative Assets	(102,887)	(132,689)	(8,712)
Financial Assets Measured at Fair Value through Profit or Loss	634,560	2,646,100	-
Investments in Trading Securities	-	-	(925,994)
Loans to Customers	(5,975,270)	2,656,163	(2,468,972)
Property Foreclosed	799,358	837,045	531,600
Receivables from Purchase and Sale of Securities	404,234	1,330,336	(64,833)
Other Assets	557,598	2,420,152	113,155
Increase (Decrease) in Operating Liabilities			
Interbank and Money Market Items	2,671,949	(2,347,168)	(3,028,743)
Derivatives Liabilities	3,437	(32,297)	42,015
Payable from Purchase and Sale of Securities	(819,437)	1,135,245	(10,688)
Insurance Contract Liabilities	(816,774)	(864,525)	(965,992)
Other Liabilities	(479,076)	(996,057)	92,927
Net Cash Flows from (Used in) Operating Activities	531,884	13,291,931	11,237,766
Cash Flows from Investing Activities			
Decrease (Increase) in Investments in Securities	7,780,644	11,974,493	(29,382,633)
Cash Paid for Purchase of Investment in Subsidiaries, Associated, and Joint Venture	(4,206,014)	(1,475,340)	(70,249,755)
Cash Received from Disposal of Investment in Subsidiaries/ an Associated Company	-	-	87,113,406
Cash Received from Interest	204,084	177,352	225,990
Cash Received from Dividend	1,064,403	662,241	393,888
Cash Paid for Purchase of Premises and Equipment/Intangible Assets	(219,196)	(95,321)	(104,807)
Cash Received from Disposal of Equipment	3,840	2,005	2,521
Net Cash Flows from (Used in) Investing Activities	4,627,761	11,245,430	(12,001,390)

Consolidated Financial Statements of Thanachart Capital Public Company Limited and its Subsidiaries
Statements of Cash Flows for the Year Ended 31 December (Continued)

(Unit: Thousand Baht)

	2021	2020	2019
Cash Flows from Financing Activities			
Cash Received from Debts Issued and Borrowings	7,485,988	18,161,956	18,956,837
Cash Paid for Debts Issued and Borrowings	(7,065,268)	(29,055,368)	(9,654,158)
Cash Paid for Interest Expenses on Debts Issued and Borrowings	(1,103,215)	(1,427,775)	(1,184,447)
Cash Paid for Treasury Shares	-	(4,863,089)	(234,984)
Cash Received from Minority Shareholders due to Capital Increase of Subsidiary Companies	-	934,402	-
Cash Returned to Non-controlling Interests due to Capital Decrease of Subsidiary Companies	(167)	(648)	-
Cash Paid for Dividend	(3,144,513)	(7,726,804)	(3,206,745)
Cash Paid for Lease Liabilities	(118,106)	(108,796)	-
Cash Paid for Dividend to Non-controlling Interests	(1,212,358)	(451,738)	(3,919,763)
Net Cash Flows from (Used in) Financing Activities	(5,157,639)	(24,537,860)	756,740
Net Increase (Decrease) in Cash	2,006	(499)	(6,884)
Cash at Beginning of the Year	2,471	2,970	9,854
Cash at End of the Year	4,477	2,471	2,970
Supplemental Cash Flows Information			
Non-cash Transactions			
Property Foreclosed Transferred from Loans to Customers and Investments in Receivables purchased	653,517	689,984	807,593
Payable from Purchase of Assets	100,557	1,586	2,161
Dividend Payable	-	-	4,582,651
Receivables from Purchase and Sale of Subsidiaries	-	-	764,039
Payable from Purchase of an Associated Company	-	-	193,750
Right-of-use Assets	71,374	52,852	-
Transfer Investments Held for Minority Shareholders to Investments in Subsidiary and Associated Companies	-	39,008	-

Financial Ratios

Consolidated Financial Statements	31 December (Unit: Percent)		
	2021	2020	2019
Profitability Ratios			
Gross Profit Margin	69.08	65.06	65.36
Net Profit Margin	51.82	52.53	25.05
Return on Equity ⁽¹⁾	8.31	10.47	15.70
Efficiency Ratio			
Return on Assets	4.73	5.24	1.67
Financial Ratio			
Debt to Equity (times)	0.93	0.93	1.17
Asset Quality Ratios			
Allowance for Doubtful Accounts to Loans and Accrued Interest Receivables	4.52	4.45	5.54
Non-performing Loans to Total Loans ⁽²⁾	5.10	5.14	5.02
Share Information (Baht)			
Book Value per Share	62.10	60.38	57.46
Earnings per Share	5.04	6.26	9.43

Notes: ⁽¹⁾ Return on Equity = (Net Profit Attributable to the Company/Average Equity Attributable to Owners of the Company)

⁽²⁾ Non-performing Loans to Total Loans is in accordance with the regulations of the BOT

Economics Outlook and Competition in Banking Industry

Overall, the Thai economy in 2021 grew by 1.6 percent, compared with the prior year 2020 in which the economy suffered a sharp contraction of 6.2 percent as a result of the COVID-19 pandemic. Although there were multiple waves of COVID-19 in 2021, particularly the spread of the new variant Delta from the second quarter to the fourth quarter of the year, during which there were tens of thousands of daily coronavirus infections. As a result, the economic recovery was delayed. However, thanks to the relaxation of the containment measures to halt the spread of the virus and the state's spending stimulus measures, which were launched gradually in the last quarter of the

year, the decline in the number of infections due to accelerated vaccinations, as well as the increase in exports in line with the demand recovery in the trading counterpart countries, the Thai economy expanded from the prior year. In view of the COVID-19 pandemic which had severe impacts on the country's economic system, the BOT together with financial institutions launched various appropriate measures to mitigate the adverse impacts from the COVID-19 pandemic on the general public and each business group. Meanwhile, the BOT's Monetary Policy Committee maintained the policy rate at 0.50 percent per annum throughout the year since the committee considered that the maintenance of the financial policy relaxation would help support the overall expansion of the economy.

Total lending of Thai commercial banks in 2021 increased from the prior year, mainly due to the expansion of corporate loans and loans to small and medium-sized enterprises (SMEs). Meanwhile, household loans increased, mainly due to the increase in mortgage loans; however, hire purchase loans decreased. On the other hand, deposits increased in line with loan expansion. As regards NPLs, non-performing loans increased continuously in line with the economic slowdown.

The Thai economy in 2022 tends to recover and it is expected to grow by 3.5 - 4.5 percent, based on the forecast made by the Office of the National Economic and Social Development Council (NESDC). Key supporting factors include domestic demand recovery as well as tourism recovery as the COVID-19 situation improves. Other factors include expansion of exports and the government's investment.

Performance Overview

For the Year Ended 31 December 2021

In 2021, the Company and its subsidiaries' net profit according to the consolidated financial statements amounted to 6,722 million baht. This was mainly due to the operating results of the important subsidiary and associated companies as follows:

- THANI had a consolidated net profit of 1,709 million baht
- TNI had a net profit of 768 million baht
- TNS had a net profit of 661 million baht
- Share of profit from investments accounted for under equity method - associated companies and joint venture was 1,986 million baht
- Asset management companies and other subsidiaries had net profits of 265 million baht

As a result, net profit attributable to the Company in 2021 amounted to 5,287 million baht, a decrease of 1,382 million baht or 20.72 percent from the previous year. This was mainly due to the fact that, in the first quarter of 2020, the Company recognized a gain on sale of its investment in AJT which was a one-time special gain. Excluding such special gain, the Company's net profit increased by 1,608 million baht or 43.71 percent. The increase was from the growing performance of the Company and its important subsidiaries.

Earnings per share (EPS) of the Company in 2021 were 5.04 baht. ROAA and ROAE were at 4.73 and 8.31 percent, respectively.

(Unit: Million Baht)

Consolidated Statements of Comprehensive Income	For the Year			2021 VS 2020	
	2021	2020	2019	+ / (-)	Percent
Interest Income	4,026	4,213	4,339	(187)	(4.44)
Interest Expenses	1,355	1,620	1,599	(265)	(16.36)
Net Interest Income	2,671	2,593	2,740	78	3.01
Net Fees and Service Income	1,454	1,249	1,084	205	16.41
Operating Income ⁽¹⁾	7,059	9,068	3,660	(2,009)	(22.15)
Net Operating Income	11,184	12,910	7,484	(1,726)	(13.37)
Other Operating Expenses	3,143	2,899	3,034	244	8.42
Expected Credit Losses/Impairment Loss of Loans and Debt Securities (Reversal)	483	606	(316)	(123)	(20.30)
Profit before Income Tax	7,558	9,405	4,766	(1,847)	(19.64)
Income Tax	836	1,557	1,367	(721)	(46.31)
Profit for the Year from Continuing Operations	6,722	7,848	3,399	(1,126)	(14.35)
Profit for the Year from Discontinued Operations	-	-	13,361	-	-
Total Profit for the Year	6,722	7,848	16,760	(1,126)	(14.35)
Profit Attributable to the Company	5,287	6,669	10,807	(1,382)	(20.72)
Profit Attributable to Non-controlling Interests	1,435	1,179	5,953	256	21.71
Earnings per Share from Continuing Operations (Baht)	5.04	6.26	1.51	(1.22)	(19.49)
Earnings per Share from Discontinued Operations (Baht)	-	-	7.92	-	-
Earnings per Share (Baht)	5.04	6.26	9.43	(1.22)	(19.49)
Weighted Average Number of Ordinary Shares	1,048.62	1,065.52	1,145.72	(16.90)	(1.59)

Note: ⁽¹⁾ Operating income net insurance/life insurance expenses

Net Interest Income

(Unit: Million Baht)

Net Interest Income	For the Year			2021 VS 2020	
	2021	2020	2019	+ / (-)	Percent
Interest Income					
Interbank and Money Market Items -					
Deposits at Financial Institutions	81	150	148	(69)	(46.00)
Financial Assets Measured at Fair Value					
through Profit or Loss	27	83	-	(56)	(67.47)
Investments and Trading Transactions	-	-	121	-	-
Investments in Debt Securities Measured at Amortized Cost	1	2	-	(1)	(50.00)
Investments in Debt Securities Measured at Fair Value					
through Other Comprehensive Income	115	234	-	(119)	(50.85)
Investments in Debt Securities	-	-	281	-	-
Loans to Customers	372	228	250	144	63.16
Hire Purchase and Financial Lease	3,430	3,516	3,539	(86)	(2.45)
Total Interest Income	4,026	4,213	4,339	(187)	(4.44)
Interest Expenses					
Interbank and Money Market Items -					
Borrowings from Financial Institutions	255	216	363	39	18.06
Debts Issued and Borrowings	1,071	1,373	1,222	(302)	(22.00)
Borrowings Cost	16	19	14	(3)	(15.79)
Others	13	12	-	1	8.33
Total Interest Expenses	1,355	1,620	1,599	(265)	(16.36)
Net Interest Income	2,671	2,593	2,740	78	3.01

In 2021, the Company and its subsidiaries had 2,671 million baht in net interest income, an increase of 78 million baht or 3.01 percent from the previous year.

Interest income was 4,026 million baht, a decrease of 187 million baht or 4.44 percent. This was mainly due to the decrease in interest income on deposits at financial institutions and interest income on investments in debt securities from the reduction of the rate of return which

was in line with the market condition and the reduction of investment portfolio. Meanwhile, interest income on margin loans and asset-financing loans increased.

Interest expenses were 1,355 million baht, a decrease of 265 million baht or 16.36 percent. This was a result of the proper cost of fund management to be in line with the declining market interest rate.

Non-interest Income

(Unit: Million Baht)

Non-interest Income	For the Year			2021 VS 2020	
	2021	2020	2019	+/(−)	Percent
Fees and Service Income	1,886	1,659	1,458	227	13.68
Fees and Service Expenses	432	410	374	22	5.37
Net Fees and Service Income	1,454	1,249	1,084	205	16.41
Gain on Financial Instruments Measured at Fair Value through Profit or Loss/Gain on Trading and Foreign Exchange Transactions	527	151	146	376	249.01
Gain (Loss) on Investments	(3)	3,757	514	(3,760)	(100.08)
Share of Profit from Investments Accounted for under Equity Method - Associated Companies and Joint Venture	1,986	2,154	367	(168)	(7.80)
Gain on Property Foreclosed and Other Assets	850	225	222	625	277.78
Net Insurance/Life Insurance Income	2,411	1,888	1,408	523	27.70
Dividend Income	145	308	181	(163)	(52.92)
Other Income	1,143	585	822	558	95.38
Total Other Operating Income	7,059	9,068	3,660	(2,009)	(22.15)
Total Non-interest Income	8,513	10,317	4,744	(1,804)	(17.49)

Non-interest income of the Company and its subsidiaries in 2021 amounted to 8,513 million baht, a decrease of 1,804 million baht or 17.49 percent from the previous year.

Net Fees and Service Income

In 2021, net fees and service income amounted to 1,454 million baht, an increase of 205 million baht or 16.41 percent. This was mainly due to the increase in brokerage fees from securities business which was in line with the SET's trading volume as well as the increase in fees received from unit trust trading and fees received from investment advisory (ZEAL).

Other Operating Income

Other operating income amounted to 7,059 million baht, a decrease of 2,009 million baht or 22.15 percent. This was mainly due to the following

- Loss on investments amounted to 3 million baht compared to the gain on investments of 3,757 million baht in the previous year from selling the investment in AJT.
- Share of profit from investments accounted for under equity method - associated companies and joint venture amounted to 1,986 million baht, a decrease of 168 million baht or 7.80 percent.

- Gain on debt settlement/assets transferred for debt settlement amounted to 739 million baht, an increase of 621 million baht or 526.27 percent.
- Net insurance/life insurance income amounted to 2,411 million baht, an increase of 523 million baht or 27.70 percent.
- Dividend income amounted to 145 million baht, a decrease of 163 million baht or 52.92 percent.
- Gain on financial instruments measured at fair value through profit or loss amounted to 527 million baht, an increase of 376 million baht or 249.01 percent.
- Gain on property foreclosed and other assets amounted to 850 million baht, an increase of 625 million baht or 277.78 percent.

Other Operating Expenses

(Unit: Million Baht)

Other Operating Expenses	For the Year			2021 VS 2020	
	2021	2020	2019	+/(-)	Percent
Employee's Expenses	2,052	1,887	1,895	165	8.74
Directors' Remuneration	87	83	70	4	4.82
Premises and Equipment Expenses	273	245	245	28	11.43
Taxes and Duties	40	21	35	19	90.48
Other Expenses	691	663	789	28	4.22
Total Other Operating Expenses	3,143	2,899	3,034	244	8.42

In 2021, other operating expenses of the Company and its subsidiaries amounted to 3,143 million baht, an increase of 244 million baht or 8.42 percent from the previous year. This was mainly due to incentive expenses paid to employees in line with the transaction volume.

Expected Credit Loss/Impairment Loss of Loans and Debt Securities

(Unit: Million Baht)

Expected Credit Loss/Impairment Loss of Loans and Debt Securities (Reversal)	For the Year			2021 VS 2020	
	2021	2020	2019	+/(-)	Percent
Interbank and Money Market Items	-	(1)	-	1	100.00
Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income	(30)	271	-	(301)	(111.07)
Loans to Debtors and Accrued Interest	667	337	(316)	330	97.92
Other Assets	(154)	(1)	-	(153)	(15,300.00)
Expected Credit Loss/Impairment Loss of Loan and Debt Securities (Reversal)	483	606	(316)	(123)	(20.30)

In 2021, the Company and its subsidiaries had expected credit loss in the amount of 483 million baht, a decrease of 123 million baht or 20.30 percent. This was mainly due to the reversal of provision on investments in debt securities while provision provided for debtors increased as the multiple waves of COVID-19 epidemic impacted the ability to repay of debtors.

Financial Position

(Unit: Million Baht)

Consolidated Statements of Financial Position	For the Year Ended 31 December			2021 VS 2020	
	2021	2020	2019	+ / (-)	Percent
Cash	4	2	3	2	100.00
Interbank and Money Market Items - net					
- Deposits at Financial Institutions	8,947	7,812	7,404	1,135	14.53
Financial Assets Measured at Fair Value through					
Profit or Loss	2,781	3,357	-	(576)	(17.16)
Investments - net	13,124	21,650	41,551	(8,526)	(39.38)
Investments in Associated Companies and					
Joint Venture - net	52,955	48,007	45,421	4,948	10.31
Loans to Customers and					
Accrued Interest Receivables - net	55,221	50,251	53,159	4,970	9.89
Property Foreclosed - net	3,679	3,054	3,128	625	20.46
Land, Premises, Equipment and Right-of-use Assets - net	756	678	301	78	11.50
Assets Classified as Held for Sale	-	-	3,423	-	-
Other Assets	5,268	5,945	6,537	(677)	(11.39)
Total Assets	142,735	140,756	160,927	1,979	1.41
Interbank and Money Market Items - Borrowings from					
Financial Institutions	15,984	13,312	15,660	2,672	20.07
Debts Issued and Borrowings	34,308	33,887	44,780	421	1.24
Insurance Contracts Liabilities	11,414	12,231	13,096	(817)	(6.68)
Other Liabilities	6,888	8,557	13,332	(1,669)	(19.50)
Total Liabilities	68,594	67,987	86,868	607	0.89
Equity Attributable to Owners of the Company	65,114	63,311	65,833	1,803	2.85
Non-controlling Interests	9,027	9,458	8,226	(431)	(4.56)
Total Equity	74,141	72,769	74,059	1,372	1.89
Total Liabilities and Equity	142,735	140,756	160,927	1,979	1.41

Assets

As of 31 December 2021, Thanachart Group's total assets amounted to 142,753 million baht, an increase of 1,979 million baht or 1.41 percent from the end of 2020. Key factors were as follows:

Net Interbank and Money Market Items - Deposits at Financial Institutions

Net interbank and money market items - deposits at financial institutions amounted to 8,947 million baht, an increase of 1,135 million baht or 14.53 percent. This was due to liquidity management.

Net Investments

(Unit: Million Baht)

Investments Classified by Type	For the Year Ended 31 December			2021 VS 2020	
	2021	2020	2019	+/(-)	Percent
Investments in Debts Securities Measured at Amortized Cost	-	43	-	(43)	(100.00)
Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income	10,416	19,250	-	(8,834)	(45.89)
Investments in Equity Securities Designated at Fair Value through Other Comprehensive Income	2,708	2,357	-	351	14.89
Trading Securities - net	-	-	5,786	-	-
Available-for-sale Securities - net	-	-	33,197	-	-
Held-to-maturity Debt Securities - net	-	-	2,426	-	-
General Investments - net	-	-	142	-	-
Investments - net	13,124	21,650	41,551	(8,526)	(39.38)
Investments in Associated Companies and Joint Venture - net	52,955	48,007	45,421	4,948	10.31
Total Investments - net	66,079	69,657	86,972	(3,578)	(5.14)

As of 31 December 2021, the Company and its subsidiaries had net investments in the amount of 66,079 million baht, a decrease of 3,578 million baht or 5.14 percent from the previous year. This was mainly from the maturity of government bonds. Meanwhile, Investment in associated companies and joint venture increased, mainly due to the additional investments in TTB and MBK.

Net Loans to Customers and Accrued Interest Receivables

As of 31 December 2021, net loans to customers and accrued interest receivables amounted to 55,221

million baht, an increase of 4,970 million baht or 9.89 percent. This was mainly due to the loan expansion of subsidiaries including THANI, T-Plus, and TNS

Property Foreclosed

As of 31 December 2021, the Company and its subsidiaries had property foreclosed stated at cost amounted to 4,568 million baht, accounting for 3.20 percent of total assets. The allowance for impairment of the property foreclosed was 889 million baht, accounting for 19.46 percent of total value at cost.

Source of Fund

Capital Structure

As of 31 December 2021, the Company and its subsidiaries had funds from liabilities and shareholders' equity of 68,594 million baht and 74,141 million baht, respectively. The ratio of debts to equity was at 0.93 times. The important components of funds from liabilities

consisted of debts issued and borrowings which as of 31 December 2020 amounted to 34,308 million baht, accounting for 24.04 percent while interbank and money market items-borrowings from financial institutions, insurance contracts liabilities, and other liabilities accounted for 11.20 percent, 8.00 percent, and 4.82 percent of total source of fund.

(Unit: Million Baht)

Capital Structure	For the Year Ended 31 December			2021 VS 2020	
	2021	2020	2019	+ / (-)	Percent
Interbank and Money Market Items - Borrowings					
from Financial Institutions	15,984	13,312	15,660	2,672	20.07
Debts Issued and Borrowings	34,308	33,887	44,780	421	1.24
Insurance Contracts Liabilities	11,414	12,231	13,096	(817)	(6.68)
Other Liabilities	6,888	8,557	13,332	(1,669)	(19.50)
Total Liabilities	68,594	67,987	86,868	607	0.89
Total Shareholders' Equity	74,141	72,769	74,059	1,372	1.89
Total Liabilities and Equity	142,735	140,756	160,927	1,979	1.41

Liabilities

Total liabilities of Thanachart Group as of 31 December 2021 were 68,594 million baht, an increase of 607 million baht or 0.89 percent from the end of 2020. The key items were as follows:

- Interbank and money market items - borrowings from financial Institutions and debts issued and borrowings totaled 50,292 million baht, an increase of 3,093 million baht or 6.55 percent from liquidity management.

Shareholders' Equity

Total shareholders' equity as of 31 December 2021 was 74,141 million baht, an increase of 1,372 million baht or 1.89 percent from the end of 2020. The total shareholders' equity comprised of the following:

- Equity attributable to the owners of the Company was 65,114 million baht, an increase of 1,803 million baht or 2.85 percent. This was mainly due to the operating net profit of the Company and its

subsidiaries in 2021 of 5,287 million baht and the dividend payment of 3,146 million baht.

- Equity attributable to non-controlling interest amounted to 9,027 million baht, a decrease of 431 million baht or 4.56 percent. This was mainly from the change in shareholding proportion of 3 subsidiary companies to be held 100 percent by the Company

Cash Flows

As of 31 December 2021, the Company and its subsidiaries had cash in the amount of 4 million baht. The details of the net cash flows from various activities were as follows:

- Net cash flows from operating activities were 532 million baht, mainly due to 4,789 million baht in profit from operation. Key changes in operating assets and liabilities included a decrease of 799 million baht in property foreclosed; a decrease of 635 million baht in financial assets measured at

fair value through profit or loss; a decrease of 404 million baht in receivables from purchase and sale of securities; a decrease of 558 million baht in other assets; an increase of 2,672 million baht in interbank and money market items - borrowing from financial institutions; an increase of 3 million baht in derivative liabilities; an increase of 5,975 million baht in loans to customers; an increase of 1,135 million baht in interbank and money market items - deposits at financial institutions; an increase of 103 million baht in derivative assets; a decrease of 819 million baht in payables from purchase and sale of securities; a decrease of 817 million baht in insurance contract liabilities; and a decrease of 479 million baht in other liabilities.

- Net cash flows used in investing activities amounted to 4,628 million baht. This was due to a decrease of 7,781 million baht in investments in securities; cash received of 1,064 million baht from dividend; cash received of 204 million baht from interest; and cash received of 4 million baht from disposal of equipment. On the other hand, there were cash paid of 4,206 million baht for purchase

of investment in subsidiaries, associated companies, and joint venture; and cash paid of 219 million baht for purchase of premises and equipment/intangible assets.

- Net cash flows from financing activities amounted to 5,158 million baht. This included cash paid of 7,065 million baht for debts issued and borrowings; cash paid of 3,145 million baht for dividend; cash paid of 1,212 million baht for dividend to non-controlling interests; cash paid of 1,104 million baht for interest expenses on debts issued and borrowings; cash paid of 118 million baht for lease liabilities; cash received of 7,486 million baht from debts issued and borrowings.

Commitments

As of 31 December 2021, the Company and its subsidiaries had commitments in the amount of 10 million baht, a decrease of 54 million baht or 84.38 percent from the end of 2020.

Percentage of shareholding and performance of significant subsidiaries based on their respective financial statements were as follows:

(Unit: Million Baht)

Subsidiary Companies	Shareholding (Percent)	Profit (Loss) for the Year		
		2021	2020	2019
Ratchthani Leasing Public Company Limited (Consolidated)	60.16	1,709	1,860	1,964
Thanachart Insurance Public Company Limited	50.96	768	745	1,449
Thanachart Securities Public Company Limited	50.96	661	479	1,674
TS Asset Management Company Limited	99.99	43	24	135
MAX Asset Management Company Limited	83.44	34	7	224
NFS Asset Management Company Limited	100.00	88	(25)	135
MBK Life Assurance Public Company Limited	100.00	111	(383)	(231)

- Notes:**
1. The Company and its subsidiary increased shareholding in Ratchthani Leasing Public Company Limited to 60.16 percent at the end of 2021.
 2. The Company increased shareholding in MBK Life Assurance Public Company Limited from 51.00 percent to 100.00 percent on 4 August 2021.

Ratchthani Leasing Public Company Limited

Overall Performance

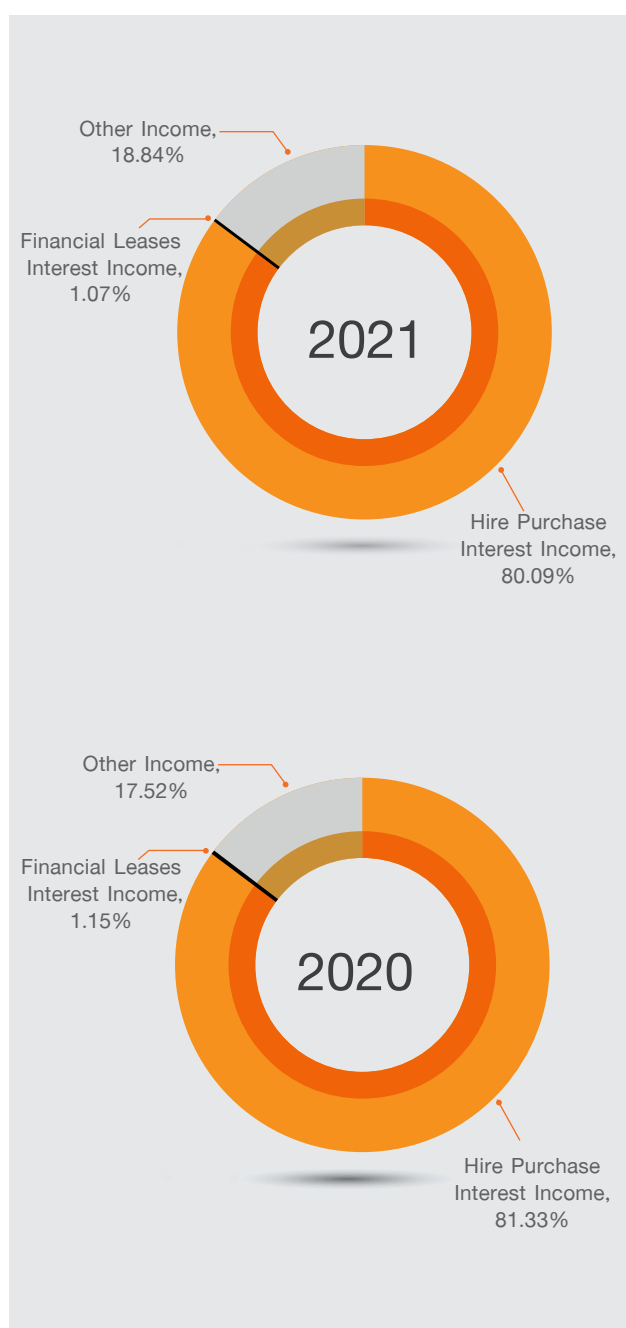
As for the year 2021, net profit of THANI and its subsidiary amounted to 1,709 million baht, representing a decrease of 151 million baht or 8.12 percent, compared to the prior year. This was primarily due to the economic contraction as a result to COVID-19 pandemic. In this connection, THANI was careful in lending. Total income in 2021 amounted to 4,226 million baht, representing a decrease of 37 million baht or 0.87 percent from a year earlier. On the other hand, financial expenses of THANI and its subsidiary amounted to 913 million baht, representing a decrease of 150 million baht or 14.11 percent. The company ensured not only that the funds raised through borrowings were in line with the funds loaned out but also that the interest rate spreads were maintained at a level which enabled THANI to make a profit consistently.

Income

In 2021, THANI placed emphasis on provision of support to customers throughout the COVID-19 transmission. During the past period when the situation remained uncertain, Ratchthani Leasing continued to maintain its policy of cautious lending in view of the fact that purchasing power became weaker and household income of borrowers declined. As a result, total income of THANI and its subsidiary amounted to 4,226 million baht, representing a slight decrease of 37 million baht or 0.87 percent from the year 2020. On the other hand, hire purchase receivables and financial lease receivables increased by 1,163 million baht or 2.49 percent compared to the year 2020.

The key components of the income of THANI and its subsidiary in 2021 included hire purchase interest income and financial leases interest income, which amounted to 3,430 million baht or accounted for 81.16 percent of the total income, fees and service income of 379 million baht, and other income of 417 million baht. They accounted for 8.97 percent and 9.87 percent respectively.

Proportions of the interest income from both hire purchase and finance lease agreements in comparison with other income (hereinafter referred to as fees and service income as well as other income) of THANI and its subsidiary for the year 2021 and the year 2020 were as follows:



Expenses

Finance costs of THANI and its subsidiary in 2021 amounted to 913 million baht while their selling and administrative expenses amounted 585 million baht. On the other hand, expected credit losses (ECL) amounted to 586 million baht while income tax amounted to 434 million baht.

The finance costs in 2021 which amounted to 913 million baht represented a decrease of 150 million baht or 14.11 percent compared to the year 2020. This was mainly due to the efforts to ensure not only that the funds raised through borrowings were line with the funds loaned out but also that the interest rate spreads were maintained at a level which enabled THANI to make a profit consistently. As a result, the cost of fund was at 2.49 percent.

Selling and administrative expenses in 2021 amounted to 585 million baht, representing an increase of 47 million baht or 8.74 percent compared to the year 2020. The key

components of the selling and administrative expenses included personnel expenses, losses from impairment of repossessed cars and office expenditure.

Expected credit losses (ECL) in 2021 amounted to 586 million baht, representing an increase when compared to that of 2020, which amounted to 338 million baht. In this connection, the ECL accounted for 1.24 percent of the average hire purchase debts. This was mainly due to the credit risk which rose in line with the economic slowdown caused by COVID-19 pandemic. The additional provision in 2021 reflected the ECL model which predicted future developments and management overlay. The objective was to accommodate the risk which might arise from the uncertainties caused by the virus transmission. This was in compliance with the Thai Financial Reporting Standards No. 9 (TFRS 9).

Net Profit

Net Profit	For the Year	
	2021	2020
Net profit (Million Baht)	1,709	1,860
Net profit margin (Percent)	40.44	43.64
Yield on Loans (Percent)	7.15	7.04
Cost of Fund (Percent)	2.49	2.70
Interest Spread (Percent)	4.66	4.35

Net profit of THANI and its subsidiary in 2021 amounted to 1,709 million baht, representing a decrease of 151 million baht or 8.12 percent compared to the year 2020. In addition, net profit margin of THANI was 40.44 percent, down from 43.64 percent in the prior year, mainly due the contraction

of the economy which was caused by COVID-19 pandemic. In this connection, THANI was prudent in extending loans. THANI's yield on loans was 7.15 percent while cost of fund was down to 2.49 percent. As a result, its interest spread was 4.66 percent.

Financial Position

Assets	For the Year	
	2021	2020
Total Assets (Million Baht)	49,223	48,518
Hire Purchase Receivables - net (Million Baht)	47,371	46,058
Financial Lease Receivable - net (Million Baht)	540	690
Hire Purchase-to-Total Asset Ratio (Percent)	96.24	94.93
Property Foreclosed (Million Baht)	98	67

For the year 2021, total assets of THANI and its subsidiary amounted to 49,223 million baht, representing an increase of 1.45 percent compared to the year 2020. In this connection, hire purchase receivables (net of allowance for doubtful accounts) accounted for 96.24 percent of their total assets, up from the prior year. Under the situation when the country went through the second year of the COVID-19 pandemic which had adverse impacts on the country's economic and social structures, THANI continued to focus on careful management of risks. Importantly, it continued assessing the quality of the loans which received assistance. The purpose was to deal with the uncertainties arising from the impacts of the COVID-19 pandemic situation whereby new virus variants continued to emerge. However, THANI continued to focus on giving hire purchase service which was its key business. Emphasis was also placed on looking after and retaining customer base. The objectives were to maintain its market share and to enable it to stay competitive in the industry in the long run.

Quality of Receivables and Loan Loss Provision

As of 31 December 2021, expected credit losses (ECL) of THANI which might arise from hire purchase receivables and financial lease receivables amounted to 1,485 million baht, an increase of 257 million baht or 20.93 percent when compared to that of the end of 2020. On the other hand, in comparison with 2020, the provision based on the expected credit losses increased by 248 million baht, mainly due to the credit risk which increased as a result the economic slowdown caused by COVID-19 pandemic.

The economic sector was hard hit by the disruption of economic activities and the declining household income as well as the slowdown of the private sector's spending and investment. The additional provision in 2021 reflected the ECL model which predicted future developments. The objective was to accommodate the risk which might arise from the uncertainties caused by the virus transmission. This was in compliance with the Thai Financial Reporting Standards No. 9 (TFRS 9).

THANI adopted a policy for bad debt write-off. In this connection, THANI would dispose of the loans once the court ruled that the debtor and the guarantor make repayments to THANI. When THANI was unable to repossess the assets or enforce the debt judgements or collect debts from debtors, it would write off bad debts by disposing of the bad debts. The objective was to reduce the loan loss provision. On the other hand, any gain received from the disposal of the bad debts would be recorded as other income. As regards the years 2021 and 2020, THANI wrote off bad debts worth amounted to 264 million baht and 438 million baht respectively.

Most of hire purchase receivables and financial lease receivables (less unearned interest income) for the years 2021 and 2020 were normal receivables with no more than 3 installments overdue. They amounted to 47,533 million baht and 46,476 million baht respectively, which accounted for 96.23 percent and 96.87 percent of the total hire purchase receivables and financial lease receivables respectively. The information showed that most of THANI's receivables remained normal.

Adequacy of Loan Loss Provision

THANI calculates the expected credit loss from financial assets by applying the general approach. In this connection, THANI uses the three stage approach to determine the allowance for impairment resulting from credit loss. As part of the three stage approach, THANI will take into consideration the change to the credit quality since the date when the revenue is first recognized. As for debts under the hire purchase agreements with the related legal cases in which the courts of law rule in favor of THANI, such debts are shown under other non-current assets in the Statement of Financial Position. As well, allowance for the credit loss is set aside in full amount for such debts with deducting the collateral value.

The expected credit loss is estimated based on the probability of the weighted credit loss throughout the anticipated lifetime of the financial instrument by referring to the present value of cash which is expected not to be received. In this connection, reference is made to the experience of loss in the past, taking into account THANI's asset groups which carry common characteristics of credit risk, such as type of collateral, contract period, and other related factors. This will be adjusted by the information obtained through current observations as well as the supporting forecasts which are rational, if proven that they are statistically correlated. In addition, discretion must be properly used in estimating the expected credit loss based on macroeconomic data. As well, assessment on the current situation must be conducted and economic conditions must be forecast in advance, taking into

consideration weighted probabilities under different scenarios, including base-case scenario, best-case scenario and worst-case scenario, in the calculation of the expected credit loss. The use of future forecasts increases the degree of discretion being applied to the assessment of the impacts which the related macroeconomic changes will have on the expected credit loss. However, THANI will arrange for a regular review and revision of the methodologies and assumptions which are used in forecasting future economic conditions. Furthermore, the expected credit loss also includes management overlays whereby management inputs for model override may be necessary.

In addition, THANI has been cautious not only in considering additional allowance from the management overlays, for the debts which probably could not be collected, but also in enhancing efficiency in debt collection in line with expansion of the loan portfolio size. In this connection, non-performing loans of THANI in 2021 and 2020 amounted to 1,863 million baht and 1,500 million baht respectively. As well, allowance for the expected credit loss in 2021 and 2020 amounted to 1,485 million baht and 1,228 million baht respectively.

Allowance for expected credit loss to non-performing loans ratio of THANI in the year 2021 and 2020 amounted to 79.71 percent and 81.87 percent respectively. Taking into consideration its prudent lending and strict debt collection standards, THANI believed that the loan loss provision remained appropriate, adequate and efficient in the ordinary course of THANI's normal operations.

Total Liabilities

(Unit: Million Baht)

Total Liabilities	31 December 2021	31 December 2020
Total Liabilities	37,657	37,699
Short-term Loans and Overdrafts	17,796	10,991
Long-term Loans	2,045	7,590
Long-term Debentures	16,794	18,099
Total Other Liabilities	1,022	1,019

Note: Short-term Loans and Overdrafts included the loans which were due to be repaid within one year.

As of 31 December 2021, total liabilities of THANI and its subsidiary amounted to 37,657 million baht, representing a decrease of 0.11 percent compared to 2020 year end. Thanks to THANI's implementation of the cautious lending policy in 2021 as well as its efficient capital and liquidity management in line with the lending activities, THANI was able to keep the interest rate spread at the consistently profitable level.

As of 31 December 2021, loans of THANI and its subsidiary consisted of short-term loans and overdrafts worth 17,796 million baht, long-term loans worth 2,045 million baht and long-term debentures worth 16,794 million baht.

Liquidity

(Unit: Million Baht)

Cash Flows	31 December 2021	31 December 2020
Cash Flows from (Used in) Operation Activities	1,404	5,925
Cash Flows from (Used in) Investing Activities	(13)	(16)
Cash Flows from (Used in) Financing Activities	(1,958)	(5,294)
Increase (Decrease) in Cash - net	(567)	615
Cash and Deposits at Banks	476	1,044

As of 31 December 2021, cash of THANI and its subsidiary amounted to 476 million baht. In this connection, net cash flows decreased by 568 million baht from the year 2020 which had cash of 1,044 million baht. The decrease was mainly due to net cash flows worth 1,404 million baht from operating activities as a result of the efforts to mobilize funds for accommodating THANI's lending activities. Meanwhile, net cash flows used in financing activities for THANI's normal lending activities amounted to 1,958 million baht. On the other hand, net cash flows used in investing activities amounted to 13 million baht.

Shareholders' Equity

On 8 April 2021, the Annual General Meeting of Shareholders of THANI adopted a resolution approving an allocation worth 94 million baht from 2020 net profit as statutory reserve. The meeting also adopted a resolution approving the dividend payment to shareholders at the rate of 0.17 baht per share, totaling to 963 million baht or accounting for 51.77 percent of 2020 net profit.

As of 31 December 2021, shareholders' equity of THANI amounted to 11,566 million baht, representing an increase of 748 million baht or 6.91 percent compared to the year 2020. This was mainly due to the net profit of 1,709 million baht, the dividend payment of 963 million baht, and the profit allocation as statutory reserve of 86 million baht

Liquidity Ratio

As of 31 December 2021, liquidity ratio of THANI and its subsidiaries amounted to 1.01 times. In this connection, total current assets amounted to 18,966 million baht while total current liabilities amounted to 18,778 million baht. Total current assets were 188 million baht more than total current liabilities. However, THANI and its subsidiary were still quite flexible in their short-term financial position, mainly due to the fact that most current liabilities included not only short-term loans in the form of Bills of Exchange (B/E) and Promissory Notes (P/N) from financial institutions,

but also debentures which were due for redemption within one year. In this connection, most of the two types of the loans could be replaced by issuing new loans when they were due for redemption or reached maturity. Moreover, THANI had a reserve in the form of a short-term credit facility offered by other financial institutions. As a result, THANI was able to manage the liquidity risk, ensuring that the risk was at an acceptable level and would not affect its main business operations.

On the other hand, their quick ratio was 1.00 times, which was not different from the liquid ratio, mainly because current assets of THANI and its subsidiary were relatively highly liquid and accounted for 99.04 percent of total current assets.

Factors or Events that Might Significantly Affect Future Financial Position or Operations

In conducting its business operations in the past year amidst the COVID-19 pandemic which began in 2020, THANI implemented various measures including its own supporting measures as well as those initiated by the BOT for the purpose of helping the customers who were hit by the pandemic. Although the Thai economy was on the course of recovery, the situation ahead remained very uncertain in view of the new wave of the COVID-19 infections. It might have impacts on the economy if the infections were widespread to such an extent that it was necessary to impose highly restrictive measures. The policy to attract tourists in 2021 greatly depended on the effectiveness and speed of vaccine distribution. This was a key challenge faced by the business sector in managing risks. As a result, the overall economic recovery was very uncertain. In this connection, while conducting its business operations in a cautious manner, THANI closely monitored the situation and continuously assessed the impacts, particularly in relation to the asset quality.

The above-mentioned circumstances are the factors or events which may have significant impacts on the financial position or operations in the future, a summary of which is as follows:

1. In dealing with the COVID-19 situation, the government imposed a lockdown measure to prevent the spread of COVID-19. Emphasis was placed on more specific areas and business sectors. As a result, the impacts were less severe than the first lockdown. The factors which might have impacts included which lockdown measure would be implemented and when the new wave of the infections would be brought under control. The discovery of COVID-19 vaccines in the latter part of the year 2020 not only was an important new hope for tourism but also a key variable in determining the direction of the economic recovery in 2021. As regards the distribution of vaccine injections in Thailand, it was expected that vaccines could start being administered to about 20 percent of the population in the second half of the year. As a result, Thailand might be able to open to foreign tourists who were vaccinated and allow them to enter the country without undergoing quarantine in the second half of the year. As a result, the tourism sector as well as other business sectors were expected to recover gradually.
2. The economic factors was considered the most important factor affecting the operations of business groups. Economic problems not only could lead to several other problems but also could have psychological impacts on the spending and investment of the business groups concerned, particularly those in the tourism sector. These were wounds which could take a long time to heal before things would return to normal before the

pandemic. Unfortunately, they were hard hit again by the new wave of infections towards the latter part of 2020. This could serve as a risk factor which might put a pressure on the economic recovery in the following year.

3. The government spending measure served as a main driver preventing a sharp economic decline in 2020. In this connection, the public sector speeded up its 2020 budget disbursements, particularly those related to investments, after it experienced unusual delays in preparing the annual expenditure budget. The Thai economy in 2020 was besieged by multiple challenges. Key economic drivers including export, tourism, consumption, and domestic investment all slowed down. As a result, the public sector played an importantly role in the economic recovery. The

objectives were to inject money into the economic systems and to stimulate economic activities in 2021.

Thanachart Insurance Public Company Limited

Overall Performance

Total premium received of TNI in 2021 amounted to 8,334 million baht, representing a decrease of 348 million baht or 4.01 percent, compared to the prior year. TNI had a market share of 3.13 percent in terms of all types of direct premiums in 2021. The direct premiums in 2021 consisted of auto insurance premiums worth 7,146 million baht, representing a decrease of 273 million baht or 3.69 percent when compared to the prior year. In this connection, TNI had a market share of 4.78 percent. The decrease in the premiums received was mainly due to the drop in the sales revenue through bank branch channels, the COVID-19 situation in Thailand which remained serious, and the economic contraction.

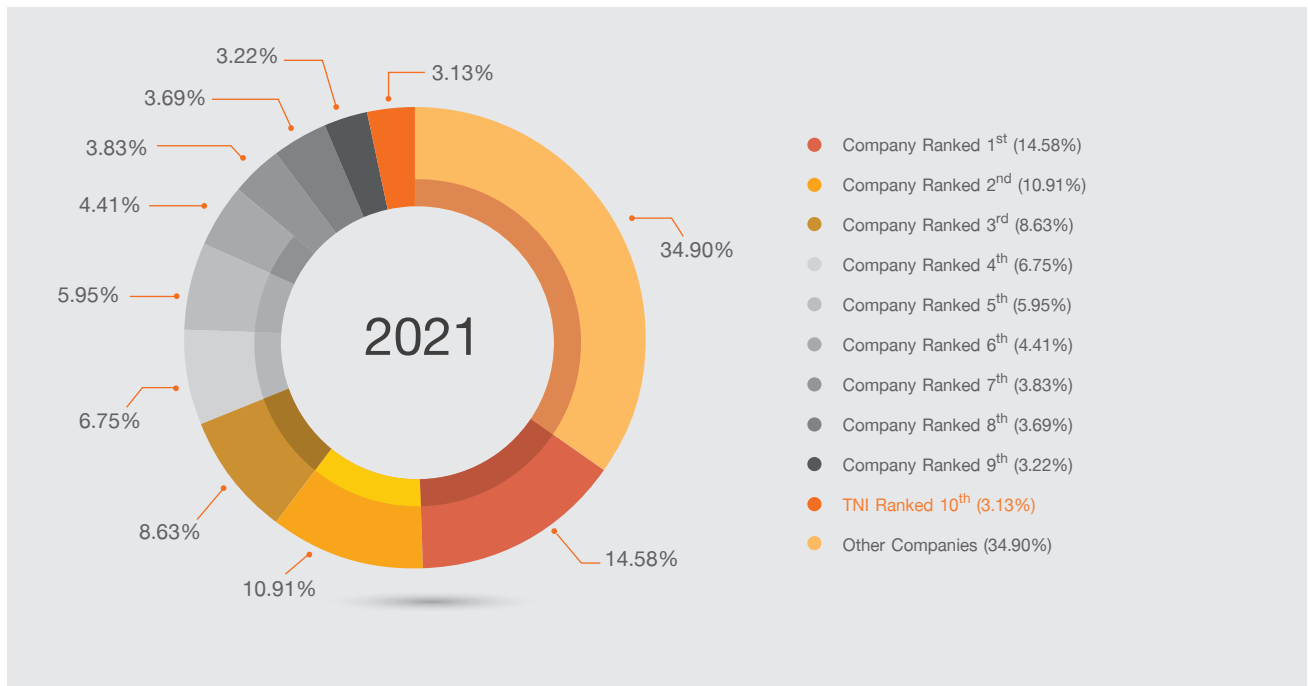
Composition of TNI's Direct Premiums over the Past 5 Years

(Unit: Million Baht)

Type of Insurance	2021		2020		2019		2018		2017	
	Direct Premiums	Percent	Direct Premiums	Percent	Direct Premiums	Percent	Direct Premiums	Percent	Direct Premiums	Percent
Auto Insurance	7,145.86	85.74	7,419.34	85.46	7,047.80	84.22	6,719.34	84.13	6,405.16	85.33
Fire Insurance	69.03	0.83	79.30	0.91	71.74	0.86	72.16	0.90	68.59	0.91
Marine Insurance	-	-	-	-	-	-	-	-	-	-
Miscellaneous Insurance	1,119.01	13.43	1,183.39	13.63	1,248.30	14.92	1,195.84	14.97	1,032.60	13.76
Total	8,333.90	100.00	8,682.03	100.00	8,367.84	100.00	7,987.34	100.00	7,506.35	100.00

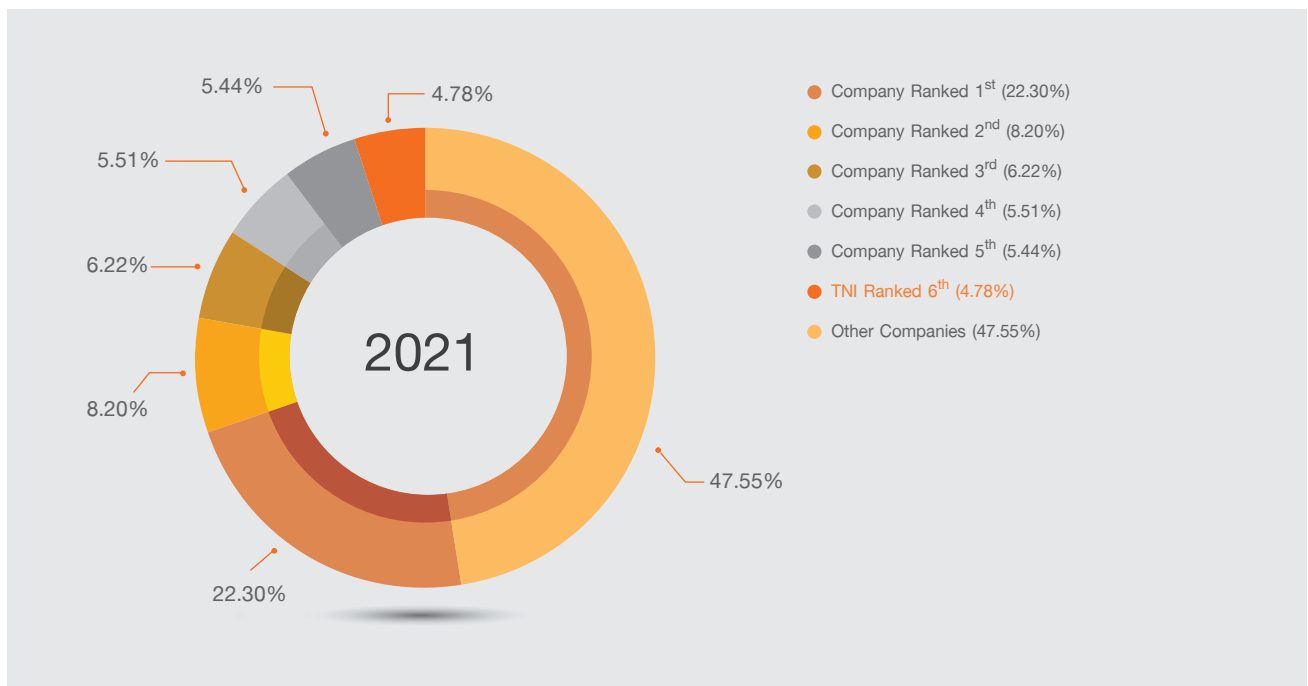
Market Shares and Direct Premiums of All Types of Insurance

Market Shares and Direct Premiums of All Types of Insurance in 2021

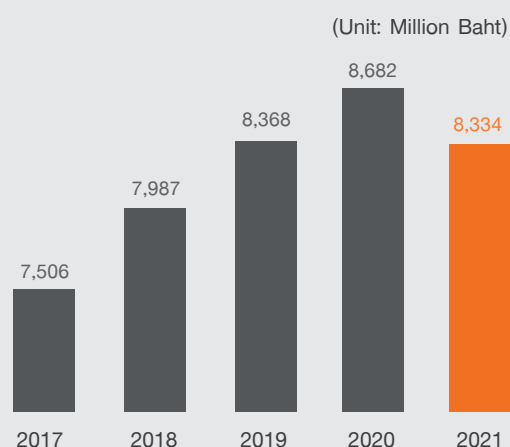


Market Shares and Direct Premiums of Auto Insurance

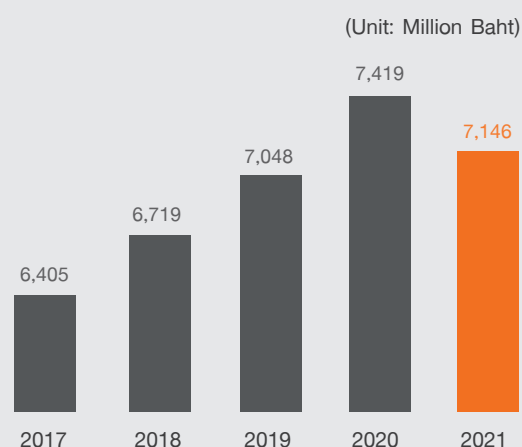
Market Shares and Direct Premiums of Auto Insurance in 2021



Direct Premiums of All Types of Insurance



Direct Premiums of Auto Insurance



Financial Position and Overall Performance

(Unit: Million Baht)

Financial Position	31 December 2021	31 December 2020
Cash and Cash Equivalents	529	163
Reinsurance Assets	465	589
Premium Receivables	755	664
Financial Assets	11,497	12,388
Other Assets	1,660	1,550
Total Assets	14,906	15,354
Insurance Contract Liabilities	6,152	6,268
Amount Due to Insurers	426	604
Other Liabilities	2,831	2,752
Total Liabilities	9,409	9,624
Total Equity	5,497	5,730
Total Capital Available	5,708	5,903

TNI's financial position was stable and strong. Its registered capital amounted to 4,930 million baht while its total capital amounted to 5,708 million baht. Importantly, its capital adequacy ratio amounted to 1,318.16 percent.

As of 31 December 2021, total assets of TNI amounted to 14,906 million baht, a decrease of 448 million baht or 2.92 percent compared to the prior year. This was mainly due to the decrease in financial assets and reinsurance assets to 9,409 million baht, representing a decrease of 215 million

baht or 2.23 percent, most of which were attributable to the decrease in liabilities from assurance policies. Shareholders' equity amounted to 5,497 million baht,

representing a decrease of 233 million baht or 4.07 percent. This was mainly because TNI made interim dividend payments during the year.

(Unit: Million Baht)

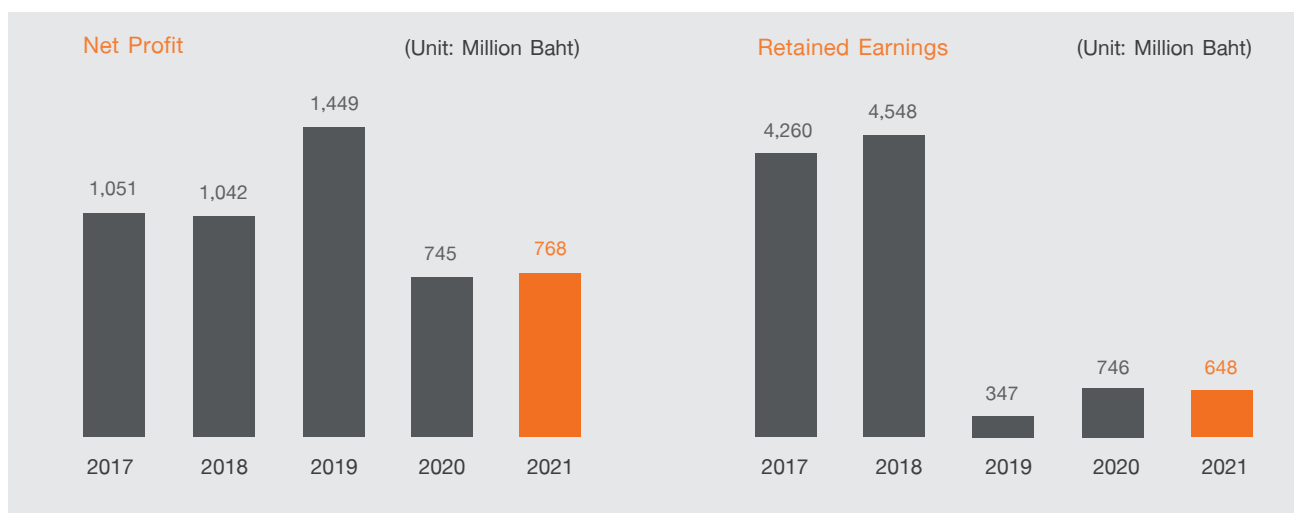
Overall Performance	For the Year	
	2021	2020
Gross Premium Written	8,334	8,682
Net Premium Written	7,688	7,750
Net Earned Premium	7,775	7,271
Underwriting Expenses	6,046	5,604
Underwriting Profit	1,729	1,667
Operating Expenses	918	855
Operating Profit	811	812
Net Gain on Investments	144	103
Other Income	8	20
Profit before Income Tax	963	935
Income Tax	195	190
Net Profit	768	745

(Unit: Percent)

Key Financial Ratios	31 December 2021	31 December 2020
Loss Ratio	52.28	51.84
Expense Ratio	37.29	33.88
Combine Ratio	89.57	85.72
Liquidity Ratio	649.89	690.51
Capital Adequacy Ratio	1,318.16	1,458.03
ROE	13.68	13.64

As for its performance, net profit of TNI in 2021 amounted to 768 million baht, representing an increase of 23 million baht or 3.09 percent when compared to the prior year. This was mainly due to the net premiums received, which increased by 504 million baht as a result of the previously booked premium liability being reversed

as revenue for the year. As well, net gains from investment increased by 41 million baht. This was due to the fact that a larger amount was set aside as provision for impairment of debt instruments in the previous year than in the current year. However, underwriting expenses and operational expenses also increased.



Sources of Funds

TNI's sources of funds were mainly from shareholders' equity. On 8 December 2021, there were changes in TNI's major shareholdings, from Thanachart Capital and Scotia Netherlands Holding B.V. (BNS) which held 50.96 percent and 49.00 percent respectively to (1) Thanachart Capital, (2) Scotia Netherlands Holding B.V. and (3) TMBThanachart Bank which held 50.96 percent, 39.00 percent and 10.00 percent respectively.

Liquidity

Net cash of TNI in 2021 amounted to 366 million baht. Of the net cash, 1,351 million baht was provided by operating activities, 40 million baht was used in investing activities, and 945 million baht was used in financing activities. In this connection, net liquidity ratio of TNI amounted to 650 percent, which was well above the minimum requirement of 100 percent imposed by the OIC.

Factors or Events that Might Significantly Affect Future Financial Position or Operations

In 2021, the COVID-19 situation around the world, including Thailand remained serious. As a result, insurance companies sold a considerable amount of COVID-19 policies, resulting in a significant increase in COVID-19 premiums. However, insurance claims against COVID-19

also increased.

As for TNI, the company was little impacted by the above-mentioned. Its operating performance remained continuously strong, thanks not only to its adherence to the prudent and cautious underwriting policy but also to the Board of Directors and the right to the point risk assessment process that placed emphasis on selling insurance products in which TNI had expertise in order to command a large market share. In particular, its auto insurance accounted for 86 percent of its sales revenue while other types of insurance accounted for the remaining 14 percent. In this connection, TNI was able to control and manage the claims by keeping the loss ratio at 52 percent.

The year 2022 will be another year that poses challenges for doing business as Thailand is still faced with the COVID-19 pandemic and the gradual economic recovery. Based on the forecast made by the Thai General Insurance Association, non-life insurance is expected to grow by 1.5 - 2.5 percent with total premiums received amounting to 267,100 - 269,800 million baht. It is likely that the growth of premium will be slow as COVID-19 policies are stopped from being sold. The premiums which replace COVID-19 premiums will be those from auto insurance, thanks to the government's measure to open the country as well as strong interest in electric vehicles and cars which make more use of technologies. It is anticipated that auto

insurance premiums will grow by 3 percent. In this connection, insurance companies may adopt more pricing strategies for competition as the insurance claims rate in the past year decreased. On the other hand, health insurance premiums are expected to grow due to stronger interest in health.

In view of the above situation, TNI makes adaptations and places emphasis on increasing distribution channels. It cooperates with business alliances, aiming at increasing opportunities for business growth with a new perspective. To enable customers to have more convenient access to TNI's products, TNI increases the distribution channels through brokers. It also focuses on developing products, ensuring that they are suitable to customer lifestyles. TNI offers a wide range of products (product variety) which serve as new alternatives for customers to fulfill all their changing needs at prices appropriate to each customer group (customer segmentation). It also places emphasis on enhancing service efficiency throughout supply chains. The objective is to deliver the best experience possible to customers. In this connection, TNI has invested in new technological systems such as cloud systems and artificial intelligence, to support limitless business expansion. Importantly, TNI joined hands with the car repair garages in its networks in collecting and assessing customer information not only for improving service quality but also for meeting customer needs as much as possible. The objective is to ensure that customers get impressive experience at every step of service. Noteworthy is TNI's use of the platforms to which customers are accustomed, as a tool to connect them to all services of TNI.

TNI is determined to enhance its leadership potential in the insurance business, aiming not only at developing its businesses for further growth and progress but also at getting itself ready for delivering services to customers and trading partners in an efficient and extensive manner as well as for achieving a much broader customer base. This will help increase its long-term competitiveness and enable it to achieve a stable and sustainable growth.

Thanachart Securities Public Company Limited

Overall Performance

Economic conditions and trading value of the SET are two key factors affecting the business operations and growth of TNS. At 2021 year end, the SET Index closed at 1,657.62 points, which was higher compared to 1,449.35 points at the end of previous year. In this connection, the market share commanded by TNS in 2021 was 2.06 percent of the SET's average daily trading value which was 93,846 million baht, representing an increase of 36.79 percent compared to prior year.

Trading volume on the Thailand Futures Exchange (TFEX) in 2021 amounted to 560,653 contracts, representing an increase compared to 494,624 contracts in the previous year. In this connection, Single Stock Futures and SET50 Index Futures accounted for most of the trading volume.

Net profit in 2021 was 661 million baht, representing an increase of 182 million baht or 38.00 percent compared to prior year. Total income of TNS amounted to 1,904 million baht, representing an increase of 387 million baht or 25.51 percent. On the other hand, total expenses increased by 17.07 percent.

Income

Total income of TNS consisted of brokerage fees for trading of securities and futures contracts, fees and service income, interest on margin loans, deposit interest, gains and return on financial instruments and other income.

Total revenue of TNS in 2021 amounted to 1,904 million baht, representing an increase of 25.51 percent when compared to the prior year. This was mainly due to TNS's securities brokerage revenue which increased by 158 million baht in line with the increase in trading volume and the trading situation of the SET. Meanwhile, gain and return on financial instruments increased by 142 million baht when compared to the prior year in line with the increase in investment return. On the other hand, fees and service income amounted to 246 million baht, representing

an increase of 63 million baht. Of the fees and service income, fees from the portfolio advisory services (ZEAL) amounted to 112 million baht, representing an increase of 63 million baht while fees from trading mutual funds amounted to 101 million baht, representing an increase of 65 million baht. The increases were in line with the substantial expansion of ZEAL transactions volume and mutual fund brokerage services.

Expenses

TNS's expenses in relation to securities business in 2021 consisted of fees and service expenses as well as interest expenses which amounted to 176 million baht and 42 million baht respectively, representing an increase compared to the prior year in line with the increase in TNS's securities trading volume and transactions.

Operating expenses amounted to 859 million baht, which consisted of employee benefit expenses and other expenses. In this connection, TNS's operating expense ratio based on security business revenues amounted to 45.28 percent.

Net Profit

Net profit of TNS in 2021 amounted to 661 million baht, representing an increase of 182 million baht compared to prior year. Total income increased by 25.51 percent while total expenses increased by 17.00 percent, resulting in the increase in net profit. In this connection, earnings per share amounted to 0.22 baht while net profit margin was 34.72 percent.

Financial Position

Assets

As of 31 December 2021, total assets of TNS amounted to 8,679 million baht, representing an increase of 26.66 percent compared to 2020 year end. Most of TNS's assets include securities business receivables and receivables from clearing house and broker dealers as well as investments. In this connection, securities business

receivables and receivable from clearing house increased by 16.07 percent from the prior year. TNS's investments which were investments listed on the SET increased by 75.02 percent. This was mainly due to the growth of block trades as well as the transactions related to the derivative warrants issued. Furthermore, TNS invested in developing information systems and a data center to support various transactions. As a result, computer equipment and software increased by 162 million baht, representing an increase 2.99 percent in terms of total assets. The return on assets (ROA) was 8.51 percent.

Securities Business Receivables and Derivatives Business Receivables

Securities business receivables arose from the stock purchases made by TNS's customers through TNS. In this connection, customers would pay for the stock within two business days. Other receivables included derivatives business receivables, margin loans, receivables under debt restructuring, as well as receivables under enforcement of court judgements by way of reconciliation or in the process of making installment payments.

As at 2021 year end, securities business receivables and derivatives business receivables of TNS amounted to 5,596 million baht, increased by 1,334 million baht or 31.30 percent compared to the prior year. The receivables consisted of margin loans worth 4,730 million baht, representing an increase of 1,727 million baht or 57.51 percent, as well as cash accounts receivables worth 843 million baht, representing a decrease of 404 million baht or 32.40 percent. This was mainly due to the difference in trading value between the two periods.

TNS classifies securities business receivables and derivatives business receivables, using the Thai Financial Reporting Standards No. 9 - Financial instruments. As of 31 December 2021, TNS set aside the allowance for expected credit loss in full compliance with the Thai Financial Reporting Standards No. 9.

Sources of Capital

As of 31 December 2021, the sources of TNS's capital included shareholders' equity, borrowings from financial institutions and shareholders as well as debt instruments issued for the purpose of financing the growth of TNS's various transactions.

Liabilities

TNS's debt structure included borrowings from financial institutions, securities business payables and derivatives business payables, payables to clearing house and broker dealers as well as other debts issued and borrowings. As at 2021 year end, total liabilities of TNS amounted to 5,045 million baht, representing an increase of 1,936 million baht or 62.27 percent compared to 2020 year end. Most of the liabilities were borrowings from financial institutions and other debts issued and borrowings, which amounted to 3,147 million baht or accounted for 62.38 percent of the total liabilities, representing an increase of 2,537 million baht when compared to the end of 2020. The proceeds were used for supporting the growth of the transactions related to securities borrowing and lending as well as block trades.

Shareholders' Equity

As of 31 December 2021, shareholders' equity of TNS amounted to 3,634 million baht, representing a decrease of 109 million baht or 2.91 percent compared to 2020 year end. In this connection, net operating profit amounted to 661 million baht while return on equity (ROE) amounted to 17.92 percent. During the year 2021, TNS paid dividend for 2020 performance in the amount of 450 million baht and paid interim dividend for the first half of 2021 performance in the amount of 330 million baht. Moreover, TNS set aside 22 million baht from 2021 net profit as

statutory reserve. In this connection, as of 31 December 2021, TNS already fully set aside the statutory reserve.

As at 31 December 2021, debt to equity ratio of TNS was 1.39 times, representing an increase from 0.83 times compared to 31 December 2020. In case securities business payables and derivatives business payables as well as payables to clearing house were excluded, TNS's debt to equity ratio as at 31 December 2021 and 2020 would be 1.04 times and 0.27 times respectively.

Liquidity

In the conduct of TNS's business affairs, the activities which affected the liquidity most were operating activities. In this connection, cash flows from or used in operating activities arose from changes in revolving funds related to securities business receivables or payables, as well as receivables or payables to clearing house.

In 2021, TNS's net cash flow increased by 44 million baht. In this connection, cash flows from operating activities amounted to 1,669 million baht. On the other hand, cash flows used in investing activities amounted to 72 million baht while cash flows used in financing activities amounted to 1,785 million baht.

Net capital ratio (NCR) of TNS was 61.97 percent, which was well above the minimum requirement of 7 percent of general liabilities and assets pledged as collateral imposed by the SEC.

Factors or Events that Might Significantly Affect Future Financial Position or Operations

Economic and political conditions and various domestic and international situations might have an impact on TNS's financial position and performance. Trend of changing interest rates, political uncertainties, COVID-19 transmission, the BOT's monetary policy, Thailand's

economic conditions as well as global economic situations are the factors that might affect both domestic and international investors confidence. Moreover, trading commissions are expected to fall consistently. Recognizing the aforementioned impacts, TNS has applied technology to the development of products including, among others, an app accessible by customers, through which TNS could inform them of various news such as marketing and sales promotion news, as well as stock trading apps, such as ThinkApp and Line, in order to adapt to changing consumer behavior. Moreover, TNS has developed new work systems as well as new services and products, aiming at not only increasing income and diversifying its income structure further but also increasing and improving the quality of its personnel, various news and services as well as implementing cost containment measures and making plans for optimum use of resources. The objective is to enable TNS to compete with other securities brokerage companies in the future.

MBK Life Assurance Public Company Limited Performance Overview

As of 31 December 2021, total assets of MBK LIFE amounted to 6,353 million baht, representing a decrease of 710 baht or 10.05 percent when compared to the end of 2020.

Net profit of MBK LIFE in 2021 amounted to 111 million baht, compared with net loss of 383 million baht in 2020. The main factor contributing to the performance was net premium income which decreased by 64 million baht while underwriting expenses decreased by 575 million baht. The decrease in expenses was mainly due to net benefits paid under insurance policies and net insurance claims which decreased by 722 million baht while expected credit loss which was reversed as income amounted to 74 million baht.

(Unit : Million Baht)

Items	For the Year	
	2021	2020
Assets	6,353	7,063
Liabilities	5,378	6,120
Shareholders' Equity	975	943
Net Profit (Loss)	111	(383)
Capital Adequacy Ratio (Percent)	419.37	359.58

Factors or Events that Might Significantly Affect Future Financial Position or Operations

Factors or events which may significantly affect the financial position or operations of life assurance business in the future are as follows:

1. Macroeconomic Conditions

Life assurance business is mainly concerned with long-term assurance policies. Once the products are sold to customers, the proceeds from the assurance policies will be used for investing not only in a wide range of vehicles including debt instruments, equity instruments and derivatives but also in various real sectors which are permitted by the compliance unit. The purpose is to give part of the returns on the investments to customers in accordance with the policy obligations while the remaining part of the returns will contribute to the performance of MBK LIFE itself.

As a result, changes in the economic conditions will directly affect the value of such investment assets. On the liabilities side, it is necessary to set aside provision to be paid to customers in accordance with the assurance policies, based on the accounting standards. In particular, the changes have direct impacts on MBK LIFE's financial status in both ways. On one hand, the changes may benefit the company's businesses, but on the other hand, they may cause significant instability to the financial status of the businesses.

2. New Emerging Risks

The COVID-19 pandemic has direct impacts on financial positions of customers. While retail customers delay spending, institutional customers in many groups cut insurance costs related to staff welfare. The pandemic also affects marketing activities of MBK LIFE itself and the life assurance industry as a whole. It remains uncertain when the COVID-19 situation will improve and life will return to

normal. As well, it is uncertain whether there will be any additional unexpected incidents.

3. Change in the regulations governing life assurance business

The financial reporting framework applicable to the life assurance industry is undergoing a significant change with the adoption of a new reporting standard, IFRS 17 'Insurance Contracts', which will provide better transparency to consumers and investors. However, in making such a change, the whole industry has to make a significant investment in supporting the new standard. In view of the current economic conditions, the change will basically have to depend on each company's preparedness.

4. Corporate Social Responsibility (CSR) and the Environment

MBK LIFE has implemented its corporate governance, anti-corruption policy, sustainability principles and approach as a business driver, work practices which reduce risks to customers, trading partners, and staff. For example, it has adopted work from home practice, which is considered as one of the basic methods of risk management at present. MBK LIFE and its shareholders have regularly implemented the above policy and approaches for risk management. In particular, the capital adequacy standards are met to ensure not only that MBK LIFE is able to deliver services to customers in accordance with assurance policy obligations but also that the services are of good quality and in compliance with the rules and regulations imposed by the regulators concerned. Moreover, MBK LIFE has put in place an internal work unit and a number of committees responsible for controlling risks and implementing its product and investment strategies. As regards its internal operations, the company ensures that the operations are in compliance with the policies of both MBK LIFE and Thanachart Group.

1.5 General Information and Other Important Information

General Information

(As at 31 December 2021)

Company's Name	:	Thanachart Capital Public Company Limited
Stock Symbol	:	TCAP
Nature of Business Operation	:	A holding company
Head Office	:	444 MBK Tower, 16 th - 17 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330, THAILAND
Registration No.	:	0107536000510
Registered Capital	:	11,651,297,030 baht
Paid-up Capital	:	11,651,297,030 baht
Ordinary Shares	:	1,165,116,697 shares at 10 baht per share
Preferred Shares	:	13,006 shares at 10 baht per share
Website	:	www.thanachart.co.th
E-mail	:	tcap_ir@thanachart.co.th
Tel.	:	+66 (0) 2613 6000, +66 (0) 2217 8000
Fax	:	+66 (0) 2217 8312

- Notes:**
- 1) Preferred shareholders have right to convert preferred shares into ordinary shares at the ratio of 1 : 1 without any costs, and can subscribe conversion on every 15th of February, May, August, and November of every year.
 - 2) Ordinary shareholders and preferred shareholders have equal right for gaining dividend, attending the meeting, and voting in shareholder's meeting and other rights. Voting right equals one share per one vote.
 - 3) The aforementioned ordinary shares include the repurchased shares amounting to 116,512,970 shares (19,467,000 shares under the Treasury Stock Project from 8 August 2018 to 7 February 2019 and 97,045,970 shares according to the shares repurchased from 11 February 2020 to 10 August 2021).

Investments of Thanachart Capital Public Company Limited in Other Companies

As at 31 December 2021, the Company had investments in other companies by holding at least 10 percent of their issued and paid-up shares as follows:

Company / Location	Type of Business	Type of Shares	Registered Capital (Baht)	Paid-up Capital (Baht)	Number of Issued Shares	Number of Shares Held	Percentage of Shareholding
TMBThanachart Bank Public Company Limited 3000 Phahonyothin Road, Chom Phon, Chatuchak, Bangkok 10900 Tel. : +66 (0) 2299 2349 - 50 Fax : +66 (0) 2273 7806	Banking	Ordinary	96,622,874,580	96,622,874,580	96,622,874,580	21,991,521,827	22.76
NFS Asset Management Company Limited 444 MBK Tower, 17 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2217 8000 Fax : +66 (0) 613 6050	Asset Management	Ordinary	175,000,030	175,000,030	17,500,003	17,500,000	100.00
MAX Asset Management Company Limited 444 MBK Tower, 17 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2217 8000 Fax : +66 (0) 2613 6050	Asset Management	Ordinary	40,000,030	40,000,030	4,000,003	3,337,601	83.44
MBK Life Assurance Public Company Limited 59/5 Paradise Place Building, 4 th Floor, Srinagarindra Road, Nong Bon, Prawet, Bangkok 10250 Tel. : +66 (0) 2111 0055 Fax : +66 (0) 2111 0056	Life Assurance	Ordinary	1,000,000,000	1,000,000,000	100,000,000	99,999,994	100.00
MBK Public Company Limited 444 MBK Center, 8 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2853 9000 Fax : +66 (0) 2853 7000	Real Estate Business & Hotel and Tourism Business	Ordinary	1,761,921,389	1,761,921,389	1,761,921,389	379,946,939	21.56

Company / Location	Type of Business	Type of Shares	Registered Capital (Baht)	Paid-up Capital (Baht)	Number of Issued Shares	Number of Shares Held	Percentage of Shareholding
PRG Corporation Public Company Limited 88 Moo 2, Tiwanont Road, Bangkadee, Amphoe Mueng Pathum Thani, Pathum Thani 12000 Tel. : +66 (0) 2501 2175 Fax : +66 (0) 2501 2176	Agro & Food Industry	Ordinary	600,000,000	600,000,000	600,000,000	117,575,612	19.60
HTR Corporation Limited 32/46, Shino-Thai Tower, 18 th Floor, Sukhumvit 21 Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Tel. : +66 (0) 2259 8911 - 6 Fax : +66 (0) 2259 8919	Office Building & Property Development	Ordinary	500,000,000	500,000,000	50,000,000	5,000,000	10.00
Thanachart Insurance Public Company Limited 999/1 The Nine Tower, Rama 9 Road, Phatthanakan, Suanluang, Bangkok 10250 Tel. : +66 (0) 2308 9300 Fax : +66 (0) 2308 9333	Insurance	Ordinary	4,930,000,000	4,930,000,000	493,000,000	251,236,207	50.96
Thanachart Securities Public Company Limited 444 MBK Tower, 18 th - 19 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2779 9000 Fax : +66 (0) 2217 9642	Securities Business	Ordinary	3,000,000,000	3,000,000,000	3,000,000,000	1,528,936,148	50.96
TS Asset Management Company Limited 444 MBK Tower, 17 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2217 8000 Fax : +66 (0) 2613 6050	Asset Management	Ordinary	125,000,140	125,000,140	12,500,014	12,498,954	99.99
Thanachart SPV 1 Company Limited 444 MBK Tower, 17 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2217 8000 Fax : +66 (0) 2217 8312	Invest in other Companies	Ordinary	12,704,980,880	12,704,980,880	1,270,498,088	1,270,498,086	100.00

Company / Location	Type of Business	Type of Shares	Registered Capital (Baht)	Paid-up Capital (Baht)	Number of Issued Shares	Number of Shares Held	Percentage of Shareholding
Thanachart SPV 2 Company Limited 444 MBK Tower, 17 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2217 8000 Fax : +66 (0) 2217 8312	Invest in other Companies	Ordinary	233,597,560	233,597,560	23,359,756	23,355,209	99.98
MT Service 2016 Company Limited 59/5 Paradise Place Building, 4 th Floor, Srinagarindra Road, Nong Bon, Prawet, Bangkok 10250 Tel. : +66 (0) 2111 0055 Fax : +66 (0) 2111 0056	Services	Ordinary	50,000,000	50,000,000	5,000,000	4,999,996	100.00
TM Broker Company Limited 59/5 Paradise Place Building, 4 th Floor, Srinagarindra Road, Nong Bon, Prawet, Bangkok 10250 Tel. : +66 (0) 2026 3541	Life Insurance Broker/Non-life Insurance Broker	Ordinary	20,000,000	20,000,000	2,000,000	1,999,996	100.00
TM Communications and Brand Management Company Limited 444 MBK Tower, 9 th Floor, Phayathai Road, sWangmai, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2853 9000	Media Public relations	Ordinary	5,000,000	5,000,000	50,000	24,999	50.00
Thanachart Plus Company Limited 444 MBK Tower, 16 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2217 8000	Asset-based Financing	Ordinary	250,000,000	250,000,000	25,000,000	24,999,997	100.00
Bangkok Home Company Limited 444 MBK Tower, 10 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330	Being Liquidated	Ordinary	15,000,000	15,000,000	1,000,000	998,679	99.87
Puen Pob Paet Company Limited 444 MBK Tower, 9 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330	Deserted	Ordinary	1,000,000	1,000,000	100,000	9,999	10.00

Reference Information

Securities	Securities Registrar
<ul style="list-style-type: none"> • Ordinary Shares and Preferred Shares 	: Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Din Daeng, Bangkok 10400, THAILAND Tel. : +66 (0) 2009 9000 Fax : +66 (0) 2009 9991 Call Center : +66 (0) 2009 9999 Website : www.set.or.th/tsd
Debentures of Thanachart Capital Public Company Limited <ul style="list-style-type: none"> • No. 1/2012 due 2022 (TCAP22NA) • No. 1/2013 due 2023 (TCAP238A) • No. 1/2013 due 2025 (TCAP258A) • No. 2/2013 due 2023 (TCAP23OA) • No. 1/2019 due 2029 (TCAP29OA) 	: TMBThanachart Bank Public Company Limited 3000, 2 nd Floor, Phahonyothin Road, Chom Phon, Chatuchak, Bangkok 10900, THAILAND Tel. : +66 (0) 2299 2279, 2242 3478 Fax : +66 (0) 2273 7332 Website : www.ttbbank.com
Audit Firm	: EY Office Limited 193/136 - 137 Lake Rajada Office Complex, 33 rd Floor, Rajadapisek Road, Klongtoey, Bangkok 10110, THAILAND Tel. : +66 (0) 2264 0777, 2264 9090 Fax : +66 (0) 2264 0789 - 90 Website : www.ey.com
Auditor's Name	: Ms. Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499
Legal Advisor	: None
Frequently Contacted Financial Institutions	: TMBThanachart Bank Public Company Limited

Companies in Thanachart Group

Thanachart Capital Public Company Limited

444 MBK Tower, 16th - 17th Floor,

Phayathai Road, Wangmai, Pathumwan,

Bangkok 10330, THAILAND

Tel. : +66 (0) 2217 8000

Fax : +66 (0) 2217 8312

Registration No. : 0107536000510

Website : www.thanachart.co.th

Thanachart Securities Public Company Limited

444 MBK Tower, 18th - 19th Floor,

Phayathai Road, Wangmai, Pathumwan,

Bangkok 10330, THAILAND

Tel. : +66 (0) 2779 9000

Fax : +66 (0) 2217 9642

Registration No. : 0107547000591

Website : www.thanachartsec.com

Thanachart Insurance Public Company Limited

999/1 The Nine Tower, Rama 9 Road,

Phatthanakan, Suan Luang,

Bangkok 10250, THAILAND

Tel. : +66 (0) 2308 9300

Fax : +66 (0) 2308 9333

Registration No. : 0107555000473

Website : www.thanachartinsurance.co.th

MBK Life Assurance Public Company Limited

59/5 Paradise Place Building, 4th Floor,

Srinagarindra Road, Nong Bon, Prawet,

Bangkok 10250, THAILAND

Tel. : +66 (0) 2111 0055

Fax : +66 (0) 2111 0056

Registration No. : 0107555000481

Website : www.mbklife.co.th

TM Broker Company Limited

59/5 Paradise Place Building, 4th Floor,

Srinagarindra Road, Nong Bon, Prawet,

Bangkok 10250, THAILAND

Tel. : +66 (0) 2026 3541

Fax : None

Registration No. : 0105559122776

Website : www.tm-broker.co.th

MT Service 2016 Company Limited

59/5 Paradise Place Building, 4th Floor,

Srinagarindra Road, Nong Bon, Prawet,

Bangkok 10250, THAILAND

Tel. : +66 (0) 2111 0055

Fax : +66 (0) 2111 0056

Registration No. : 0105559103291

Website : None

MAX Asset Management Company Limited

444 MBK Tower, 17th Floor,

Phayathai Road, Wangmai, Pathumwan,

Bangkok 10330, THAILAND

Tel. : +66 (0) 2217 8000

Fax : +66 (0) 2613 6050

Registration No. : 0105540093282

Website : None

NFS Asset Management Company Limited

444 MBK Tower, 17th Floor,

Phayathai Road, Wangmai, Pathumwan,

Bangkok 10330, THAILAND

Tel. : +66 (0) 2217 8000

Fax : +66 (0) 2613 6050

Registration No. : 0105540086022

Website : None

TS Asset Management Company Limited

444 MBK Tower, 17th Floor,
Phayathai Road, Wangmai, Pathumwan,
Bangkok 10330, THAILAND

Tel. : +66 (0) 2217 8000
Fax : +66 (0) 2613 6050
Registration No. : 0105554031624
Website : None

RTN Insurance Broker Company Limited

77/20 Sinsathorn Tower, 2nd Floor,
Krungthongburi Road, Khlongtongsa, Khlongsan,
Bangkok 10600, THAILAND

Tel. : +66 (0) 2431 9500
Fax : +66 (0) 2431 9567
Registration No. : 0105561189971
Website : www.rtnbroker.com

Thanachart SPV 2 Company Limited

444 MBK Tower, 17th Floor,
Phayathai Road, Wangmai, Pathumwan,
Bangkok 10330, THAILAND

Tel. : +66 (0) 2217 8000
Fax : +66 (0) 2217 8312
Registration No. : 0105562173572
Website : None

Security Scib Services Company Limited

1091/230 Petchburitattmai Road,
Makkasan, Ratchathewi, Bangkok 10400, THAILAND

Tel. : +66 (0) 2208 5061 - 2
Fax : +66 (0) 2651 6611
Registration No. : 0105534009895
Website : None

Thanachart Plus Company Limited

444 MBK Tower, 16th Floor,
Phayathai Road, Wangmai, Pathumwan,
Bangkok 10330, THAILAND

Tel. : +66 (0) 2217 8000
Fax : +66 (0) 2217 8312
Registration No. : 0105564070045
Website : None

Ratchthani Leasing Public Company Limited

77/35 - 36 Sinsathorn Tower, 11th UP Floor,
Krungthongburi Road, Khlongtongsa, Khlongsan,
Bangkok 10600, THAILAND

Tel. : +66 (0) 2431 9000
Fax : +66 (0) 2431 9099
Registration No. : 0107545000209
Website : www.ratchthani.com

Thanachart SPV 1 Company Limited

444 MBK Tower, 17th Floor,
Phayathai Road, Wangmai, Pathumwan,
Bangkok 10330, THAILAND

Tel. : +66 (0) 2217 8000
Fax : +66 (0) 2217 8312
Registration No. : 0105562173564
Website : None

Thanachart Management and Service Company Limited

2 Thanachart Suanmali Office Building, 2nd Floor,
Chaloemkhet 4 Road, Wat Thep Sirin,
Pom Prap Sattru Phai, Bangkok 10100, THAILAND

Tel. : +66 (0) 2220 2222
Fax : +66 (0) 2220 2520
Registration No. : 0105533119077
Website : None

TM Communications and Brand Management Company Limited

444 MBK Tower, 9th Floor,
Phayathai Road, Wangmai, Pathumwan,
Bangkok 10330, THAILAND

Tel. : +66 (0) 2853 9000
Registration No. : 0105563080535
Website : None

Other Important Information

- None -

Auditor

EY Office Limited

2021 Ms. Somjai Khunapasut

Certified Auditor No. 4499

2020 Ms. Somjai Khunapasut

Certified Auditor No. 4499

2019 Ms. Somjai Khunapasut

Certified Auditor No. 4499

Legal Disputes

Lawsuits Having Negative Impact on Assets

The Company and its subsidiaries have no lawsuits affecting more than 5 percent of shareholders equity or 10 percent of the current assets in case of negative shareholders equity.

Management's opinion about possible impacts on operations of the Company and its subsidiaries

The management of the Company and its subsidiaries are of the opinion that all legal disputes will not have any significant impact on the Company's operation.

Directors, executives or related parties who are counterparties in lawsuits against the Company or its subsidiaries

- None -

Lawsuits Having Significant Impacts on Business Operations

As of 31 December 2021, the Company and its subsidiaries had liabilities which might arise from a legal case claiming about 195 million baht in damage (or about 44 million baht based on the Company's separate financial statements). The lawsuit has not been finalized yet. However, the Company and its subsidiaries have set aside allowances for partial liabilities. As for the remaining part, the Company and its subsidiaries are confident that there will be no damage caused. As a result, currently it is not recorded as liabilities.

All other cases are lawsuits related to normal debt collection. As a result, it is believed that they do not have significant impacts on business operations.

2

Corporate Governance

- Corporate Governance Policy and Code of Ethics
- Corporate Governance Structure and Important Information of the Board of Directors, Sub-committees, Executives, Employees, and Others
- Report of Corporate Governance Key Performance
- Internal Control and Related Party Transactions



Part 2 Corporate Governance

2.6 Corporate Governance Policy and Code of Ethics

Overview and Practice Guidelines of Corporate Governance Policy and Code of Ethics Handbook

The Board of Directors already puts in writing the Good Corporate Governance Policies (“the Policies”) and the Company’s Handbook of the Code of Ethics consisting of the Code of Business Ethics and Handbook of the Code of Ethics for Directors, Executives, Employees, and Investor Relations Officers. The Policies, the Handbook, and the Code have served as a framework for practice guidelines for its personnel since 2003. As well, the Company has requested member companies of Thanachart Group to apply such practice guidelines to their respective organizations in an appropriate and adequate manner in line with the business nature. They are required not only to adhere to the morality and honesty principles but also to comply with all the related laws. In this connection, the Company reviews the Policies and Handbook of the Code of Ethics annually. The Corporate Governance Policy and the Code of Ethics Handbook which were revised in 2021 could be found in Attachment 5.

The Company already sent the Policy and the Code of Ethics Handbook to the executives of each work unit through their internal email accounts in Outlook. They were required to share the information with their staff so that the information could be studied in detail. In addition, the Policy and the Handbook were disclosed not only in Thanachart Group’s intranet systems but also on the Company’s website (www.thanachart.co.th). The key objective was to communicate to Thanachart Group’s employees, shareholders, investors and all the stakeholders concerned about the importance attached to the Policy and the Code of Ethics, making them feel confident that all of them will be treated equitably. Not less importantly, this will also reflect the good images of both the Company and Thanachart Group.

In addition, the Board of Directors has deemed it appropriate to put in place the Charter of the Board of Directors as well as the charters of all other committees. These charters describe the duties and responsibilities of each committee. In this connection, it has been announced that members of the Board of Directors and those of other committees are required to adhere to their respective charters.

The Corporate Governance Policy, the Code of Ethics Handbook and the Charter of the Board of Directors are continuously reviewed and amended, taking into consideration the principles of good corporate governance, based on the Corporate Governance Report of Thai Listed Companies (CGR) survey program, the SEC’s Corporate Governance Code (CG Code) for Listed Companies 2017 as well as other practice guidelines in line with the principles of good corporate governance for listed companies. Amendments have been made and applied as deemed appropriate for the Company’s business operations.

Policies and Practice Guidelines in relation to Shareholders, Other Stakeholders, and the Board of Directors

1. Shareholders’ Right

1.1 Shareholders’ Basic Right Protection

The Company has a policy on shareholders’ right protection and encourages them to honor their rights. The policy includes legal basic rights, such as company’s profit sharing in form of dividend, buying and selling shares or share transfers, participation in shareholders’ meeting in order to honor their voting rights equitably and independently, and encouraging shareholders to have sufficient information of the Company. The Company has fully disclosed the information of the Company with accuracy, adequacy and in a

timely manner via the SET database and the Company's website (www.thanachart.co.th) where all shareholders have equal access to.

1.2 Shareholders' Meeting

The Company's Board of Directors realizes that every shareholder has equal basic rights to attend the meeting and encourages all shareholders to attend and participate in the shareholders' meeting, including institution shareholders. The Company also has policies regards basic and equal rights in shareholders' meeting, voting rights, proposing an agenda, nominating Directors, adequacy in Notice of the Annual General Meeting of Shareholders, disclosure of information, as well as, venue, date, and time of the meeting as in accordance with the Good Corporate Governance Policies. As well, the Board of Directors has put in place a work unit responsible for organizing the shareholders' meeting and ensuring that the meeting is conducted in line with the above Policies as well as the additional practice guidelines developed and disclosed by the related organizations including the SEC, the IOD, and the Thai Investors Association, for implementation by listed companies.

2. Equitable Treatment to Shareholders

The Board of Directors arranges the Shareholders' Meeting in such manners that all shareholders have equal rights. The Board of Directors also provides opportunities to minority shareholders so they can nominate a candidate for the Director position and/or propose an additional item for meeting agenda prior to the meeting. A proxy is made possible as an alternative for shareholders who are unable to attend the meeting to exercise their rights. As well, the Board of Directors ensures that the Company's information is adequately disclosed through various channels in a timely manner so that all shareholders have equal access to the information.

3. Roles of Stakeholders

Thanachart Group has established written practice guideline on stakeholders; including shareholders, investors, employees, customers, trading partners, lenders, competitors, society and environment, community, and public sector in Good Corporate Governance Policy and Handbook of the Code of Ethics. In this connection, the information was shared within the organization through Thanachart Group's intranet systems. The Company also coordinates with member companies of Thanachart Group, ensuring that they also follow the Corporate Governance Policy and the Code of Ethics Handbook so that directors, executives and employees at all levels could strictly adhere to the guidelines. As well, the information was made available on the Company's website. The information has also been publicized via the Company's website to enhance stakeholders' confidence on their rights that they are well taken care of all the time. Consideration to the stakeholders' benefit is the priority, ensuring that no right is violated and it is compliance to laws and regulations of the authorities concerned. The procedures regarding the use of service and the exercise of stakeholders' rights are completely stated and sufficiently disclosed for stakeholders' acknowledgement. The details on the treatment of various groups of stakeholder are as follows:

3.1 Shareholders and Investors

Thanachart Group aims at having a solid performance and achieving a sustainable growth as well as being competitive to ensure an appropriate return to shareholders and investors on a regular basis. In conducting business, the Company has been aware of risks and ensures that there is efficient internal control system as well as information disclosure in an accurate, complete, timely, and transparent manner. Moreover, the Company has made arrangements to provide the shareholders and investors with convenience in exercising any of the rights they are entitled to. Most importantly,

Thanachart Group always adheres to good corporate governance principles in all its business conducts and activities.

3.2 Employees

Thanachart Group is committed to looking after its staff members through various employee welfare benefits including occupational health and safety. As well, it treats its employees with respect and fairly. In addition, they are encouraged to participate in training workshops for personal and professional development. The employees are provided with opportunities to apply their knowledge and skill in carrying out their responsibilities, with adequate comprehensible system in managing and evaluating performance via Key Performance Indicators (KPIs). Importantly, they are provided with appropriate remuneration in line with their individual performance and on par with the industry.

3.3 Customers

Thanachart Group is determined to develop financial products and services that could accommodate all financial needs of the customers, provide high quality and professional services, and keep customer information confidential. Fees are fairly charged. Before making their purchase decisions, customers are provided with complete and sufficient information about products and services.

3.4 Trading Partners and Lenders

Thanachart Group has established explicit policies and practices on procurement and hiring for the purpose of fairness, transparency, and verifiability of all related parties as well as the rules on approval authority of hiring, package purchasing and rental. It is also a regulatory requirement that information must be disclosed about the relationship between the Company and employees

including their spouses, family members, and trade partners or contract counterparties who are related to the employees. As well, any person who has a conflict of interest is prohibited from participating in the procedures and processes related to procurement and hiring. The objective is to promote transparency and prevent any conflict of interest.

In this connection, Thanachart Group has conducted its business affairs in line with sustainable development guidelines across the supply chain, starting with management of environmental and social impacts through the Group's procurement. As well, the Group promotes the development of trading partners in a continuous manner so that they are able to achieve sustainability and implement their business activities in an honest, trustworthy, transparent and accountable manner. It is expected that Thanachart Group's trading partners are able to improve their operational processes while raising their performance standards on environmental and social sustainability.

As regards to lenders, Thanachart Group treats its lenders fairly and accepts responsibility towards the lenders, particularly in relation to the guarantee conditions and the capital management and in an event of default. The Company deals strictly compliance with the agreements and various obligations to the lenders, including the purposes of using the loan proceeds, principal and interest payments, guarantee conditions as well as any other matters agreed with the lenders. In this connection, the Company shall send a report on the financial position and financial information to the lenders in an accurate, transparent and regular manner in line with the established terms and conditions.

As regards the capital management, the Company pays great attention to financial stability and

strength as well as liquidity management, ensuring that it has enough liquidity to make repayments to lenders in accordance with the established schedules. As well, the Company ensures that the related information not only is accurate and sufficient but also is disclosed in a timely manner through a number of pre-specified channels so that the lenders could readily verify the information.

The Company has attached to the integrity of fulfilling the obligations made with trading partners, lenders and commitment in no exploitation under the conditions that are mutually agreed upon as well as legal rules and regulations in order to build confidence for long-term cooperation. The related information is disclosed in the report on the Responsibility for Sustainable Operations of Thanachart Group under the topic of “Supply Chain Management”.

3.5 Competitors

The Company operates its businesses and competes with the competitors under the rule boundaries. The Company does not engage in any conduct or activity which may cause an overall negative impact on the business.

3.6 Society and Environment

Thanachart Group has taken a responsible attitude towards society. Business operation not only strictly adheres to the relevant laws but also creates the advantages for society and public sector including economy, culture, tradition, and environment. The senior management of the Group has played an important role in promoting the principles of social responsibility.

3.7 Public Sector

The Company conducts its business in adherence to laws, rules, and regulations of the authorities as well as provides effective cooperation according

to government policies. The Company will not involve or operate business with any illegal organizations or individuals. More importantly, it will not operate any activity that could lead to a corruption in government sector.

Mechanism of Stakeholders' Participation

Thanachart Group has developed the system for receiving complaints and suggestions from customers, external parties, and stakeholders more effectively for the purpose of organizational development. This has been undertaken through various channels such as the Company's website, telephones, notifications, emails or any other available channels, among others. In this connection, announcements were made about the rules and procedures for handling complaints. A work unit responsible for monitoring the complaints was also established in which the responsible unit will follow up the customers' complaints and provide feedback to every customer or party that lodges the complaints, as well as applying customer's complaints to improve Thanachart Group's services, in order to cater customers' needs and increase consumer or stakeholder's satisfaction. In this connection, the guidelines for accepting complaints are disclosed on the Company's website.

As regards the filing of complaints about frauds or corruption, Thanachart Group has put in place a specific channel for it, i.e. via the website of each member company of Thanachart Group. With regard to the Company's specific channel, complaints could be filed through its website (www.thanachart.co.th) on the subject of “Whistleblowing Report”. The complaints and clues could be sent to Anticorruption@thanachart.co.th. The internal audit unit will be responsible for handling them. In this connection, the Company has established a policy and measures for protecting people who file the complaints. The related details are given under the topic entitled “Disclosure about the protection of whistleblowers on corruption”. The report on the complaints and clues to frauds and corruption shall be sent to the Audit Committee and the Board of Directors respectively. In this connection, the Company has established clear guidelines for protecting the

stakeholders who file complaints or give clues to frauds or corruption.

4. Disclosure and Transparency of Information

The Company's Board of Directors is responsible for the financial statements of the Company. In this regard, it has assigned the Audit Committee to ensure that the financial reports and internal control system of the Company are accurate and valid in accordance with the generally accepted accounting standards in Thailand. The Company has also disclosed the report of the Audit Committee, the report of responsibilities of the Board of Directors to the financial report, the report of the Auditors, and details of audit fees and other audit services fees in the Annual Report.

The Company ensures sufficient disclosure of important information in the notes to the Company's financial statements. In addition to the quarterly and yearly financial statements, the Company submits the Management's Discussion and Analysis (MD&A) of the business performance, a practice of which has started since the accounting period for the first half of the year ended 30 June 2003. Furthermore, the Company disclosed to the public any key event or suspected transaction sufficiently and strictly compliance with the agency's regulations.

The Company established the Investor Relations Unit responsible for providing an accurate information and news on a timely manner to Thai and foreign shareholders, investors, analysts, and credit rating agencies in order to strengthen image and credibility of the Company as well as provide services to the shareholders effectively. The Investor Relations Unit can be contacted via telephone at +66 (0) 2613 6007 and +66 (0) 2217 8000 Ext. 3102 or at e-mail address: tcap_ir@thanachart.co.th.

The Company has established policies on information disclosure in which the information has to be accurate, complete, equitable, transparent, and timely as well as compliance with related laws and regulations. The information is disclosed in line with the guidelines of the principle of good corporate governance of the SET and the IOD through various channels so that shareholders and investors can equally and timely access to the information.

5. Responsibilities of the Board of Directors

The Company's Board of Directors and Sub-committees Structure

The Company's Board of Directors

The Company's Board of Directors is composed of well qualified persons who have expertise, skill, and experience in main business operation including finance, accounting, management, and other professional areas which provides the Company with great benefits. There is no limitation to genders as clearly stated in the Good Corporate Governance Policies.

Tenure of Directorship

The tenure of directorship of the Board of Directors has been stated clearly by the Company's Articles of Association and the Good Corporate Governance Policy. At each Annual General Meeting of Shareholders, one-third of the members of the Board of Directors must retire. If the number of Directors due to retire is not a multiple of three, the nearest number but not exceeding one-third should be applied.

The aforementioned retirement of Directors, the Directors who hold the longest time in office will be retired. Should there be the case when the number of Directors who holds the longest time in office is greater than the number of Directors that have to be retired, the draw will be applied. In the retirement of such case, a Director can be reappoint for the directorship position.

Independent Directors

The Company specifies definitions and qualifications of the Independent Director in accordance with the Capital Market Supervisory Board's guidelines as follows:

1. Holding shares not more than 0.5 percent of the Company's paid-up registered capital as well as holding no more than 1.0 percent of the total voting shares of the parent company, subsidiary, associate company, major shareholder, controlling person or party that may have a conflict of interest, including

shares held by persons related to such Independent Director. (The Company specifies a more stringent qualification than that of the Capital Market Supervisory Board, which specifies at not more than one percent).

2. Is not now and never has been an Executive Director, employee, staff, advisor who receives salary, or a controlling person of the Company, subsidiary company, associated company, major shareholder, or controlling person, unless the foregoing status has ended not less than two years prior to the appointment date. This restriction does not include cases in which the Independent Director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company.
3. Not being a person related by blood or registration under laws such as father, mother, spouse, sibling, and child, including spouse of children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling person of the Company or its subsidiary company.
4. Does not have and never had a business relationship with the Company, subsidiary company, associated company, major shareholders or controlling person that may have a conflict of interest that obstructs the independent opinion. As well, any Independent Director is not now and never has been a significant shareholder or controlling person of any person having a business relationship with the Company, subsidiary company, associated company, major shareholder, or controlling person, unless the foregoing relationship has ended not less than two years prior to the appointment date.

The business relationship shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, pledging assets as

collateral, and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the Company or from 20 million baht or more, whichever amount is lower. In this connection, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, *mutatis mutandis*. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year prior to the date of establishing the business relationship with the related person.

5. Is not now and never has been an auditor of the Company, subsidiary company, associated company, major shareholder, or controlling person. Not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, subsidiary company, associated company, major shareholder, or controlling person, unless the foregoing relationship has ended not less than two years prior to the appointment date.
6. Is not now and never has been a professional service provider, including a legal advisor or a financial advisor who receives service fees of more than two million baht per year from the Company, subsidiary company, associated company, major shareholder, or controlling person. Not being a significant shareholder, controlling person, or partner of the professional service provider, unless the foregoing relationship has ended not less than two years prior to the appointment date.
7. Not being a Director appointed as a representative of any Director of the Company, any major shareholder, or a shareholder related to the major shareholders.
8. Not operating any business that is of the same status and in competition with the Company or

subsidiary company. Not being a significant partner of a partnership or an executive director, employee, staff, or advisor who receives a salary or holds more than one percent of total number of shares with voting rights of any other company which operates business in the same status and in competition with the Company or subsidiary company.

9. Not having any business nor being an Executive Director nor having related benefit that may obstruct the independent opinion. As well, an Independent Director must not have any prohibited characteristic that undermines independence in carrying out the duties in the Company's operations.

Every Independent Director is independent to express opinions without interest in benefit, in terms of assets or working position; from the pressure of any person or any group of people as well as from any circumstances that could affect their opinion expression.

The Board of Directors has established a policy of holding a meeting of only the Non-executive Directors (including Independent Directors) at least once a year. The objective is to provide the Non-executive Directors with an opportunity to discuss issues related to meetings and their independent performance of duties, without the participation of the Executive Directors. The issues discussed at the meeting are summarized and submitted to the Board of Directors for consideration as deemed appropriate. A meeting of non-executive Directors was held once in 2020 on 18 December 2020. The meeting discussed the management succession plan and gathered information to be presented to the Board of Directors.

Executive Director

Any Director who holds an executive position, or any Director who is in charge for any actions deemed to be taken by executive, and including any authorized Director with full signatory authority except for the case where it can be demonstrated that such authorized

Director signs on transactions which have been approved by the Board of Directors and jointly with other Directors.

Duties, Responsibilities and Approval Authority of the Board of Directors

1. The Board of Directors directs, oversees and monitors the Company's business operations, ensuring that business affairs are conducted not only in line with the strategies, objectives, articles of association, and resolutions adopted at shareholders' meetings, as well as the principles of good corporate governance, but also in an honest and trustworthy manner in the best interests of the Company. As well, the business affairs must be conducted in a rational manner, bearing in mind the events which take place and the Company's various activities which are implemented.
2. The Board of Directors approves or endorses the Company's missions, strategies, targets, policies, business plans and budgets, in order to achieve sustainability.
3. The Board of Directors approves the Good Corporate Governance Policies, ensuring that the implementation of corporate governance activities of the Company and Thanachart Group's member companies is appropriate, in line with their respective corporate structure, nature of business and risks.
4. The Board of Directors exercises control over Thanachart Group's risk governance framework, audit processes, internal control systems, risk management systems as well as operational control and management, ensuring that they are not only put in place but also are appropriate and adequate, taking into account the business environments. As well, the Board of Directors makes arrangements for inculcating in the Company's personnel with the risk intelligent culture.
5. The Board of Directors oversees and monitors the management's performance regularly, ensuring that the Company's conduct of business affairs is in line with the policies, targets and business plans.

6. The Board of Directors monitors the financial liquidity adequacy and the ability to repay debts.
7. The Board of Directors determines and reviews the structure of the Board of Directors in terms of appropriate size, compositions, and proportion of Independent Directors, ensuring that the Board of Directors consists of Directors with a wide range of qualifications in terms of skills, experiences, abilities and special characteristics of certain areas as well as gender and age, which are necessary for achieving the organization's main objectives and goals. In this connection, a board skills matrix has been prepared.
8. The Board of Directors establishes a number of committees as deemed appropriate. The objective is for these committees to help study, screen and oversee various business activities.
9. The Board of Directors establishes guidelines for considering and nominating an appropriate candidate as the Company's Chairperson.
10. The Board of Directors ensures not only that the processes related to the nomination and selection of Directors and persons with power in management are transparent and clear, so that the candidates have qualifications that are in line with the specified elements but also the Board of Directors' composition and performance of duties are conducive to the exercise of discretion and independent judgment.
11. The Board of Directors considers the remuneration structure and rates, ensuring that they are appropriate to the responsibilities and motivate the Board of Directors to lead the organization to achievement of short-and long-term goals, taking into account the current risks as well as those that may arise in the future.
12. The Board of Directors oversee subsidiaries in order to protect the return of the Company's investments.
13. The Board of Directors monitors the management and development of human resources, ensuring not only that they are in line with the organization's direction and strategies but also that employees at all levels have appropriate knowledge, ability, skills, experience and motivation. As well, the Board of Directors ensures that they are treated fairly so that the organization is able to retain talented employees.
14. The Board of Directors ensures not only that each member of the Board has knowledge and understanding about their roles and responsibilities as well as the nature of business and the laws related to the business operations but also that each member is encouraged to regularly enhance their skills and knowledge for carrying out their duties. In this connection, the Board of Directors makes arrangements for its members to attend training activities and seminars, aiming at broadening their knowledge for the performance of their duties. The above information shall be disclosed in the Form 56-1 One Report.
15. The Board of Directors ensures that its duties will be carried out orderly and that they have access to necessary information. As well, the Board of Directors is supported by the Company Secretary who has knowledge and experiences necessary and appropriate for supporting the Board of Directors' performance of duties.
16. The Board of Directors promotes innovations and responsible business operations and prepares sustainability reports as deemed appropriate.
17. The Board of Directors dedicates time and capability to the performance of duties. It also assumes full responsibility. Also, it is independent and fair towards the organization and shareholders, as well as the Company's executives and employees.
18. The Board of Directors supports the participation of and communicates with shareholders. It also ensures fair treatment of all groups of shareholders. In addition, it is responsible for the financial statements. As well, it discloses accurate information in a transparent and timely manner.

Segregation of Duties

The Chairman of the Board of Directors shall not be the same person as the Chief Executive Officer so as to segregate the duties of developing policies from day-to-day business management.

Being Directors or Executives of Thanachart Group's Member Companies

The Board of Directors takes into consideration and appoints persons to serve as directors of the subsidiaries as it deems appropriate. The Board of Directors assigns the Executive Committee to appoint persons to serve as directors, executives, or ones with power and authority in such companies. However, in the case of small companies which are the Company's operating arms, the Company's Chief Executive Officer is responsible for making such appointments.

Assumption of Directorship in Other Companies by Directors and Senior Executives

The Company has adopted the good corporate governance policy with details as follows:

- The Company prohibited the Directors to hold the director position in more than five companies listed domestically or abroad. Importantly, holding positions in all other companies must not go against requirements or regulations of any other regulating agencies concerned. As well, the Company must be notified within seven days after the date of appointment or the date of commencement as a director.
- High-level executives of the Company must get prior approval from the Executive Committee before becoming directors in other companies, except those of an immediate family member, in which the executives do not have to spend too much time. In case of the Chief Executive Officer, the incumbent must get prior approval from the Board of Directors before becoming a director in other companies, except those of an immediate family member, in which the incumbent does not have to spend too much time.

Importantly, holding positions in all other companies must not go against requirements or regulations of any other regulating agencies concerned. As well, the Company must be notified within seven days after the date of appointment or the date of commencement as a director.

Sub-committees

The Board of Directors of the Company has appointed the sub-committees to be responsible for performing necessary duties. The roles and responsibilities of each sub-committee are as follows:

Executive Committee

The Board of Directors approved the establishment of an executive committee. Currently, the Executive Committee consists of 3 members whose names are as follows:

1. Mr. Suphadej Poonpipat
Chairman of the Executive Committee
2. Ms. Suvarnapha Suvarnaprathip
Vice Chairperson of the Executive Committee
3. Mr. Somjate Moosirilert
Member of the Executive Committee
Mr. Panupan Tuangthong
Secretary of the Executive Committee

Duties and Responsibilities of the Executive Committee

1. The Executive Committee is responsible for implementing the policies, targets, budgets, and plans which are established by the Board of Directors, subject to the laws, regulations, and notifications of the regulators concerned.
2. The Executive Committee is responsible for managing risks.
3. The Executive Committee is responsible for managing liquidity and interest rates.
4. The Executive Committee is responsible for managing investments in various financial instruments within the risk limits.
5. The Executive Committee is responsible for managing transactions of the Company such as deposits, loans, investments, foreclosed assets, etc.

6. The Executive Committee is responsible for managing internal organization such as management of organization structure, human resource management, administrative management, etc.
7. The Executive Committee may assign its duties or sub-delegate any of the powers and authority of the Committee in management to other parties.
8. The Executive Committee is responsible for screening matters before forwarding them to the Board of Directors for consideration.
9. The Executive Committee is responsible for implementing various activities specified in the Good Corporate Governance Policies and in line with the assignments given by the Board of Directors.

Audit Committee

The Company's Board of Directors approved the establishment of the Audit Committee. The Audit Committee consists of three Independent Directors with special knowledge, understanding, and experience in accounting and/or finance. The Audit Committee plays a very important role of assisting the Board of Directors in ensuring not only that the Company's operations have an effective internal control system which is transparent and in compliance with the regulations of the authorities concerned and the various regulations of the Company, but also that the reporting systems and the financial statements are reliable and maximum benefits of all parties including shareholders. The members of the Audit Committee are as follows:

1. Mrs. Siripen Sitasuwan
Chairperson of the Audit Committee
2. Mr. Tiraphot Vajrabhaya
Member of the Audit Committee
3. Mrs. Salinee Wangtal
Member of the Audit Committee
Ms. Thanawan Teekautamakorn
Secretary of the Audit Committee
(Ms. Thanawan Teekautamakorn resigned effective from 11 October 2021. The Audit Committee has appointed Mr. Wichai Sathiarujikanon to be the Secretary of the Audit Committee).

Duties and Responsibilities of the Audit Committee

1. Financial report
 - To review and disclose the Company's financial statements, as well as assess the appropriate use of key accounting policies.
 - To review the consistency of financial statements key issues, complication or any abnormality and use good judgment in assessing them.
2. Internal control
 - To ensure not only that the Company has put in place appropriate internal control systems, secure information technology systems, and sufficient anti-corruption measures but also that the Company has guidelines for communicating the above-mentioned matters to all personnel throughout the organization in an efficient manner.
 - To ensure that the management makes use of the recommendations about internal control, which are given by internal auditors and certified public accountants, for making appropriate improvements within the specified time period.
 - To ensure the adequacy and effectiveness of the Company's risk management systems.
3. Internal audit
 - To review and approve of Internal Audit Charter, annual plan, and appropriate use of personnel and other resources.
 - To review audit results and recommendations made by the internal auditors and follow up on the correcting measures to such recommendations.
 - To ensure that the internal audit complies with all internal audit standards.
 - To consider the independence of the Audit Department.
4. Supervision and Oversight of Subsidiaries
 - Supervise the operations of the subsidiaries, ensuring that they comply with Thanachart Group's policies. In this connection, the

Company's Audit Department will prepare a summary report on the oversight of the subsidiaries and submit it to the Audit Committee of the Company playing the role of a parent company, for information.

- In case of significant issues including, among others, the activities which are not in line with the law, frauds, corruption, matters which have serious impacts on the Company's financial statements, position or image, a detailed report has to be submitted soonest.

5. Compliance to regulations

- To review corporate governance activities of the Compliance Unit in relation to the monitoring of the Company's business operations, ensuring that the Company conducts its business affairs in line with the laws, regulations of the state agencies concerned, Handbook of the Code of Ethics, key policies as well as the related rules and regulations.
- To evaluate changing laws and related regulations which impact the Company's business operations. To ensure that the Company is able to comply with the regulations in a timely and appropriate manner.
- To review the findings and recommendations of the Compliance Unit and monitor the progress achieved in relation to the implementation of the recommendations.

6. External auditors

- To take into consideration the qualifications, independence, performance and fees of the external auditor. To also make recommendations to the Board of Directors in relation to selection and nomination of the external auditor and the audit fees.
- To have a meeting with external auditors without the management participation at least once a year.

7. Related party transactions or transactions that may lead to a conflict of interest

- To evaluate related party transactions or transactions that may lead to a conflict of interest in accordance with laws and regulations, ensuring that all business operation is in congruent and for the maximum benefit of the Company.
- To consider the disclosure of information in relation to transactions within the Group and among related parties, related transactions or transactions which may give rise to a conflict of interest. To also ensure that the disclosed information is accurate and complete in line with the requirements of the state agencies concerned.

8. Other responsibilities

- The Audit Committee is responsible for reporting to the Company's Board of Directors in order to make improvement as deemed appropriate. The Audit Committee is also responsible to report the findings or suspicions of any transactions that can significantly impact the financial position and business operation of the Company, which include the following:
 - 1) Transactions that may lead to a conflict of interest.
 - 2) Fraud, corruption or abnormality in the internal control system.
 - 3) Violation of the concerned state agencies' regulations or the related laws.
 - 4) If the Company's Board of Directors or the executives failed to implement corrective measures on a timely manner, the Audit Committee shall report in the 56-1 One Report.

- Evaluating the suitability of the Charter of the Audit Committee at least once a year and presenting to the Company's Board of Directors if there is a proposed change for an approval.
- Evaluating the performance of individual member of the Audit Committee and the Audit Committee as a whole and presenting the results to the Company's Board of Directors annually.
- Carrying out any other responsibilities proposed by the Audit Committee and approved by the Company's Board of Directors.

Nomination, Remuneration, and Corporate Governance Committee

The Board of Directors approved the establishment of the Nomination Committee and the Remuneration Committee in 2002. Later the two Committees were merged into the Nomination and Remuneration Committee on 28 April 2014. Then, at the Meeting of the Board of Directors No. 8/2017 held on 21 August 2017, the Board adopted a resolution assigning the Committee to take on additional responsibilities related to corporate governance and revising the scope of duties of the Nomination and Remuneration Committee. In this connection, the name of the Committee was changed to the "Nomination, Remuneration, and Corporate Governance Committee", in order to make it flexible, conforming and appropriate to the roles, duties, and responsibilities. Currently, the Committee consists of three members including 2 Independent Directors and 1 Non-executive Director, with details as follows:

1. Mr. Tiraphot Vajrabhaya
Chairman of the Nomination, Remuneration, and Corporate Governance Committee
2. Mrs. Siripen Sitasuwan
Member of the Nomination, Remuneration, and Corporate Governance Committee
3. Mr. Vichit Yanamorn
Member of the Nomination, Remuneration, and Corporate Governance Committee
Mr. Panupan Tuangthong
Secretary of the Nomination, Remuneration, and Corporate Governance Committee

Roles, Power, Duties and Responsibilities of the Nomination, Remuneration, and Corporate Governance Committee

1. Director and High-level Executives, being looked after by the Nomination, Remuneration, and Corporate Governance Committee, means:
 - 1) A Director,
 - 2) A Managing Director
 - 3) High-level Executives
 - 4) A persons who is a committee member whose duties and responsibilities are assigned directly by the Company's Board of Directors.
 - 5) An advisors of the Company
 - 6) A directors of the Company's subsidiaries, who is appointed in line with the Good Corporate Governance Policies.
2. Nomination of Directors and High-level Executives
 - 1) Consider policies and guidelines related to nomination of Directors and high-level executives and member companies of Thanachart Group and propose them to the Board of Directors for consideration.

- 2) Take into consideration the qualifications of Directors and high-level executives as well as the qualifications of Independent Directors, the information of which shall be submitted to the Company's Board of Directors for consideration.
 - 3) Take into consideration the nomination of persons with appropriate qualifications and also check the qualifications against the requirements imposed by the regulating agencies concerned and the notifications issued by the Company. As well, propose names of appropriate candidates to the Board of Directors or the meeting of shareholders, as the case may be, for appointment as Directors and high-level executives.
 - 4) Ensure that the Company has the structure, composition, qualifications and size of the Board of Directors which are not only in line with the requirements specified by the Board but also with the changing environments.
 - 5) Make succession plans for the positions of the Chief Executive Officer and high-level executives.
 - 6) Annually review the policies and requirements related to the nomination and qualifications of Directors and high-level executives.
 - 7) Make plans for training and developing Directors on a continuous basis.
3. Determination of Remuneration of Directors and High-level Executives
 - 1) Take into consideration the policies and guidelines in relation to remuneration and other benefits of Directors and high-level executives of the Company and Thanachart Group's member companies, ensuring that the remuneration reflects the objectives, duties, responsibilities and related risks. The information shall be submitted to the Board of Directors for consideration.
 - 2) Take into consideration appropriate formats and guidelines for the remuneration, ensuring that it is fair when compared with the duties and responsibilities of the Directors and high-level executives.
 - 3) Take into consideration the annual performance allowance of the Directors and high-level executives in management and propose them to the Board of Directors for consideration.
 - 4) Establish guidelines for appraising the performance of the Directors and high-level executives, taking into account the duties, responsibilities and related risks as well as the importance of adding value to shareholders' equity in the long term.
 - 5) Annually review the formats and guidelines for remuneration and other benefits of the Directors and high-level executives.
 4. Good Corporate Governance
 - 1) Review and propose amendments to the Corporate Governance Policy, the Code of Ethics, regulations and practice guidelines of Thanachart Group.
 - 2) Monitor the implementation of the Corporate Governance Policy, the Code of Ethics, corporate governance practice guidelines of Thanachart Group.
 - 3) Propose desirable practices or regulations for the Board of Directors and the sub-committee.
 - 4) Consider results of the evaluation of the Company's corporate governance practices, which is carried out by an outside organization and propose recommendations to the Board of Directors.
 - 5) Foster the spread of a good corporate governance culture and participate in the Company's sustainability development.
 - 6) Monitor the adequacy of the Company's disclosure of information related to corporate governance and sustainability development.

5. Other Matters

- 1) Propose a budget to the Board of Directors in relation to the employment of advisors as deemed necessary. The objective is to enable the Company to get advice from external advisors on matters which could make the performance of duties more efficient.
- 2) Occasionally invite the Company's Directors or executives to participate in the meetings to discuss matters which involve them.
- 3) Closely work and discuss with the Risk Oversight Committee, ensuring that the remuneration policies reflect the Company's main risks.
- 4) The performance of the Nomination, Remuneration, and Corporate Governance Committee should be appraised. The objective is to review and improve the Committee's performance of duties so that they will be able to perform their duties in an efficient manner and in line with the changing environment.
- 5) Disclose the key principles related to the nomination, remuneration in various formats, and guidelines for remuneration. As well, give details about the factors which are taken into consideration for assessing the overall performance, targets and implementation, and opinions of the Nomination, Remuneration, and Corporate Governance Committee, as well as methods and tools used for paying the remuneration which reflects the risks (if applicable) and the good corporate governance. Also prepare a report on nomination, remuneration, and corporate governance, which will be included in the Form 56-1 One Report.
- 6) Report its performance to the Board of Directors.
- 7) Perform any other duties in line with the legal requirements and/or the notifications issued by the regulating agencies concerned as well as the assignments given by the Board of Directors.

Risk Oversight Committee

The Board of Directors approved the establishment of the Risk Management Committee on 23 September 2013 and changed its name to "the Risk Oversight Committee" in 2019. Currently, there are 5 members of the Risk Oversight Committee. They consist of Executive Directors, Non-executive Directors and an executive responsible for risk management. Their names are as follows:

1. Dr. Thanachart Numnonda
Chairman of the Risk Oversight Committee
2. Mr. Vichit Yanamorn
Member of the Risk Oversight Committee
3. Mrs. Salinee Wangtal
Member of the Risk Oversight Committee
4. Mr. Somjate Moosirilert
Member of the Risk Oversight Committee
5. Mr. Kamtorn Tantisirivat
Member and Secretary of the Risk Oversight Committee

Duties and Responsibilities of the Risk Oversight Committee

1. To propose Risk Management Policies of the Company and Thanachart Group. To assess and approve of the standards in regards to monitoring and auditing to ensure that the Risk Management Policies are strictly adhered to.
2. To formulate risk management strategies in accordance with the Company's Risk Management Policy, ensuring that the Committee can assess, monitor and maintain the Company's risks at appropriate levels. Also to oversee the Company's strategies related to the capital and liquidity management in order to accommodate the Company's various risks, ensuring that the risks are in line with the acceptable risk levels which have been approved.
3. To consider and review the adequacy of the risk policy and the overall effectiveness of the overall risk management strategies as well as the acceptable risk levels at least once a year or when a significant change takes place. The Risk Oversight

Committee should discuss and exchange opinions with the Audit Committee. The objective is to assess the Company's risk management policy and strategies, ensuring that they cover all types of risk as well as the new ones and also that the policy and strategies are being implemented efficiently and effectively.

4. To set the Company's risk management measures to protect against any liability or damage that may happen and to solve problems that may arise.
5. To assess internal and external factors that could significantly impact the financial position and to incorporate them into the Company's Risk Management Policies.
6. To control, monitor, check, and enforce the companies in Thanachart Group to comply with the set Risk Management Policies.
7. To ensure that high-level executives adhere to the risk management policy and strategies as well as the acceptable risk levels.
8. To report to the Board of Directors on not only the risk status, the efficiency of risk management as well as significant factors and problems but also the things that need to be addressed and improved to ensure compliance with the Company's Risk Management Policy and strategies.

2.7 Corporate Governance Structure and Important Information of the Board of Directors, Sub-committees, Executives, Employees, and Others

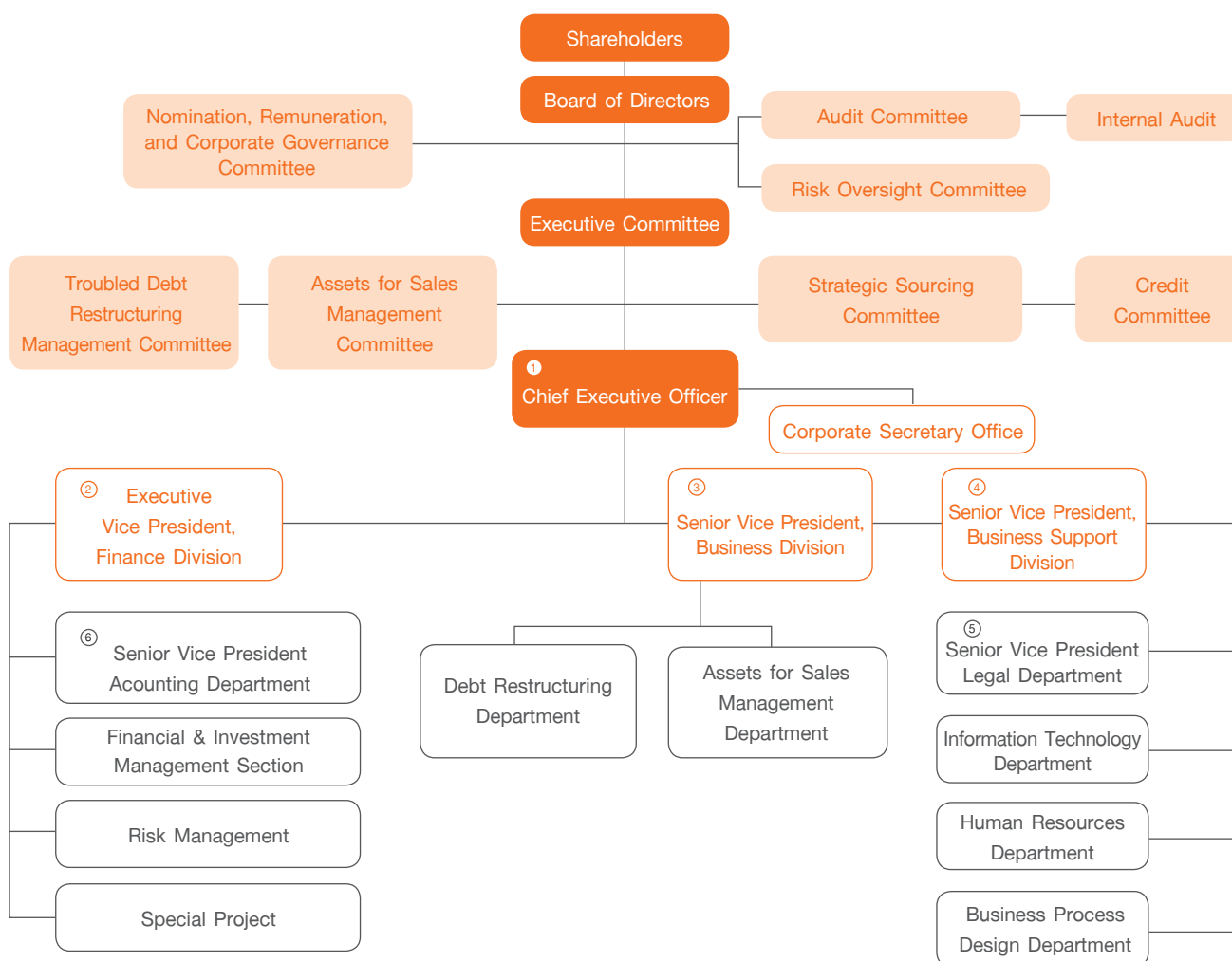
Management Structure of the Company

The management structure of the Company comprises the Board of Directors and Sub-committees which include 1) the Audit Committee 2) the Nomination, Remuneration, and the Corporate Governance Committee, 3) the Risk Oversight Committee, and 4) the Executive Committee. There are committees under the Executive Committee for managing the Company's businesses as follows: 1) the Troubled Debt

Restructuring Management Committee, 2) the Assets for Sales Management Committee, 3) the Strategic Sourcing Committee, and 4) the Credit Committee, and working units which have clear scopes of roles and responsibilities. The structure covers all operational areas of the Company, as well as ensures adequate supervision and review. The Company structure is as follows:

Organizational Structure of Thanachart Capital Public Company Limited

As at 31 December 2021



- Notes:**
- 1) ① - ⑥ are executives at the managerial level and the first four executives after the managerial level according to the regulations of the SEC.
 - 2) During 2021, one executive at the first four executives after the managerial level according to the regulations of the SEC resigned, effective on 11 October 2021, which is not shown in the Company's organizational structure at the end of 2021.

Board of Directors and Executives of the Company

Board of Directors of the Company

Structure of The Company's Board of Directors

As of 31 December 2021, the Company had 9 Directors consisting of 3 Executive Directors and 6 Non-executive Directors, 4 of whom possessed the qualifications of Independent Directors.

The Company's Board of Directors Meeting

The Company has set the schedule of the Board of Directors' Meeting for a whole year in advance. The meeting is scheduled monthly. There could be the case of special meeting as deemed necessary. Following the considerations by the Chief Executive Officer, the Chairman of the Company's Board of Directors will review and approve the meeting agendas. The meeting agendas are to be clearly specified and informed in advance, including agendas for acknowledgement, agendas for consideration, agendas for approval, and agendas for acknowledgement the reports from sub-committees. These agendas are subject to monthly consider. The Company's

corporate secretary is responsible for preparing the meeting notice and putting together the meeting documents in order to submit to the Directors prior to the meeting with sufficient time for the Directors to study and evaluate the information. In 2021, with the epidemic situation of COVID-19, the Company put in place an electronic meeting system via Microsoft Teams (MS Teams) system to prevent and reduce the spread of COVID-19 and support cases that Directors or attendees were unable to attend the meeting at the meeting place. Each meeting is approximately three hours long. There was a total of 13 meetings in 2021.

In the meeting, all Directors are encouraged to express their opinion freely and make decision on a resolution. The Chairman will provide all Directors an opportunity to fully express their opinions before voting. All comments are recorded in writing for each Director as part of the meeting minutes which have to be approved by the Company's Board of Directors and assessed by the Directors and related parties.

The List of the Company's Directors and the Meeting Attendance in 2021

List of Company's Directors		Position	Board of Directors	Audit Committee	Nomination, Remuneration, and Corporate Governance Committee	Executive Committee	Risk Oversight Committee
			(Total of 13 Meetings)	(Total of 13 Meetings)	(Total of 4 Meetings)	(Total of 15 Meetings)	(Total of 12 Meetings)
1. Mr. Banterng	Tantivit	Chairman (Non-executive Director)	13	-	-	-	-
2. Mr. Suphadej	Poonpipat	Vice Chairman and Chairman of the Executive Committee (Executive Director)	13	-	-	15	-
3. Mrs. Siripen	Sitasuwan	Chairperson of the Audit Committee and Member of the Nomination, Remuneration, and Corporate Governance Committee (Independent Director)	13	13	4	-	-
4. Mr. Tiraphot	Vajrabhaya	Chairman of the Nomination, Remuneration, and Corporate Governance Committee and Member of the Audit Committee (Independent Director)	13	13	4	-	-
5. Mrs. Salinee	Wangtal	Member of the Audit Committee and Member of the Risk Oversight Committee (Independent Director)	13	13	-	-	12
6. Dr. Thanachart	Numnonda	Chairman of the Risk Oversight Committee (Independent Director)	13	-	-	-	12
7. Mr. Vichit	Yanamorn	Member of the Nomination, Remuneration, and Corporate Governance Committee and Member of the Risk Oversight Committee (Non-executive Director)	13	-	4	-	12
8. Ms. Suvamapha	Suvarnaprathip	Vice Chairperson of the Executive Committee (Executive Director)	13	-	-	14	-
9. Mr. Somjate	Moosirilert	Member of the Executive Committee, Member of the Risk Oversight Committee, and Chief Executive Officer (Executive Director)	13	-	-	15	9

Notes: 1) Authorized signatories of the Company included 1) Mr. Suphadej Poonpipat 2) Ms. Suvamapha Suvarnaprathip 3) Mr. Somjate Moosirilert. Any two out of three authorized signatories could jointly sign with the Company's seal affixed.
2) Mr. Panupan Tuangthong is the Secretary of the Board of Directors.

Executives of the Company

As of 31 December 2021, the Company's executives at the managerial level and the first four executives after the managerial level including the head of accounting or finance department, according to the SEC included the following:

1. Mr. Somjate Moosirilert
Chief Executive Officer
2. Mr. Kamtorn Tantisirivat
Executive Vice President, Finance Division
3. Mr. Watchara Permphithak
Senior Vice President, Business Division
4. Mrs. Yada Thaipinnarong
Senior Vice President, Business Support Division
5. Mrs. Krisayanee Ratanachaichan
Senior Vice President, Legal Department
6. Mrs. Thanawan Chaisithikarnkha
Senior Vice President, Accounting Department

Company Secretary

In the meeting No.6/2009 dated 26 May 2009, the Board of Directors appointed Mr. Panupan Tuangthong as the Company Secretary effective since 1 June 2009. He has competency, qualification, and experience suitable for the position. The Corporate Secretary Office is the unit to supervise that the Company Secretary's works comply with good corporate governance, in order to encourage effective management and business operation of the Company. The Company Secretary has to comply with Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) 2008 which has been effective since 31 August 2008 and also the corporate governance policy. The Company Secretary has to work with the responsibilities, vigilance, honesty, as well as compliance to laws, purposes, the Company's articles of association, the Board of Directors' resolutions, and resolutions from the shareholders' meetings. Duties according to laws and assigned by the Company are as follows:

Duties, Roles, and Responsibilities of the Company Secretary

1. Overseeing various activities of the Company's Board of Directors.
2. Providing Directors with preliminary advice on legal provisions, rules and articles of association of the Company, as well as good corporate governance principles and the code of conduct which the Directors should adhere to, ensuring that they are always properly compiled by the Directors. The Company Secretary is also required to inform the Directors when there are significant changes.
3. Preparing detailed documentation and information which are useful for new Directors and advising them a direction of the Company's business operation.
4. Organizing meetings of shareholders and meetings of the Board of Directors, ensuring that both meetings are in compliance with the laws, the Company's articles of association, and other requirements.
5. Keeping minutes of the meetings of shareholders and the meetings of the Board of Directors. The Company Secretary is also responsible for monitoring and ensuring the implementation of the resolutions adopted at the meetings of shareholders and at the meetings of the Board of Directors.
6. Preparing and keeping the register book of the Directors, notifications of the meetings of the Board of Directors, minutes of the meetings of the Board of Directors, annual reports of the Company, notifications of the meetings of shareholders, and minutes of the meetings of shareholders.
7. Preparing and keeping the reports on the conflict of interest of the Directors and executives as well as submitting copies of those reports to the Chairman of the Board of Directors and the Chairperson of the Audit Committee.

8. Disclosing information and forwarding corporate news or reports to the relevant regulatory agencies, in compliance with its statutory requirements.
9. Organizing training courses, activities, as well as seminars aimed at enhancing the Directors' knowledge, skills, and experiences which are useful in helping them carrying out their duties as the Company's Directors.
10. Communicating with shareholders to inform them of their various rights and to give them the latest news updates on the Company.
11. Constantly receiving training and improving the knowledge in regard to laws, accounting, or duties of the Company Secretary.
12. Taking other actions as required by the Capital Market Supervisory Board.

The Company's Executive in Charge of Accounting and Finance Division and Executive in Charge of Accounting Preparation

The executive who is assigned to be in charge of accounting and finance division of the Company is

Mr. Kamtorn Tantisirivat, Executive Vice President-Financial Division and the executive who is assigned to be in charge of accounting preparation of the Company is Mrs. Thanawan Chaisithikarnkha, Senior Vice President-Accounting Department.

Profiles of Directors, executives, the company secretary, the executive in charge of accounting and finance division, and the executive in charge of accounting preparation of the Company are disclosed in the Attachment 6.

Remuneration of Directors and Executives of the Company

Financial Remuneration

In 2021, the Company paid remuneration for four committees, including the Company's Board of Directors, the Audit Committee, the Nomination, Remuneration, and Corporate Governance Committee, and the Risk Oversight Committee. Total remuneration was 47,868,501.99 baht. The remuneration was in the forms of monthly compensation, meeting stipends, and performance allowance based on the performance of 2020 which could be summarized as follows:

1. The remuneration payments made in 2021 to the Company's Board of Directors were as follows:

List of Company's Directors		Type of Remuneration (Baht Per Year)			
		Monthly Compensation	Meeting Stipends	Performance Allowance	Total
1. Mr. Banterng	Tantivit	1,440,000.00	720,000.00	6,291,700.39	8,511,700.39
2. Mr. Suphadej	Poonpipat	720,000.00	360,000.00	3,145,850.20	4,255,850.20
3. Mrs. Siripen	Sitasuwan	720,000.00	360,000.00	3,145,850.20	4,255,850.20
4. Mr. Tiraphot	Vajrabhaya	720,000.00	360,000.00	3,145,850.20	4,255,850.20
5. Mrs. Salinee	Wangtal	720,000.00	360,000.00	3,145,850.20	4,255,850.20
6. Dr. Thanachart	Numnonda	720,000.00	360,000.00	3,145,850.20	4,255,850.20
7. Mr. Vichit	Yanamom	720,000.00	360,000.00	3,145,850.20	4,255,850.20
8. Ms. Suvarnapha	Suvarnaprathip	720,000.00	360,000.00	3,145,850.20	4,255,850.20
9. Mr. Somjate	Moosirilert	720,000.00	360,000.00	3,145,850.20	4,255,850.20
Total		7,200,000.00	3,900,000.00	31,458,501.99	42,558,501.99

2. The remuneration payments made in 2021 to the Audit Committee were as follows:

List of the Audit Committee Members	Type of Remuneration (Baht Per Year)		
	Monthly Compensation	Meeting Stipends	Total
1. Mrs. Siripen Sitasuwan	720,000.00	390,000.00	1,110,000.00
2. Mr. Tiraphot Vajrabhaya	480,000.00	260,000.00	740,000.00
3. Mrs. Salinee Wangtal	480,000.00	260,000.00	740,000.00
Total	1,680,000.00	910,000.00	2,590,000.00

3. The remuneration payments made in 2021 to the Nomination, Remuneration, and Corporate Governance Committee were as follows:

List of the Nomination, Remuneration, and Corporate Governance Committee Members	Type of Remuneration (Baht Per Year)		
	Monthly Compensation	Meeting Stipends	Total
1. Mr. Tiraphot Vajrabhaya	360,000.00	80,000.00	440,000.00
2. Mrs. Siripen Sitasuwan	240,000.00	60,000.00	300,000.00
3. Mr. Vichit Yanamorn	240,000.00	60,000.00	300,000.00
Total	840,000.00	200,000.00	1,040,000.00

4. The remuneration payments made in 2021 to the Risk Oversight Committee were as follows:

List of the Risk Oversight Committee Members	Type of Remuneration (Baht Per Year)		
	Monthly Compensation	Meeting Stipends	Total
1. Dr. Thanachart Numnonda	360,000.00	360,000.00	720,000.00
2. Mr. Vichit Yanamorn	240,000.00	240,000.00	480,000.00
3. Mrs. Salinee Wangtal	240,000.00	240,000.00	480,000.00
4. Mr. Somjate Moosirilert*	-	-	-
5. Mr. Kamtorn Tantisirivat*	-	-	-
Total	840,000.00	840,000.00	1,680,000.00

Note: * Executive Directors do not receive the remuneration.

5. The remuneration payments made to the Independent Directors who hold the Independent Director positions in subsidiary companies
No Independent Director of the Company holds Independent Director position in any subsidiary company, and therefore, there was no remuneration paid.
6. The remuneration payments made to the Company's Executive Committee
There was no remuneration made to the Executive Committee.
7. The remuneration payments made to the Company's executives
As of 31 December 2021, the Company had six executives who are at the managerial level and the first four executives after the managerial level including the head of accounting or finance department and one executive at the first four executives after managerial level according to the regulations of the SEC who resigned during 2021. As a result, the Company paid a total of 60,535,216.32 baht in the remuneration payment made to seven executives in forms of salaries, allowance, and social security contribution in 2021.
8. The remuneration payments made to executive committees and executives of main subsidiaries
Main subsidiaries of the Company include THANI, TNI, TNS, and MBK LIFE. These four companies

made remuneration in forms of salaries, allowances based on performance, and social security contribution to a total of 36 executive committees and executives who are at the managerial level and the first four executives after the managerial level according to the regulations of the SEC in 2021 in the amount of 195,996,336.80 baht.

Other Remuneration

1. Other remuneration for the Company's Directors
The Company had no other remuneration paid to the Company's Directors.
2. Other remuneration for executives
The Company has provided a provident fund for the executives, which the Company pays in the portion of 3 percent, 5 percent, 7 percent or 10 percent of their salaries depending on the period of employment of each executive. In 2021, the Company contributed 3,826,161.65 baht to the provident fund for seven executives including the one who resigned during 2021.
3. Other remuneration for executive committees and executives of main subsidiaries
THANI, TNI, TNS, and MBK LIFE have provided provident fund for their executives. In 2021, all four companies contributed 7,572,543.60 baht to the provident fund for 36 executives.

Personnel

As of 31 December 2021, the Company had a total of 77 full-time employees. They belonged to different functions as follows:

Department	No. of Employees
1. Business Division	12
2. Corporate Secretary Office	14
3. Financial Division	29
4. Business Support Division	12
5. Internal Audit	10

Note: The number of full-time employees did not include the Chief Executive Officer and employees with yearly contracts, with whom the Company currently signed yearly employment contracts.

Overall Remuneration and Nature of Remuneration Paid to Employees

In 2021, the Company and its subsidiaries paid remuneration worth 2,052 million baht in total to employees. The remuneration included salaries, bonuses, social security,

and provident fund contributions, among others. In this connection, the details related to the number of employees and staff remuneration of the Company and its four key subsidiaries which are THANI, TNI, TNS, and MBK LIFE were as follows:

2021	The Company	Four Key Subsidiaries
Number of Employees	56	1,169
Number of Executives	16	398
Number of High-Level Executives	5	94
Total	77	1,661
Staff Remuneration (Million Baht)	200	1,692

Other Important Information

Head of Internal Audit

The Company assigned Ms. Thanawan Teekautamakorn, Executive Vice President, Audit Division to be the Head of Internal Audit of the Company. She is responsible for monitoring internal audit work of the Company and its subsidiaries until September 2021 (After that, the Company has assigned Mr. Wichai Sathianrujikanon, Vice President, Audit Division to be acting Head of Internal Audit). With long period of experiences and profound knowledge in the business activities and operations of the Company, he is most suitable for the roles and responsibilities. The consideration to evaluate, remove, transfer or dismissal of employment of the Company's Head of Internal Audit must be consented by the Audit Committee. His profiles can be seen in the Attachment 3.

Head of Compliance

The Company has in place the Business Development Section which is under the Corporate Secretary Office. The Section is responsible for overseeing the governance practices and compliance with the Company's rules and regulations. In this connection, Mr. Panupan Tuangthong, Company Secretary, serves as its head responsible for overseeing the governance practices and compliance

with the Company's rules and regulations. His profile is disclosed in the Attachment 3.

Head of Investor Relations

The Company assigns Mr. Angkarn Prauponpan the responsibility of overseeing investors relations. In this connection, the Company's Investors Relations Division can be reached via telephone numbers: 0 2613 6007 and 0 2217 8000 Ext. 3102 or email address: tcap_ir@thanachart.co.th.

Appointment of the External Auditors and Considering the Auditor Fees

The Audit Committee is responsible for considering the appointment of the Company's external auditor and the audit fees to get an approval from the Board of Directors before proposing to the Annual General Meeting of Shareholders for final approval. The Audit Committee is also responsible for informing the Company's Board of Directors in case of there is a consideration to dismissal of employment of the external auditor.

On 11 May 2021, the shareholders considered and approved of the auditors of EY Office Limited as the Company's external auditor which included the following:

1. Ms. Somjai Khunapasut
Certified Auditor No. 4499, and/or
2. Ms. Rattana Jala
Certified Auditor No. 3734, and/or
3. Ms. Narissa Chaisuwan
Certified Auditor No. 4812

Those three auditors have been approved to be the Company's auditors by the SEC and meet the qualification requirements. In this connection, Ms. Somjai Khunapasut (Certified Public Accountant No. 4499) serves as the Company's auditor.

During 2021, the remuneration paid to the auditor of EY Office Limited which was the audit firm of the Company and its subsidiaries was as follow:

1. Audit Fees
 - 1.1 Audit fees of the Company equaled 1,000,000 baht.
 - 1.2 The audit fees of the 17 subsidiary companies equaled 7,990,000 baht.

2. Non-audit Fees

The fees of other services charged to Thanachart Group's member companies in 2021 amounted to 1,100,000 baht. These fees consisted of the following:

- 2.1 Fees worth 500,000 baht for the review and audit of the capital adequacy report in accordance with the risk level required by the OIC of TNI.
- 2.2 Fees worth 600,000 baht for the review and audit of the capital adequacy report in accordance with the risk level required by the OIC of MBK LIFE.

2.8 Report of Corporate Governance Key Performance in 2021

Nomination, Development, and Performance Appraisal of the Board of Directors

The Company's Board of Directors

In 2021, the company had 9 Directors consisting of 3 Executive Directors and 6 Non-executive Directors, 4 of whom possessed the qualifications of Independent Directors. In this connection, each Director had knowledge, a wide range of skills and abilities as well as experience and capability in the businesses which the Company operated or was involved with. In order that the Board of Directors could perform their duties efficiently, the Company had structured the composition of the Board, in compliance with the Notification of the Capital Market Supervisory Board No. TorJor 39/2559 dated 30 September 2016 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares. In addition, the Company disclosed its policy on the composition of the Board of Directors whose qualifications were diverse. As well, the profile and the tenure of each Director was already disclosed in the 56-1 One Report and the website of the Company.

The Board of Directors has established a policy of holding a meeting of only the Non-executive Directors (including Independent Directors) at least once a year. The objective is to provide the Non-executive Directors with an opportunity to discuss issues related to meetings and their independent performance of duties, without the participation of the Executive Directors. The issues discussed at the meeting are summarized and submitted to the Board of Directors for consideration as deemed appropriate. A meeting of non-executive Directors was held once in 2021 on 16 December 2021. The meeting discussed the qualifications of Independent Directors, the nomination of staff in the management, who had knowledge and expertise in technology, as well as the succession plan to replace high level executives at the Company as well as its subsidiaries and associated companies.

Procedures in Appointing the Company's Board of Directors

The Nomination, Remuneration, and Corporate Governance Committee shall nominate and screen persons whose qualifications are appropriate for carrying out the duties of the Company's Board of Directors and each Committee, taking into consideration the composition of the various Committees in line with the laws and the principles of the good corporate governance. The names of candidates shall be submitted to the Board of Directors for consideration and appointment as members of each committee. In this connection, one of the appointed members shall serve as the chairperson.

As regards Independent Directors, the qualifications of Independent Directors will be considered in line with the requirement guidelines given by the Board of Directors, which are more stringent than those imposed by the regulators concerned. In particular, the tenure of Independent Directors will not exceed nine years. On the other hand, an exception is made for the Independent Directors who are competent and have carried out their duties in an independent manner throughout the past tenure. They could be appointed to serve as Independent Directors for more than nine years. In this connection, Independent Directors have no business relationship with or do not have any professional services to the Company and member companies of the Group.

The Company has not specified the maximum number of Directors. However, according to the Company's Articles of Association, the minimum number of Directors shall be five. The Company has already established the Nomination, Remuneration, and Corporate Governance Committee which is responsible for selecting and proposing candidates with proper qualifications to the Company's directorships. There are two cases that the Directors can be appointed which are: 1) Appointment of Directors to replace those retiring which needs a resolution from the shareholders' meeting and 2) Appointment of Directors to fill the positions which becomes vacant in the interim period. In case 2, the Board

of Directors can approve of the Director appointment with exception to the case that directorship has less than two months tenure. As regards Independent Directors, their election must comply with the requirements imposed by the SET and the Capital Market Supervisory Board.

In electing the Company's Director at the shareholders' meeting, every shareholder has equitable rights to vote. In the past, the Company has never had Director representing its major shareholders.

The rules and procedures of Director's election at the shareholders' meeting are as follows:

1. One share represents one vote.
2. Vote casting can be conducted individually or in terms of a group of individuals or by any other procedures as deemed appropriate by the shareholders. However, in each resolution, all shareholders must cast all votes they have in 1. They cannot split their votes. In practice in the past, shareholders cast their votes for each individual Director.
3. The resolutions are adopted by a majority vote. In the case when the votes are equal, the ultimate decision is upon the Chairman of the meeting.

Development of Directors and Executives

It is the Company's policy to encourage and make arrangements for the Directors, executives, company secretary, and personnel supporting the work of the corporate secretary as well as the staff concerned with the Company's corporate governance, to participate in various training courses and seminars. The objective is to enhance their knowledge in various areas relating to their roles and responsibilities in line with the good principles of corporate governance. As a result, the Members of the Board of Directors, members of committees, and executives will be able to carry out their duties more efficiently. In this connection, the company secretary is responsible for checking available training courses and seminars, and regularly providing the Directors and executives in advance with information on the training courses and seminars

organized by the IOD, the SET, the SEC, as well as other leading training institutions. Furthermore, Thanachart Group organizes training courses and seminars, providing knowledge in various areas related to Thanachart Group's business as well as knowledge in effective business development and business conduct to Directors and executive on a continuous basis.

In 2021, the Director who participated in training activities or seminars was as follows:

Dr. Thanachart Numnonda

- Director Leadership Certification Program (DLCP), Class 2/2021 by the IOD.
- Successful Formulation and Execution of Strategy (SFE), Class 36/2021 by the IOD.

In this connection, the training records of the courses attended in relation to the roles, responsibilities and skills of Directors and executives are disclosed in this 56-1 One Report.

Performance Appraisal of the Board of Directors and High-Level Executives

The Company makes an arrangement for performance appraisal of the Board of Directors and the sub-committee on an annual basis. The objective is to help the Board of Directors and Standing Committees consider and review their performance, various issues and obstacles in the past year. Another objective is to assess whether the performance of the duties of the Board of Directors and the sub-committees is appropriate in line with the scope of their duties and responsibilities. The assessment results will be used for improvements aimed at enhancing the efficiency of the Board of Directors and the sub-committee. The related details are as follows:

Performance Appraisal of the Board of Directors

1. Appraisal Guidelines

The Nomination, Remuneration, and Corporate Governance Committee will determine the performance appraisal forms for the Board of Directors, both as a group and as an individual.

Based on the self-appraisal sample forms provided by the SET or those disseminated by other regulators, the Committee will prepare the appraisal forms by making improvements to the sample forms, ensuring that the final ones are appropriate and in line with the nature of each committee in all aspects.

In appraising the performance of the whole Board of Director, the appraisal covers six key areas including: 1) structure and qualifications of the Board of Directors, 2) roles, duties, and responsibilities of the Board of Directors, 3) the meetings of the Board of Directors, 4) the Board of Directors' performance of duties, 5) the Board of Directors' relationship with management, and 6) Self-development of the Board of Directors as well as development of executives. In appraising the performance of each Director, the appraisal covers three key areas including: 1) the structure and qualifications of the Board of Directors, 2) meetings of the Board of Directors, and 3) roles, duties and responsibilities of the Board of Directors. The related assessment scores range from 0 (strongly disagree or never conducted) to 4 (strongly agree or excellently conducted).

2. Appraisal Processes

The Nomination, Remuneration, and Corporate Governance Committee will consider and review the performance appraisal forms of the Board of Directors, both as a group and as an individual prior to submission of the forms to the Board of Directors for consideration and review on an annual basis. The company secretary will then upload the performance appraisal forms into Diligent Boards system in December and January every year. The company secretary will be responsible for collecting and summarizing the appraisal results, which will be submitted to the Nomination, Remuneration,

and Corporate Governance Committee and the Board of Directors for acknowledgement and consideration. The Board of Directors will evaluate the performance results, as well as various recommendations and observations, ensuring that they will be implemented appropriately, also in line with the business environment and the business operations.

3. Appraisal Result Summary

The details related to the appraisal of the Board of Directors' performance in 2021 were as follows

- 1) The average performance appraisal score of the Board of Directors as a whole was 3.92 or 98.04 percent.
- 2) The average performance appraisal score of the Board of Directors on an individual basis was 3.89 or 97.22 percent.

Appraisal of Sub-committees' Performance

In 2021, the Company made arrangements for the performance appraisal of the sub-committee including the Audit Committee, the Nomination, Remuneration, and Corporate Governance Committee, the Executive Committee, and the Risk Oversight Committee. In this connection, the related performance appraisal form will be reviewed by each Standing Committee annually and presented to the Nomination, Remuneration, and Corporate Governance Committee for consideration and acknowledgement in line with not only the Committee's roles and responsibilities but also the principle of governance. Members of each Standing Committee will conduct the performance appraisal in Diligent Board system, taking into consideration the overall performance of their respective Committee's duties. The secretary of each Standing Committee will collect the appraisal results and present them to the respective Standing

Committee for consideration. On the other hand, the company secretary will collect and summarize all the performance appraisal results of all Standing Committees and present them to the Board of Directors. The objectives are to consider the appraisal the results and to implement the recommendations for further development.

Performance Appraisal of Chief Executive Officer and High-level Executives

Performance appraisal methods are specified to cover and conform to the business direction of Thanachart Group as follows:

1. As regards the appraisal of the performance of the Chief Executive Officer, the Nomination, Remuneration, and Corporate Governance Committee is responsible for developing methods and topics for the appraisal on an annual basis. In this connection, Non-executive Directors (including Independent Directors) would be responsible for the performance appraisal.
2. As regards the appraisal of the performance of executive vice presidents and those with higher levels (excluding Chief Executive Officer), the Chief Executive Officer is responsible for their performance appraisal.

In this connection, the reports on the results related to performance appraisal of the Chief Executive Officer and executives at the level of executive vice president and above will be presented to the Nomination, Remuneration, and Corporate Governance Committee as well as the Board of Directors for consideration.

Succession Plan

The Company pays great attention to the organization's human resources or personnel because they are an important factor behind its success in achieving the established goals now and in the future. The succession

plan ensures that the Company is prepared for coping with rapid changes. As a result, the Company continuously places emphasis on promoting and supporting the nomination of personnel with knowledge and abilities as well as human development.

The Board of Directors has assigned the Nomination, Remuneration, and Corporate Governance Committee to make and ensure the preparation of the succession plan. The objective is to prepare persons for moving up into various managerial or key positions. In this connection, the Company will assess the situations periodically and make plans in advance. Personnel in the organization will be nominated and developed on a continuous basis so that they become readily prepared for filling vacancies.

Succession Plan Objectives

1. The succession plan enables the Company to adopt a more proactive approach in relation to the nomination and selection of its personnel. It could make a plan to identify in advance personnel who can replace the ones who are promoted, retired or deceased. The objective is to ensure business continuity.
2. The succession plan enables the Company to readily assess the preparedness of its workforce with qualifications and potential suitable for managerial or key positions.
3. In accommodating future business expansion, the Company can prepare in advance an appropriate size of its workforce to fill managerial or key positions.
4. The succession plan serves as motivators for employees. In particular, the policy of supporting internal employee promotion helps boost employee morale.

Implementation Processes

The Company has adopted the following implementation procedures and processes in relation to the succession plan.

1. Identify critical positions of the organization.

The Company considers and specifies top management positions as well as positions which are important to the organization, taking into account a number of specific factors. The objective is to identify key positions to be included in the succession plan.

2. Specify knowledge, ability and experience for each position.
3. Nominate appropriate successor candidates.

The Company will carry out assessments of executives' of specific tools. In making the assessments, the Company takes into consideration three factors including 1) knowledge and ability, 2) aspirations, and 3) commitment to the organization.

4. As regards the successor development plan, the Human Resource Management Committee will consider a list of successor candidates for all the organization's key positions. In this connection, the Committee will determine the level of preparedness of the successor candidates, taking into account their tenure as well as level of knowledge and proficiency. The information will enable the Committee to manage and develop the potential of the successor candidates in an appropriate manner, through training activities and job rotation so that they will gain experience and skills by taking new duties and responsibilities. As well, the candidates will be provided with an opportunity to participate in the meetings held by the organization's key committees.

In this connection, it is required that the reports on the succession plan, the list of executives identified as successors as well as the results in line with the development plan for each person in the successor group be presented to the Nomination, Remuneration, and Corporate Governance Committee for consideration. In addition, the succession plan will be considered and reviewed regularly.

The Orientation for Newly Appointed Directors and Executives

When the composition of the Directors has been changed or there is a newly appointed executive, the Corporate Secretary Office is responsible for preparing necessary documents for a new Director, which include:

1. Organizational chart, structure of the Board of Directors and structure of various committees, together with clear information about their duties and responsibilities.
2. Information about Thanachart Group, with details related to each company's shareholding structure and nature of business, as well as supervision of subsidiaries.
3. Meetings of the Board of Directors, with information about ordinary agenda items and quarterly special agenda items, and also documents and reports about performance, as well as the annual schedule of the Board of Directors' meetings.
4. Methods for using the Company's meeting systems together with the information which Directors should know. Emphasis is placed on the meeting systems such as the handbook for Directors which consists of the prohibited characteristics specified in the related laws, as well as Thanachart Group's main policies such as the Good Corporate Governance Policies, the Handbook of the Code of Ethics, the Anti-corruption Policy, the Risk Management Policy, and the Outsourcing Policy, among others. Other important documents include the related Acts and notifications as well as legal requirements and matters which one must be careful about.

Meeting Attendance and Remuneration Payments to Each Committee Member

Members of the Company's Board of Directors as well as members of standing committees in Thanachart Group's member companies attach importance to participation in meetings for the purpose of carrying out their duties and

responsibilities. In this connection, the details related to their meeting attendance and the remuneration payments made to each member of the Company's Board of Directors are already disclosed in Section 2.7 related to Corporate

Governance Structure. As for the subsidiaries which operate key businesses, the details related to the remuneration payments paid to their directors in 2021 are as follows:

THANI

(Unit: Baht)

List of the Directors		Meeting Stipends							
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Total Meeting Stipends	Monthly Compensation	Performance Allowance	Total Remuneration
						(1)	(2)	(3)	(1)+(2)+(3)
Mr. Virat	Chinprapinporn	180,000	-	-	-	180,000	144,000	522,403.38	846,403.38
Mr. Kovit	Rongwattanasophon	150,000	-	-	-	150,000	120,000	435,336.15	705,336.15
Mr. Charoensuk	Kijitti	150,000	-	-	-	150,000	120,000	435,336.15	705,336.15
Mr. Somjate	Moosirilert	150,000	-	50,000	120,000	320,000	120,000	373,145.27	813,145.27
Ms. Suvamapha	Suvarnaprathip	150,000	-	-	-	150,000	120,000	310,954.39	580,954.39
Mr. Kamtorn	Tantisirivat	150,000	-	-	120,000	270,000	120,000	124,381.75	514,381.75
Mr. Sorasak	Chayarak	150,000	-	-	-	150,000	120,000	124,381.75	394,381.75
Dr. Thakol	Nanthirapakorn	150,000	120,000	-	-	270,000	144,000	435,336.15	849,336.15
Mr. Suvit	Arunanondchai	150,000	100,000	60,000	-	310,000	120,000	435,336.15	865,336.15
Mr. Varavudh	Varaporn	150,000	100,000	50,000	-	300,000	120,000	435,336.15	855,336.15
Dr. Naree	Boontharawara	150,000	100,000	-	-	250,000	120,000	373,145.27	743,145.27
Mr. Surapon	Satimanont	150,000	100,000	-	-	250,000	120,000	373,145.27	743,145.27
Directors resigned from positions in 2020									
Mr. Anuwat	Luengtaweekul	-	-	-	-	-	-	186,572.63	186,572.63
Mr. Pompet	Rasanon	-	-	-	-	-	-	248,763.51	248,763.51
Total		1,830,000	520,000	160,000	240,000	2,750,000	1,488,000	4,813,573.97	9,051,573.97

List of the Directors		Meeting Stipends								
		Board of Directors	Audit Committee	Risk Oversight Committee	Executive Committee	IT Oversight Committee	Total Meeting Stipends	Position Allowance	Performance Allowance	Total Remuneration
							(1)	(2)	(3)	(1)+(2)+(3)
Mr. Banterng	Tantivit	480,000	-	-	-	-	480,000	720,000	800,000.00	2,000,000.00
Mr. Suphadej	Poonpipat	360,000	-	-	480,000	-	840,000	1,200,000	600,000.00	2,640,000.00
Mr. Praphan	Anupongongarch	240,000	-	-	240,000	-	480,000	720,000	400,000.00	1,600,000.00
Mr. Wichian	Mektrakarn	240,000	240,000	80,000	-	60,000	620,000	1,320,000	400,000.00	2,340,000.00
Mr. Pirus	Pradithavanij	240,000	120,000	120,000	-	60,000	540,000	1,200,000	400,000.00	2,140,000.00
Mr. Surapant	Meknavin	240,000	120,000	80,000	-	90,000	530,000	1,200,000	400,000.00	2,130,000.00
Mr. William	George Said	240,000	-	-	-	-	240,000	360,000	400,000.00	1,000,000.00
Mr. Perapart	Meksingvee	240,000	-	80,000	240,000	60,000	620,000	1,200,000	400,000.00	2,220,000.00
Mrs. Thanawan	Chaisithikamkha	240,000	-	-	-	-	240,000	360,000	102,732.24	702,732.24
Mr. Samuel	Anthony Dotro	-	-	-	-	-	-	-	397,814.21	397,814.21
Director resigned from position in 2020										
Mr. Anuwat	Luengtaweekul*	-	-	-	-	-	-	-	281,967.21	281,967.21
Total		2,520,000	480,000	360,000	960,000	270,000	4,590,000	8,280,000	4,582,513.66	17,452,513.66

Note: *Mr. Anuwat Luengtaweekul has resigned from his directorship of TNI effective since 15 September 2020.

TNS

(Unit: Baht)

List of the Directors		Meeting Stipends					Position Allowance	Performance Allowance	Total Remuneration
		Board of Directors	Audit Committee	Risk Oversight Committee	Executive Committee	Total Meeting Stipends			
						(1)	(2)	(3)	(1)+(2)+(3)
Mr. Somjate	Moosirilert*	-	-	-	-	-	-	-	-
Mrs. Asvini	Tailanga	350,000	-	135,000	180,000	665,000	420,000	400,000	1,485,000
Mr. Punsak	Vejanurug	280,000	210,000	135,000	-	625,000	360,000	400,000	1,385,000
Mr. Nakarin	Virameteekul	260,000	105,000	-	-	365,000	360,000	400,000	1,125,000
Mr. Pong-amorn	Nimpoonsawat	280,000	-	270,000	-	550,000	360,000	400,000	1,310,000
Mr. William	George Said	280,000	-	-	-	280,000	360,000	400,000	1,040,000
Ms. Pimpaka	Nichgaroon*	-	-	-	-	-	-	-	-
Total		1,450,000	315,000	540,000	180,000	2,485,000	1,860,000	2,000,000	6,345,000

Note: *Directors who served as executives of TNS and/or executives who were assigned by Thanachart Group to serve as TNS's directors would not be entitled to receive position allowance and performance allowance.

MBK LIFE

MBK LIFE made remuneration payments to only three independent directors. In 2021, the remuneration payments were made to the following:

1. Pol.Col. Yanphon Youngyuen
received an annual remuneration of 1,215,000 baht.
 2. Mr. Sidhinard Duangratana
received an annual remuneration of 1,210,000 baht.
 3. Mr. Pandit Chanapai
received an annual remuneration of 1,150,000 baht.
- Total remuneration amounted to 3,575,000 Baht.

Oversight of Subsidiaries and Associated Companies

The Board of Directors attaches importance to the oversight of the subsidiaries and associated companies. In this connection, the Board assigns representatives to serve as directors of the subsidiaries and associated companies

for the purpose of supporting oversight and determining business operations and performance reports, audit reports, and risk management reports. These reports would be presented to the Board of Directors of the Company in its role as the parent company, for information, through the Executive Committee, the Audit Committee, and the Risk Oversight Committee respectively, which would consider the various reports in line with their respective functional responsibilities. The related details are disclosed under Section 1.1.3 on shareholding structure of the group.

Monitoring and Ensuring Compliance with Corporate Governance Policy and Practice Guidelines

In 2021, the Company carried out the corporate governance policy and guidelines in line with the principles of good corporate governance, the details of which were as follows:

1. The Company revised the Policies and Handbook of the Code of Ethics, in line with Thanachart Group's restructuring at the end of 2021. In this connection, emphasis was still placed on adherence to the SEC's Corporate Governance Code for Listed Companies 2017 (CG Code) as well as other practices related to the Principles of Good Corporate Governance for Listed Companies, in order to accommodate various assessments. The objective was to accommodate various assessments including, among others, the Corporate Governance Report of Thai Listed Companies (CGR) of the IOD as well as the annual assessment of the quality of Annual General Meeting of Shareholders (AGM). In this connection, the Principles of Good Corporate Governance were appropriately adopted, taking into account the business environment in which the Company operated.

As well, member companies of Thanachart Group were required to revise the Policies and Handbooks of the Code of Ethics, ensuring not only that they were in line with the Policies and Handbook of the Company but also that they were appropriate to each company's respective business operations.

2. The Company achieved an excellent level Five stars of recognition in the Corporate Governance Report of Thai Listed Companies (CGR) issued by the IOD.
3. As regards the assessment of the quality of the Annual General Meetings (AGM) of listed companies, which was conducted by the Thai Investors Association, and the Company achieved a score of 100.
4. The Company and member companies of Thanachart Group had been certified members of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since 2014. And in the third quarter of 2020, the memberships of the Company and member companies of Thanachart Group were renewed for a second time. The membership certificates were received in the latter

part of the year 2021. In this connection, the Company and member companies of Thanachart Group were determined to always conduct business affairs in a transparent manner and in compliance with the principles of good corporate governance.

5. The Company arranged for all its executives and employees to fill forms, confirming their agreement to refrain from pursuing business interests which were in conflict with the interests of Thanachart Group's member companies. They were also required to fill self-appraisal forms related to corporate governance and anti-corruption through Google forms app. The Company also coordinated with Thanachart Group's member companies, requesting them to arrange regularly on an annual basis for their staff to fill the forms, confirming their agreement to comply with the policies of each member company of Thanachart Group.
6. On an annual basis, the Company prepared an appraisal form used for evaluating staff at all levels of the Company. The objectives were to raise, assess and measure the level of their knowledge and understanding in relation to the compliance with good corporate governance principles and the anti-corruption. The Company also coordinated with member companies of Thanachart Group on an annual basis in preparing each member company's appraisal form.
7. The Company developed infographics about good corporate governance and anti-corruption, so that all the stakeholders concerned were informed. It ensured that the infographics were designed to cover all relevant information and to be interesting. They were posted on the Company's website.
8. The Company and member companies of Thanachart Group were required to adopt policies, measures and practice guidelines aiming at fighting all forms of corruption. As well, each company was required to disclose the Anti-Corruption Policy on its website.

9. As part of the Anti-Corruption Policy, during December 2021 - 31 January 2022 the Company disclosed via its websites the No-Gift Policy and requested for cooperation from all the stakeholders concerned in fighting all forms of corruption. In particular, no gifts were accepted or given during festivals or at any event. Messages were also sent via email to trading partners and business representatives, requesting for their cooperation in adhering to the Anti-Corruption Policy and the No-Gift Policy.

Shareholders' Meeting in 2021

The Company conducted its business according to Good Corporate Governance Principles in 2021 as follows:

Shareholders' Right

(1) Shareholders' Basic Right Protection

The Company has a policy on shareholders' right protection and encourages them to honor their rights. The policy includes legal basic rights, such as company's profit sharing in form of dividend, buying and selling shares or share transfers, participation in shareholders' meeting in order to honor their voting rights equitably and independently, and encouraging shareholders to have sufficient information of the Company. The Company has fully disclosed the information of the Company with accuracy, adequacy and in a timely manner via the SET database and the Company's website where all shareholders have equal access to.

- (2) Giving adequate information and looking after shareholders' rights to attend and vote at the shareholders' meetings in an equitable manner.

The Company's Board of Directors realizes that every shareholder has equal basic rights to attend the meeting and encourages all shareholders to attend and participate in the shareholders' meeting, including institution shareholders. The Company also has policies regards basic and equal rights in shareholders' meeting, voting rights, proposing an agenda, nominating Directors, adequacy in Notice of the

Annual General Meeting of Shareholders, disclosure of information, as well as, venue, date, and time of the meeting as in accordance with the Good Corporate Governance Policies. As well, the Board of Directors has put in place a work unit responsible for organizing the shareholders' meeting and ensuring that the meeting is conducted in line with the above Policies as well as the additional practice guidelines developed and disclosed by the related organizations including the SEC, the IOD, and the Thai Investors Association, for implementation by listed companies.

As part of the shareholders' meeting, the Thai Investor Association, an independent association, evaluated the shareholders' meetings of the listed companies and gave the Company the highest score of 100 for 11 years (2010 - 2018 and 2020 - 2021).

In 2021, the Company held the Annual General Meeting of Shareholders on 11 May 2021. The meeting was conducted via electronic media, broadcasting live at Dusita Room, 16th floor, MBK Tower, according to laws, regulations, and corporate governance. In addition, the Company established the guidelines and measures aiming at preventing, controlling and reducing of the spread of COVID-19 while still ensuring the equitable treatment of shareholders. In this connection, the following actions were undertaken:

Prior to the Shareholders' Meeting

The Company published the Notice of the Annual General Meeting of Shareholders in both Thai and English, including date, time, venue of the meeting, and meeting agendas together with explanation of objective and rationale for each agenda item which were complete and sufficient for shareholders' decision making before the meeting. The aforementioned information was available via various channels as follows:

News through the SET System

- On 25 February 2021, the Company sent the notification of the Board of Directors' resolution to call the 2021 Annual General Meeting of Shareholders (AGM), showing the

meeting schedule together with the agenda and dividend payment. In addition, on 19 April 2021, the Company sent the notification of the meeting postponement. The new date of the 2021 AGM was on 11 May 2021 and it was a virtual meeting. The notification of the procedures for attending the electronic Annual General Meeting (e-AGM) was also given. The information was disseminated on 26 April 2021. As well, the notification was sent to shareholders.

- 24 March 2021, disclosure of the Notice of the Annual General Meeting of Shareholders on the Company's website.

The Company's Website

The Notice of the Annual General Meeting of Shareholders and the related supporting documentation were published on 24 March 2021. The information was the same as the information given in the documentation sent by postal mail. These included 1) the date, time, and venue of the meeting, 2) meeting agendas together with explanation of objective and rationale for each agenda item or proposed resolution specified in the notice of AGM, 3) methods used in appointing a proxy, registration and showing identification for attending the meeting, and rules used for conducting the meeting, and 4) steps to be followed in relation to adoption of resolutions as well as proxy statements. In addition, the Annual Report was published prior to the meeting date.

Delivered by Mail

The Notice of the Annual General Meeting of Shareholders, meeting documentation, and Annual Report in the form of QR Code had to be delivered to all shareholders before the meeting date. In this connection, all the documents were sent out by mail to all shareholders on 25 March 2021.

Newspaper

Advertisement

Meeting notice was advertised in both Thai and English in Naewna newspapers for three consecutive days, seven days prior to the meeting date.

The Company provided the following opportunities to the Company's shareholders to raise issues via the Company's website:

1. Shareholders could propose candidates to elect as Directors and also additional agenda items for the Annual General Meeting of Shareholders during the three-month period from 1 October 2020 to 31 December 2020.
2. Shareholders could propose questions or other suggestions for the Annual General Meeting of Shareholders during the six-month period from 1 October 2020 to 31 March 2021.

The Company informed shareholders of the opportunity through the SET's system on 1 October 2020. The disclosed information was made available both in Thai and English in order to accommodate both Thai and Foreign shareholders. In addition, rules, procedures, and channels for raising such issues were available on the Company's website and the results were informed at the shareholders' meeting.

The proxy statement form B, a form in accordance with public company registrar which a shareholder can specify his vote and contains a barcode for convenience in meeting registration, was an attachment to the Notice of Annual General Meeting of Shareholders. The information

was also published on the Company's website, in case of the need of shareholders to request a proxy to attend the meeting on their behalf. Furthermore, the proxy statement form A and C were published on the Company's website in order for shareholders and custodians appointment of the proxy to cast a vote as specified by shareholders.

The Company proposed two Independent Directors, and an Executive Director with their curriculum vitae as well as stakes of each Director in the meeting notice to provide the shareholders alternatives for the appointment of proxy.

The Day of the Annual General Meeting of Shareholders (11 May 2021)

The e-AGM which was organized by the Company was broadcast from Dusita Room, 16th Floor, MBK Tower, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330. In this connection, the system used for the Company's meeting passed the assessment which ensured the conformity of the meeting control system with the Standards for Maintaining Security of Meetings via Electronic Means B.E. 2563 (2020). At the meeting, arrangements were made for identification, vote casting, and other activities in compliance with all the requirements stipulated in the Emergency Decree on Electronic Meetings B.E. 2563 (2020). The arrangements were in line with the laws, regulations, and good corporate governance practice guidelines.

The Company established shareholders' meeting guidelines to ensure that shareholders' right would not be compromised. At any point of the meeting, shareholders could register and enter the meeting to honor their voting rights on the agenda of which vote casting had not been made. The Company has never adjusted or added any agenda or distributed additional documents which contain important information during the meeting without prior notice.

The total number of shareholders attending the meeting in person and by proxy was 927 shareholders.

All Directors attended the meeting, including the Chairman of the Company's Board of Directors, the Chairperson of the Audit Committee, the Chairman of the Nomination, Remuneration, and Corporate Governance Committee, and the Chief Executive Officer. During the course of the meeting, all shareholders were provided equitable right to express their opinions and ask questions, all of which were recorded and documented in the meeting minutes.

The Chairman of the meeting assigned the Company Secretary to explicitly inform the shareholders on meeting rules, casting vote, voting rights for each type of share, and vote counting procedures.

The Company used electronic voting for every agenda item. All votes could be changed until the closure of voting. Under the agenda item on election of Directors, the Company provided shareholders with an opportunity to elect each Director individually. To ensure that shareholders received clear information during the meeting, information for each agenda item was presented to shareholders.

Post Annual General Meeting of Shareholders

The Company disclosed the voting results for each agenda via News through the SET System within the meeting day and also made available on the Company's website on the next working day.

The Company took minutes of the meeting whereby the number of Directors attended, voting procedure, voting results, and questions and answers for each agenda were recorded. The numbers of votes for approval, disapproval and that which were abstained were clearly verified in the minutes, including all other important information. The drafted minutes of the 2021 Annual General Meeting of Shareholders were submitted to the SET and also made available on the Company's website within 14 days after the meeting day which in this case was on 24 May 2021.

Equal Treatment to Shareholders

The Board of Directors arranges the Shareholders' Meeting in such manners that all shareholders have equal rights. The Board of Directors also provides opportunities to minority shareholders so they can nominate a candidate for the Director position and/or propose an additional item for meeting agenda prior to the meeting. A proxy is made possible as an alternative for shareholders who are unable to attend the meeting to exercise their rights.

In addition, the Board of Directors established the guidelines and measures for preventing the spread of COVID-19 infection transmission at the 2021 Annual General Meeting of Shareholders. The objectives were to prevent, control and reduce the spread of COVID-19 infection while still ensuring the equitable treatment of shareholders.

Disclosure and Transparency of Information

In every calendar year including 2021, the Company disclosed information in accordance with the guidelines given in Section 2.6 on Good Corporate Governance and Code of Ethics. In this connection, information was disclosed through the following channels:

1. The SET
 - Management's Discussion & Analysis: MD&A. The information is disclosed quarterly.
 - Annual Registration Statement Form 56-1 One Report
 - Quarterly Financial Statements
 - The Company's Board of Directors' resolutions, shareholders' meeting resolutions, and other information
2. The SEC (e.g., Form 56-1 One Report, Prospectus)
3. The Department of Business Development, Ministry of Commerce (e.g., the Company's information)
4. The Company's website (www.thanachart.co.th) the information of the Company and the companies under the Group
5. Press, printing media, and other media (e.g., quarterly operating results, explanation of important issues)
6. Quarterly Analyst Meeting
7. Company Visit / One-on-One Meeting

8. Roadshow / Conference
9. Notification to shareholders by mail

Measures for Controlling the Use of Inside Information

The Company has established measures aiming at controlling the use of inside information, prohibiting directors, executives, and related parties to use the Company's inside information for one's own personal benefit. The summary of the measures is as follows:

1. All internal work units of the Company are required to establish a system for keeping inside information in a safe place, ensuring that the information is properly managed and maintained.
2. The Directors, executives at the managerial level, and the first four executives after the managerial level, as well as the Head of the Accounting or Finance Department are required to:
 - Submit reports on their shareholdings and positions in various companies as well as reports on the derivatives and future contracts with the Company shares as underlying assets, which are held by themselves, their spouses who lives together as husband or wife and their children who have not yet reached the legal age, on a quarterly basis in line with the requirements imposed by the Capital Market Supervisory Board, with copies to the Chairman of the Board of Directors, the Chairperson of the Audit Committee, and the Company Secretary every time.
 - Submit reports on any change in their holdings of derivatives and futures contracts with the Company shares as underlying assets, to the SEC within the next three business days after the change in their holdings takes place.
3. The Directors, executives, staff, outsource personnel, and consultants who have access to material inside information which have not yet been disclosed to the public are prohibited from using the information for the benefit of one's own or others. The prohibitions are stipulated in the Information Disclosure Policy

and Use of Inside Information, the Company's Good Corporate Governance Policy, and Handbook of the Code of Ethics.

4. The Company stipulated the guidelines on information disclosure and use of inside information, which included the supervision of inside information, information disclosure, internal and external communication, investigation in an event of information leakage and the establishment of the rules governing the trading of securities issued by the Company. In this connection, the following persons were prohibited from trading the securities during the period from fifteen days before the end of every quarter to two days after the disclosure of the financial statements and the financial position to the SET. The guidelines were stipulated in the Information Disclosure Policy and the Use of Inside Information.
 - Directors, executives, and employees of the Company or member companies of the Thanachart Group.
 - Persons whom the Company or member companies of Thanachart Group outsource work to.
 - Any individuals serving as advisors or any counterparty to a contract, who gives services to the Company or member companies of the Group.
5. The Company made arrangements for directors, executives and employees who were involved in the transaction with important information to sign a confidentiality agreement related to such transaction.
6. The Company set forth that the use of insider information for trading the Company securities or getting obligated in futures contracts related to the Company securities for one's own benefits or the benefits of others or the disclosure of insider information to other party, directly or indirectly, regardless of whether the insider knew or should know that the other party might use the information for trading the Company securities or getting

obligated in futures contracts related to the Company securities for one's own benefits or the benefits of others were considered a breach of discipline and the insider would be subject to legal punishment.

Measures Addressing Conflicts of Interest

The Company places strong emphasis on prevention of conflicts of interest. As a result, it has established policies, made announcements, and issued rules and regulations, aiming at making the organization's operation transparent and reliable. These include, among others, the following:

1. The Policies and the Handbook of the Code of Ethics consisted of guidelines which prohibited Directors, executives, employees and the parties concerned from seeking to gain benefits for themselves or for a group of people.
2. The Risk Management Policy of Thanachart Group set forth guidelines related to the execution of the Company's transactions, inter-company transactions between member companies of Thanachart Group, the transactions of Thanachart Group's member companies with major shareholders, Directors or persons with managing authority as well as related parties. The policy also covered guidelines on the use of services from service providers which are outside Thanachart Group as well as the use of services between member companies of Thanachart Group, services from major shareholders, Directors, persons with managing authority of member companies of Thanachart Group and related parties. In principle, the policy covered the following:
 - The Company has established rules and restrictions on the transactions with the above parties.
 - The Company has established procedures for obtaining advice in writing from the Compliance Unit before proposing the transactions to the persons who have approval authority, except the cases in which the transactions are deemed normal.

- The Company has established the Directors and persons with managing authority, who have conflicts of interest, shall not participate in the approval of the transaction and shall not be entitled to vote on the agenda item concerned.
 - The Company limits the scope of approval authority in executing related party transactions. The limitations include cases in which the transactions could not be executed in accordance with the established policies or cases involving a conflict of interest, which have to be submitted for approval to the board of directors of any company that executes the transactions with the related reports to be sent to the Corporate Secretary Office for reporting the information to the Risk Oversight Committee and the Board of Directors.
 - In considering the rules governing the transactions that involves conflicts of interest, the rules must be in compliance with the Public Limited Companies Act, securities and stock exchange laws, and other related laws. In case of doubts, advice must be sought from the Compliance Unit. In this connection, the Compliance Unit is authorized to establish rules for governing the related party transactions, as it deems appropriate.
 - The information about the executed transactions has to be disclosed in line with the established rules. The transactions have to be reported to the Executive Committee and the Board of Directors of the Company for acknowledgement twice a year. As well, the information about the transactions shall be disclosed to the public, in compliance with the requirements of the authorities concerned and the Thai Financial Reporting Standards.
3. The Company has established the procedures for overseeing the execution of related-party transactions, starting from (1) compilation of a list of related entities or persons which would serve as a database for verification purpose, (2) provision of opinions by the compliance unit on legal issues and requirements with regard to the related-party transactions, (3) screening by the Audit Committee the list of related-party transactions or the list of transactions which may give rise to a conflict of interest, ensuring that they are accurate and complete before submitting them to the Company's Board of Directors for approval, (4) approval, and (5) review by the compliance unit the information to be disclosed in compliance with the regulatory requirements.
 4. The Company has established procedures for buying, selling, renting, and leasing assets of the Company to member companies of Thanachart Group or related parties.
 5. The announcements made by different committees stipulate that, if there is any transaction in which the Directors, executives or related parties have a conflict of interest, the information about the conflict of interest in the agenda item under consideration has to be informed and the Directors or executives concerned are prohibited from participating in the meeting when the transaction is being considered.
 6. The Directors, the first four executives after the managerial level, and the Head of the Accounting or Finance Department as well as their spouses who lives together as husband or wife and children who have not reached the legal age are required not only to disclose their shareholdings and positions in various companies but also to report on their holdings of derivatives and futures contracts with the Company shares as underlying assets on a quarterly basis. The information will be used for identifying transactions that may give rise to a conflict of interest and serve as a database for disclosing about related-party transactions and businesses in the notes to financial statements.

7. It requires disclosure of information about the relationships between the Company and employees as well as their spouses, relatives and business counterparts or counterparties to agreements. The objective is to prevent conflicts of interest.
8. Any act of pursuing personal benefits in a dishonest manner is considered disciplinary violation.

Anti-Fraud and Anti-Corruption

Thanachart Group fully realized that corruption produced harmful effects and was an obstacle to the country's social and economic development, as well it also leads to unfair business practices. As a result, the Group cooperated with the Private Sector Collective Action Coalition Against Corruption (CAC) by declaring its intention and becoming a member of the Coalition since 2014. In the third quarter of 2020, the certifications and memberships of the Company and member companies of Thanachart Group got extended. In this connection, Thanachart Group put in place the following Anti-corruption Policies, measures as well as related work procedures and processes, to which all employees were required to adhere.

1. The Boards of Directors of the Company and member companies of Thanachart Group approved Anti-corruption Policies which were reviewed regularly. The policies clearly define "corruption and various forms of corruptions". Essentially, Directors, executives, and employees were prohibited from seeking benefits, participating in or accepting any forms of corruption, directly or indirectly, regardless of whether the benefits were for the organization, themselves, their family, friends or acquaintances. They were required to act as a role model. Moreover, executives of Thanachart Group were responsible for overseeing and supporting the implementation of the related measures. As well, the appropriateness of the various measures was subject to regular review, ensuring that they were in line with the changes in business, rules and regulations as well as legal requirements.

2. Thanachart Group has established the Anti-corruption as one of the organization's core values. This core value known as "C3SIP" serves as a guideline to which all employees of Thanachart Group are required to adhere. The key components of C3SIP are as follows:

- Customer Focus
: meeting the customer needs,
- Collaboration
: working as a team,
- Commitment
: fulfilling one's duties until goals are achieved,
- Spirit
: devotion to one's work,
- Integrity
: adhering to integrity and Anti-corruption,
- Professional
: possessing adequate knowledge and ability to perform one's duties.

3. As regards the corruption risk assessment, each member company of Thanachart Group have adopted the principles and methodology based on the Risk and Control Self-Assessment (RCSA) which is one of the tools used for operational risk management. Among others, this includes risk identification, determination of risk levels, as well as establishment of internal control systems aiming at controlling and mitigating risks for the purpose of preventing corruption risks. Also noteworthy are the follow-up and review of the corruption risks which shall be conducted in a regular manner in every three years, or any time there was a change to various risk factors that had significant impacts on the operational processes. In this connection, the progress of work plans and the implementation of risk control measures were closely monitored. And the related assessment reports shall be sent regularly to the Audit Committee and Board of Directors for information.
4. Thanachart Group has established Anti-corruption measures, to which the employees of Thanachart

Group are required to adhere. The measures are based on the internal control principles which are in line with the corruption risk and the Anti-corruption Policy. These measures will be reviewed annually, ensuring that they are appropriate and in line with the risks. As well, the Group has established disciplinary actions to be taken against employees who are involved in any corrupt act.

5. Thanachart Group attached great importance to all forms of corruption, especially the offering or acceptance of gifts, presents, entertainment or any other benefits. As they could easily lead up to corruption, the Group had included these forms of corruption in the Good Corporate Governance Policy, the Handbook of the Code of Ethics, the Anti-corruption Policy, the Anti-corruption measures as well as the related regulations which covered practice and control procedures. As well, supervisors would be given reports on the implementation of the procedures, violation or noncompliance with the Anti-corruption Policies, Anti-corruption measures or various regulations. Any act which supported, promoted or gave cooperation in corruption was considered misconduct and would be subjected to disciplinary actions.
6. To make the Anti-corruption measures more efficient, Thanachart Group requires that each member company adopts the related rules, operational procedures, and guidelines, particularly about notification of corruption clues as well as handling of complaints about fraud and corruption. The member companies are also required to establish safe channels, through which any members of the general public or any employees of Thanachart Group who come across any suspicious fraudulent or corrupt activity could report clues or file their complaints. The information provided by whistleblowers will be sent to the head of the internal audit unit. In this connection, the information will be kept confidential and presented to the Audit Committee who will, in turn, report it to the

Board of Directors. As well, Thanachart Group has adopted a policy aiming at treating fairly and protecting those employees who refuse to get involved in corruption although such refusal may cause the organization to lose a business opportunity. Also, the whistleblower will receive a compliment.

7. The Company in its role as the parent company of Thanachart Group led by the Company's Chief Executive Officer sent a message to high-level executives of each member company of Thanachart Group, expressing appreciation and re-emphasizing the important principle that all employees of Thanachart Group continued participating in the implementation of the corporate governance policy, the Handbook of the Code of Ethics, the anti-corruption policy and measures as well as other policies. The participation would contribute to the sustainable growth of Thanachart Group.
8. The Company requires all executives and employees to sign a form confirming their agreement to refrain from pursuing business interests which are in conflict with the interests of Thanachart Group. This serves as the agreement and acknowledgement of their strict adherence to the Corporate Governance Policy, the Handbook of the Code of Ethics, the Anti-corruption Policy, the policies on information disclosure and the use of insider information, anti-corruption measures, messages from Chief Executive Officer on anti-corruption, regulations to accepting presents, gifts, reception or any other benefits, as well as other related regulations. In addition, the Company arranges regularly on an annual basis for all the employees to fill self-appraisal forms related to corporate governance and anti-corruption, the purpose of which is to assess their knowledge and understanding of the matters.
9. The Company and member companies of Thanachart Group prepared a notification for trading partners and business representatives about the Anti-corruption Policy, requesting them to give their cooperation and support in fighting

against corruption by refraining from giving gifts to executives or employees of Thanachart Group, during festivals or any other occasions. The notification was sent to them via mail or email. It was also shared on the websites of the Company during December 2021 - 31 January 2022.

10. In appraising the performance related to the implementation of the Anti-corruption Policy and the related measures, the Audit Committee of each member company of Thanachart Group would be responsible for reviewing its internal control system, ensuring that it had adequate internal controls that the conduct of business affairs are in line with the Anti-corruption Policy. The audit unit shall audit the business operations in line with the annual audit plan as assigned by the Audit Committee. In this connection, a report on significant audit results and recommendations shall be sent to the Audit Committee.

In order to enable third parties to be informed of Thanachart Group's intent on anti-corruption, Thanachart Group presented the Corporate Governance Policy and measures, the Handbook of the Code of Ethics and the anti-corruption in infographics. The information for third parties was disseminated through the website of each member company of Thanachart Group. On the part of the Company, the information is disclosed through its website (www.thanachart.co.th).

In 2021, Thanachart Group made an announcement to the public about its "No Gift Policy". The objectives were to avoid generating motivation or to curb tendency towards unfair business practices and to avoid causing a conflict of interest. Moreover, the Private Sector Collective Action Coalition Against Corruption (CAC) provided the Company and member companies of Thanachart Group with a "No Gift Policy" logo which was specially designed for the companies which were certified by CAC. In this connection, the Company and member companies of Thanachart Group already shared the logo on their respective intranets and websites.



Whistleblowing

The Company and the member companies of the Group put in place channels for whistleblowing and filing complaints in relation to frauds and general matters, which include websites and email addresses. In this connection, the information about the channels for filing complaints and the steps for handling complaints is disclosed in Section 1.3 on Driving Business for Sustainability.

Report on the Audit Committee's Performance of Duties and Responsibilities

The Audit Committee has prepared a report on its performance of duties and responsibilities, which is disclosed in the document attached to this report. In this connection, the information about the number of meetings and the number of meeting attendance in 2021 was disclosed in Section 2.7 on Corporate Governance Structure and Attachment 6 on the Reports of Sub-committees.

Report on Other Sub-Committees' Performance of Duties and Responsibilities

The Nomination, Remuneration, and Corporate Committee has prepared a report on its performance of duties and responsibilities, which is disclosed in the document attached to this report. As regards other standing committees' performance of duties, the information is disclosed in various activities in line with their role and responsibilities is already disclosed in this report.

In this connection, the information about the number of the meetings and the number of meeting attendance in 2021 of other standing committees is disclosed in Section 2.7 on Corporate Governance Structure and Attachment 6 on the Reports of Sub-committees.

2.9 Internal Control and Related Party Transactions

Internal Control

The Company places strong emphasis on the establishment of effective and consistent internal control system. Strong internal control would help the Company to enhance effective business operation, steer the Company toward its goals, and protect the Company from operational error and from illicit exploitation from executives and staff. Furthermore, the Company takes into consideration the use of suggestions given by the auditors in streamlining the internal control system. Internal control system can be summarized as follows:

1. Organization and Environment

The Company sets the structure in supporting the achievement of the organization's objective. The Company properly specifies in writing the limitation of authorities and roles and responsibilities. It also puts in place the effective internal control system. The scopes of responsibility of the operational staff, approval authority, control and supervision function, and evaluation function are separate in order to avoid conflicts of interest, create check and balance, and conduct business operation under the principle of good corporate governance. The Company has put in writing the policies, working procedures, and working manuals. The Audit Committee is assigned to assess the sufficiency of the internal control system with various sub-committees being appointed to consider and make a decision on various matters efficiently.

The Company's Board of Directors sets clear business targets which can be measured and monitored the operating results ensuring that they are in line with the set targets. Good Corporate Governance, Handbook of the Code of Ethics, Anti-corruption policies and measures, and related announcements are set for the Directors, executives, and staff to adhere to in practice. Self-evaluations in good corporate governance and anti-corruption are conducted for staff every year to create awareness and consciousness. Systems or channels

are provided for customers and employees to state their opinions or complaints and to whistle-blow regarding frauds and corruptions through the provided channels. A security and protection measures are provided for the whistleblower and the accused with justice and fairness.

2. Risk Management

The Company appoints the Risk Oversight Committee to effectively consider, monitor, and supervise various risks in line with business objectives. Policies and risk management guidelines are clearly set in writings and are disclosed in the Intranet of the Company for the Directors, executives, and staff to cohere to as a practice guideline. In addition, the various changes and factors that may affect business operations are evaluated. In this connection, the Company has established adequate responsive measures. Reports on key risk issues are also presented to the Board of Directors on a regular basis.

3. Supervision of Operational Management

The Company has put in place appropriate internal control measures for all levels. Apart from covering various processes, the measures clearly define power and authority as well as the related limits in relation to approval of transactions. As regards the execution of related party transactions, the Company has established guidelines in the Corporate Governance Policy and the Risk Management, which are aimed at preventing conflicts of interest. In particular, approval will not be given by related parties. In relation to loan extension or investment, the Company has established a specific policy on loan extension to major shareholders and related lending as well as investment in related businesses. In case the Company invests in its subsidiaries, the Company appoints its representatives to sit on the boards of directors of the subsidiaries to set the policies and also to give directions for them. As well, arrangements have been made that the representatives give a monthly report of the subsidiaries to the Company.

As regards the measures for overseeing the use of information systems, the Company has adopted various policies including, among others, the information security policy and the standards for overseeing the development and maintenance of technological systems. The objective is to use the standards for overseeing the Company's operations.

4. Information Technology and Communication

The Company has put in place the process of information preparation and the guideline of information disclosure. The disclosed information has to be accurate, current, and sufficient to all related parties, i.e. Directors, executives, staff, shareholders, clients, and other stakeholders in order to efficiently support their decision making. Communication channels are provided for both internal and external parties to report on frauds and corruptions through whistle-blower hotline.

5. Auditing and Monitoring

The Company has put in place a system for monitoring business performance and presenting a report comparing the actual performance with the established goals of the Company and its subsidiaries to the Executive Committee and the Board of Directors on a monthly basis. In this connection, the goals will be reviewed every six months in order to achieve the business performance as planned.

Internal Audit, who reports directly to the Audit Committee, is responsible for auditing and assessing work units and work procedures in order to evaluate the internal control and risk management systems. They are also responsible for reporting any significant defect and making suggestion guidelines to correct the root cause problems as well as reporting progress of correction of such defect to the Audit Committee on a monthly basis. The auditing makes use of end-to-end process as the auditing guidelines.

Furthermore, the Compliance Department to monitor the adherence to the Code of Conduct and the avoidance of any conflict of interest. They report to the Audit Committee, the Executive Committee, and the Board of Directors every six months.

In the Board of Directors Meeting No. 1/2022 dated 31 December 2022, the Board of Directors concluded that the internal control system of the Company was appropriate and adequate to conduct business operation.

Related Party Transactions

Measures or Procedures Related to Approval of Related Party Transactions

The Company pays great attention to related party transactions and connected transactions. Under the good corporate governance framework, the Company has established a practice policy and approval processes which are in line with the requirements of the Public Limited Companies Act, the Securities and Exchange Act, and other related laws as well as the regulations of the regulators concerned, including the SEC and the SET. The objective is to prevent transactions that give rise to conflicts of interest. The policy and processes which cover transactions between the Company and parties who may have conflicts of interest have been announced to the staff and executives for adherence.

In considering the execution of transactions between the Company and its subsidiaries with parties which may have conflicts of interest, the Company uses the same procedures as applied to customers or business counterparts in general. It also follows the properly established normal processes as it deems necessary to support the Company's operations. In executing related party transactions, to prevent a conflict of interest, the Company not only has adopted the practice of using a fair and appropriate price but it also complies with the regulatory requirements, taking into consideration mainly the maximum benefit to be gained by the Company and its shareholders.

In approving transactions between the Company and its subsidiaries with parties who may have conflicts of interest, in case of normal business transactions, they could be executed in the same manner as in the case of ordinary customers. In entering into transactions with parties who may have conflicts of interest, it is essential to get opinions from the Compliance Unit. As well, the transactions are subject to screening by the Audit Committee before forwarding them to the Board of Directors for approval. In considering transactions with parties who may have conflicts of interest, Directors or high-level executives of the Company or member companies of Thanachart Group who have conflicts of interest are prohibited from considering and voting on the related agenda items. The approval of the transactions is subject to the authority limits and the credit limits which have been established by the Company. As well, the approval has to be in line with the requirements of the authorities concerned. Importantly, the information related to the execution of such transactions must be disclosed in line with the requirements imposed by the authorities concerned, the financial reporting standards as well as the regulations established by the Company.

Policies and Trends on Related Party Transactions in the Future

Related party transactions between the Company and its subsidiaries with parties having a possible conflict of interest shall arise from normal business transactions or transactions that support various business operations. In this connection, the Company has established clear standards and approval procedures and it is the Company's policy to follow the same normal practices as well as terms and conditions of trade as applied to customers in general. If the transactions fall under the scope of other official criteria that the Company has to comply with, the Company will proceed in compliance with all related official regulations.

Information Disclosure

The Company entered into a number of key transactions with related parties and businesses. During the past three years, the information of which is disclosed every year in the notes to financial statements for the year ended 31 December.

3

Financial Statements

- Responsibilities of the Board of Directors for Financial Report
- Independent Auditor's Report
- Financial Statements and Notes to Financial Statements



3.10 Responsibilities of the Board of Directors for Financial Report

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries, the separate financial statements of the Company as well as the financial information presented in this Annual report. The aforementioned financial statements for the year ended 31 December 2021 were prepared in accordance with the financial reporting standards, not only consistently applying appropriate accounting policies but also exercising discretion and making estimates as deemed necessary, in a careful and rational manner. Moreover, adequate information which is useful to shareholders and investors has been disclosed in the notes to the financial statements. Importantly, an independent certified public accountant has audited the financial statements, to which the auditor expresses an unqualified opinion.

The Board of Directors encourages both the Company and its subsidiaries to put principles of good corporate governance into practice. The objective is to ensure that the business operations of the Company and its subsidiaries are efficient, transparent and reliable. In this regard, appropriate internal control systems and risk management systems have been put in place, ensuring that financial information is correct and reasonably complete. In this connection, the Board of Directors has established an Audit committee consisting of only Independent Directors. The Committee is responsible not only for maintenance of the quality of financial reports and internal control but also for disclosure of related party transactions and processes, ensuring that the disclosed information is complete, adequate and appropriate. The opinions of the Audit Committee on the aforementioned matters are expressed in the Report of the Audit Committee accompanying this Annual report.

The Board of Directors is of the opinion that the overall internal control systems of the Company and its subsidiaries are both adequate and appropriate. The systems build confidence and ensure that the consolidated financial statements of the Company and its subsidiaries as well as the separate financial statements of the Company for the year ended 31 December 2021 are reliable in line with financial reporting standards and are in compliance with the related laws and regulations.



(Mr. Banterng Tantivit)

Chairman



(Mr. Somjate Moosirilert)

Chief Executive Officer

3.11 Independent Auditor's Report

To the Shareholders of Thanachart Capital Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thanachart Capital Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thanachart Capital Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thanachart Capital Public Company Limited and its subsidiaries and of Thanachart Capital Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

I draw attention to Note 1.2 and 14.2 to the consolidated financial statements regarding the COVID-19 pandemic is impacting various businesses and industries. This situation could create uncertainties, and may affect the future operating results of the Group. Due to the impact of this situation, in preparing the financial statements, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy issued by the Federation of Accounting Professions. Besides, I also attention to Note 4 to the consolidated financial statements regarding the change in accounting policy related to the presentation of investments in subsidiaries and associates in the separate financial statements from cost method to equity method. My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Allowance for expected credit loss on loans to customers

As discussed in Note 14 to the consolidated financial statements, as at 31 December 2021, the Group had loans to customers of Baht 57,836 million (accounting for 41 percent of total assets) and allowance for expected credit loss of Baht 2,615 million, which are material to the financial statements. In determining an allowance for expected credit loss, the Group has developed models to calculate the allowance for expected credit loss, the models required complex calculation and involves significant judgements and estimates from the management. The areas of significant management's judgement include the identification of criteria for a significant increase in credit risk since initial recognition, the probability of default, the loss given default, the exposure at default, the calculation of expected credit loss, the selection of future economic variables to be incorporated into the models and the management overlay adjustment to the allowance for expected credit loss due to limitations of the models. Because of the significant and the extent of judgement and estimates, I addressed the adequacy of the allowance for expected credit loss of loans to customers as a key audit matter.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relevant to the loan origination and collection processes, the assessment of probability of default, loss given default and exposure at default, as well as the calculation of allowance for expected credit loss, and tested, on a sampling basis, internal control systems over the relevant information technology systems. In addition, I evaluated and tested the reasonableness of the expected credit loss models, the rules and criteria applied by the Group in the assessment of significant increases in credit risk since initial recognition, including the data used in the model design, the effectiveness of models for significant loan types and the governance process over the model development, by examining model development documentation, testing, on a sampling basis, the accuracy and completeness of data used in model development, and assessing the methods and assumptions applied in the calculation. I assessed the reasonableness of macroeconomic factors and probability of different scenario weights as well as the reasonableness of the management overlay adjustments. I compared accounting policies of the Group with financial reporting standards and assessed the adequacy of disclosure in accordance with the relevant financial reporting standards. Moreover, I examined the allowance for expected credit loss by testing, on a sampling basis, the classification and recalculating the allowance for expected credit loss as at the end of the accounting period, including testing the completeness of data used in the calculation of allowance for expected credit loss.

Recognition of interest income

For the year 2021, the Group recognised interest income on hire-purchase and financial lease receivables amounting to Baht 3,430 million (accounting for 18 percent of total income). The Group recognises interest income using the effective interest rate method, and interest income is generated from loans provided to a large number of customers with a high volume of transactions. I therefore focused my audit on whether interest income on loans to customers is recognised correctly, appropriately and in a timely manner, in accordance with Thai Financial Reporting Standards.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relating to the processes of loan origination, interest income recognition and loan collection, including relevant internal controls over information systems, by inquiring of management to gain an understanding, assessing the methods applied by the management, as well as testing, the accuracy of data and calculation. In addition, I applied a sampling method

in selecting loan agreements to test whether the recording of loans to customers as well as the income recognition complies with the conditions stipulated in the contracts and is adjusted in line with the effective interest rate according to the income recognition policy, and in accordance with Thai Financial Reporting Standards. I also performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments made through journal vouchers.

Impairment of investment in associated companies

The group has investment in associated companies amounting to Baht 52,955 million (accounting for 37 percent of total assets), as at 31 December 2021. I have focused on considering the impairment of investment in associated companies because the impairment assessment on investment in associated companies is a significant accounting estimate requiring the management to exercise judgment in estimating the recoverable amounts of assets, which is the higher of their fair value less costs to sell and their value in use. This includes identification of the cash generating units and estimates of expected future cash inflows, and the setting of an appropriate discount rate and long-term growth rate, which creates a risk of investment in associated companies being presented at an inappropriate amount.

I gained an understanding of and assessed the identification of cash generating units and the financial models selected by the Group's management by gaining an understanding of the management's decision-making process to determine whether the decisions were consistent with how the assets are utilised. In addition, I tested the significant assumptions applied by the management in preparing estimates of the cash flows expected to be realised in the future, through comparison of those assumptions with information from both internal and external sources and a review of the cash flow projections in comparison to actual operating results in order to assess the reliability of the cash flow projections. I also considered the reasonableness of discount rate and long-term growth rate used by the management and tested the calculation of the realisable values of the assets.

Insurance contract liabilities

As discussed in Note 25 to the consolidated financial statements, as at 31 December 2021, the Group has life policy reserves of Baht 5,101 million and outstanding claims from insurance contracts of Baht 1,883 million that are treated as part of the insurance/life insurance contract liabilities in the financial statements. Life reserves are the accumulated reserves for insurance policies in force from the inception of the insurance contracts to the end of the reporting period, and are calculated by the subsidiaries' management under an actuarial method which applies several assumptions that are best estimates of obligations under the insurance contracts at that time. The loss reserves and outstanding claims are estimates of claims incurred and reported and claims incurred but not reported made by the management of the subsidiaries, also using actuarial methods and assumptions that are determined with reference to historical data. The assumptions require management to exercise judgment. Changes in these assumptions will affect the balances of non-life and life reserves. I therefore focused my audit on the adequacy of these reserves.

I gained an understanding of, assessed, and tested the effectiveness of the internal controls relevant to claims, loss adjustments, claims reserves and outstanding claims and life policy reserves by making enquiry of responsible executives and gaining an understanding of the assumptions used in the estimates made by the actuary. I also randomly selected data used by the actuary in calculating the reserves and claims reserve, performed random tests on major claims, analysed historical data on claims frequency and the severity of loss per claim and analysed movement of the reserves. In addition, I reviewed the actuarial report to assess whether it was consistent with the reserves recognised, assessed the assumptions and methods used in the calculation of reserves, tested the historical data used by the actuary and compared the assumptions to those used in the prior year.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Group'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 Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



(Somjai Khunapasut)

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 25 February 2022

3.12 Financial Statements and Notes to Financial Statements

Thanachart Capital Public Company Limited and its subsidiaries Statements of financial position

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements		
		31 December 2021	31 December 2020	31 December 2021	31 December 2020 (Restated)	1 January 2020 (Restated)
Assets						
Cash		4,477	2,471	-	-	-
Interbank and money market items - net						
- deposits at financial institutions	8	8,946,827	7,811,600	1,347,849	171,951	29,841
Financial assets measured at fair value through profit or loss	9	2,780,747	3,356,589	376,023	1,217,639	3,335,666
Derivatives assets	10	206,359	145,444	193,524	142,100	-
Investments - net	11	13,124,068	21,650,020	1,861,337	8,697,046	19,387,756
Investments in subsidiaries	12	-	-	14,705,371	14,169,912	17,988,310
Investments in associated companies and joint venture	13	52,955,094	48,006,971	51,637,656	48,006,971	45,434,151
Loans to customers and accrued interest receivables - net	14	55,220,642	50,250,543	4,722,198	803,616	795,411
Property foreclosed - net	16	3,679,488	3,054,027	2,299,705	1,597,510	1,605,814
Land, buildings, equipment and right-of-use assets - net	17	755,575	677,699	157,254	138,665	156,792
Intangible assets - net	18	245,481	163,898	3,409	870	640
Deferred tax assets	19	1,024,545	917,113	-	-	-
Receivables from purchase and sale of securities		842,654	1,246,888	-	-	764,570
Other assets - net	20	2,948,631	3,472,371	31,958	76,092	88,683
Total assets		142,734,588	140,755,634	77,336,284	75,022,372	89,587,634

The accompanying notes are an integral part of the financial statements.

Thanachart Capital Public Company Limited and its subsidiaries
Statements of financial position (continued)

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated		Separate		
		financial statements		financial statements		
		31 December 2021	31 December 2020	31 December 2021	31 December 2020 (Restated)	1 January 2020 (Restated)
Liabilities and equity						
Interbank and money market items						
- borrowings from financial institutions	22	15,984,296	13,312,347	-	-	-
Derivatives liabilities	10	17,655	14,219	-	-	-
Debts issued and borrowings	23	34,307,745	33,887,024	11,695,749	10,700,000	17,587,468
Provisions	24	324,264	410,153	51,904	58,513	52,329
Deferred tax liabilities	19	243,501	225,797	192,210	178,258	190,040
Insurance contracts liabilities	25	11,414,278	12,231,053	-	-	-
Dividend payable		-	-	-	-	4,582,651
Payables from purchase and sale of securities		1,264,051	2,083,488	-	-	193,902
Other liabilities	26	5,037,756	5,823,399	282,444	774,997	836,522
Total liabilities		68,593,546	67,987,480	12,222,307	11,711,768	23,442,912
Equity						
Share capital	27					
Registered, issued and paid-up						
13,006 preferred shares of Baht 10 each						
(31 December 2020 and 1 January 2020:						
13,156 preferred shares of Baht 10 each)		130	132	130	132	132
1,165,116,697 common shares of Baht 10 each						
(31 December 2020 and 1 January 2020:						
1,165,116,547 common shares of Baht 10 each)		11,651,167	11,651,165	11,651,167	11,651,165	11,651,165
		11,651,297	11,651,297	11,651,297	11,651,297	11,651,297
Premium on common share		2,065,645	2,065,645	2,065,645	2,065,645	2,065,645
Other components of equity	28	(3,228,898)	(2,701,100)	(3,228,898)	(2,701,100)	(2,260,646)
Retained earnings						
Appropriated - statutory reserve	29	1,277,830	1,277,830	1,277,830	1,277,830	1,277,830
- treasury shares reserve	27	5,863,053	5,863,053	5,863,053	5,863,053	999,964
Unappropriated		53,348,103	51,016,932	53,348,103	51,016,932	53,410,596
Less: Treasury shares - common shares	27	(5,863,053)	(5,863,053)	(5,863,053)	(5,863,053)	(999,964)
Equity attributable to owners of the Company		65,113,977	63,310,604	65,113,977	63,310,604	66,144,722
Non-controlling interests		9,027,065	9,457,550	-	-	-
Total equity		74,141,042	72,768,154	65,113,977	63,310,604	66,144,722
Total liabilities and equity		142,734,588	140,755,634	77,336,284	75,022,372	89,587,634

The accompanying notes are an integral part of the financial statements.

Thanachart Capital Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2021

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
					(Restated)
Profit or loss					
Interest income	31	4,026,686	4,213,087	168,381	126,989
Interest expenses	32	(1,355,450)	(1,620,162)	(426,153)	(567,109)
Net interest income		2,671,236	2,592,925	(257,772)	(440,120)
Fees and service income		1,886,819	1,659,343	1,157	480
Fees and service expenses		(432,393)	(410,723)	(1,046)	(1,079)
Net fees and service income	33	1,454,426	1,248,620	111	(599)
Gain on financial instruments measured at fair value					
through profit or loss	34	527,265	150,558	371,609	163,441
Gain (loss) on investments	35	(3,026)	3,756,985	53	3,397
Share of profit from investments accounted for under					
equity method - subsidiaries	12	-	-	2,530,677	4,663,480
Share of profit from investment accounted for under					
equity method - associated companies and joint venture	13	1,986,341	2,154,393	1,587,266	2,154,394
Gain on repayment/assets transferred for debt settlement		738,663	118,425	550,012	43,823
Gain on property foreclosed and other assets		849,500	225,455	749,389	146,975
Non-life insurance/Life insurance income	36	8,148,356	7,708,659	-	-
Dividend income		145,382	308,218	55,887	186,581
Other operating income		403,214	466,598	132,980	65,452
Total operating income		16,921,357	18,730,836	5,720,212	6,986,824
Non-life insurance/Life insurance expenses	37	(5,737,095)	(5,820,603)	-	-
Net operating income		11,184,262	12,910,233	5,720,212	6,986,824
Other operating expenses					
Employee's expenses		2,051,760	1,886,934	199,787	179,318
Directors' remuneration	38	87,349	82,709	47,869	48,693
Premises and equipment expenses		272,845	244,765	30,328	24,164
Taxes and duties		40,339	20,889	17,797	3,298
Other expenses		690,610	663,902	56,809	60,457
Total other operating expenses		3,142,903	2,899,199	352,590	315,930
Expected credit loss (reversal)	39	482,865	606,102	75,219	(28,068)
Profit before income tax		7,558,494	9,404,932	5,292,403	6,698,962
Income tax	19.2	(836,219)	(1,556,690)	(5,223)	(29,932)
Profit for the year		6,722,275	7,848,242	5,287,180	6,669,030

The accompanying notes are an integral part of the financial statements.

Thanachart Capital Public Company Limited and its subsidiaries
Statements of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Thousand Baht except earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
				(Restated)
Other comprehensive income				
<i>Transactions that will be reclassified subsequently to profit or loss</i>				
Gain (loss) on debt securities measured				
at fair value through other comprehensive income	(45,606)	(38,669)	(625)	1,009
Share of other comprehensive income of subsidiaries (loss)	-	-	(20,662)	(16,505)
Share of other comprehensive income of associated companies				
and joint venture (loss)	(190,582)	10,034	(189,970)	10,034
Income tax relating to components of other comprehensive income (loss)	9,121	7,734	125	(202)
	(227,067)	(20,901)	(211,132)	(5,664)
<i>Transactions that will never be reclassified subsequently to profit or loss</i>				
Gain (loss) on investments in equity designated to be measured				
at fair value through other comprehensive income	(161,520)	(1,392,658)	33,685	(708,346)
Share of other comprehensive income of subsidiaries (loss)	-	-	(73,854)	(360,800)
Share of other comprehensive income of associated companies				
and joint venture (loss)	128,454	(121,071)	126,594	(121,071)
Actuarial gain on defined benefit plan	47,937	73,781	11,189	12,371
Income tax relating to components of other comprehensive income (loss)	9,360	157,156	(8,854)	41,915
	24,231	(1,282,792)	88,760	(1,135,931)
Total other comprehensive income (loss)	(202,836)	(1,303,693)	(122,372)	(1,141,595)
Total comprehensive income	6,519,439	6,544,549	5,164,808	5,527,435
Total profit attributable to:				
The Company	5,287,180	6,669,030	5,287,180	6,669,030
Non-controlling interests	1,435,095	1,179,212		
	6,722,275	7,848,242		
Total comprehensive income attributable to:				
The Company	5,164,808	5,527,435	5,164,808	5,527,435
Non-controlling interests	1,354,631	1,017,114		
	6,519,439	6,544,549		
Earnings per share of the Company				
Basic earnings per share (Baht per share)	5.04	6.26	5.04	6.26
Diluted earnings per share (Baht per share)	5.04	6.26	5.04	6.26

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The accompanying notes are an integral part of the financial statements.

Statements of changes in equity

For the year ended 31 December 2021

(Unit: Thousand Baht)

Consolidated financial statements														
	Equity attributable to the Company's shareholders													
	Other components of equity													
	Issued and paid-up share capital		Premium on common share	Surplus from the change in the ownership interests of investments in subsidiaries/ associated companies	Revaluation surplus on investments	Revaluation surplus on assets	Share of other comprehensive income of associated companies and joint venture (loss)	Share of surplus from the change in the ownership interests in subsidiaries of an associate	Retained earnings			Non-controlling interests	Total	
									Appropriated		Treasury shares reserve			Unappropriated
Preferred shares	Common shares								Statutory reserve	Treasury shares reserve				
Balance as at 1 January 2020	132	11,651,165	2,065,645	(4,408,409)	1,356,465	64,202	646,286	80,810	1,277,830	999,964	53,410,596	(999,964)	8,234,967	74,379,689
Dividend paid (Note 30)	-	-	-	-	-	-	-	-	-	-	(3,145,850)	-	-	(3,145,850)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	1,698	-	-	1,698
Cash payment for treasury shares	-	-	-	-	-	-	-	-	-	-	-	(4,863,089)	-	(4,863,089)
Transfer retained earnings to treasury shares reserve	-	-	-	-	-	-	-	-	-	4,863,089	(4,863,089)	-	-	-
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus from the change in the ownership interests of investments	-	-	-	-	-	1,275	-	-	-	-	324	-	495,202	496,801
Transfer gain on investments from equity securities/ amortised of revaluation surplus on assets	-	-	-	104,016	-	-	-	-	-	-	(459,927)	-	(289,733)	(645,644)
Transfer gain on investments from equity securities/ amortised of revaluation surplus on assets to retained earnings	-	-	-	-	783,874	(2,742)	(44,930)	-	-	-	(736,202)	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	6,669,030	-	1,179,212	7,848,242
Other comprehensive income for the year (loss)	-	-	-	-	(1,068,806)	-	(213,141)	-	-	-	140,352	-	(162,098)	(1,303,693)
Balance as at 31 December 2020	132	11,651,165	2,065,645	(4,304,393)	1,071,533	62,735	388,215	80,810	1,277,830	5,863,053	51,016,932	(5,863,053)	9,457,550	72,768,154
Balance as at 1 January 2021	132	11,651,165	2,065,645	(4,304,393)	1,071,533	62,735	388,215	80,810	1,277,830	5,863,053	51,016,932	(5,863,053)	9,457,550	72,768,154
Conversion of preferred shares into common shares	(2)	2	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 30)	-	-	-	-	-	-	-	-	-	-	(3,145,850)	-	-	(3,145,850)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	1,337	-	-	1,337
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,212,427)	(1,212,427)
Surplus from the change in the ownership interests of investments	-	-	-	(213,059)	-	473	-	-	-	-	-	-	(572,689)	(785,275)
Surplus from the change in the ownership interests in subsidiaries of an associate	-	-	-	-	-	-	-	(4,336)	-	-	-	-	-	(4,336)
Transfer gain on investments from equity securities/ amortisation of revaluation surplus on assets	-	-	-	-	2,283	(2,773)	(123,287)	-	-	-	123,777	-	-	-
Transfer gain on investments from equity securities/ amortisation of revaluation surplus on assets to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	5,287,180	-	1,435,095	6,722,275
Other comprehensive income for the year (loss)	-	-	-	-	(88,797)	-	(96,302)	-	-	-	64,727	-	(80,464)	(202,836)
Balance as at 31 December 2021	130	11,651,167	2,065,645	(4,517,452)	985,019	60,435	166,626	76,474	1,277,830	5,863,053	53,348,103	(5,863,053)	9,027,065	74,141,042

The accompanying notes are an integral part of the financial statements.

Thanachart Capital Public Company Limited and its subsidiaries Statements of changes in equity (continued)

For the year ended 31 December 2021

(Unit: Thousand Baht)

Separate financial statements																		
Other components of equity																		
Issued and paid-up share capital		Surplus from the change in the ownership interests of investments/ in subsidiaries/ associated companies		Revaluation surplus on investments		Revaluation surplus on assets		Share of other comprehensive income of subsidiaries (loss)		Share of other comprehensive income of companies and joint venture (loss)		Share of surplus from the change in the ownership interests in subsidiaries of an associate		Retained earnings		Treasury shares	Total	
												Statutory reserve	Unappropriated reserve	Appropriated				
Preferred shares	Common shares	Premium on common share																
Balance as at 1 January 2020																		
Cumulative effect of change in accounting policy (Note 4)																		
Balance as at 1 January 2020 - after adjusted																		
Dividend paid (Note 30)																		
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend																		
Cash payment for treasury shares																		
Transfer retained earnings to treasury shares reserve																		
Surplus from the change in the ownership interests of investments/others																		
Transfer gain on investment from equity securities/ amortise of revaluation surplus on assets																		
to retained earnings																		
Profit for the year																		
Other comprehensive income for the year (loss)																		
Balance as at 31 December 2020																		
Balance as at 1 January 2021																		
Cumulative effect of change in accounting policy (Note 4)																		
Balance as at 1 January 2021 - after adjusted																		
Conversion of preferred shares into common shares																		
Dividend paid (Note 30)																		
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend																		
Surplus from the change in the ownership interests of investments																		
Surplus from the change in the ownership interests in subsidiaries of an associate																		
Transfer gain on investments from equity securities/ amortisation of revaluation surplus on assets																		
to retained earnings																		
Profit for the year																		
Other comprehensive income for the year (loss)																		
130	11,651,167	2,065,645	(4,517,452)	522,885	39,218	482,106	167,871	76,474	1,277,830	5,863,053	53,348,103	(5,863,053)	65,113,977					

The accompanying notes are an integral part of the financial statements.

Thanachart Capital Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
				(Restated)
Cash flows from operating activities				
Profit before income tax	7,558,494	9,404,932	5,292,403	6,698,962
Adjustments to reconcile profit before income tax to net cash received by (paid from) operating activities				
Share of profit from investments accounted for under equity method - subsidiaries	-	-	(2,530,677)	(4,663,480)
Share of profit from investments accounted for under equity method - associated companies and joint venture	(1,986,341)	(2,154,393)	(1,587,266)	(2,154,394)
Depreciation and amortisation	228,110	195,264	30,872	23,285
Expected credit loss (reversal)	482,865	606,102	75,219	(28,068)
Increase (decrease) in provisions	(8,867)	45,350	8,797	22,391
Decrease in allowance for impairment of property foreclosed	(771,301)	(73,075)	(765,961)	(5,125)
Decrease in allowance for impairment of equipment/other assets	(18,616)	(8,716)	-	(363)
Gain and interest income from assets transferred for debt settlement	(206)	(2,733)	-	-
Gain on financial instruments measured at fair value through profit or loss	(137,731)	(37,824)	(59,325)	(154,233)
Loss (gain) on disposal of equipment and intangible assets	918	3,537	(1,316)	-
Decrease (increase) in accrued other income receivable	(104,746)	20,237	26,691	(28,559)
	5,242,579	7,998,681	489,437	(289,584)
Net interest income	(2,671,236)	(2,592,925)	257,772	440,120
Dividend income	(145,382)	(308,218)	(55,887)	(186,581)
Cash received from interest on operating activities	3,841,100	3,916,642	137,462	58,297
Cash paid for interest on operating activities	(262,534)	(207,427)	-	-
Cash paid for income tax	(1,215,688)	(1,753,599)	(7,325)	(3,880)
Income from operating activities before changes in operating assets and liabilities	4,788,839	7,053,154	821,459	18,372

The accompanying notes are an integral part of the financial statements.

Thanachart Capital Public Company Limited and its subsidiaries
Statements of cash flows (Continued)

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
				(Restated)
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Interbank and money market items - deposits at financial institutions	(1,134,647)	(413,528)	(1,175,945)	(142,065)
Derivatives assets	(102,887)	(132,689)	-	-
Financial assets measured at fair value through profit or loss	634,560	2,646,100	851,224	2,130,143
Loans to customers	(5,975,270)	2,656,163	(3,952,383)	41,121
Property foreclosed	799,358	837,045	63,766	13,428
Receivables from purchase and sale of securities	404,234	1,330,336	-	764,570
Other assets	557,598	2,420,152	18,760	5,016
Increase (decrease) in operating liabilities				
Interbank and money market items - borrowings from financial institutions	2,671,949	(2,347,168)	-	-
Derivatives liabilities	3,437	(32,297)	-	-
Payable from purchase and sales of securities	(819,437)	1,135,245	-	(193,902)
Insurance contract liabilities	(816,774)	(864,525)	-	-
Other liabilities	(479,076)	(996,057)	(516,154)	(36,317)
Net cash flows from (used in) operating activities	531,884	13,291,931	(3,889,273)	2,600,366
Cash flows from investing activities				
Decrease in investments in securities	7,780,644	11,974,493	6,842,813	10,020,095
Cash paid for purchase of investment in subsidiaries, associated companies, and joint venture	(4,206,014)	(1,475,340)	(3,913,511)	(1,666,992)
Cash received from capital return from subsidiary companies	-	-	1,125,525	5,199,352
Cash received from interest	204,084	177,352	11,275	9,600
Cash received from dividend	1,064,403	662,241	2,420,859	3,914,027
Cash paid for purchase of premises and equipment/intangible assets	(219,196)	(95,321)	(5,040)	(1,046)
Cash received from disposal of equipment	3,840	2,005	2,233	489
Net cash flows from investing activities	4,627,761	11,245,430	6,484,154	17,475,525

The accompanying notes are an integral part of the financial statements.

Thanachart Capital Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
				(Restated)
Cash flows from financing activities				
Cash received from debts issued and borrowings	7,485,988	18,161,956	995,310	-
Cash paid for debts issued and borrowings	(7,065,268)	(29,055,368)	-	(6,900,000)
Cash paid for interest expenses on debts issued and borrowings	(1,103,215)	(1,427,775)	(422,300)	(570,126)
Cash paid for treasury shares	-	(4,863,089)	-	(4,863,089)
Cash received from minority shareholders due to capital increases of subsidiary companies	-	934,402	-	-
Cash paid to the non-controlling interests from the decreases of capital of subsidiary companies	(167)	(648)	-	-
Cash paid for dividend	(3,144,513)	(7,726,804)	(3,144,513)	(7,726,804)
Cash paid for lease liabilities	(118,106)	(108,796)	(23,378)	(15,872)
Cash paid for dividend to non-controlling interests	(1,212,358)	(451,738)	-	-
Net cash flows used in financing activities	(5,157,639)	(24,537,860)	(2,594,881)	(20,075,891)
Net increase (decrease) in cash	2,006	(499)	-	-
Cash at beginning of the year	2,471	2,970	-	-
Cash at end of the year	4,477	2,471	-	-
Supplemental cash flows information				
Non-cash transactions				
Property foreclosed transferred from loans to customers	653,517	689,984	-	-
Payable from purchase of assets	100,557	1,586	-	-
Right-of-use assets	71,374	52,852	40,378	3,900
Transfer investments held for minority shareholders to investments in subsidiary and associated companies	-	39,008	-	39,008

The accompanying notes are an integral part of the financial statements.

Thanachart Capital Public Company Limited and its subsidiaries

Notes to Financial statement

For the year ended 31 December 2021

1. General information

1.1 General information of the Company

Thanachart Capital Public Company Limited ("the Company") is incorporated as a public limited company and operated its business in Thailand. The Company is mainly engaged in investment holding and the registered office of the Company is at 444, 16-17th Floor, MBK Tower, Phayathai Road, Wangmai, Pathumwan, Bangkok.

All subsidiaries are registered limited or public limited companies under Thai laws and operate their business in Thailand. The subsidiaries' business include non-performing assets management business, securities business, leasing and hire purchase business, non-life insurance business, life insurance business, and others.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, impacting various businesses and industries. This situation could create uncertainties and may be impacting the Group's operating results and cash flows in the future, but the impact cannot be reasonably estimated at this stage. However, the Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and also cash flows management of the Group. Therefore, the management has used estimates and judgements in respect of various matters in order to continuously assess the impact as the situation evolves.

2. Basis for preparation of the financial information

- 2.1** These financial statements for the year ended 31 December 2021 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547. The presentation of the financial statements has been made in format which is in accordance with the BOT's Notification relating to the preparation and format of the financial statements of commercial banks and holding company of financial business groups, dated 31 October 2018 because the major business of the group is asset management.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of preparation of the consolidated financial information

- a) The consolidated financial statements included the financial statements of the Company and the following subsidiary companies. ("the subsidiaries").

Type of business	Percentage of holding by the Company		Percentage of holding by the subsidiaries	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<u>Subsidiaries directly held by the Company</u>				
NFS Asset Management Co., Ltd. Non-performing asset management	100.00	100.00	-	-
Thanachart SPV 1 Co., Ltd. Holding	100.00	100.00	-	-
MBK Life Assurance Plc. Life insurance	100.00	51.00	-	-
TM Broker Co., Ltd. Life insurance/ non-life insurance broker	100.00	51.00	-	-
MT Service 2016 Co., Ltd. Service	100.00	51.00	-	-
Thanachart Plus Co., Ltd. Loan to customers	100.00	-	-	-
TS Asset Management Co., Ltd. Non-performing asset management	99.99	99.99	-	-
Thanachart SPV 2 Co., Ltd. Holding	99.98	99.98	-	-
NASSET Property Fund 6 In liquidation process	99.80	99.80	-	-
Max Asset Management Co., Ltd. Non-performing asset management	83.44	83.44	-	-
Thanachart Securities Plc. Securities business	50.96	50.96	-	-
Thanachart Insurance Plc. Non-life insurance	50.96	50.96	-	-
<u>Subsidiaries indirectly held by the Company</u>				
Ratchthani Leasing Plc. Hire purchase and leasing business	3.77	3.13	56.39	55.73
Thanachart Group Leasing Co., Ltd. In liquidation process	-	-	100.00	100.00
Thanachart Management and Service Co., Ltd. Services	-	-	100.00	100.00
Thanachart Training and Development Co., Ltd. In liquidation process	-	-	100.00	100.00
Security Scib Services Co., Ltd. Services	-	-	100.00	100.00
RTN Insurance Broker Co., Ltd. Life insurance/ non-life insurance broker	-	-	60.16	58.86

- b) Total assets and net operating income of the subsidiaries that have significant impact to and are included in the consolidated financial statements as at 31 December 2021 and 2020 and for the years then ended, after eliminating significant intercompany transactions, are as follows:

(Unit: Million Baht)

	Total assets		Net operating revenues for the years	
	2021	2020	2021	2020
Thanachart Securities Plc.	8,679	6,852	1,692	1,333
Thanachart Insurance Plc.	14,866	14,855	2,332	2,286
MBK Life Assurance Plc.	6,350	6,883	278	(149)
Ratchthani Leasing Plc.	48,646	47,998	2,927	2,940

- c) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- d) All subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- e) The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using the same significant accounting policies. In case where there are different accounting policies, the Company has adjusted the effect of these in the consolidated financial statements.
- f) The outstanding balances and significant intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. The investments in subsidiaries as recorded in the Company's and subsidiaries' books of accounts have been eliminated against equity of the subsidiaries.
- h) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiary and associated companies under the equity method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal year beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal year beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

3.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 that will become effective for fiscal year beginning on or after 1 January 2022

The Federation of Accounting Professions announced Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with the measures to assist debtors specified in the circular of the BOT No. BOT.RPD2.C. 802/2564 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)" or any other measures announced by the BOT. Such entities include credit card business, business providing loans secured against vehicle registrations, personal loan business under the supervision of the BOT and certain entities not under the supervision of the BOT, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses.

The accounting guidance is effective for entities that provide assistance to debtors impacted by COVID-19 during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes with which the entities are to comply. The guidance applies to the staging assessment and setting aside of provisions for qualified debtors, and covers all types of debtors, namely large debtors, small- and medium-sized debtors and retail debtors.

a) In cases of debt restructuring for the purpose of reducing the debt burden of debtors that involve more than just extending the payment timeline, the applicable procedures are as follows:

- Loans that are not yet non-performing (Non-NPL) are immediately classified as loans with no significant increase in credit risk (Performing or Stage 1) without compliance monitoring, provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
- Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
- Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1 if the debtor is considered able to comply with the debt restructuring agreement.
- Loans are classified as loans that there has been a significant increase in credit risk (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due.
- A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.

b) In cases of the debt restructuring involving only a payment timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/on interest payments, a conversion of short-term debts to long-term debts, the applicable procedures are as follows:

- The staging assessment and setting aside of provisions are performed in accordance with the relevant financial reporting standards.
- The guidelines specified in the appendix of this circular of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is to move to under-performing stage or Stage 2.

- c) Expected credit loss are determined based on the outstanding balance of the drawn down portion only.
- d) For retail debtors and SME debtors who are in the process of debt restructuring and unable to complete the process by 31 December 2021 in accordance with guidelines specified in the circular of the BOT No. BOT.RPD2.C. 594/2564 “Guidelines regarding debt restructuring to assist debtors affected by COVID-19”, classification of the debtors remains at the same stage as before restructuring until 31 March 2022 or until the BOT makes changes with which the entities are to comply.

For debtors whose debt is restructured between 1 January 2021 and 31 December 2021, in accordance with the above clauses no. a) and b), the guidelines on staging assessment and provisioning under this accounting guidance apply from 1 January 2022 to 31 December 2023. However, for the year 2021 entities can still apply the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy, according to the notification of the Federation of Accounting Professions No. 17/2563 dated 16 April 2020.

The management of the Group is currently evaluating the impact of this accounting guidance on the financial statements in the year when they are adopted.

4. Cumulative effects of change in accounting policy relating to the presentation of investments in subsidiaries and associates in the separate financial statements from cost method to equity method

During the year 2021, the Company has reconsidered and changed its accounting policy related to investments in subsidiaries and associates in the separate financial statements from cost method to equity method.

In making the changes in accounting policy, the Company adjusted the transaction retrospectively for the corresponding amounts as if the Company had applied the equity method to account for investments in subsidiaries and associated companies in the past. The cumulative effect of the change in accounting policy up to the beginning of 2020 is presented in “Cumulative effects of change in accounting policy relating to investments in subsidiaries and associates” in the statement of changes in equity. The amounts of the adjustments affecting the statements of financial position as at 31 December 2020 and 1 January 2020 and the statements of comprehensive income for the year ended 31 December 2020 are as follows:

(Unit: Million Baht)

Separate financial statements

	31 December 2020	1 January 2020
Statements of financial position		
Decrease in investments in subsidiaries	(6,320)	(7,333)
Increase (decrease) in investments in associated companies	1,028	(660)
Decrease in retained earnings - unappropriated	(2,062)	(5,035)
Decrease in other components of shareholders' equity	(3,230)	(2,958)

(Unit: Million Baht)

For the year ended

31 December 2020

Statements of comprehensive income

Profit or loss

Increase in gain on investments	454
Increase in share of profit from investments accounted for under equity method - subsidiaries	4,664
Increase in share of profit from investments accounted for under equity method - associated companies and joint venture	2,154
Decrease in dividend income	(3,727)

Other comprehensive income

Decrease in share of other comprehensive income of investments in subsidiaries	(377)
Decrease in share of other comprehensive income of investments in associated companies and joint venture	(111)

Increase in total comprehensive income

3,057

Earnings per share of the Company

Increase in basic earnings per share (Baht per share)	3.33
Increase in diluted earnings per share (Baht per share)	3.33

Moreover, as a result of the changes in accounting policy, profit or loss in the separate financial statements for the year ended 31 December 2021 was increased by Baht 1,703 million, other comprehensive income was decreased by Baht 158 million and earnings per share was increased by Baht 1.62 per share.

5. Significant accounting policies

5.1 Revenue recognition - Income from loans to customers

a) Interest income and discounts on loans

Hire purchase and finance lease receivables

The subsidiary company recognises interest income from hire purchase and finance lease on an accrual basis, using the effective interest rate method, over the term of the contract with the calculation based on the gross carrying amounts of the hire purchase receivables and finance lease receivables. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument by considering the discounted or excess of the asset acquisition and fees including costs that are part of the effective interest rate.

And when the hire purchase receivables and finance lease receivables subsequently become credit-impaired, the subsidiary recognises interest income by using the effective interest rate method, based on the net carrying amount of the receivables (gross book value net of allowance for expected credit loss). If the financial assets are not credit-impaired, the subsidiary recognises interest income with the calculation based on book value.

Initial direct income/expenses at the inception of hire purchase/financial lease contracts are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Loans purchased of receivables

The Company and its subsidiaries recognised interest on loans purchased of non-performing receivables based on the cost net of allowance for expected credit loss, using an effective interest rate adjusted to reflect the credit risk, and recognised on an accrual basis.

The credit risk-adjusted effective interest rate is calculated by discounting the estimated future cash flows to be paid or received over the expected life of the financial asset to derive the amortised cost of purchase or originated credit-impaired financial assets. In estimating the net expected cash inflows, reference is made to historical data on net cash inflows from related actual expenses in the past to develop a model, based on the assumption that the net expected cash inflows and the expected life of financial instruments with similar characteristics can be estimated reliably.

In cases where the cost of an acquired NPL receivable has been fully amortised, the Company and its subsidiaries still has the right to demand the debtor make payment under the contract. When such payments are received from a debtor, the Company and its subsidiaries recognise the such amount as gain on debt settlement.

Other Loans

The Company and its subsidiary recognised interest income from loan on an accrual basis, using the effective interest rate method, over the term of the contract with the calculation based on the gross carrying amounts of receivables. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument by considering the discounted or excess of the asset acquisition and fees including costs that are part of the effective interest rate.

For loan subsequently become credit-impaired, the Company and its subsidiary recognised interest income by using the effective interest rate method, based on the net carrying amount of the receivables (gross book value net of allowance for expected credit loss). If the financial assets are not credit-impaired, the subsidiary recognises interest income with the calculation based on initial book value.

b) Interest and dividends on investments

Interest on investments is recognised as income on an accrual basis based on the effective interest rate. Dividends are recognised as income when the right to receive the dividends is established.

c) Brokerage fee on trading of securities income

Brokerage fees on trading of securities and brokerage fees on derivatives are recognised as income on the transaction date.

d) Interest on margin loans for purchase of securities

Interest on margin loans for purchases of securities is recognised as income using the effective interest rate method with the calculation based on the gross carrying amounts of margin loans, and when the receivables become credit-impaired, the subsidiary company recognises interest income with the calculation based on the net carrying amount of the receivables (gross book value net of allowance for expected credit losses). If the receivables are not credit-impaired, the subsidiary company recognises interest income with the calculation based on initial book value.

e) Gain (loss) on investments and derivatives

Gain (loss) on investments and derivatives are recognised as income/ expenses on the transaction date.

f) Fees and service income

Fees and service income are recognised on an accrual basis. Exception of fees that included in calculation in part of the effective interest rate.

g) Insurance/life insurance premium income

Non-life insurance contract

Premium income consists of direct premium and reinsurance premium less premium of cancelled policies and premiums refunded to policy holders, and adjusted with unearned premium reserve.

Direct premium income is recognised on the date the insurance policy comes into effect. For long-term insurance policies with coverage periods of longer than 1 year, related premium is recorded as unearned items, and recognised as income over the coverage year.

Reinsurance premium income is recognised as income when the reinsurer places the reinsurance application or the statement of accounts.

Life insurance contract

Premium income is recognised as income on the date the insurance policy comes into effect, after deducting premium ceded and refunded. For renewal policy, premium income is recognised as income when the premium is due, only if the policy is still in force at the year-end date.

h) Gain (loss) on financial instruments measured at fair value through profit or loss

Gain (loss) on financial instruments measured at fair value through profit or loss consists of gain (loss) from trading, gain (loss) from changes in the fair value of derivatives, gain (loss) on changes in the fair value of financial assets that are measured at fair value through profit or loss, and gain (loss) on sales of financial assets that are measured at fair value through profit or loss and derivatives, which the Company and its subsidiaries recognise income or expenses on the transaction date.

i) Fee and commission income from reinsurers

Fee and commission income from reinsurers are recognised when the insurance risk is transferred to another insurer.

Fee and commission income from reinsurers with coverage periods longer than 1 year are recorded as unearned items and recognised as income over the coverage period each year.

5.2 Expenses recognition

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis, using the effective interest method. Interest on notes payable included in the face value is recorded as deferred interest and amortised to expenses evenly throughout the term of the notes.

b) Commission and direct expenses charged on hire purchase/financial leases

Initial direct expenses at the inception of a hire purchase/financial lease contract (i.e. commission expenses and stamp duty expenses) are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Unearned income on hire purchase/financial leases is presented net of commission expenses and initial direct cost on the inception of the contracts.

c) Fees and service expenses

Fees and service expenses are recognised as expenses on an accrual basis.

d) Premium ceded to reinsurers

Premium ceded to reinsurers is recognised as expenses when the insurance risk is transferred to another reinsurance company under relevant direct policies.

For long-term reinsurance policies with coverage periods longer than 1 year, ceded premium is recorded as prepayment item and recognised as expenses over the coverage period each year.

e) Claim and loss adjustment expenses

Claim and loss adjustment expenses consist of claim and loss adjustment expenses of direct insurance and reinsurance for both reported claim and not reported claim, and include the amounts of the claims, related expenses, and loss adjustments of current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from related reinsurers.

Claim and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claim notified by the insured and estimates made by the Company's management. The maximum value of claim estimated shall not exceed the sum-insured under the relevant policy. Claim and loss adjustment expenses of reinsurance are recognised as expenses when the reinsurer places the loss advice with the subsidiaries companies.

Claim recovery from reinsurers is recognised when recording of claim and loss adjustment expenses in related with reinsurance contract.

Benefit payments under life policies are recorded as expenses when notices of claims have been received or when conditions in policies are met.

f) Commission and brokerage expenses

Commission and brokerage are expended when incurred.

Commission and brokerage paid for policies with coverage periods of longer than 1 year are recorded as prepayment item and recognised as expenses over the coverage period each year.

5.3 Financial asset - Investments

Financial asset - debt instruments

The Company and its subsidiaries classify its investment in debt securities as subsequently measured at amortised cost or fair value in accordance with the Company's and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. The classification based on the facts and circumstances available on the date that the financial reporting standards were initially applied or the date of acquisition, classified as follows:

a) Financial assets measured at fair value through profit or loss

Investments in debt instruments held within a business model whose objective is not to hold financial assets in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding. The Company and its subsidiaries classify these as financial assets measured at fair value through profit or loss. These financial assets are initially recognised at fair value.

After initial recognition, gain or loss on changes in fair value are recognised in profit or loss.

At the period end, investments in debt instruments measured at fair value through profit or loss are presented in statement of financial position at fair value.

b) Financial assets measured at fair value through other comprehensive income

Investments in debt instruments whose both of the following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset as well as the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company and its subsidiaries classify these as financial assets measured at fair value through other comprehensive income. These investments are initially recorded at fair value.

After initial recognition, unrealised gain or loss on changes in fair value is presented as a separate item in other comprehensive income until disposal. Gain or loss on disposal of the instruments are recognised in profit or loss. Expected credit loss and interest income calculated using the effective interest rate method are recognised in profit or loss.

At the period end, investments in debt instruments measured at fair value through other comprehensive income are presented in statement of financial position at fair value.

c) Financial assets measured at amortised cost

Investments in debt securities whose both of the following conditions are met: the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified date to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These investments are initially recorded at fair value on trade date.

At the end of reporting period, investments in debt instruments measured at amortised cost presented in statement of financial position at amortised cost net of allowance for expected credit loss (if any).

Despite the foregoing, this financial asset - debt instruments may be irrevocably designated as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. The selection is not irrevocable.

Financial asset - equity instruments

All Investments in equity instruments are measured at fair value in the statement of financial position, classified as follows:

a) Financial assets measured at fair value through profit or loss

Investments in equity instruments that are held for trading are classified as financial assets measured at fair value through profit or loss, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis.

After initial recognition, unrealised gain or loss arising from changes in fair value are recognised in profit or loss.

At the end of reporting period, investments in equity instruments measured at fair value through profit or loss are presented in the statement of financial position at fair value.

b) Financial assets measured at fair value through other comprehensive income

Investments in equity instruments that are not held for trading but held for strategic purposes or are investments in securities with low market volatility are classified as financial assets measured at fair value through other comprehensive income, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis. The Company and its subsidiaries also classify investments in real estate investment trusts and infrastructure trusts, infrastructure funds and property funds as investments in equity instrument designated to be at fair value through other comprehensive income, according to the notification of the Federation of Accounting Professions on Interpretation for Investment in the unit of Property Fund, Real Estate Investment Trust (REIT), Infrastructure Fund and Infrastructure Trust which registered and established in Thailand.

After initial recognition, unrealised gain or loss arising from changes in the fair value of investments are separately presented in other comprehensive income.

At the end of the reporting period, investments in equity instruments designated to be at fair value through other comprehensive income are presented in the statement of financial position at fair value.

Investments in equity instruments are designated to be measured at fair value through other comprehensive income without requiring impairment assessment.

Fair value

The fair value of marketable equity securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of non-marketable equity securities is calculated using book value or adjusted book value. The fair value of government and state enterprise securities and private sector debt securities is calculated using the yield of the Thai Bond Market Association. The fair value of unit trusts is calculated based on the net asset value.

Income from investments and disposals of investments

Gain or loss on disposals of investments are recognised in profit or loss in statement of comprehensive income on the transaction date, except for gain or loss from sales of investments in equity securities designated to be measured at fair value through other comprehensive income will be recognised in retained earnings. The Company and its subsidiaries use the weighted average method to calculate the costs of investments.

Dividends on investments are recognised in profit or loss in statement of comprehensive income unless the dividends is clearly expressed as a return on investment cost.

Changes in classification of investments in debt instruments

When the business model in managing the financial assets of the Company and its subsidiaries changes, the Company and its subsidiaries have to classify investments in debt by adjusting the value of the investment in such debt instrument using the fair value on the date of the transaction to change the type of investment in debt instrument. The difference between the book value and the fair value on the transfer date is recorded in profit or loss or other comprehensive, depending on the classification of investments in debt that have been transferred.

5.4 Investments in subsidiaries, associated companies, and joint venture

Investments in subsidiaries, associated companies, and joint venture are accounted for under the equity method. Under this method, investments are initially recorded at acquisition cost and are adjusted to reflect the attributable shares of the net income from the operations of the subsidiaries, associated companies and joint venture in proportion to the investments.

5.5 Loans to customers

Loans to customers are stated at the principal balances, excluding accrued interest receivables. Unrecognised deferred income and discounts on loans are deducted from the loan balances.

Hire purchase and finance lease receivables are stated at outstanding balance, net of deferred revenue. Deferred revenue is stated net of commissions and direct expenses incurred at the initiation of hire purchase contracts and advances received from hire purchase and finance lease receivables.

The Company's and its subsidiaries' operations involve the acquisition and receipt of non-performing loans (NPLs) from other financial institutions, the amounts paid to acquire loans purchased of receivables are recognised as financial assets that are credit-impaired upon initial acquisition, and presented at amortised cost. Costs of financial assets that are credit-impaired upon initial acquisition mean cash paid for acquisition (the fair value on the transaction date is equal to or close to the acquisition price).

Securities and derivatives business receivables comprise the net balances of securities business receivables and derivatives business receivables. Securities business receivables comprise credit balance receivables (for which the securities purchased are used as collateral), securities borrowing and lending receivables and guarantee deposit receivables (which comprise cash placed as guarantee for borrowers of securities or Thailand Securities Depository) as well as other receivables, such as overdue amounts in cash accounts and receivables which are under legal proceedings, are undergoing restructuring, or are being settled in installments. The receivable balances of cash accounts are presented as "Receivables from purchase and sale of securities".

5.6 Allowance for expected credit loss on financial assets

Loans purchased of receivables

The Company and its subsidiaries record allowance for expected credit loss when there are changes in the estimated cash inflows expected from receivables discounting the projected cash flows with reference to historical data and adjusts it on the basis of current observable data.

The Company and its subsidiaries recognise changes in expected credit loss as gain or loss on impairment in profit or loss. And are required to recognise positive changes in expected credit loss as reversal of impairment, to the extent that they do not exceed the expected credit loss recognised in the past.

Other financial assets

The Company and its subsidiaries use general approach to calculate expected credit loss on other financial assets, such as deposits at financial institutions, investments in debt instruments measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, loans to customers and accrued interest receivables (not including loans purchased of receivables). The Company and its subsidiaries classify the financial assets into three groups (three-stage approach) to measure the value of the expected credit loss, with the classification determined on the basis of the change in credit quality since the initial transaction date, as follows:

Group 1: Financial assets with no significant increase in credit risk (Performing)

For financial assets which no significant increase in credit risk since initial recognition, the Company and its subsidiaries recognise the expected credit loss at an amount equal to 12-month expected credit loss. And for financial assets with maturity of less than 12 months, the Company and its subsidiaries will use the probability of fulfilling the contract in accordance with the remaining terms of the contract.

Group 2: Financial assets with significant increases in credit risk (Under-performing)

For financial assets with significant increases in credit risk since the initial recognition date but that are not credit-impaired, the Company and its subsidiaries recognise the expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial instrument.

Group 3: Financial assets that are credit-impaired (Non-performing)

Financial assets are assessed as a credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset occur. The Company and its subsidiaries recognise the expected credit loss at the amount equal to expected credit loss over the expected lifetime of the financial assets.

At the end of the reporting period, the Company and its subsidiaries assess whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of default on the financial assets as at reporting date with the risk of default as at the initial recognition date. The Company and its subsidiaries may use internal quantitative or qualitative basis and expected data for evaluate a decrease in credit quality such as debtors which are overdue for more than 30 days. In determining whether the credit risk has increased significantly since the initial recognition date, financial assets will be considered either by individual or group of contract of financial assets.

Financial assets are considered to be credit-impaired when one or more events occurs affecting the estimated future cash flows of the loan agreements. Evidences that financial assets are credit-impaired, includes overdue for more than 90 days or there are indicators that debtors are in significant trouble financial position, legal status, renegotiate terms of repayment or debt restructuring.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer the significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Company and its subsidiaries will change from recognising the lifetime expected credit loss to recognising the 12-month expected credit loss.

When the terms of repayment of a loan to customer are renegotiated or the terms of the contractual cash flow are modified because the debtors are in financial difficulty, the loan is considered to be a financial asset with a significant increase in credit risk or credit-impaired, unless there is evidence that the risk of that contractual cash flows will not be recoverable has decreased significantly and there are no other indicators of impairment.

Expected credit loss is the probability-weighted estimate of credit loss over the expected lifetime of the financial asset, consider the present value of all cash expected not to be recoverable. The Company and its's subsidiary consider historical loss experience on the basis of shared credit risk characteristics, taking into account type of loans, type of collateral, month on book, and other relevant factors, adjusts this for current observable data, as well as forward looking information that is supportable and reasonable, provided it can be shown to be statistically related, as well as exercising appropriate of judgement, to estimate the amount of an expected credit loss based on macroeconomic data and determines both current and future economic scenario, and probability-weighted in each scenario (base scenario, best scenario and worst scenario) for calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit loss. However, the Company and its subsidiaries have established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. Furthermore, expected credit loss was included management overlay.

Increase (decrease) in an allowance for expected credit loss is recognised as expenses in profit or loss in the statement of comprehensive income. The Company and its subsidiaries have a policy to write-off receivables when they are determined that such receivables may not be collectible.

For other financial assets or contract assets that do not contain a significant financing component, the subsidiary applies a simplified approach to determine the lifetime expected credit loss. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Furthermore, the subsidiary company applied the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance To Debtors Impacts by Situations that Affect the Thai Economy in accordance with the BOT's as discussed in Note 5.8 to financial statement for staging assessment and setting aside of provisions for qualify debtors.

5.7 Financial assets with modifications of terms/Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified or debt is restructured or existing financial assets are replaced with new financial assets because the debtor is having financial problems, the Company and its subsidiaries assess whether to derecognise the financial assets and measures the expected credit loss as follows:

- If the modification of terms does not result in derecognition of the financial assets, the Company and its subsidiaries calculate the gross book value of the new financial assets as the present value of the new or modified cash flows, discounted at the original effective interest rate of the financial asset, and recognises gain or loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial assets, the fair value of the new financial assets is the latest cash flows of the original financial asset as at the date of derecognition. The difference between book value and new fair value of financial assets will be recognised in profit or loss.

If the debt restructuring does not meet the criteria for derecognition as of the restructuring date, the debtor continues to be classified as a financial asset with a significant increase in credit risk (Stage 2) until the debtor has been able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period; or continues to be classified as a financial asset that is credit-impaired (Stage 3) until the debtor has been able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period, before being able to be reclassified as a financial asset with a significant increase in credit risk (Stage 2), and if the debtor is able to make payment for additional 9 consecutive months or installments, it can be reclassified as a financial asset with no significant increase in credit risk (Stage 1). If the debt restructuring results in a derecognition, the new financial asset is considered as financial asset with no significant increase in credit risk (Performing or Stage 1).

However, for debtors which the subsidiary company provides assistance to in accordance with measures as specified in the circulars of the BOT, the subsidiary does not consider whether modification of terms results in derecognition, but if the existing effective interest rate does not reflect the estimated cash flows that are expected to be recoverable, it will apply a newly calculated effective interest rate to determine the present value of the restructured loans and to recognise interest income. The subsidiary company is allowed to recognise interest income on the basis of this new effective interest rate during the grace period, as described in Note 5.8 to the financial statements.

5.8 Accounting Guidance on “Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy”

During the year 2020, Federation of Accounting Professions announced Accounting Guidance on “Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy”. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, including COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the BOT No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the BOT No BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the BOT. This Accounting Guidance was effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the BOT makes changes, with which the entities are to comply. The guidance applies to large debtors, small and medium-sized debtors and retail debtors who have the ability to run a business or to pay debts in the future and who have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020.
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions.

A subsidiary has providing assistance to affected debtors in accordance with the BOT's guidelines and apply these procedures.

- Assistance to loans that are not yet non-performing (Non-NPL), the subsidiary classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the circular of the BOT No. BOT.RPD.(01)C. 380/2563, classification of the debtor remains at the same stage as before.
- Assistance to non-performing loans (NPL), the subsidiary classified as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- The guidelines specified in the appendix of the circular of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- If the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan, the subsidiary applies a newly calculated effective interest rate to determine the present value of loans that have been restructured and recognise interest income on the basis of this new effective interest rate during the grace period, or in accordance with regulations of the BOT if there is a change.
- In measurement of expected credit loss, the subsidiary is able to consider placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience.

In addition, the BOT issued the circular of the BOT No. BOT.RPD.(01)C. 648/2563 "Measures to provide additional assistance to small-sized debtors during the COVID-19 situation - Phase 2" dated 19 June 2020, and the circular of the BOT No. BOT.DRU.C. 480/2564 "Measures to provide assistance to small-sized debtors during the Coronavirus 2019 (COVID-19) situation - Phase 3" dated 14 May 2021, in order to provide additional assistance to debtors.

Because a subsidiary company provides assistance to affected debtors and elected to apply the Account Guidance, the amount of those debtors are mentioned in Note 14.2 to the financial statements.

5.9 Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

5.10 Classification and measurement of financial liabilities

The Company and its subsidiaries classify and measures its financial liabilities at amortised cost, except for derivatives liabilities which are measured at fair value through profit or loss.

5.11 Borrowing and lending of securities

The subsidiary who engaged in securities borrowing and lending, whereby the subsidiary acts as a principal or an agent of the borrowers and lenders of securities.

At the transaction date, the subsidiary records its obligations to return borrowed securities which it has lent as “Payable under securities borrowing and lending business” and securities lent to customers are recorded as “Receivable under securities borrowing and lending business” in the statement of financial position. At the end of the reporting period, the balance of payable and receivable under securities borrowing and lending business are adjusted based on the latest offer price quoted on the Stock Exchange of Thailand of the last working day. Changes in the value arising from such adjustment is included in profit or loss. The subsidiary records cash paid as collateral for securities borrowing as “Guaranteed deposit receivables” and cash received as collateral for securities lending as “Guarantee deposit payable”. Fees from borrowing and lending are recognised on an accrual basis over the term of the lending.

5.12 Receivable from/payable to Clearing House

Receivable from/payable to Clearing House comprise the net balance receivable/ payable in respect of securities trades settled and derivatives business. These also include amounts pledged with Thailand Clearing House as security for derivatives trading.

5.13 Recognition and amortisation of customers' assets

Assets which customers have placed with the subsidiary company for securities trading, in term of cash accounts and credit balance accounts, including amounts which customers have placed as security for derivative trading, are recorded as assets and liabilities of the subsidiary company for internal control purpose. As at the reporting date, the subsidiary company eliminates those amounts which there are no guarantee obligations from both assets and liabilities and present only those assets which belong to the subsidiary company.

5.14 Property foreclosed

Property foreclosed is stated at the lower of cost (fair value with reference to appraisal value, providing this does not exceed the legally claimable amount of debt) or net realisable value, which is determined with reference to the latest appraisal value less estimated selling expenses and taking into consideration the type and the nature of the assets.

Gain (loss) on disposal and impairment loss of property foreclosed are recognised as income or expense in part of profit or loss in the statement of comprehensive income.

5.15 Land, premises and equipment and depreciation

- a) Land is stated at revalued amount less allowance for impairment (if any). No depreciation is provided on land. Buildings are stated at revalued amount less accumulated depreciation and allowance for impairment (if any). Depreciation is calculated by reference to their revalued amount on a straight-line basis over the following estimated useful lives:

Buildings and building improvement	15 - 20 years
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The Company and its subsidiaries initially record land and buildings at its cost on the acquisition date, and subsequently have it revalued by an independent professional appraiser, and state it at the revalued amount. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

When an asset's carrying amount is increased as a result of the revaluation, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.

When an asset's carrying amount is decreased as a result of the revaluation, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

- b) Assets under installation are stated at cost, and depreciation is not provided.
- c) Equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciation is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Furniture, fixtures and equipment	5	years
Motor vehicles	5	years

- d) Depreciation of the part calculated from the cost and the depreciation of the revaluation amount is included in determining income.
- e) Land, premises and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on disposal of these assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the statement of comprehensive income.
- f) The Company and its subsidiaries derecognise the revaluation surplus on an asset upon disposal or when no future economic benefits are expected from its use or disposal. The revaluation surplus remaining upon derecognition is transferred directly to retained earnings.

5.16 Intangible assets and amortisation

The Company and its subsidiaries initially recognised intangible assets at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss (if any).

The Company and its subsidiaries amortised intangible assets with finite lives on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense and loss on impairment are recognised as expenses in part of profit or loss in the statements of comprehensive income.

The intangible assets with finite useful lives have useful lives of approximately 3 - 10 years.

No amortisation for computer software under development.

5.17 Classification of insurance contracts

Subsidiary companies classify insurance contracts and reinsurance contracts based on the nature of the contract. An insurance contract is one under which the insurer has accepted significant insurance risk from another party by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Determination of whether a significant insurance risk has been accepted is based on comparison of the amount of benefit payable under the contract if an insured event occurs with the payment obligation if the insured event does not occur. If a contract does not meet these criteria, the subsidiaries classify it as an investment contract. Investment contracts are those contracts that transfer significant financial risk but not significant insurance risk. Financial risk is the risk arising from the change in interest rate risk, foreign exchange rate risk and securities prices.

In classifying insurance contracts, subsidiary companies assess the significance of the insurance risk on the basis of individual contracts. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during the year, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Subsidiary companies that operate in non-life insurance businesses classifies all non-life insurance contracts as short-term insurance contracts, which means insurance contracts that have coverage periods of up to 1 year and no automatic renewal clause, as well as critical illness and personal accident that have coverage periods of more than 1 year and the subsidiaries can terminate, increase or decrease insurance premiums or change any benefits of the insurance contracts throughout the coverage period.

5.18 Premium receivables and allowance for doubtful accounts

Premium receivables from direct reinsurance are stated at its net realisable value. Subsidiary companies set up an allowance for doubtful accounts based on the estimated loss that may be incurred in the collection of the premium due, on the basis of collection experiences and a review of current status of the premium receivables as at the end of reporting period.

For individual policy, whose cash value is greater than the amount of premium receivable, overdue longer than the grace period granted by the subsidiaries, the premium receivable will be settled by granting automatic premium loans.

Increase (decrease) in allowance for doubtful account is recognised as expenses during the year.

5.19 Reinsurance assets and liabilities

- a) Reinsurance assets represent amounts due from reinsurers (consisting of reinsurance receivable, commission and brokerage expense and various other items receivable from reinsurers), amounts deposited on reinsurance and insurance reserve refundable from reinsurers. Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of loss reserve and outstanding claims made in accordance with the law regarding insurance reserve calculation and unearned premium reserves.

When indication of impairment incurred, the subsidiaries record allowance for doubtful accounts for estimated loss that may be incurred due to inability to make collection, taking into account collection experience, aged of balance and the status of receivables from reinsurers as at the end of reporting period.

Increase (decrease) in allowance for doubtful accounts is recognised as expenses during the year.

- b) Amounts due to reinsurers are stated at the outstanding balances payable to reinsurance and amounts withheld on reinsurance. Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers.

5.20 Insurance contract liabilities

- a) Life insurance reserve

Life insurance reserve is the cumulative reserve amount from the start of insurance coverage until the end of the reporting period for the policies in force. The subsidiary record life insurance reserves under the Gross Premium Insurance (GPV) method, which is actuarial method, calculated using a method consistent with the criteria specified in the Notification of the Office of Insurance Commission ("OIC") regarding the valuation of assets and liabilities of life insurance companies. The main assumptions use in the calculation is relate to mortality rates, lapse and surrender rates, selling and administrative expenses and discount rates.

- b) Loss reserves and outstanding claims

Outstanding claims are recorded at the amount to be actually paid. Loss reserves are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the subsidiaries' management. The maximum value of claims estimate shall not exceed the sum-insured of the related insurance policies.

Claims reserves were calculated by using an actuarial method based on a best estimate of the claims, that are expected to be paid in respect of loss that occurred before or as at the reporting date, covering both reported and not reported loss, and including claims handling expenses, after deducting salvage values and other recoverable values. Differences between the calculated claims reserves and the claims already recognised are recorded as incurred but not reported claims (IBNR).

c) Unearned premium reserve

Premium reserve consists of unearned premium reserve and unexpired risk reserve.

c.1) Unearned premium reserve

Unearned premium reserve is calculated based on direct premium before deducting premium ceded as follows:

Transportation (cargo), travelling	- 100% of premium as from the date policy accident with coverage periods of not over 6 months	is effective, throughout the period of insurance coverage
Others	- Monthly average basis (the one-twenty fourth basis)	

Unearned premium reserve of reinsurance is calculated based on ceded premium for reinsurer as the same method with direct insurance that transfer insurance risk to reinsurer throughout the period of insurance coverage.

c.2) Unexpired risk reserve

Unexpired risk reserve is the reserve for the future claims and related expenses that may be incurred in respect of in-force policies. Unexpired risk reserve is set aside using an actuarial method, at the best estimate of the claims that are expected to be incurred during the remaining period of coverage based on historical claims data.

At the end of reporting period, the subsidiaries compare the amounts of unexpired risk reserve with unearned premium reserve, and if unexpired risk reserve is higher than unearned premium reserve, the difference is recognised and the unexpired risk reserve is presented in the financial statements.

d) Unpaid policy benefits and other insurance liabilities

Unpaid policy benefits are recorded when notices of the claims are received or when conditions in the policies are met.

Other insurance liabilities are advance premiums from policy holders and other amounts that have to pay to policy holders but are not included in unpaid policy benefits, and recorded on the transaction date.

5.21 Leases

At inception of contract, the Company and its subsidiaries assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company and its subsidiaries applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company and its subsidiaries recognise right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term, as follow:

Buildings and building improvement	2 - 7	years
Vehicles	1 - 5	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

5.22 Derivatives

The Company and its subsidiaries initially recognised investment in listed warrants at fair value. After initial recognition, gain or loss on changes in fair value are recognised in profit or loss. At the period end, warrants are presented in statement of financial position at fair value. The fair value is calculated based on the latest offer price quoted on the Stock Exchange of Thailand of the last working day.

The subsidiary that operate in securities business are initially recognised derivatives at fair value on the date of the derivative contract (trading date) and classified as held for sale. They are subsequently remeasured at fair value, with changes in fair value recognised in profit or loss.

Derivative financial instruments held for trading are initially recognised as off-balance transactions on the date on which derivative contracts are entered into, and derivative warrants are recorded as liabilities items. Subsequently gain (loss) from changes in the fair value of derivatives is included in profit or loss. The fair value of futures contracts and options is based on the daily settlement price at the end of the last working day of the year. The fair value of derivative warrants is based on the latest offer price at the end of the last working day of the year as quoted on the Stock Exchange of Thailand. In event that the fair value of derivatives cannot be determined from the market, a valuation technique and model will be used and the input to this model will be derived from observable markets and adjusted with credit risk of each counter party.

5.23 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies, joint venture and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that give them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company's and its subsidiaries' operations.

5.24 Impairment of non-financial assets

At the end of each reporting date, the Company and its subsidiaries assess whether there is an indication that a non-financial asset may be impaired. The Company and its subsidiaries perform impairment review whenever events or changes in circumstances indicate that an asset may be impaired. Loss on impairment is recognised when the asset's recoverable amount is less than the book value. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to sell reflects the amount that the Company and its subsidiaries could obtain at the financial reporting date from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company and its subsidiaries recognise impairment loss as expenses in part of profit or loss in the statement of comprehensive income, except in the case of assets which applied revaluation method and recorded in equity, impairment loss are recognised in equity to the extent that they do not exceed the revaluation surplus previously recorded in respect of the same asset.

In assessing impairment of asset other than goodwill, if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss for assets other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined in case that no impairment loss been recognised for the asset in prior years. Such reversal is recognised in part of profit or loss in the statement of comprehensive income.

5.25 Structured notes

Structured notes are debentures which a subsidiary offered to customers, who are institutional investors or high net worth investors. The notes are issued under conditions approved by the Office of the Securities and Exchange Commission (SEC), and the underlying assets are securities listed on the Stock Exchange of Thailand.

The notes are recorded at amortised cost, adjusted by the discount on the notes. The discount is amortised by the effective rate method with the amortised amount presented as interest expenses in profit or loss.

Embedded derivatives are recorded as derivative assets at fair value and the changes in fair value are recorded in profit or loss. In determining the fair value, the subsidiary uses a valuation technique and theoretical model. The input to the model is derived from observable market conditions that include liquidity, dividend, interest rate, and the price and the volatility of the underlying asset.

5.26 Employee benefits

Short-term employee benefits

The Company and its subsidiaries recognised short-term employee benefits, such as salary, wages, bonuses, contributions to the social security fund, and vacation, as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund, and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the entity recognises restructuring-related costs.

5.27 Income tax

Income tax expense represents the sum of current income tax and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and unused tax losses can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

5.28 Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the Company and its subsidiaries have transferred substantially all risks and rewards of ownership. If the Company and its subsidiaries neither transfers nor retain substantially all risks and rewards of ownership of such financial assets, and retains control of such financial assets, the Company and its subsidiaries continue to recognise the financial assets to the extent of its continuing involvement. Financial liabilities are derecognised when they are extinguished e.g. when the obligation specified in the contract is discharged, cancelled or expired.

5.29 Provisions

Provisions are recognised when the Company and its subsidiaries have 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.

5.30 Fair value measurement

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.

The Company and its subsidiaries use the quoted price in an active market to measure the fair value of a financial asset or liability, whenever such a price is available. If a quoted price in an active market is not available, the Company and its subsidiaries measures fair value using a generally accepted valuation technique, which includes analysis of the present value of cash flows and use of a theoretical valuation model.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices for the same assets or liabilities in an observable active market

Level 2 - Use of other inputs that are observable for the assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

6.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

6.2 Allowance for expected credit loss

Management is required to exercise judgment in estimating allowance for the expected credit loss of financial assets. The calculation of expected credit loss is based on a complex model, the use of assumptions, development of a model and estimates related to incremental credit risk and the selection of forward-looking information. These estimates involve a large number of relevant variables, so actual results may differ from the estimates.

6.3 Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, both of its fair value less costs of disposal and its value in use. The recoverable amount is based on available data or observable market prices or a discounted cash flow model. The cash flows are derived from the expected future cash-inflows. Changes in assumption relevant to the factors using to calculation may affect to the assessment of impairment.

6.4 Fair value of financial instruments

In determining the fair value of financial instruments, which are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk of counterparty, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

6.5 Allowance for impairment of property foreclosed

The Company and its subsidiaries assess allowance for impairment of property foreclosed when net realisable value falls below the book value. The management uses judgment to estimate impairment loss, taking into consideration the latest appraisal value, the type and the nature of the assets.

6.6 Land, premises and equipment and depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and salvage values of the premises and equipment, and to review these estimated useful lives and salvage values when there are any changes.

The Company and its subsidiaries measure land and buildings at revalued amounts. Such amounts are determined by the independent appraisers using the market approach for land and using the depreciated replacement cost approach, market approach and income approach for buildings. The valuation involves certain assumptions and estimates as described in Note 17 to the financial statements.

In addition, the management is required to review land, buildings and equipment for impairment on a periodical basis, and record impairment loss when it is determined that their recoverable amounts are lower than the carrying amounts. This requires judgments in terms of forecasting future revenues and expenses relating to the assets subject to the review.

6.7 Lease agreement

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

In addition, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

6.8 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax loss to the extent that it is probable that future taxable profit will be available against which the temporary differences and unused tax loss can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

6.9 Unearned premium/Life insurance premium reserve

Unexpired risk reserve is calculated under an actuarial method, which reflects the best estimate of loss expected and related expenses to be incurred over the remaining period of the insurance. Estimating the reserve requires the management to exercise judgement, with reference to historical data and the best estimates available at the time.

Life insurance premium reserve is calculated under an actuarial method, which reflects current assumptions and assumption established at inception of the contract. Such reserve requires the management to exercise judgment in order to reflect the best estimates at that time. The main assumptions used relate to the mortality rate, selling and administrative expenses, surrender or lapse rates and discount rates. Use of different assumptions may affect the amount of insurance reserve so an adjustment of the insurance reserve may occur in the future.

6.10 Loss reserve and outstanding claims

At the end of each reporting date, subsidiaries estimate loss reserves and outstanding claims in two parts; loss incurred for which the claims advice has been received from the insured, and loss incurred but not reported (IBNR). The IBNR reserve is calculated using an international standard actuarial method. The estimation of main assumptions underlying these techniques relate to historical claims experience, including development of estimates of paid and incurred loss, average costs per claim, and claim numbers. Such estimates require the management to exercise judgment in order to reflect the best estimates available at that time. Such estimates are forecasts of future outcomes, and actual result could differ.

6.11 Post-employment benefits under defined benefit plans

Obligations under the defined benefit plan are determined by using actuarial technique. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, and mortality rate, based on their best knowledge of current situation.

6.12 Litigation and contingent liabilities

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgment to assess of the results of such transactions, and in case where they believe that there will be no loss, no provisions are recorded as at the end of the reporting period.

7. Classification of financial assets and liabilities

(Unit: Million Baht)

Consolidated financial statements				
2021				
Financial instruments measured at				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	4	4
Interbank and money market items - net	-	-	8,947	8,947
Financial assets measured at fair value through profit or loss				
Debt securities	653	-	-	653
Equity securities	2,128	-	-	2,128
Derivatives assets	206	-	-	206
Investments - net				
Debt securities	-	10,416	-	10,416
Equity securities	-	2,708	-	2,708
Loans to customers and accrued interest receivables - net	24	-	55,197	55,221
Receivables from purchase and sale of securities	-	-	843	843
Other assets - receivable from clearing house	-	-	275	275
Other assets - Accrued interest	-	-	105	105
Other assets - Others	-	-	317	317
<u>Financial liabilities</u>				
Interbank and money market items	-	-	15,984	15,984
Derivatives liabilities	18	-	-	18
Debt issued and borrowings	-	-	34,308	34,308
Payables from purchase and sale of securities	89	-	1,175	1,264
Other liabilities - Accrued interest payables	-	-	220	220
Other liabilities - Lease liabilities	-	-	387	387

(Unit: Million Baht)

	Consolidated financial statements			
	2020			
	Financial instruments measured at			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	2	2
Interbank and money market items - net	-	-	7,812	7,812
Financial assets measured at fair value through profit or loss				
Debt securities	2,021	-	-	2,021
Equity securities	1,336	-	-	1,336
Derivatives assets	145	-	-	145
Investments - net				
Debt securities	-	19,250	43	19,293
Equity securities	-	2,357	-	2,357
Loans to customers and accrued interest receivables - net	12	-	50,239	50,251
Receivables from purchase and sale of securities	-	-	1,247	1,247
Other assets - Receivable from clearing house	-	-	797	797
Other assets - Accrued interest and dividend receivables	-	-	122	122
Other assets - Others	-	-	421	421
<u>Financial liabilities</u>				
Interbank and money market items	-	-	13,312	13,312
Derivatives liabilities	14	-	-	14
Debt issued and borrowings	-	-	33,887	33,887
Payables from purchase and sale of securities	127	-	1,956	2,083
Other liabilities - Accrued interest payables	-	-	243	243
Other liabilities - Lease liabilities	-	-	435	435

(Unit: Million Baht)

	Separate financial statements			
	2021			
	Financial instruments measured at			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<u>Financial assets</u>				
Interbank and money market items - net	-	-	1,348	1,348
Financial assets measured at fair value through profit or loss				
Debt securities	251	-	-	251
Equity securities	125	-	-	125
Derivatives Assets	194	-	-	194
Investments - net				
Debt securities	-	247	-	247
Equity securities	-	1,614	-	1,614
Loans to customers and accrued interest receivables - net	-	-	4,722	4,722
Other assets	-	-	13	13
<u>Financial liabilities</u>				
Debt issued and borrowings	-	-	11,696	11,696
Other liabilities - Accrued interest payables	-	-	82	82
Other liabilities - Lease liabilities	-	-	83	83

(Unit: Million Baht)

	Separate financial statements			
	2020			
	Financial instruments measured at			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<u>Financial assets</u>				
Interbank and money market items - net	-	-	172	172
Financial assets measured at fair value through profit or loss				
Debt securities	1,101	-	-	1,101
Equity securities	117	-	-	117
Derivatives Assets	142	-	-	142
Investments - net				
Debt securities	-	7,202	-	7,202
Equity securities	-	1,495	-	1,495
Loans to customers and accrued interest receivables - net	-	-	804	804
Other assets - Accrued interest and dividend receivables	-	-	7	7
Other assets - Others	-	-	36	36

(Unit: Million Baht)

	Separate financial statements			
	2020			
	Financial instruments measured at			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<u>Financial liabilities</u>				
Debt issued and borrowings	-	-	10,700	10,700
Other liabilities - Accrued interest payables	-	-	82	82
Other liabilities - Lease liabilities	-	-	66	66

8. Interbank and money market items - deposits at financial institutions

(Unit: Million Baht)

	Consolidated financial statements					
	2021			2020		
	At call	Term	Total	At call	Term	Total
Commercial banks	3,139	3,209	6,348	2,383	2,525	4,908
Specialised financial institutions	-	2,584	2,584	-	2,890	2,890
Total	3,139	5,793	8,932	2,383	5,415	7,798
Add: Accrued interest receivables	14	4	18	2	15	17
Less: Allowance for expected credit loss	-	(3)	(3)	-	(3)	(3)
Total	3,153	5,794	8,947	2,385	5,427	7,812

(Unit: Million Baht)

	Separate financial statements					
	2021			2020		
	At call	Term	Total	At call	Term	Total
Commercial banks	1,348	-	1,348	172	-	172
Total	1,348	-	1,348	172	-	172

9. Financial assets measured at fair value through profit or loss

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Fair value	Fair value	Fair value	Fair value
Government and state enterprises securities	75	78	-	-
Private debt securities	449	1,302	200	460
Unit trusts	129	641	51	641
Domestic marketable equity securities	1,778	1,008	-	-
Domestic non-marketable equity securities	350	328	125	117
Total	2,781	3,357	376	1,218

10. Derivatives assets/derivatives liabilities

As at 31 December 2021 and 2020, the notional amount and the fair value of trading derivatives were classified by type of risk as follows:

(Unit: Million Baht)

Types of risk	Consolidated financial statements					
	2021			2020		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Others						
Derivatives for trading	-	-	1,728	3	1	1,169
Derivatives warrants	-	18	1,611	-	13	522
Warrants	206	-	-	142	-	-
Total	206	18	3,339	145	14	1,691

(Unit: Million Baht)

Types of risk	Separate financial statements					
	2021			2020		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Others						
Warrants	194	-	-	142	-	-
Total	194	-	-	142	-	-

11. Investments

11.1 Classified by type of investments

As at 31 December 2021 and 2020, investments classified by type of investments are as follows;

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Amortised cost/ Fair value	Amortised cost/ Fair value	Amortised cost/ Fair value	Amortised cost/ Fair value
Investments in debt securities measured at amortised cost				
Government and state enterprises securities	-	43	-	-
Less: Allowance for expected credit loss	-	-	-	-
Total	-	43	-	-
Investments in debt securities measured at fair value through other comprehensive income				
Government and state enterprises securities	8,898	16,047	-	6,915
Private debt securities	1,518	3,203	247	287
Total	10,416	19,250	247	7,202
Allowance for expected credit loss	244	274	31	1
Investments in equity securities designated to be measured at fair value through other comprehensive income				
Domestic marketable equity securities	2,434	2,072	1,445	1,331
Domestic non-marketable equity securities	274	285	169	164
Total	2,708	2,357	1,614	1,495
Total	13,124	21,650	1,861	8,697

11.2 During the years ended 31 December 2021 and 2020, the Company and its subsidiaries disposed of their investments in equity securities designated to be measured at fair value through other comprehensive income so the change in the fair value of these investments through other comprehensive income are transferred to retained earnings as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	For the years ended 31 December							
	2021				2020			
	Fair value		Retained		Fair value		Retained	
	at the		gain (loss)	Reason	at the		gain (loss)	Reason
written-off	Dividend	(net of	for	written-off	Dividend	(net of	for	
date	received	income	written-off	date	received	income	written-off	
		tax) ⁽¹⁾				tax) ⁽¹⁾		
Domestic marketable equity securities	390	1	(2)	Disposal	5,224	173	(784)	Disposal
Total	390	1	(2)		5,224	173	(784)	

(1) Only the Company portion

(Unit: Million Baht)

	Separate financial statements							
	For the years ended 31 December							
	2021				2020			
	Fair value		Retained		Fair value		Retained	
	at the		gain (loss)	Reason	at the		gain (loss)	Reason
written-off	Dividend	(net of	for	written-off	Dividend	(net of	for	
date	received	income	written-off	date	received	income	written-off	
		tax)				tax)		
Domestic marketable equity securities	13	-	(11)	Disposal	1,862	108	(499)	Disposal
Total	13	-	(11)		1,862	108	(499)	

In addition, during the years ended 31 December 2021 and 2020, the Company and its subsidiaries received dividends from other equity securities designated to be measured at fair value through other comprehensive income by Baht 99 million and Baht 85 million, respectively (separate financial statements: Baht 52 million and Baht 72 million, respectively).

11.3 Investments in companies having problems relating to financial position and operating results

As at 31 December 2021 and 2020, investments in securities of the Company and its subsidiary included investments in two companies having problems relating to financial position and operating results, amounting to Baht 243 million and Baht 272 million, respectively. The Company and its subsidiary have already set aside allowance for expected credit loss for the full amount. (As at 31 December 2021, separate financial statements: Baht 30 million).

11.4 Investments in securities in which the Company and its subsidiaries hold not less than 10 percent

As at 31 December 2021 and 2020, the Company and its subsidiaries have investments in other securities in which the Company and its subsidiaries hold not less than 10 percent, separated by type of business, presented by fair value as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2021	2020	2021	2020
Manufacturing and commerce	1,337	1,277	1,329	1,270
Real estate rental	162	158	162	158

12. Investments in subsidiaries

12.1 Separate financial statements

As at 31 December 2021 and 2020, investments in subsidiaries in the separate financial statements consist of investments in ordinary shares as follow:

(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid-up share capital		Percentage of holding (%)		Value of investments			
	2021	2020	2021	2020	Cost method		Equity method	
					2021	2020	2021	2020
Subsidiaries								
NFS Asset Management Co., Ltd.	175	175	100.00	100.00	175	175	551	468
Thanachart SPV 1 Co., Ltd.	12,704	12,704	100.00	100.00	12,704	12,704	6,606	5,863
MBK Life Assurance Plc.	1,000	1,000	100.00	51.00	1,081	613	975	428
TM Broker Co., Ltd.	20	20	100.00	51.00	24	10	29	12
MT Service 2016 Co., Ltd.	50	50	100.00	51.00	30	26	10	4
Thanachart Plus Co., Ltd.	250	-	100.00	-	250	-	268	-
TS Asset Management Co., Ltd.	125	500	99.99	99.99	459	834	369	724
Thanachart SPV 2 Co., Ltd.	234	934	99.98	99.98	709	1,409	441	1,124
NASSET Property Fund 6	5	5	99.80	99.80	4	4	41	89
Max Asset Management Co., Ltd.	40	40	83.44	83.44	33	33	329	302
Thanachart Securities Plc.	3,000	3,000	50.96	50.96	1,771	1,771	1,859	1,907
Thanachart Insurance Plc.	4,930	4,930	50.96	50.96	2,697	2,697	2,801	2,920
Ratchthani Leasing Plc.	5,663	5,663	3.77	3.13	815	668	426	329
Total investments in subsidiaries					20,752	20,944	14,705	14,170
Less: Allowance for impairment					(454)	(454)		
Total investments in subsidiaries - net					20,298	20,490		

During the year 2020, the Company and its subsidiaries have changed their shareholding/ investments in subsidiaries as follows:

- a) The Company and its subsidiaries purchased additional shares of subsidiaries as details below.

Company's name	Number	Value of investments under the cost method	Percentage of holding
	(Shares)	(Million Baht)	(%)
<u>The Company purchased</u>			
MBK Life Assurance Plc.			
(from right of purchase newly issued registered capital)	15,300,000	153	-
Ratchthani Leasing Plc.	176,985,388	668	3.13
Ratchthani Leasing Plc.			
(from right of purchase newly issued registered capital)	38,651,564	39	-
TS Asset Management Co., Ltd.	63,196	1	0.03
Thanachart SPV 2 Co., Ltd.	74,853	1	0.02
<u>The subsidiaries purchased</u>			
Ratchthani Leasing Plc.			
(from right of purchase newly issued registered capital)	1,661,620,700	1,062	-

- b) The following subsidiaries have decreased the registered capital and the Company received a capital return from such subsidiaries as follows.

Company's name	Amount	Value of investment under the cost method
	(Million Share)	(Million Baht)
<u>Subsidiary companies</u>		
Thanachart SPV 1 Co.,Ltd.	100,000,000	1,000
Thanachart SPV 2 Co.,Ltd.	269,947,714	2,699
TS Asset Management Co., Ltd.	149,987,448	1,500

In this regard, receiving such capital refund has no effect on the shareholding proportion.

- c) The Company set aside allowance for impairment of investment in MT Service 2016 Company Limited of Baht 26 million, Thanachart SPV 2 Company Limited of Baht 324 million, and TS Asset Management Company Limited of Baht 104 million.

During the year 2021, the Company and its subsidiaries have changed their shareholding/ investments in subsidiaries as follows:

- a) The Company and its subsidiaries purchased additional shares of subsidiaries as details below.

Company's name	Number	Value of investments under the cost method	Percentage of holding
	(Shares)	(Million baht)	(%)
<u>The Company purchased</u>			
MBK Life Assurance Plc.	49,000,000	468	49.00
Ratchthani Leasing Plc.	36,376,200	147	0.64
TM Broker Co., Ltd.	980,000	14	49.00
MT Service 2016 Co., Ltd.	2,450,000	4	49.00
Thanachart plus Co., Ltd. (newly establish)	24,999,997	250	100.00
<u>The subsidiaries purchased</u>			
Ratchthani Leasing Plc.	37,528,300	152	0.66

- b) The following subsidiaries paid a capital return to the Company. Details are as follows:

Company's name	Amount	Value of investment
	(Million Share)	(Million Baht)
<u>Paid by decrease the register capital of the subsidiaries</u>		
Thanachart SPV 2 Co.,Ltd.	70,065,628	700
TS Asset Management Co., Ltd.	37,496,862	375
<u>Paid by non-decrease the register capital of the subsidiaries</u>		
NASSET Property Fund 6	-	50

In this regard, receiving such capital refund has no effect on the shareholding proportion.

12.2 Share of profit from investments in subsidiaries

During the years ended 31 December 2021 and 2020, the Company recognised share of profit (loss) from investments in subsidiaries for the separate financial statements as follows:

(Unit: Million Baht)

Subsidiaries	Separate financial statements					
	For the years ended 31 December					
	Share of profit (loss)		Share of other comprehensive income (loss)		Dividend received	
	2021	2020	2021	2020	2021	2020
NFS Asset Management Co., Ltd.	85	(26)	(2)	(63)	-	-
Thanachart SPV 1 Co., Ltd.	1,333	1,034	1	-	508	315
MBK Life Assurance Plc.	176	(221)	(46)	(66)	-	-
TM Broker Co., Ltd.	1	1	1	1	-	-
MT Service 2016 Co., Ltd.	-	(1)	1	1	-	-
Thanachart Plus Co., Ltd.	18	-	-	-	-	-
TS Asset Management Co., Ltd.	44	24	-	-	24	146
Thanachart SPV 2 Co., Ltd.	46	3,159	(2)	(145)	27	2,707
NASSET Property Fund 6	2	26	-	-	-	-
Max Asset Management Co., Ltd.	27	5	-	1	-	-
Thanachart Securities Plc.	344	244	6	1	398	122
Thanachart Insurance Plc.	391	380	(55)	(107)	455	75
Ratchthani Leasing Plc.	64	39	1	-	34	8
Total	2,531	4,664	(95)	(377)	1,446	3,373

12.3 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the years		Other comprehensive income (loss) allocated to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(%)	(%)								
Thanachart Securities Plc.	49.04	49.04	1,782	1,835	324	235	5	1	382	118
Thanachart Insurance Plc.	49.04	49.04	2,696	2,809	376	366	(52)	(103)	438	73
Ratchathani Leasing Plc.	39.84	41.14	4,328	4,232	630	743	1	2	392	261

12.4 Summarised financial information of subsidiaries that have material non-controlling interests based on amounts before inter-company elimination

Summarised information about financial position as at 31 December

(Unit: Million Baht)

	Thanachart Securities Plc.		Thanachart Insurance Plc.		Ratchthani Leasing Plc.	
	2021	2020	2021	2020	2021	2020
Total assets	8,679	6,852	14,899	15,342	48,956	48,306
Total liabilities	5,045	3,109	9,402	9,612	37,533	37,600

Summarised information about comprehensive income for the year ended 31 December

(Unit: Million Baht)

For the years ended 31 December

	Thanachart Securities Plc.		Thanachart Insurance Plc.		Ratchthani Leasing Plc.	
	2021	2020	2021	2020	2021	2020
Net operating income	1,686	1,337	2,215	2,219	3,029	3,030
Profit for the years	661	478	768	745	1,679	1,860
Other comprehensive income (loss)	10	3	(108)	(208)	1	4
Total comprehensive income	671	481	660	537	1,680	1,864

Summarised information about cash flow for the year ended 31 December

(Unit: Million Baht)

For the years ended 31 December

	Thanachart Securities Plc.		Thanachart Insurance Plc.		Ratchthani Leasing Plc.	
	2021	2020	2021	2020	2021	2020
Cash flow from (used in) operating activities	925	247	288	-	1,526	(7,047)
Cash flow from (used in) investing activities	(145)	(7)	633	(97)	(13)	(35)
Cash flow from (used in) financing activities	(780)	(240)	(921)	97	(1,511)	7,082
Net increase in cash	-	-	-	-	2	-

13. Investments in associated companies and joint venture

13.1 Detail of investments in associated companies and joint venture

As at 31 December 2021 and 2020, investment in associated companies and joint venture consists of investments in ordinary shares of the following companies which operate in Thailand as follow:

(Unit: Million Baht)

Company's name	Nature of business	Percentage of holding (%)		Consolidated financial statements			
				Value of investments			
				Cost method		Equity method	
		2021	2020	2021	2020	2021	2020
<u>Associated companies</u>							
TMBThanachart Bank Plc. ⁽¹⁾	banking	23.32	20.11	45,643	42,076	48,902	44,061
MBK Plc.	property rental, hotel and services	23.32	22.42	2,085	1,704	4,049	3,943
<u>Joint Venture</u>							
TM Communications and Brand Management Co., Ltd.	publish relations and advertising	50.00	50.00	3	3	4	3
Total investments in associated companies and joint venture				47,731	43,783	52,955	48,007

(1) TMBThanachart Bank Plc. changed its name from TMB Bank Plc. since 12 May 2021.

(Unit: Million Baht)

Company's name	Nature of business	Percentage of holding (%)		Separate financial statements			
				Value of investments			
				Cost method		Equity method	
		2021	2020	2021	2020	2021	2020
<u>Associated companies</u>							
TMBThanachart Bank Plc.	banking	22.76	20.11	45,106	42,076	47,954	44,061
MBK Plc.	property rental, hotel and services	21.56	22.42	4,900	4,900	3,680	3,943
<u>Joint Venture</u>							
TM Communications and Brand Management Co., Ltd.	publish relations and advertising	50.00	50.00	3	3	4	3
Total investments in associated companies and joint venture				50,009	46,979	51,638	48,007

TMBThanachart Bank Plc.

During the year 2020, the Company purchased 15 million additional ordinary shares of TMB Bank Plc. for Baht 32 million, increasing its shareholding by 0.01 percent. In September 2020, TMB Bank Plc. issued another 50 million new ordinary shares and the Company did not exercise its rights to purchase those shares, causing the shareholding to decrease to 20.11 percent. In changing the percentage shareholding, the Company measured the net fair value of the identifiable assets and liabilities at the acquisition date. The amount paid for the assets was Baht 2 million higher than the fair value of the net assets (referring to the latest financial statements available as of the acquisition date).

Over the year 2021, the Company and its subsidiaries purchased a further 3,139 million ordinary shares of TMBThanachart Bank Plc. for Baht 3,567 million, resulting in an increase in the Company and its subsidiaries' shareholding of 3.21 percent, to 23.32 percent as at 31 December 2021 (the separate financial statements: purchased a further 2,602 million ordinary shares for Baht 3,030 million, increasing shareholding by 2.65 percent to 22.76 percent). For the additional shares purchased, the Company and its subsidiaries measured the fair value of the identifiable assets and liabilities at the acquisition date. The fair value calculated in proportion to the interest acquired by Company and its subsidiaries purchase was Baht 6,472 million (referring to the latest financial statements available as of the acquisition date) and the excess of this fair value over cost, amounting to Baht 2,905 million, is recognised as gain on bargain purchase in the consolidated financial statements. At the same time, loss on purchases at prices higher than the fair value of the net assets, which had previously been recognised as cost of investment, were recognised as expenses in the financial statements.

MBK Plc.

Over the year 2020, the Company purchased a further 43 million ordinary shares of MBK Plc. for Baht 849 million, resulting in an increase in the Company's shareholding of 2.52 percent, to 22.42 percent. For each purchase, the Company measured the fair value of the identifiable assets and liabilities at the acquisition date. The fair value calculated in proportion to the Company's purchases totaled Baht 445 million (referring to the latest financial statements available as of the acquisition date) and the excess of the costs of purchases over these fair value, amounting to Baht 404 million, was presented under investment.

During the year 2021, the subsidiary exercised equity warrant conversion rights to acquire 31 million additional ordinary shares of MBK Plc. of Baht 381 million, representing 1.77 percent of MBK's ordinary shares. MBK Plc. concurrently issued additional ordinary shares to accommodate the conversion of the equity warrants, leading to the combined shareholding of the Company and its subsidiary in MBK Plc. of 23.32 percent as at 31 December 2021 (Separate financial statements: 21.56 percent). When exercising conversion rights, the subsidiary measured the fair value of the identifiable assets and liabilities at the acquisition date. The fair value calculated in proportion to the investment acquired by the subsidiary was Baht 269 million (referring to the latest financial statements available as of the acquisition date), and the excess of the cost of acquisition over this value, amounting to Baht 112 million, was presented under investment.

TM Communication and Brand Management Co., Ltd.

During the year 2020, The Company purchased 24,999 shares of TM Communication and Brand Management Co., Ltd. for Baht 3 million, representing a 50 percent shareholding. Since this was a joint investment, the Company recognised it as investment in a joint venture company.

13.2 Share of profit from investments in associated companies and joint venture

(Unit: Million Baht)

Company's name	Consolidated financial statements							
	For the years ended 31 December							
	Share of profit (loss)		Share of other comprehensive income (loss)		Share of surplus from the change in the ownership interests in subsidiaries of an associate		Dividend received	
	2021	2020	2021	2020	2021	2020	2021	2020
<u>Associated companies</u>								
TMBThanachart Bank Plc.	2,256	2,022	(62)	58	-	-	919	194
MBK Plc.	(271)	132	-	(169)	(4)	-	-	160
<u>Joint Venture</u>								
TM Communications and Brand Management Co., Ltd.	1	-	-	-	-	-	-	-
Total	1,986	2,154	(62)	(111)	(4)	-	919	354

(Unit: Million Baht)

Separate financial statements								
For the years ended 31 December								
Company's name	Share of profit (loss)		Share of other comprehensive income (loss)		Share of surplus from the change in the ownership interests in subsidiaries of an associate		Dividend received	
	2021	2020	2021	2020	2021	2020	2021	2020
<u>Associated companies</u>								
TMBThanachart Bank Plc.	1,844	2,022	(62)	58	-	-	919	194
MBK Plc.	(258)	132	(1)	(169)	(4)	-	-	160
<u>Joint Venture</u>								
TM Communications and Brand Management Co., Ltd.	1	-	-	-	-	-	-	-
Total	1,587	2,154	(63)	(111)	(4)	-	919	354

13.3 Summarised financial information of associated companies

- a) Summarised financial information of significant associated companies as at 31 December 2021 and 2020 and for the years then ended are as follows:

Summarised information about financial position

(Unit: Million Baht)

	TMBThanachart Bank Plc.		MBK Plc.	
	31 December 2021	31 December 2020	30 September 2021 ⁽¹⁾	30 September 2020 ⁽¹⁾
Total assets	1,759,181	1,808,332	59,632	60,253
Total liabilities	(1,548,345)	(1,603,582)	(35,677)	(36,547)
Other equity items of associated companies	(209)	(87)	192	125
Net assets	210,627	204,663	24,147	23,831
Shareholding percentage (%)	23.32	20.11	23.32	22.42
Share of net assets	49,118	41,156	5,631	5,342
Elimination entries	-	-	(2,150)	(1,855)
Goodwill	-	2,905	568	456
Others	(216)	-	-	-
Carrying amounts of associate based on equity method	48,902	44,061	4,049	3,943

(1) Presents in the amount after adjustment for the effect of differences in accounting policies and before inter-company adjustment transactions.

Summarised information about comprehensive income

(Unit: Million Baht)

	TMBThanachart Bank Plc.		MBK Plc.	
	For the years ended 31 December		For the years ended 30 September ⁽¹⁾	
	2021	2020	2021	2020
Revenue	82,718	92,653	8,420	9,978
Profit for the year	10,474	10,112	(380)	1,174
Other comprehensive income year (loss)	(274)	310	528	(3,783)
Total comprehensive income for the year (loss)	10,200	10,422	70	(2,609)

(1) Presents in the amount after adjustment for the effect of differences in accounting policies and before inter-company adjustment transactions.

The share of profit from investments in MBK Plc. accounted for under the equity method was determined based on financial statements of MBK Plc. that were prepared for periods different from those of the Company, due to limited information available. However, they are financial statements prepared for the same length of time and based on the principle of consistency. Therefore, share of profit of the associate under the equity method for the year ended 31 December 2021 was determined based on financial statements that were prepared with reference to financial statements for the year ended 30 September 2021 and adjusted for the effect of differences in accounting policies by the Company's management. In addition, the Company's management considered that the income for the year is not materially different from the income for the year ended 31 December 2021.

b) Fair value of investments in associated companies

As at 31 December 2021 and 2020, the fair value of investments in associated companies which are listed on the Stock Exchange of Thailand is as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
TMBThanachart Bank Plc.	33,117	20,941	32,328	20,941
MBK Plc.	5,505	4,749	5,091	4,749

14. Loans to customers and accrued interest receivables

14.1 Classified by loan type

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Loans to customers</u>				
Loans	2,609	327	3,647	21
Loans purchased of receivables	1,046	1,176	206	210
Notes receivables	7	7	1,007	676
Hire purchase receivables	54,175	52,503	-	-
Financial lease receivables	611	782	-	-
Less: Deferred revenues	(5,387)	(5,306)	-	-
Less: interest income received in advance	(132)	-	(11)	-
Total loans to customers net of deferred revenues	52,929	49,489	4,849	907
Add: Accrued interest receivables	153	84	46	21
Total loans to customers and accrued interest receivables net of deferred revenues	53,082	49,573	4,895	928
Less: Allowance for expected credit loss	(2,615)	(2,337)	(173)	(124)
Loans to customers and accrued interest receivables - net	50,467	47,236	4,722	804
<u>Securities business receivables</u>				
Credit balances receivables	4,730	3,003	-	-
Other receivables	24	17	-	-
Total securities business receivables	4,754	3,020	-	-
Less: Allowance for expected credit loss	-	(5)	-	-
Securities business receivables - net	4,754	3,015	-	-
Total loans to customers and accrued interest receivables - net	55,221	50,251	4,722	804

14.2 Debt restructuring

As at 31 December 2021 and 2020, the Company and its subsidiaries have restructured receivables balances (principal and accrued interest receivable) as follow:

	Restructured receivables			
	Number of receivables		Outstanding balances	
	2021	2020	2021	2020
			Million Baht	Million Baht
Thanachart Capital Plc.	13	13	17	16
MAX Asset Management Co., Ltd.	45	46	143	141
Other subsidiaries	46	52	115	147

Beside of those restructuring receivables as mentioned above, another subsidiary company has entered into scheme to provides assistance to hire purchase receivables and has applied the Accounting Guidance on “Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy” issued by the Federation of Accounting Professions.

As at 31 December 2021, 3.74 percent of hire purchase receivables of that subsidiary were still participating in the scheme. Of which 2.93 percent of those receivables, the subsidiary had negotiated with receivables by analysis their status and business and believed that the debtors were able to comply with the debt restructuring agreements, the subsidiary therefore classified them as loans with no significant increase in credit risk (Stage 1) immediately. Where debtors were non-performing (NPLs), accounting for 0.44 percent of hire purchase receivables, the subsidiary classified them at Stage 3 in order to mornitor that the debtors are able to make debt payments in accordance with the restructuring plan for 3 consecutive months or installments, whichever is longer. Moreover, the Company had granted moratoriums on principal payment for another 0.37 percent of hire purchase receivables and continued to classify these receivables at the same stage as before they joined the scheme.

14.3 Classified by classification

As at 31 December 2021 and 2020, the Company and its subsidiaries classified loans and related allowances as summarised below.

(Unit: Million Baht)

	Consolidated financial statements			
	2021		2020	
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss
Receivables without a significant increase in credit risk (Performing)	49,670	247	43,987	183
Receivables with a significant increase in credit risk (Under-performing)	5,084	689	5,829	643
Receivables with credit impairment (Non-performing)	1,887	1,005	1,528	857
Receivables with purchased or originated credit impairment (Non- performing purchased or originated credit impaired)	1,195	674	1,249	659
Total	57,836	2,615	52,593	2,342

(Unit: Million Baht)

	Separate financial statements			
	2021		2020	
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss
Receivables without a significant increase in credit risk (Performing)	4,622	31	676	7
Receivables with a significant increase in credit risk (Under-performing)	-	-	-	-
Receivables with credit impairment (Non-performing)	22	19	22	19
Receivables with purchased or originated credit impairment (Non- performing purchased or originated credit impaired)	251	123	230	98
Total	4,895	173	928	124

14.4 Hire purchase/financial lease receivables classified by aging

As at 31 December 2021 and 2020, the subsidiaries, which are engaged in hire purchases and financial leases businesses, have hire purchase and financial lease receivables. These mostly comprise hire purchase agreements or financial lease agreements for cars, trucks and motorcycles. The terms of the agreements are generally between 2 and 5 years and they carry interest at fixed rates stipulated in the agreements.

(Unit: Million Baht)

Consolidated financial statements							
2021							
Amounts due under lease agreements							
	Over 1 year but not over 1 year ⁽¹⁾	Over 2 years but not over 2 years	Over 3 years but not over 3 years	Over 4 years but not over 4 years	Over 5 years but not over 5 years	Over 5 years	Total
Gross investment in the lease	21,941	15,428	10,102	5,615	1,672	28	54,786
Less: Unearned finance income ⁽²⁾	(2,697)	(1,592)	(786)	(269)	(43)	-	(5,387)
Present value of minimum lease payments receivables	19,244	13,836	9,316	5,346	1,629	28	49,399
Allowance for expected credit loss							(1,916)
Hire purchase/financial lease receivables - net							47,483

(1) Hire purchase/financial lease receivables due within one year included credit impair receivables

(2) Net of deferred initial direct costs of hire purchase/financial lease

(Unit: Million Baht)

Consolidated financial statements							
2020							
Amounts due under lease agreements							
	Over 1 year but not over 1 year ⁽¹⁾	Over 2 years but not over 2 years	Over 3 years but not over 3 years	Over 4 years but not over 4 years	Over 5 years but not over 5 years	Over 5 years	Total
Gross investment in the lease	21,618	15,365	10,143	4,921	1,218	20	53,285
Less: Unearned finance income ⁽²⁾	(2,792)	(1,059)	(846)	(478)	(130)	(1)	(5,306)
Present value of minimum lease payments receivables	18,826	14,306	9,297	4,443	1,088	19	47,979
Allowance for expected credit loss							(1,659)
Hire purchase/financial lease receivables - net							46,320

(1) Hire purchase/financial lease receivables due within one year included credit impair receivables

(2) Net of deferred initial direct costs of hire purchase/financial lease

As at 31 December 2021 and 2020, hire purchase and financial lease receivables balances and allowance for expected credit loss of that subsidiary are classified by risk credits as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	2021		2020	
	Accounts receivable - net of unearned financial income	Allowance for expected credit loss	Accounts receivable - net of unearned financial income	Allowance for expected credit loss
Receivables without a significant increase in credit risk (Performing)	42,452	241	40,650	183
Receivables with a significant increase in credit risk (Under-performing)	5,084	689	5,829	643
Receivables with credit impairment (Non-performing)	1,863	986	1,500	833
Total	49,399	1,916	47,979	1,659

14.5 Loans to companies which have settlement problems

As at 31 December 2021 and 2020, loans and accrued interest receivables of the Company and its subsidiaries included amounts due from companies with weak financial positions and poor operating results, as follows:

	Consolidated financial statements							
	Number of debtors		Debt balances		Collateral value		Allowance for expected credit loss provided in the accounts	
	2021	2020	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht
1. Listed companies possible to delisting from the SET	-	1	-	1	-	1	-	-
2. Non - listed companies with similar operating results and financial position to listed companies possible to delisting from the SET	9	7	5	5	-	-	5	5
3. Companies which have loan settlement problems or have defaulted on the repayment ⁽¹⁾	643	585	1,708	1,472	344	347	795	741

(1) Loans to companies which have settlement problems do not include hire purchase receivables that received assistance from the subsidiary who are affected by a situation that affects by the Thai economy and are still classified as a Stage 1 and Stage 2.

Separate financial statements								
	Number of debtors		Debt balances		Collateral value		Allowance for expected credit loss provided in the accounts	
	2021	2020	2021	2020	2021	2020	2021	2020
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Companies which have loan settlement problems or have defaulted on the repayment	71	71	106	98	47	38	77	68

15. Allowance for expected credit loss

Movement of allowance for expected credit loss for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

Consolidated financial statements						
For the year ended 31 December 2021						
Allowance for expected credit loss						
Financial assets with credit risk						
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Simplified ⁽⁵⁾	Total
Interbank and money market items (assets)						
Beginning balance	3	-	-	-	-	3
Changes due to re-measurement of allowance for credit loss	-	-	-	-	-	-
Ending balance	3	-	-	-	-	3
Investments in debt securities measured at fair value through other comprehensive income						
Beginning balance	1	1	272	-	-	274
Changes due to re-measurement of allowance for credit loss	(1)	-	(29)	-	-	(30)
Change due to reclassification	-	(1)	1	-	-	-
Ending balance	-	-	244	-	-	244

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

Consolidated financial statements						
For the year ended 31 December 2021						
Allowance for expected credit loss						
Financial assets with credit risk						
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Simplified ⁽⁵⁾	Total
Loans to customers and accrued interest receivables						
Beginning balance	183	643	857	659	-	2,342
Changes due to re-measurement of allowance for credit loss	(131)	11	573	53	-	506
Changes due to reclassification	86	(120)	34	-	-	-
New financial assets purchased or acquired	109	155	45	-	-	309
Eliminated financial assets	-	-	-	(38)	-	(38)
Written-off	-	-	(239)	-	-	(239)
Transfer assets type	-	-	(265)	-	-	(265)
Ending balance	247	689	1,005	674	-	2,615
Other assets						
Beginning balance	-	1	977	-	36	1,014
Changes due to re-measurement of allowance for credit loss	-	-	(150)	-	-	(150)
New financial assets purchased or acquired	-	-	-	-	14	14
Eliminated financial assets	-	-	-	-	(18)	(18)
Written-off	-	-	(31)	-	-	(31)
Transfer assets type	-	-	265	-	-	265
Ending balance	-	1	1,061	-	32	1,094

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

	Consolidated financial statements					
	For the year ended 31 December 2020					
	Allowance for expected credit loss					
	Financial assets with credit risk					
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Simplified ⁽⁵⁾	Total
Interbank and money market items						
(assets)						
Beginning balance	4	-	-	-	-	4
Changes due to re-measurement of allowance for credit loss	(1)	-	-	-	-	(1)
Ending balance	3	-	-	-	-	3
Investments in debt securities						
measured at fair value through other comprehensive income						
Beginning balance	3	-	-	-	-	3
Changes due to re-measurement of allowance for credit loss	(2)	1	272	-	-	271
Ending balance	1	1	272	-	-	274
Loans to customers and accrued interest receivables						
Beginning balance	196	700	1,787	635	-	3,318
Changes due to re-measurement of allowance for credit loss	(223)	50	354	24	-	205
Changes due to reclassification	147	(202)	55	-	-	-
New financial assets purchased or acquired	63	95	31	-	-	189
Written-off	-	-	(420)	-	-	(420)
Transfer assets type	-	-	(950)	-	-	(950)
Ending balance	183	643	857	659	-	2,342
Other assets						
Beginning balance	-	1	49	-	35	85
Changes due to re-measurement of allowance for credit loss	-	-	(2)	-	1	(1)
New financial assets purchased or acquired	-	-	-	-	21	21
Eliminated financial assets	-	-	-	-	(21)	(21)
Written-off	-	-	(20)	-	-	(20)
Transfer assets type	-	-	950	-	-	950
Ending balance	-	1	977	-	36	1,014

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

Separate financial statements					
For the year ended 31 December 2021					
Allowance for expected credit loss					
Financial assets with credit risk					
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Total
Investments in debt securities measured at fair value through other comprehensive income					
Beginning balance	1	-	-	-	1
New financial assets purchased or acquired	-	-	30	-	30
Ending balance	1	-	30	-	31
Loans to customers and accrued interest receivables					
Beginning balance	7	-	19	98	124
Changes due to re-measurement of allowance for credit loss	24	-	-	25	49
Ending balance	31	-	19	123	173
Other assets					
Beginning balance	-	-	5	-	5
Changes due to re-measurement of allowance for credit loss	-	-	(3)	-	(3)
Ending balance	-	-	2	-	2

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(Unit: Million Baht)

Separate financial statements					
For the year ended 31 December 2020					
Allowance for expected credit loss					
Financial assets with credit risk					
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Total
Investments in debt securities measured at fair value through other comprehensive income					
Beginning balance	-	-	-	-	-
Changes due to re-measurement of allowance for credit loss	1	-	-	-	1
Ending balance	1	-	-	-	1
Loans to customers and accrued interest receivables					
Beginning balance	7	-	21	127	155
Changes due to re-measurement of allowance for credit loss	-	-	-	(29)	(29)
Written-off	-	-	(2)	-	(2)
Ending balance	7	-	19	98	124
Other assets					
Beginning balance	-	-	5	-	5
Changes due to re-measurement of allowance for credit loss	-	-	-	-	-
Ending balance	-	-	5	-	5

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

16. Property foreclosed

The Company and its subsidiaries's property foreclosed consist of immovable assets (External appraised) and movable assets as follow:

(Unit: Million Baht)

	Consolidated financial statements			
	2021			
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Assets transferred for settlement of debts				
Immovable assets	1,729	6	(54)	1,681
Movable assets	102	651	(617)	136
Assets purchase by bid on the open market				
Immovable assets	2,481	30	(152)	2,359
Others				
Immovable assets	402	-	(10)	392
Total property foreclosed	4,714	687	(833)	4,568
Less: Allowance for impairment	(1,660)	678	93	(889)
Property foreclosed - net	3,054	1,365	(740)	3,679

(Unit: Million Baht)

	Consolidated financial statements			
	2020			
	Balance - beginning of the year	Additions	Disposals	Balance - End of the year
Assets transferred for settlement of debts				
Immovable assets	1,735	12	(18)	1,729
Movable assets	229	683	(810)	102
Assets purchase by bid on the open market				
Immovable assets	2,472	145	(136)	2,481
Others				
Immovable assets	425	-	(23)	402
Total property foreclosed	4,861	840	(987)	4,714
Less: Allowance for impairment	(1,733)	(30)	103	(1,660)
Property foreclosed - net	3,128	810	(884)	3,054

(Unit: Million Baht)

Separate financial statements

	2021		
	Balance - beginning of the year	Additions	Balance - end of the year
Assets transferred for settlement of debts			
Immovable assets	972	-	936
Assets purchase by bid on the open market			
Immovable assets	1,624	14	1,596
Others			
Immovable assets	243	-	243
Total property foreclosed	2,839	14	2,775
Less: Allowance for impairment	(1,241)	714	(475)
Property foreclosed - net	1,598	728	2,300

(Unit: Million Baht)

Separate financial statements

	2020		
	Balance - beginning of the year	Additions	Balance - end of the year
Assets transferred for settlement of debts			
Immovable assets	974	5	972
Assets purchase by bid on the open market			
Immovable assets	1,635	101	1,624
Others			
Immovable assets	243	-	243
Total property foreclosed	2,852	106	2,839
Less: Allowance for impairment	(1,246)	(2)	(1,241)
Property foreclosed - net	1,606	104	1,598

17. Land, buildings, equipment and right-of-use assets

(Unit: Million Baht)

	Consolidated financial statements								
	For the year ended 31 December 2021								
	Revaluation basis		Cost basis						
		Buildings and buildings improvement	Furniture, fixtures and equipment	Vehicles	Assets Under installation	Right-of-use assets			
	Land					Land	Buildings	Vehicles	Total
<u>Cost/Revaluation</u>									
1 January 2021	32	178	497	32	4	-	441	71	1,255
Transfer type	-	-	-	-	-	17	-	-	17
Additions/new contracts	-	-	47	-	148	-	66	5	266
Transfers/disposals	-	-	104	(7)	(151)	-	(11)	(8)	(73)
31 December 2021	32	178	648	25	1	17	496	68	1,465
<u>Accumulated depreciation</u>									
1 January 2021	-	29	411	25	-	-	85	27	577
Transfer type	-	-	-	-	-	9	-	-	9
Transfers/disposals	-	-	(44)	(6)	-	-	(5)	(7)	(62)
Depreciation for the year	-	15	52	2	-	1	98	17	185
31 December 2021	-	44	419	21	-	10	178	37	709
<u>Net book value</u>									
31 December 2021	32	134	229	4	1	7	318	31	756
Depreciation charged for the year									185

(Unit: Million Baht)

	Consolidated financial statements							
	For the year ended 31 December 2020							
	Revaluation basis		Cost basis					
		Buildings and buildings improvement	Furniture, fixtures and equipment	Vehicles	Assets Under installation	Right-of-use assets		Total
	Land					Buildings	Vehicles	
<u>Cost/Revaluation</u>								
1 January 2020	32	178	544	59	3	428	29	1,273
Transfer type	-	-	-	(25)	-	-	25	-
Additions/new contracts	-	-	28	-	11	28	25	92
Transfers/disposals	-	-	(75)	(2)	(10)	(15)	(8)	(110)
31 December 2020	32	178	497	32	4	441	71	1,255
<u>Accumulated depreciation</u>								
1 January 2020	-	14	460	41	-	-	-	515
Transfer type	-	-	-	(16)	-	-	16	-
Transfers/disposals	-	-	(80)	(2)	-	(7)	(8)	(97)
Depreciation for the year	-	15	31	2	-	92	19	159
31 December 2020	-	29	411	25	-	85	27	577
<u>Net book value</u>								
31 December 2020	32	149	86	7	4	356	44	678
Depreciation charged for the year								159

(Unit: Million Baht)

Separate financial statements

For the year ended 31 December 2021

	Revaluation basis		Cost basis						Total
	Land	Buildings and buildings improvement	Furniture, fixtures and equipment	Vehicles	Assets under installation	Land	Buildings	Vehicles	
<u>Cost/Revaluation</u>									
1 January 2021	23	46	60	17	-	-	74	9	229
Transfer type	-	-	-	-	-	17	-	-	17
Additions/new contracts	-	-	2	-	-	-	40	-	42
Transfers/disposals	-	-	-	(11)	-	-	-	-	(11)
31 December 2021	23	46	62	6	-	17	114	9	277
<u>Accumulated depreciation</u>									
1 January 2021	-	5	56	13	-	-	13	3	90
Transfer type	-	-	-	-	-	9	-	-	9
Transfers/disposals	-	-	-	(10)	-	-	-	-	(10)
Depreciation for the year	-	3	1	2	-	1	22	2	31
31 December 2021	-	8	57	5	-	10	35	5	120
<u>Net book value</u>									
31 December 2021	23	38	5	1	-	7	79	4	157
Depreciation charged for the year									31

(Unit: Million Baht)

Separate financial statements

For the year ended 31 December 2020

	Revaluation basis		Cost basis						Total
	Land	Buildings and buildings improvement	Furniture, fixtures and equipment	Vehicles	Assets under installation	Buildings	Vehicles		
<u>Cost/Revaluation</u>									
1 January 2020	23	46	60	20	-	74	5		228
Additions/new contracts	-	-	-	-	-	-	4		4
Transfers/disposals	-	-	-	(3)	-	-	-		(3)
31 December 2020	23	46	60	17	-	74	9		229
<u>Accumulated depreciation</u>									
1 January 2020	-	2	54	15	-	-	-		71
Transfers/disposals	-	-	-	(3)	-	-	-		(3)
Depreciation for the year	-	3	2	1	-	13	3		22
31 December 2020	-	5	56	13	-	13	3		90
<u>Net book value</u>									
31 December 2020	23	41	4	4	-	61	6		139
Depreciation charged for the year									22

As at 31 December 2021 and 2020, the Company and its subsidiaries have building improvement, office equipment and vehicles which have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment, amounting to approximately Baht 368 million and Baht 353 million, respectively (separate financial statements: Baht 54 million and Baht 61 million, respectively).

The Company and its subsidiaries arranged for an independent professional appraiser to appraise the value of certain assets in 2018 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land were revalued using the market approach.
- Building were revalued using the depreciated replacement cost approach, market approach and income approach.

Had the land and buildings been carried in the financial statements on a historical cost basis, its net book value as of 31 December 2021 and 2020 would have been as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Land				
Cost	12	12	3	3
Buildings				
Cost	183	183	45	45
Accumulated depreciation	(117)	(108)	(37)	(36)
Net book value	66	75	8	9

Key assumptions used in the valuation are summarised below.

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Price per square wah (Baht)	6,500 - 51,000	51,000	Increase in fair value
Building price cost per square meter (Baht)	5,054 - 75,000	5,054 - 75,000	Increase in fair value

Surplus on revaluation of assets

Movements in surplus on revaluation of assets arising from revaluation of land and buildings of the Company and its subsidiaries during the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance - beginning of the year	78	80	51	54
Increase during the year	1	2	-	-
Transfer out during the year	(3)	(4)	(2)	(3)
Balance - end of the year (Before related income tax)	76	78	49	51

Surplus on revaluation of assets can neither be offset against deficit nor used for dividend distribution.

18. Intangible assets

Movement of intangible assets for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	For the year ended 31 December 2021						
	Consolidated financial statements				Separate financial statements		
	Computer software	Membership fees for Thailand Futures Exchange and others	Computer software under development	Total	Computer software	Computer software under development	Total
Cost							
1 January 2021	327	8	37	372	9	-	9
Additions	37	-	90	127	2	1	3
Transfers/disposals	93	(1)	(95)	(3)	1	(1)	-
31 December 2021	457	7	32	496	12	-	12
Accumulated amortisation							
1 January 2021	200	8	-	208	8	-	8
Transfers/disposals	-	(1)	-	(1)	-	-	-
Amortisation for the year	44	-	-	44	1	-	1
31 December 2021	244	7	-	251	9	-	9
Net book value							
31 December 2021	213	-	32	245	3	-	3
Remaining amortisation year	0 - 10 years	1 - 5 years	-		0 - 9 years	-	
Amortisation for the year				44			1

(Unit: Million Baht)

For the year ended 31 December 2020

	Consolidated financial statements				Separate financial statements
	Membership fees for Thailand Futures	Computer software under development	Total	Computer software	
<u>Cost</u>	Computer software	Exchange and others			
1 January 2020	302	7	28	337	9
Additions	13	1	44	58	-
Transfers/disposals	12	-	(35)	(23)	-
31 December 2020	327	8	37	372	9
<u>Accumulated amortisation</u>					
1 January 2020	191	7	-	198	8
Transfers/disposals	(22)	-	-	(22)	-
Amortisation for the year	31	1	-	32	-
31 December 2020	200	8	-	208	8
<u>Net book value</u>					
31 December 2020	127	-	37	164	1
Remaining amortisation year	0 - 10 years	1 - 5 years	-		0 - 9 years
Amortisation for the year				32	-

As at 31 December 2021 and 2020, the Company and its subsidiaries have computer software which have been fully amortised but are still in use with the gross carrying amount, before deducting accumulated amortisation and allowance for impairment, amounting to approximately Baht 128 million and Baht 99 million, respectively (separate financial statements: Baht 8 million and Baht 8 million, respectively).

19. Deferred tax assets/liabilities and income tax

19.1 Deferred tax assets/liabilities

As at 31 December 2021 and 2020, deferred tax assets/liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets	1,025	917	-	-
Deferred tax liabilities	(244)	(226)	(192)	(178)
Net	781	691	(192)	(178)

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December		Changes of deferred tax assets / liabilities in profit or loss for the years	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit loss	640	582	58	48
Allowance for impairment of properties foreclosed	8	7	1	(8)
Employee benefits	48	57	(2)	(4)
Accrued expenses	12	11	1	(2)
Insurance contract liabilities	403	375	28	32
Financial leasing liabilities / other liabilities	1	1	-	1
Others	15	7	10	(3)
Deferred tax assets	1,127	1,040	96	64
Deferred tax liabilities				
Deferred commissions and direct expenses incurred at the initiation of hire purchase	(91)	(93)	2	-
Unrealised gain from measurement of investments	(176)	(195)	(9)	16
Unrealised gain from measurement of derivatives	(50)	(33)	(17)	18
Surplus on revaluation of assets	(20)	(20)	-	-
Others	(9)	(8)	(1)	-
Deferred tax liabilities	(346)	(349)	(25)	34
Net	781	691	71	98

(Unit: Million Baht)

Separate financial statements

	As at 31 December		Changes of deferred tax assets / liabilities in profit or loss for the years	
	2021	2020	2021	2020
Deferred tax liabilities				
Unrealised gain from measurement of investments	(142)	(139)	5	(3)
Unrealised gain from measurement of derivatives	(39)	(28)	(11)	(28)
Surplus on revaluation of assets	(10)	(10)	-	-
Others	(1)	(1)	1	1
Deferred tax liabilities	(192)	(178)	(5)	(30)

As at 31 December 2021 and 2020, the Company and its subsidiaries have deductible temporary differences and unused tax loss totaling Baht 3,122 million and Baht 4,719 million, respectively (separate financial statements: Baht 1,449 million and Baht 2,873 million, respectively) on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow full utilisation of the temporary differences and unused tax loss.

The unused tax loss amounting to Baht 1,204 million in the consolidated financial statements and Baht 668 million in the separate financial statement will expire by 2022 - 2026.

19.2 Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Corporate income tax charge for the year	905	1,555	-	-
Adjustment in respect of income tax from previous year	2	6	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(71)	(98)	5	30
Relating to disposals of equity instruments designated at fair value through other comprehensive income during the year	-	94	-	-
Income tax expenses reported in statements of comprehensive income	836	1,557	5	30

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax relating to:				
Loss on changes in value of debt securities measured at fair value through other comprehensive income	(9)	(8)	-	-
Gain (loss) on changes in value of equity securities designated to measure at fair value through other comprehensive income	(16)	(169)	9	(42)
Actuarial gain on defined benefit plan	7	12	-	-
	(18)	(165)	9	(42)

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
				(Restated)
Accounting profit before tax	7,558	9,405	5,292	6,699
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,512	1,881	1,058	1,340
Adjustment in respect of income tax from previous year	2	6	-	-
Effects of non-taxable revenue and non-deductible expenses - net	(361)	(504)	(769)	(1,508)
Utilised tax loss during the period	(157)	-	(141)	-
Expense treated as non-deductible which are temporary differences and not expected to utilised (reversal)	(160)	174	(143)	198
Income tax expenses reported in statements of comprehensive income	836	1,557	5	30

20. Other assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Accrued premium insurance	749	670	-	-
Accrued income	103	47	2	29
Estimated insurance claims recoveries	203	262	-	-
Receivable from clearing house	275	797	-	-
Prepaid broker fee	271	275	-	-
Prepaid expenses	258	136	7	8
Reinsurance assets	489	608	-	-
Corporate income tax refundable	46	97	11	18
Accrued interest and dividend receivables	108	130	2	7
Other receivables	40	31	5	8
VAT refundable	76	36	-	-
Other receivables - VAT paid in advance for customers	47	62	-	-
Deposits	31	31	6	4
Other receivables - hire purchase receivables	1,019	930	-	-
Others	329	375	1	7
Total	4,044	4,487	34	81
Less: Allowance for impairment	(1)	(1)	-	-
Allowance for expected credit loss	(1,094)	(1,014)	(2)	(5)
Other assets - net	2,949	3,472	32	76

21. Classification of assets

As at 31 December 2021 and 2020, the financial assets are classified as follows:

(Unit: Million Baht)

Consolidated financial statements							
2021							
	Interbank and money market items	Debt securities measured at fair value through other comprehensive income	Debt securities measured at amortised cost	Loans to customers and accrued interest receivables	Receivables from purchase and sale of securities	Other assets	Total
Financial assets							
classified by credit risk							
Stage 1 ⁽¹⁾	8,950	10,416	-	49,670	843	455	70,334
Stage 2 ⁽²⁾	-	-	-	5,084	-	21	5,105
Stage 3 ⁽³⁾	-	-	-	1,887	-	1,084	2,971
POCI ⁽⁴⁾	-	-	-	1,195	-	-	1,195
Simplified ⁽⁵⁾	-	-	-	-	-	231	231
Total	8,950	10,416	-	57,836	843	1,791	79,836

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

Consolidated financial statements							
2020							
	Interbank and money market items	Debt securities measured at fair value through other comprehensive income	Debt securities measured at amortised cost	Loans to customers and accrued interest receivables	Receivables from purchase and sale of securities	Other assets	Total
Financial assets							
classified by credit risk							
Stage 1 ⁽¹⁾	7,815	19,211	43	43,987	1,247	1,084	73,387
Stage 2 ⁽²⁾	-	39	-	5,829	-	31	5,899
Stage 3 ⁽³⁾	-	-	-	1,528	-	978	2,506
POCI ⁽⁴⁾	-	-	-	1,249	-	-	1,249
Simplified ⁽⁵⁾	-	-	-	-	-	261	261
Total	7,815	19,250	43	52,593	1,247	2,354	83,302

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(5) Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

Separate financial statements

2021							
	Interbank and money market items	Debt securities measured at fair value through other comprehensive income	Debt securities measured at amortised cost	Loans to customers and accrued interest receivables	Receivables from purchase and sale of securities	Other assets	Total
Financial assets							
classified by credit risk							
Stage 1 ⁽¹⁾	1,348	247	-	4,622	-	13	6,230
Stage 2 ⁽²⁾	-	-	-	-	-	-	-
Stage 3 ⁽³⁾	-	-	-	22	-	2	24
POCI ⁽⁴⁾	-	-	-	251	-	-	251
Total	1,348	247	-	4,895	-	15	6,505

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

(Unit: Million Baht)

Separate financial statements

2020							
	Interbank and money market items	Debt securities measured at fair value through other comprehensive income	Debt securities measured at amortised cost	Loans to customers and accrued interest receivables	Receivables from purchase and sale of securities	Other assets	Total
Financial assets							
classified by credit risk							
Stage 1 ⁽¹⁾	172	7,202	-	676	-	43	8,093
Stage 2 ⁽²⁾	-	-	-	-	-	-	-
Stage 3 ⁽³⁾	-	-	-	22	-	5	27
POCI ⁽⁴⁾	-	-	-	230	-	-	230
Total	172	7,202	-	928	-	48	8,350

(1) Stage 1: Financial assets without a significant increase in credit risk (12-mth ECL)

(2) Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

(3) Stage 3: Financial assets that are credit impaired (Lifetime ECL - credit impaired)

(4) POCI: Financial assets that are credit impaired when purchased or originated (Purchased and originated credit-impaired)

22. Interbank and money market items - borrowings from financial institutions

(Unit: Million Baht)

	Consolidated financial statements					
	2021			2020		
	At call	Term	Total	At call	Term	Total
Bill of Exchange	-	11,584	11,584	-	4,872	4,872
Long term borrowings	-	2,450	2,450	-	5,450	5,450
Promissory notes	850	1,100	1,950	990	2,000	2,990
Total	850	15,134	15,984	990	12,322	13,312

As at 31 December 2021, interbank and money market items - borrowings from financial institutions in the consolidated financial statements included borrowings of a subsidiary company amounting to Baht 4,400 million, consisting of (i) a borrowing of Baht 450 million, repayable in full within 3 years from the date of the loan drawdown, carrying interest at a fixed rate per annum and payable monthly, (ii) Long-term borrowing of Baht 2,000 million, with principal repayment due within 4 years from the date the loan drawdown, carrying interest at a fix rate per annum and payable monthly, (iii) a borrowing of Baht 1,200 million in the form of promissory notes, repayable at the date as specified in each promissory note, carrying interest at fixed rates per annum and payable monthly (iv) borrowing in the form of promissory notes, amounting to Baht 750 million, with principal repayment due as specify in each promissory note and carrying interest at a fixed rates per annum. In addition, the subsidiary has to comply with the terms and conditions specified in the loan agreements, such as maintenance of a debt to equity ratio (2020: included loans of a subsidiary company amounting to Baht 7,440 million).

23. Debt issued and borrowings

As at 31 December 2021 and 2020, the balance of domestic debt issued and borrowings, stated in Baht, are as follows:

Instrument	Types of borrowings	Issue period	Year of maturity	Interest rate	Face Value per unit	Issuance unit		Consolidated financial statements		Separate financial statements	
						2021	2020	2021	2020	2021	2020
				(Percent per annum)	(Baht)	(Thousand unit)	(Thousand unit)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1	Unsubordinated debentures	Year 2012	Year 2022	4.60	1,000	3,000	3,000	3,000	3,000	3,000	3,000
2	Unsubordinated debentures	Year 2013	Year 2023	4.85	1,000	500	500	500	500	500	500
3	Unsubordinated debentures	Year 2013	Year 2023	5.00	1,000	1,300	1,300	1,300	1,300	1,300	1,300
4	Unsubordinated debentures	Year 2013	Year 2025	4.95	1,000	900	900	900	900	900	900
5	Unsubordinated debentures	Year 2018	Year 2021	2.31	1,000	-	1,800	-	1,800	-	-
6	Unsubordinated debentures	Year 2018	Year 2021	2.70	1,000	-	170	-	170	-	-
7	Unsubordinated debentures	Year 2018	Year 2021	2.30	1,000	-	500	-	500	-	-
8	Unsubordinated debentures	Year 2018	Year 2021	2.50	1,000	-	610	-	610	-	-
9	Unsubordinated debentures	Year 2019	Year 2021	2.65	1,000	-	500	-	500	-	-
10	Unsubordinated debentures	Year 2019	Year 2021	2.66	1,000	-	175	-	175	-	-
11	Unsubordinated debentures	Year 2019	Year 2022	2.94	1,000	2,070	2,070	2,070	2,070	-	-
12	Unsubordinated debentures	Year 2019	Year 2022	3.30	1,000	1,745	1,745	1,615	1,615	-	-
13	Unsubordinated debentures	Year 2019	Year 2021	2.57	1,000	-	145	-	145	-	-
14	Unsubordinated debentures	Year 2019	Year 2021	2.67	1,000	-	720	-	720	-	-
15	Unsubordinated debentures	Year 2019	Year 2021	2.68	1,000	-	300	-	300	-	-
16	Unsubordinated debentures	Year 2019	Year 2021	2.99	1,000	-	700	-	700	-	-
17	Unsubordinated debentures	Year 2019	Year 2022	2.96	1,000	155	155	155	155	-	-
18	Unsubordinated debentures	Year 2019	Year 2022	3.00	1,000	1,650	1,650	1,650	1,650	-	-
19	Unsubordinated debentures	Year 2019	Year 2022	3.10	1,000	190	190	190	190	-	-
20	Unsubordinated debentures	Year 2019	Year 2023	3.40	1,000	486	486	456	456	-	-
21	Unsubordinated debentures	Year 2019	Year 2024	3.50	1,000	594	594	554	554	-	-
22	Unsubordinated debentures	Year 2019	Year 2029	3.01	1,000	5,000	5,000	5,000	5,000	5,000	5,000

Instrument	Types of borrowings	Issue period	Year of maturity	Interest rate	Face Value per unit	Issuance unit		Consolidated financial statements		Separate financial statements	
						2021	2020	2021	2020	2021	2020
						(Thousand unit)	(Thousand unit)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
				(Percent per annum)	(Baht)						
23	Unsubordinated debentures	Year 2020	Year 2023	2.65	1,000	2,000	2,000	2,000	1,470	-	-
24	Unsubordinated debentures	Year 2020	Year 2023	3.20	1,000	3,439	3,439	3,439	3,439	-	-
25	Unsubordinated debentures	Year 2020	Year 2024	2.80	1,000	2,000	2,000	2,000	2,000	-	-
26	Unsubordinated debentures	Year 2020	Year 2023	2.65	1,000	200	200	200	200	-	-
27	Unsubordinated debentures	Year 2020	Year 2025	3.40	1,000	1,593	1,593	1,593	1,548	-	-
28	Unsubordinated debentures	Year 2020	Year 2026	3.50	1,000	700	700	657	657	-	-
29	Unsubordinated debentures	Year 2020	Year 2027	3.70	1,000	1,300	1,300	1,300	1,300	-	-
30	Unsubordinated debentures	Year 2021	Year 2024	2.00	1,000	3,000	-	3,000	-	-	-
31	Unsubordinated debentures	Year 2021	Year 2025	2.35	1,000	1,500	-	1,500	-	-	-
32	Structured notes		Year 2021					-	10	-	-
33	Promissory notes		At call	MLR-1				-	52	-	-
34	Promissory notes		Year 2022	MLR-1				32	-	-	-
35	Promissory notes		Year 2022 - 2023	3.30				201	201	-	-
36	Bill of Exchange	Year 2021	Year 2022	0.94, 0.95				996	-	996	-
Total debt issued and borrowings								34,308	33,887	11,696	10,700

Instruments 1) to 4) and 22) are name-registered, unsubordinated, unsecured debenture with no debentures holders' representative, paying interest semi-annually.

Instruments 5) to 6), 13) to 19), 24) to 25), and 27) to 31) are name-registered, unsubordinated, unsecured debentures with no debenture holders' representative, paying interest semi-annually. The subsidiary has to comply with the terms and conditions specified in the loan agreement, such as maintenance of a debt to equity ratio.

Instruments 7) to 12), 20), 21), 23) and 26) are name-registered, unsubordinated, unsecured debentures with no debenture holders' representative, paying interest quarterly. The subsidiary has to comply with the terms and conditions specified in the loan agreement, such as maintenance of a debt to equity ratio.

24. Provisions

(Unit: Million Baht)

Consolidated financial statements			
For the years ended 31 December 2021			
	Employee benefits	Demolition cost	Total
As at 1 January 2021	401	9	410
Increase (decrease) during the year	(48)	2	(46)
Increase from the intercompany transfer	4	-	4
Decrease from actual utilised	(44)	-	(44)
As at 31 December 2021	313	11	324

(Unit: Million Baht)

Consolidated financial statements			
For the years ended 31 December 2020			
	Employee benefits	Demolition cost	Total
As at 1 January 2020	468	-	468
Increase (decrease) during the year	(47)	9	(38)
Increase from the intercompany transfer	13	-	13
Decrease from actual utilised	(33)	-	(33)
As at 31 December 2020	401	9	410

(Unit: Million Baht)

Separate financial statements			
For the year ended 31 December 2021			
	Employee benefits	Demolition cost	Total
As at 1 January 2021	56	3	59
Increase (decrease) during the year	(7)	2	(5)
Increase from the intercompany transfer	4	-	4
Decrease from actual utilised	(6)	-	(6)
As at 31 December 2021	47	5	52

(Unit: Million Baht)

	Separate financial statements		
	For the year ended 31 December 2020		
	Employee benefits	Demolition cost	Employee benefits
As at 1 January 2020	52	-	52
Increase (decrease) during the year	(7)	3	(4)
Increase from the intercompany transfer	18	-	18
Decrease from actual utilised	(7)	-	(7)
As at 31 December 2020	56	3	59

Long-term employee benefits

Provision for long-term employee benefits, which are compensations on employees' retirement, are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Defined benefit obligation at the beginning of the year	401	468	56	52
Recognised in profit and loss:				
Current service cost	30	39	3	4
Interest cost	7	9	1	1
Past service costs and differences arising from the payment of benefits	(37)	(21)	-	-
Recognised in other comprehensive income:				
Actuarial (gain) loss arising from				
- Demographic assumptions changes	(28)	(89)	(11)	(12)
- Financial assumptions changes	(24)	(3)	-	-
- Experience adjustments	4	18	-	-
Employee benefits increase from intercompany transfers	4	13	4	18
Employee benefits paid during the year	(44)	(33)	(6)	(7)
Defined benefit obligation at the end of the year	313	401	47	56

As at 31 December 2021 and 2020, the Company and its subsidiaries expect to pay Baht 30 million and Baht 47 million, respectively, in long-term employee benefits during the next one year (separate financial statements: Baht 16 million and Baht 5 million, respectively).

The principal actuarial assumptions used to calculate the defined benefit obligations are as follows:

	(Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Discount rate	2.28 - 2.92	1.35 - 1.99	2.32	1.68
Future salary increase rate	4.89 - 5.00	4.79 - 5.00	5.00	5.00
Average staff turnover rate (depending on age)	0.00 - 19.00	0.00 - 17.00	0.00 - 19.00	0.00 - 16.00

The result of sensitivity analysis for significant assumptions that affect the increasing in present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

	(Unit: Million Baht)		
	2021		
	Change	Consolidated financial statements	Separate financial statements
Discount rate	Decrease 0.5%	15	1
Future salary increase rate	Increase 0.5%	14	1
Average staff turnover rate	Decrease 0.5%	16	1

	(Unit: Million Baht)		
	2020		
	Change	Consolidated financial statements	Separate financial statements
Discount rate	Decrease 0.5%	19	2
Future salary increase rate	Increase 0.5%	18	2
Average staff turnover rate	Decrease 0.5%	20	2

As at 31 December 2021 and 2020, the weighted average durations of the liabilities for long-term employee benefit of the Company and its subsidiaries are 13 - 22 years and 1 - 24 years, respectively (separate financial statements: 14 years and 14 years respectively).

25. Insurance contract liabilities

(Unit: Million Baht)

	Consolidated financial statements					
	2021			2020		
	Insurance contract liabilities	Reinsurance assets	Net	Insurance contract liabilities	Reinsurance assets	Net
Life policy reserves	5,101	-	5,101	5,812	-	5,812
Loss reserves and outstanding claims	1,883	(152)	1,731	1,839	(210)	1,629
Unearned premium reserve	4,336	(337)	3,999	4,483	(398)	4,085
Unpaid policy benefits	14	-	14	15	-	15
Other liabilities under insurance policies	80	-	80	82	-	82
Total	11,414	(489)	10,925	12,231	(608)	11,623

25.1 Life policy reserves for long-term insurance contracts

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Balance - beginning of the year	5,812	6,770
Insurance policy reserves increased from new policies and enforced policies (decreased)	(8)	72
Insurance policy reserves decreased from benefit paid, lapse, surrender and others	(699)	(1,319)
Assumptions changes	(162)	179
Experience adjustments	158	110
Balance - end of the year	5,101	5,812

Principles and main assumptions used in the estimating life reserve for long-term contracts

Life reserve for long-term contracts incorporate a number of relevant elements, use a number of uncertain assumption and actual results may differ from expectations due to fluctuations. However, the estimates were made using an actuarial method, which is a generally accepted method, and efforts have been made to set assumptions and reduce uncertainty as far as possible. Details of assumptions used in calculating the life reserve for long-term contracts are (i) Mortality rate which determined based on actual historical claims data, the industry mortality rate and TMO 2017. Assumptions are differentiated by the type of product, sex and age of the insured, the credibility of data, and the underwriting process; (ii) Related expenses rates which are both fixed expenses and variable expenses that relate to policy maintenance and adjusted appropriately for inflation; (iii) Lapse and surrender rates which determines based on actual historical lapse and surrender rates, taking into account the product type, distribution channel and the credibility of data; and (iv) Discount rate which using the risk free rate as at the valuation date, which is the higher of the rate of the return on non-interest bearing Thai governments bonds at the valuation date and average rate of return on non-interest bearing Thai governments bonds at the end of each of the eight quarters in the past before the valuation date.

The sensitivity analysis that affect to insurance contract liabilities for long-term contracts

The result of sensitivity analysis for significant assumptions that affect the present value of the insurance contract liabilities as at 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

Consolidated financial statements					
2021					
Insurance contract liabilities for long					
- term contracts					
	Change	Gross	Net	Profit before tax	
		reinsurance	reinsurance	increase	Equity increase
		increase	increase	increase	
		(decrease)	(decrease)	(decrease)	(decrease)
Mortality rate	Increase 10%	15	15	(15)	(15)
Expenses rate	Increase 10%	9	9	(9)	(9)
Lapse and surrender rates	Increase 10%	(18)	(18)	18	18
Discount rate	Increase 0.10%	(30)	(30)	30	30
Mortality rate	Decrease 10%	(15)	(15)	15	15
Expenses rate	Decrease 10%	(9)	(9)	9	9
Lapse and surrender rates	Decrease 10%	19	19	(19)	(19)
Discount rate	Decrease 0.10%	30	30	(30)	(30)

(Unit: Million Baht)

Consolidated financial statements					
2020					
Insurance contract liabilities for long - term contracts					
	Change	Gross reinsurance increase (decrease)	Net reinsurance increase (decrease)	Profit before tax increase (decrease)	Equity increase (decrease)
Mortality rate	Increase 10%	17	17	(17)	(17)
Expenses rate	Increase 10%	9	9	(9)	(9)
Lapse and surrender rates	Increase 10%	(27)	(27)	27	27
Discount rate	Increase 0.10%	(19)	(19)	19	19
Mortality rate	Decrease 10%	(17)	(17)	17	17
Expenses rate	Decrease 10%	(9)	(9)	9	9
Lapse and surrender rates	Decrease 10%	28	28	(28)	(28)
Discount rate	Decrease 0.10%	19	19	(19)	(19)

25.2 Loss reserves and outstanding claims

(Unit: Million Baht)

Consolidated financial statements		
	2021	2020
Balance - beginning of the year	1,839	1,880
Claim expenses for the year	4,035	4,611
Change in loss reserves and outstanding in claims and assumptions	629	205
Claim expenses paid during the year	(4,620)	(4,857)
Balance - end of the year	1,883	1,839

Principles and assumptions used in the assessment of loss reserves and outstanding claims

Reserve for insurance liabilities estimates incorporate a number of uncertain elements and actual results may differ from expectations due to fluctuations. However, the estimates were made using an actuarial method, which is a generally accepted method, and efforts have been made to set assumptions and reduce uncertainty as far as possible. In general, the estimates do not take into account catastrophes, and insurance contract liabilities are extinguished upon completing the claims settlement. Details of assumptions used in calculating the reserve for liabilities are assumption relating to claims experience (including economic assumptions, loss development factors, historical claims paid and claims incurred pattern, allocated loss adjustment expenses, qualitative and quantitative factors which have been taken into consideration to produce incurred but not report claims (IBNR), provision for adverse deviations in accordance with announcement of relevant regulator, and assumptions of related expenses (unallocated loss adjustment expenses - ULAE). Insurance risk is the risk that fluctuations in the frequency and severity of incidents will deviate from the assumptions used in determining premium rates, calculating claims liabilities and the underwriting process.

Sensitivity analysis that affect to loss reserves and outstanding claims

The sensitivity test is the risk analysis of insurance contract liabilities that may be increased or decreased as a result of change in assumptions used in calculation, which may impact on both gross and net claim reserves. The risks may be caused by the frequency of loss, value of loss and claims, or loss adjustment expenses that are not as expected.

The impact on the best estimate of insurance liabilities of changes in key variables as at 31 December 2021 and 2020 are summarised below.

(Unit: Million Baht)

Consolidated financial statements					
2021					
	Change in assumption	Insurance liabilities		Profit before tax increase	Equity increase
		Gross liabilities increase (decrease)	Net liabilities increase (decrease)		
Ultimate loss ratio	Increase 2%	208	195	(195)	(156)
Loss adjustment expenses	Increase 2%	18	18	(18)	(14)
Ultimate loss ratio	Decrease 2%	(186)	(180)	180	144
Loss adjustment expenses	Decrease 2%	(17)	(17)	17	14

(Unit: Million Baht)

Consolidated financial statements					
2020					
	Change in assumption	Insurance liabilities		Profit before tax increase	Equity increase
		Gross liabilities increase (decrease)	Net liabilities increase (decrease)		
Ultimate loss ratio	Increase 2%	205	177	(177)	(137)
Loss adjustment expenses	Increase 2%	13	13	(13)	(11)
Ultimate loss ratio	Decrease 2%	(194)	(160)	160	128
Loss adjustment expenses	Decrease 2%	(13)	(13)	13	11

25.3 Unearned premium reserves

(Unit: Million Baht)

Consolidated financial statements		
	2021	2020
Balance - beginning of the year	4,483	4,365
Premium written for the year	8,496	8,848
Premium earned during the year	(8,643)	(8,730)
Balance - end of the year	4,336	4,483

25.4 Insurance/Life insurance risk

Life insurance

Insurance risk is the risk that actual claim and benefit payments under life policies will differ from expectations because fluctuations in frequency, violence and the timing result cause them to deviate from the assumptions that were used in determining premium rate, insurance reserve calculation and the underwriting process. Insurance risk is classified into 3 categories based on the source of risk which are insurance product development and product pricing risk, underwriting risk, and claims management risk.

From the risk above, the subsidiary company manages the risk by designing new products that are competitive and meet customer needs, adjusting premium rates and conditions for underwriting processes so that they reflect the level of risk, and managing the amounts of short-term and long-term investments so that they are appropriate and in line with the situation in the money market and the capital market and the insurance maturity profile. It also reviews the correctness and appropriateness of the models used in the design of products, reviews the principles applied in the underwriting process to ensure they are current and consistent for each risk factor, review the reasonableness of the main assumptions used in estimating long-term insurance policy reserves and test the adequacy of the reserves by designing possible scenarios, such as changes in interest rates that would affect the discount rate, in order to ensure that the subsidiary company has adequate reserves to meet its obligations to its policyholders.

Non-life insurance

Insurance risk is the risk that fluctuations in the frequency and severity of incidents will deviate from the assumptions used in determining premium rates, calculating claims liabilities and the underwriting process. The subsidiaries have insurance risk management guidelines, the objective of which are to support the achievement of the subsidiaries' business goals, and these are divided based on the type of risk to ensure clear coverage of the management process and consistency with the strategy of the subsidiaries, as product development and pricing risk, underwriting risk and claims management risk.

From the risk above, the subsidiaries developed tools to assess risk based on the adequacy of the statistical data and actuarial assumptions for the calculation of risk indicators by evaluating the ratio of claims and operating expenses to ensure coverage of the core activities of product design and development and the setting of premium rates to ensure that premium cover benefits paid and claim, by assessing the maximum potential loss that could be incurred by the subsidiaries as a result of damage caused by catastrophe relate statistical data both inside and outside for estimate risk and by assessing the risks related to the adequacy of claims reserves. As a result of these risk monitoring activities, the subsidiaries monitor and report risk to the Board of Directors, executives and related departments, for acknowledgement or set up an appropriate process to responses the risks in a timely manner.

26. Other liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Other payables	391	765	16	508
Suspense cash received from accounts receivable	159	130	-	-
Income received in advance	11	13	-	-
Accrued interest expenses	220	243	82	82
Corporate income tax payable	447	743	-	-
Accrued personnel expenses	517	417	57	71
Accrued other expenses	453	438	9	13
Insurance premium received in advance	1,520	1,550	-	-
Due to reinsures	468	719	-	-
Lease liabilities	387	435	83	66
Others	465	371	35	35
Total other liabilities	5,038	5,824	282	775

27. Share capital/Treasury stocks

During the year ended 31 December 2021, there is conversion of preferred shares of 150 shares to the Company's common shares. Therefore, as at 31 December 2021, 13,006 preferred shares remained unconverted. Each preferred share can convert to 1 common share. The conversion right is unconditional and does not expire.

As at 31 December 2021 and 2020, the Company has 116,512,970 treasury shares valued at Baht 5,863 million, which reaches the limit of the budget approved by the Board of Directors. The repurchase program requires that the treasury shares be sold within 3 years from the repurchase date. Moreover, the Company has allocated retained earnings as a treasury share reserve.

28. Other components of equity

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Surplus from the change in the ownership interests of investments in subsidiaries/ associated companies				(Restated)
	(4,517)	(4,305)	(4,517)	(4,305)
Revaluation surplus on investments				
Debt instruments	2	32	4	5
Equity instruments	1,319	1,264	684	620
Total	1,321	1,296	688	625
Revaluation deficit on investments				
Debt instruments	-	(4)	-	-
Equity instruments	(206)	(79)	(34)	(15)
Total	(206)	(83)	(34)	(15)
Total revaluation surplus on investments	1,115	1,213	654	610
Less: Effect of deferred tax	(130)	(141)	(131)	(122)
Net revaluation surplus on investments	985	1,072	523	488
Revaluation surplus on assets	75	78	49	51
Less: Effect of deferred tax	(15)	(15)	(10)	(10)
Net revaluation surplus on assets	60	63	39	41
Share of other comprehensive income of subsidiaries companies	-	-	483	606
Share of other comprehensive income of associated companies and joint venture	167	388	167	388
Share of surplus from the change in the ownership interests in subsidiaries of an associated company	76	81	76	81
Total	(3,229)	(2,701)	(3,229)	(2,701)

29. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

As at 31 December 2021, the statutory reserve has fully been set aside.

30. Dividends

During the years ended 31 December 2021 and 2020, the Company has dividend payment as below.

Dividends	Approved by	Dividend payment Million Baht	Dividend per share Baht	Payment date
Interim dividend of 2021	The Company's Board of Director Meeting on 30 August 2021	1,258	1.20	28 September 2021
Interim dividend of 2020	The Company's Board of Director Meeting on 19 April 2021	1,888	1.80	19 May 2021
		<u>3,146</u>	<u>3.00</u>	
Interim dividend of 2020	The Company's Board of Director Meeting on 29 July 2020	1,258	1.20	27 August 2020
Interim dividend of 2019	The Company's Board of Director Meeting on 30 March 2020	1,888	1.80	28 April 2020
		<u>3,146</u>	<u>3.00</u>	

31. Interest income

Interest income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interbank and money market items				
- deposits at financial institutions	81	150	14	21
Financial assets measured at fair value through profit or loss	27	83	1	-
Investments in debt securities measured at amortised cost	1	2	-	-
Investments in debt securities measured at fair value through other comprehensive income	115	234	15	48
Loans to customers	372	228	138	58
Hire purchase and financial lease	3,430	3,516	-	-
Total interest income	4,026	4,213	168	127

32. Interest expenses

Interest expenses for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interbank and money market items				
- borrowings from financial institutions	255	216	-	-
Debts issued and borrowings				
- Unsubordinated debentures/short-term debentures	1,062	1,350	422	551
- Others	9	23	1	13
Borrowings cost	16	19	1	1
Others	13	12	2	2
Total interest expenses	1,355	1,620	426	567

33. Fees and service income

Fees and service income for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Fees and service income				
Brokerage fee from securities/derivatives	1,269	1,104	-	-
Hire purchase fee income	178	162	-	-
Insurance brokerage fee income	194	212	-	-
Others	245	181	1	-
Total fees and service income	1,886	1,659	1	-
Fees and service expenses	(432)	(410)	(1)	(1)
Net fees and service income	1,454	1,249	-	(1)

34. Gain (loss) on financial instruments measured at fair value through profit or loss

Gain (loss) on financial instruments measured at fair value through profit or loss for the years ended 31 December 2021 and 2020 consisted of the following:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Debt securities	(1)	(51)	(4)	4
Equity securities	63	(145)	8	18
Unit trusts	10	(1)	6	(1)
Others	455	348	362	142
Total	527	151	372	163

35. Gain (loss) on investments

Gain (loss) on investments for the years ended 31 December 2021 and 2020 consisted of the following:

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Gain on derecognition				
Investments classified as assets held for sale	-	3,737	-	-
Investments in debt securities measured at fair value through other comprehensive income	(13)	20	-	3
Investments in debt securities measured at amortised cost	10	-	-	-
Total	(3)	3,757	-	3

36. Non-life insurance/Life insurance income

Non-life insurance/life insurance income for the years ended 31 December 2021 and 2020 consisted of the following:

	(Unit: Million Baht)	
	Consolidated financial statements	
	2021	2020
Gross premium written	8,795	9,143
Less : Premium ceded to reinsurers	(732)	(997)
Net insurance premium income	8,063	8,146
Add (less): Unearned premium reserve decreased (increased) from previous year	85	(437)
Total	8,148	7,709

37. Non-life insurance/Life insurance expenses

Non-life insurance expenses for the years ended 31 December 2021 and 2020 consisted of the following:

		(Unit: Million Baht)
		Consolidated financial statements
	2021	2020
Gross claim and loss adjustment expenses	4,293	4,292
Less: Claims recovery from reinsurers	(460)	(770)
Benefit payments under life policies and claims	813	1,602
Less: Benefit payment under life policies and claims refundable from reinsurers	(4)	(41)
Commissions and brokerages expenses	1,323	1,395
Less: Commissions and brokerages income from reinsurers	(209)	(289)
Long-term insurance policy reserves decrease	(711)	(950)
Other underwriting expense	692	582
Total	5,737	5,821

38. Directors' remuneration

Directors' remuneration represents the benefits paid to the directors of the Company and public subsidiary companies in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive positions but including the payment of remuneration amounting to Baht 47 million (separate financial statement: Baht 31 million), which were approved by the Annual General Meeting of Shareholders of the Company and its subsidiaries.

39. Expected credit loss (reversal)

Expected credit loss (reversal) for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Expected credit loss (reversal)				
Interbank and money market items	-	(1)	-	-
Investments in debt securities measured at fair value through other comprehensive income	(30)	271	30	1
Loans to customers and accrued interest	659	337	48	(29)
Other assets	(154)	(1)	(3)	-
Loss on disposal of loans to customers	8	-	-	-
Total	483	606	75	(28)

40. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of common shares issued during the year, netting of treasury shares held by the Company.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the total sum of the weighted average number of common shares outstanding during the year, netting of treasury shares held by the Company, plus the weighted average number of common shares that would be required to be issued to convert all potential common shares to common shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential common shares were issued.

	Consolidated and separate financial statements					
	For the years ended 31 December					
	Profit for the year		Weighted average number of common shares		Earnings per share	
	2021	2020	2021	2020	2021	2020
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit attributable to the Company	5,287,180	6,669,030	1,048,604	1,065,512	5.04	6.26
Effect of dilutive securities						
Preferred shares convertible to common shares	-	-	13	13		
Diluted earnings per share						
Profit of common shareholders assuming conversion of dilutive securities	5,287,180	6,669,030	1,048,617	1,065,525	5.04	6.26

41. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at rates of 2 - 15 percent of their basic salaries, and the Company and its subsidiaries contributed to the fund at stipulated rates. The fund will be paid to the employees upon termination of employment in accordance with the fund rules. During the year 2021, the Company and its subsidiaries contributed Baht 69 million to the fund (separate financial statements: Baht 11 million) (2020: Baht 69 million in the consolidated financial statements and Baht 10 million in the separate financial statements).

42. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with its related parties. These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy (For the year 2021)
	financial statements		financial statements		
	2021	2020	2021	2020	
Transactions occurred during the years					
Subsidiary companies					
Purchase of debt securities	-	-	-	43	
Investment in common share of subsidiary companies	-	-	884	-	At the amount agreed under the contract
Capital returned from subsidiary companies	-	-	1,076	5,199	At the net assets value
Interest income	-	-	101	42	At interest rate of 1.255 - MLR-1 percent per annum
Rental and other service income	-	-	132	57	At the rate agreed under the contract
Associated companies					
Purchase of debt securities	5,409	-	670	-	At market price
Sales of debt securities	1,599	-	1,134	-	At market price
Investments in ordinary share of associated and joint venture	3,948	881	3,030	881	At the amount agreed under the contract
Interest income	4	2	4	-	At interest rate of 0.10 - 4.00 percent per annum
Non-life insurance premium/life insurance premium income	71	21	-	-	At the rate agreed under the contract
Other income	2	4	2	-	
Interest expenses	17	3	-	-	At interest rate of 1.00 - MLR-1 percent per annum
Dividend paid	390	390	390	390	As declared
Non-life insurance/life insurance expenses	864	32	-	-	At the rate agreed under the contract
Other expenses	81	176	23	18	

Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy (For the year 2021)
	financial statements		financial statements		
	2021	2020	2021	2020	
<u>Transactions occurred during the years</u>					
<u>(continued)</u>					
Related companies					
Purchase of debt securities	5,134	28,886	2,330	12,010	At market price
Sales of debt securities	906	12,128	245	10,775	At market price
Interest income	17	83	11	20	At interest rate of 0.05 - 0.50 percent per annum
Dividend income	57	77	50	77	As declared
Non-life insurance premium/life insurance premium income	27	74	-	-	At the rate agreed under the contract
Other income	90	99	3	-	
Interest expenses	7	17	-	-	At interest rate of 1.16 - 1.20 percent per annum
Dividend payment	803	190	-	-	As declared
Project management expenses	22	25	12	13	At the contract price calculated by reference to estimated usage time
Non-life insurance/life insurance expenses	284	244	-	-	At the rate agreed under the contract
Other expenses	133	927	3	3	

The outstanding balances of the above transactions during the years ended 31 December 2021 and 2020 have been shown at the average balance at the end of each month as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Subsidiary companies</u>				
Loans to customers	-	-	2,159	684
<u>Associated companies</u>				
Interbank and money market items (assets)	499	102	780	-
Investments in debt securities	145	-	-	-
Interbank and money market items (liabilities)	861	-	-	-
Debt issued and borrowings	172	51	-	-
<u>Related companies</u>				
Interbank and money market items (assets)	3,485	8,604	2,154	3,135
Investments in debt securities	23	46	-	-
Interbank and money market items (liabilities)	686	356	-	-

As at 31 December 2021 and 2020, the significant outstanding balances of the transactions with subsidiaries, associated companies, or related companies are as follows:

(Unit: Million Baht)

Consolidated financial statements						
2021						
Assets			Liabilities			
Interbank and money market items	Loans to customers and interest receivables	Other assets	Interbank and money market items	Debt issued and borrowings	Other liabilities	
Associated companies						
TMBThanachart Bank Plc.	2,687	-	84	2,700	-	-
MBK Plc.	-	-	13	-	150	96
Related companies						
Other related companies	-	-	91	1,400	-	240
	2,687	-	188	4,100	150	336

(Unit: Million Baht)

Consolidated financial statements						
2020						
Assets			Liabilities			
Interbank and money market items	Loans to customers and interest receivables	Other assets	Interbank and money market items	Debt issued and borrowings	Other liabilities	
Associated companies						
TMBThanachart Bank Plc.	52	-	190	-	-	71
MBK Plc.	-	-	11	-	48	74
TM Communication and Brand Management Co., Ltd.	-	-	-	-	-	2
Related companies						
Other related companies	2,070	-	74	1,000	-	243
	2,122	-	275	1,000	48	390

(Unit: Million Baht)

Separate financial statements						
2021						
Assets			Liabilities			
Interbank and money market items	Loans to customers and interest receivables	Other assets	Interbank and money market items	Debt issued and borrowings	Other liabilities	
Subsidiary companies						
NFS Asset Management Co., Ltd.	-	300	-	-	-	-
Thanachart SPV 1 Co., Ltd.	-	1,087	-	-	-	-
TM Broker Co., Ltd.	-	3	-	-	-	-
Thanachart Plus Co., Ltd.	-	1,724	-	-	-	-
TS Asset Management Co., Ltd.	-	200	1	-	-	-
Max Asset Management Co., Ltd.	-	160	-	-	-	-
Thanachart Securities Plc.	-	1,000	-	-	-	-
Ratchthani Leasing Plc.	-	-	245	-	-	-
Associated companies						
TMBThanachart Bank Plc.	1,348	-	-	-	-	1
MBK Plc.	-	-	5	-	-	94
	1,348	4,474	251	-	-	95

(Unit: Million Baht)

Separate financial statements						
2020						
Assets			Liabilities			
Interbank and money market items	Loans to customers and interest receivables	Other assets	Interbank and money market items	Debt issued and borrowings	Other liabilities	
Subsidiary companies						
NFS Asset Management Co., Ltd.	-	422	4	-	-	-
Thanachart SPV 1 Co., Ltd.	-	-	1	-	-	-
MBK Life Assurance Plc.	-	-	6	-	-	-
TM Broker Co., Ltd.	-	3	1	-	-	-
TS Asset Management Co., Ltd.	-	-	2	-	-	-
Thanachart SPV 2 Co., Ltd.	-	-	1	-	-	-
Max Asset Management Co., Ltd.	-	244	3	-	-	-
Thanachart Securities Plc.	-	-	2	-	-	-
Thanachart Insurance Plc.	-	-	5	-	-	-
Ratchthani Leasing Plc.	-	-	247	-	-	-
Security Scib Services Co., Ltd.	-	-	3	-	-	-
Associated company						
MBK Plc.	-	-	3	-	-	66
Related companies						
Thanachart Bank Plc.	172	-	-	-	-	-
	172	669	278	-	-	66

As at 31 December 2021 and 2020, the Company has loans to subsidiary companies as follows:

		(Unit: Million Baht)	
		Outstanding balances	
Company's name	Interest rate	2021	2020
	(For the year 2021)		
NFS Asset Management Co., Ltd.	MLR of TMBThanachart Bank Plc. - 1%	300	422
Thanachart SPV 1 Co., Ltd.	MLR of TMBThanachart Bank Plc. - 1%	1,087	-
TM Broker Co., Ltd.	MLR of TMBThanachart Bank Plc. - 1%	3	3
Thanachart Plus Co., Ltd.	MLR of TMBThanachart Bank Plc. - 1%	1,724	-
TS Asset Management Co., Ltd.	MLR of TMBThanachart Bank Plc. - 1%	200	-
Max Asset Management Co., Ltd.	MLR of TMBThanachart Bank Plc. - 1%	160	244
Thanachart Securities Plc.	1.422%	1,000	-
Total		4,474	669

As at 31 December 2021, the Company and its subsidiaries have investments in related companies in which they are related by means of members of their management being shareholders and/or directors of those companies amounting to Baht 1,850 million (separate financial statements: Baht 1,616 million) (2020: Baht 1,762 million in the consolidated financial statements and Baht 1,544 million in the separate financial statements).

Directors and management's remuneration

During the years ended 31 December 2021 and 2020, the Company and its subsidiaries recorded the following benefits to their key management personnel, including directors:

		(Unit: Million Baht)	
		Consolidated	Separate
		financial statements	financial statements
		2021	2020
Short-term employee benefits		315	144
Post-employment benefits		10	1
		325	145

43. Financial information classified by operating segments

The Company and its subsidiaries' operations involve 6 principal segments: (1) Company; (2) Securities business; (3) Life insurance business; (4) Non-life insurance business; (5) Asset management business; and (6) Hire purchase and leasing business.

The chief operating decision maker reviews the operating results of each segment separately in order to make decisions on the allocation of resources to each operating segment and to assess performance. The Company and its subsidiaries measure segment performance based on net income generated by each segment.

Financial information of the Company and its subsidiaries presented by operating segments are as follows:

(Unit: Million Baht)

	2021								(Unit: million Baht)
	The Company	Securities business	Life insurance business	Non-life insurance business	Asset management business	Hire purchase and leasing business	Other businesses	Eliminations	Consolidated
Net interest income	(258)	171	94	103	20	2,522	19	-	2,671
Other operating income	5,978	1,515	77	2,112	306	504	885	(2,864)	8,513
Other operating expenses	(353)	(859)	(139)	(1,227)	(127)	(454)	(146)	162	(3,143)
Expected credit loss	(75)	-	74	(26)	(3)	(495)	(3)	45	(483)
Profit (loss) before income tax	5,292	827	106	962	196	2,077	755	(2,657)	7,558
Income tax	(5)	(166)	4	(194)	(32)	(398)	(46)	1	(836)
Profit (loss) before non-controlling interests	5,287	661	110	768	164	1,679	709	(2,656)	6,722

(Unit: Million Baht)

	2020								
	The Company	Securities business	Life insurance business	Non-life insurance business	Asset management business	Hire purchase and leasing business	Other business	Eliminations	Consolidated
Net interest income	(440)	160	156	188	27	2,462	40	-	2,593
Other operating income	7,427	1,177	(337)	2,031	98	568	4,447	(5,094)	10,317
Other operating expenses	(316)	(739)	(142)	(1,137)	(63)	(429)	(160)	87	(2,899)
Expected credit loss	28	-	(73)	(147)	(52)	(305)	-	(57)	(606)
Profit (loss) before income tax	6,699	598	(396)	935	10	2,296	4,327	(5,064)	9,405
Income tax	(30)	(119)	13	(190)	(5)	(435)	(792)	1	(1,557)
Profit (loss) before non-controlling interests	6,669	479	(383)	745	5	1,861	3,535	(5,063)	7,848

The segment assets of the Company and its subsidiaries as at 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	The Company	Securities business	Life insurance business	Non-life insurance business	Asset management business	Hire purchase and leasing business	Other businesses	Eliminations	Consolidated
Segment assets									
As at 31 December 2021	77,336	8,679	6,353	14,899	2,067	48,956	16,731	(32,286)	142,735
As at 31 December 2020	75,002	6,852	7,064	15,342	2,318	48,305	14,729	(28,876)	140,756

Information about major customers

For the years 2021 and 2020, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

44. Encumbrance of assets

As at 31 December 2021 and 2020, the Company and its subsidiaries have the following encumbrance assets, presented at book value as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interbank and money market items (assets)				
Placed at insurance registrar	2,174	1,530	-	-
Placed at court	1	1	-	-
Placed at the Office of Insurance Commission	4	4	-	-
Placed for EDC machine	1	1	-	-
Investments in securities				
Placed at insurance registrar	21	847	-	-
Property foreclosed				
Immovable assets subject to buyback options or first rights refusal	8	4	-	-
Immovable assets subject to purchase or sell agreements with clients but currently being settled in installments or through transfer of ownership	29	18	8	-
	2,238	2,405	8	-

45. Commitments and contingent liabilities

As at 31 December 2021 and 2020, significant commitments and contingent liabilities consisted of:

45.1 Guarantees

As at 31 December 2021, the Company had letter of guarantees issued by banks on behalf of the Company amounting approximately Baht 1 million placed for electricity usage, and a subsidiary has issued letters of guarantee to investigating officers, public prosecutors, courts or persons authorised to grant provisional releases, as bonds for insured parties that have been charged or are defendants in various cases, in the amount of approximately Baht 10 million.

In addition, the subsidiaries have commitments in respect of derivative contracts as mentioned in Note 10 to the financial statements.

45.2 Operating lease commitments

As at 31 December 2021, the Company and its subsidiaries have commitments to pay the service fees in relation to property foreclosed, information technology system services and other services, including commitments in respect of office rental and service fee which are short-term leases or leases of low-value assets as follows:

(Unit: Million Baht)		
Year	Consolidated financial statements	Separate financial statements
2022	116	-
2023	41	-
2024 onward	123	-

45.3 Contingent liabilities/litigation

As at 31 December 2021, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 195 million (separate financial statements: Baht 44 million) in respect of litigation. However, the Company and its subsidiaries have already made certain provisions for contingent loss, and for the remaining portion the Company's and its subsidiaries' management believes that no loss will result and therefore no liabilities are currently recorded.

46. Financial instruments

46.1 Credit risk

Credit risk is the risk that receivables or the party to a financial instrument will fail to fulfill an obligation, causing the Company and its subsidiaries to incur a financial loss. The maximum amount of credit risk exposure is the carrying amount of the financial assets less allowance for expected credit loss as stated in the statements of financial position.

Credit Risk Guidelines

The Company and its subsidiaries manage the credit risk related to receivables, insurance and investment assets as follows:

1. Credit risk for insurance

- 1.1 Credit risk for reinsurance: The subsidiaries attach importance to the distribution of insurance risk. In transferring risk to reinsurers, the subsidiaries therefore take into account the financial strength of the reinsurers and their ability to meet their obligations when due, with reinsurance to be made with Thai reinsurers with a capital adequacy ratio of at least 150% (Risk Grade 3) and with overseas reinsurers with credit ratings of at least A-.
- 1.2 Credit risk from collection of premium receivable: The subsidiaries maintain the proportion of outstanding premiums at an appropriate level, in accordance with the guidelines of the OIC, and submit regular risk status reports to the Board of Directors for the information of and to facilitate action by the relevant departments.

2. Credit risk from investment assets

The Company and its subsidiaries diversify investment in order to spread risk across a range of assets, in accordance with the investment strategy and investment policy. In diversifying investment in debt instruments, significant consideration is given to the credit rating of the bond or the issuer, and the Company and its subsidiaries has a policy to invest in debt instruments with credit ratings of not less than A-.

The criteria used by the Company and its subsidiaries' in measurement of expected credit loss over the next 12 months are as follows:

Stage I Financial assets with no significant increase in credit risk (12 -month ECL) are financial assets with a credit rating of BBB- (investment grade) or higher, at low risk of non-compliance and of for which negative fluctuations in long-term economic conditions will not reduce ability to cover contractual cash flows.

Stage II Financial assets with a significant increase in credit risk (Lifetime ECL-not credit impaired) are the financial assets that are downgraded to a credit risk below the investment grade, BBB-.

Stage III Financial assets with credit impairment (Lifetime ECL- credit impaired) are the financial assets that are downgraded to the credit rating of BBB- or lower (below the investment grade), or with the interest or principal payments that are over 1 day past due, or issuer having significant financial problems, or high probability that the issuer of financial assets will be bankrupt or under financial restructuring.

3. Credit risk from loan granted

The Company and subsidiaries are exposed to credit risk primarily with respect to loans to customers and manage the risk by adopting appropriate credit control policies and procedures, meaning careful consideration of credit approval process, analysis of risk factors and the ability to service debt of customers, and a credit review process that examines and reviews the quality of the loan portfolio so as to prevent and provide remedies for problem loans in the future. The Company and its subsidiaries therefore do not expect to incur material financial loss. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying value of the loans and receivables less allowance for expected credit loss as stated in the statements of financial position.

The maximum exposure to credit risk

As of 31 December 2021 and 2020, the maximum exposure to credit risk of financial instruments (excluding insurance assets) is the gross carrying amount before allowance for expected credit loss, and before both the effect of mitigation through use of master netting and collateral arrangements. The maximum exposures to credit risk are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Financial assets				
Interbank and money market items (assets)	8,950	7,815	1,348	172
Investments in debt securities measured at fair value				
through profit or loss	653	2,021	251	1,101
Investments in debt securities measured at amortised cost	-	43	-	-
Investments in debt securities measured at fair value				
through other comprehensive income	10,416	19,250	247	7,202
Loans to customers and accrued interest receivables	57,836	52,593	4,895	928
Receivables from purchase and sale of securities	843	1,247	-	-
Other assets	1,791	2,354	15	48
Total maximum exposure to credit risk	80,489	85,323	6,756	9,451

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company and its subsidiaries. The Company and its subsidiaries has adopted a policy to manage this risk by performing credit analysis based on customer information and consistently monitoring customer status.

The table below shows the credit quality of financial assets. The amounts presented for financial assets are the gross carrying amount (before deducting allowance for expected credit loss).

(Unit: Million Baht)

Consolidated financial statements						
31 December 2021						
Financial assets with credit risk						
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Simplified	Total
Interbank and money market items - deposits at financial institutions						
Investment grade	8,950	-	-	-	-	8,950
Allowance for expected credit loss	3	-	-	-	-	3
Investments in debt securities measured at fair value through other comprehensive income						
Investment grade	10,416	-	-	-	-	10,416
Allowance for expected credit loss	-	-	244	-	-	244
Loans to customers and accrued interest receivables						
Not overdue	44,416	196	-	297	-	44,909
Overdue 1 - 30 days	5,254	86	-	-	-	5,340
Overdue 31 - 60 days	-	3,415	-	-	-	3,415
Overdue 61 - 90 days	-	1,387	-	-	-	1,387
Overdue more than 90 days	-	-	1,887	898	-	2,785
Total	49,670	5,084	1,887	1,195	-	57,836
Allowance for expected credit loss	247	689	1,005	674	-	2,615
Receivables from purchase and sale of securities						
Receivables from purchase and sale of securities	843	-	-	-	-	843
Allowance for expected credit loss	-	-	-	-	-	-
Other assets						
Other assets	455	21	1,084	-	231	1,791
Allowance for expected credit loss	-	1	1,061	-	32	1,094

⁽¹⁾ Without a significant increase in credit risk (12-mth ECL)

⁽²⁾ With a significant increase in credit risk (Lifetime ECL not credit impaired)

⁽³⁾ With credit impairment (Lifetime ECL-credit impaired)

⁽⁴⁾ Purchased or originated credit impairment (Purchased and originated credit-impaired)

(Unit: Million Baht)

Consolidated financial statements						
31 December 2020						
Financial assets with credit risk						
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Simplified	Total
Interbank and money market items -						
deposits at financial institutions						
Investment grade	7,815	-	-	-	-	7,815
Allowance for expected credit loss	3	-	-	-	-	3
Investments in debt securities measured at						
amortised cost						
Investment grade	43	-	-	-	-	43
Allowance for expected credit loss	-	-	-	-	-	-
Investments in debt securities measured at						
fair value through other comprehensive						
income						
Investment grade	19,211	-	-	-	-	19,211
Non-investment grade	-	39	-	-	-	39
Total	19,211	39	-	-	-	19,250
Allowance for expected credit loss	1	1	272	-	-	274
Loans to customers and accrued interest						
receivables						
Not overdue	38,847	-	-	16	-	38,863
Overdue 1 - 30 days	5,082	-	-	62	-	5,144
Overdue 31 - 60 days	-	3,635	-	54	-	3,689
Overdue 61 - 90 days	-	2,194	-	-	-	2,194
Overdue more than 90 days	58	-	1,528	1,117	-	2,703
Total	43,987	5,829	1,528	1,249	-	52,593
Allowance for expected credit loss	183	643	857	659	-	2,342
Receivables from purchase and						
sale of securities						
Receivables from purchase and sale of securities	1,247	-	-	-	-	1,247
Allowance for expected credit loss	-	-	-	-	-	-
Other assets						
Other assets	1,084	31	978	-	261	2,354
Allowance for expected credit loss	-	1	977	-	36	1,014

⁽¹⁾ Without a significant increase in credit risk (12-mth ECL)⁽²⁾ With a significant increase in credit risk (Lifetime ECL not credit impaired)⁽³⁾ With credit impairment (Lifetime ECL-credit impaired)⁽⁴⁾ Purchased or originated credit impairment (Purchased and originated credit-impaired)

(Unit: Million Baht)

Separate financial statements					
31 December 2021					
Financial assets with credit risk					
Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Simplified	Total
Interbank and money market items - deposits at financial institutions					
Investment grade	1,348	-	-	-	1,348
Allowance for expected credit loss	-	-	-	-	-
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	247	-	-	-	247
Allowance for expected credit loss	1	-	30	-	31
Loans to customers and accrued interest receivables					
Not overdue	4,622	-	-	1	4,623
Overdue more than 90 days	-	-	22	250	272
Total	4,622	-	22	251	4,895
Allowance for expected credit loss	31	-	19	123	173
Other assets					
Other assets	13	-	2	-	15
Allowance for expected credit loss	-	-	2	-	2

⁽¹⁾ Without a significant increase in credit risk (12-mth ECL)⁽²⁾ With a significant increase in credit risk (Lifetime ECL not credit impaired)⁽³⁾ With credit impairment (Lifetime ECL-credit impaired)⁽⁴⁾ Purchased or originated credit impairment (Purchased and originated credit-impaired)

(Unit: Million Baht)

	Separate financial statements					
	31 December 2020					
	Financial assets with credit risk					
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Simplified	Total
Interbank and money market items -						
deposits with financial institutions						
Investment grade	172	-	-	-	-	172
Allowance for expected credit loss	-	-	-	-	-	-
Investments in debt securities measured at						
fair value through other comprehensive						
income						
Investment grade	7,202	-	-	-	-	7,202
Allowance for expected credit loss	1	-	-	-	-	1
Loans to customers and accrued interest						
receivables						
Not overdue	676	-	-	1	-	677
Overdue more than 90 days	-	-	22	229	-	251
Total	676	-	22	230	-	928
Allowance for expected credit loss	7	-	19	98	-	124
Other assets						
Other assets	43	-	5	-	-	48
Allowance for expected credit loss	-	-	5	-	-	5

⁽¹⁾ Without a significant increase in credit risk (12-mth ECL)⁽²⁾ With a significant increase in credit risk (Lifetime ECL not credit impaired)⁽³⁾ With credit impairment (Lifetime ECL-credit impaired)⁽⁴⁾ Purchased or originated credit impairment (Purchased and originated credit-impaired)

Collateral and any operations to increase creditability

The Company and its subsidiaries holds collateral and any operations to increase creditability of exposure to credit risk. The maximum exposures for loans to customers who have collateral pledged or mortgaged with the Company and its subsidiaries are as follows:

(Unit: Million Baht)

Consolidated financial statements			
Exposure to credit risk with collateral			
	2021	2020	Type of collateral
Loans to customers and accrued interest receivables	57,022	51,812	Cash, Lands, buildings, vehicles and securities

(Unit: Million Baht)

Separate financial statements			
Exposure to credit risk with collateral			
	2021	2020	Type of collateral
Loans to customers and accrued interest receivables	328	166	Lands and buildings

46.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates, and securities prices may have an effect on the Company and its subsidiaries' investment status. Since, the Company and its subsidiaries do not have foreign currency assets and liabilities, as such, market risk consists of interest rate risk, and equity/commodity position risk.

a) Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate as a result of changes in market interest rates.

Interest rate Risk Guidelines

The Company and its subsidiaries manage the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels. Such management is under the supervision of the Asset and Liabilities Management Committee.

Financial assets and financial liabilities as at 31 December 2021 and 2020, classified by types of interest rate are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements			
	2021			
	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
<u>Financial assets</u>				
Cash	-	-	4	4
Interbank and money market items	2,989	5,793	150	8,932
Financial instruments measured at fair value through profit or loss	-	323	2,458	2,781
Derivatives assets	-	-	206	206
Investments	185	10,231	2,708	13,124
Loans to customers	4,915	52,140	628	57,683
Receivables from purchase and sale of securities	-	-	843	843
Other assets	-	-	1,791	1,791
<u>Financial liabilities</u>				
Interbank and money market items	-	15,984	-	15,984
Derivatives liabilities	-	-	18	18
Debt issued and borrowings	32	34,276	-	34,308
Payables from purchase and sale of securities	-	-	1,264	1,264
Other liabilities	-	387	220	607

(Unit: Million Baht)

Consolidated financial statements				
2020				
Transactions	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
<u>Financial assets</u>				
Cash	-	-	2	2
Interbank and money market items	2,334	5,415	49	7,798
Financial assets measured at fair value				
through profit or loss	-	1,380	1,977	3,357
Derivatives assets	-	-	145	145
Investments	-	19,293	2,357	21,650
Loans to customers	3,174	48,705	630	52,509
Receivables from purchase and sale of securities	-	-	1,247	1,247
Other assets	-	-	2,354	2,354
<u>Financial liabilities</u>				
Interbank and money market items	-	13,312	-	13,312
Derivatives liabilities	-	-	14	14
Debt issued and borrowings	52	33,835	-	33,887
Payables from purchase and sale of securities	-	-	2,083	2,083
Other liabilities	-	435	243	678

(Unit: Million Baht)

Separate financial statements				
2021				
Transactions	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
<u>Financial assets</u>				
Interbank and money market items	1,342	-	6	1,348
Financial assets measured at fair value				
through profit or loss	-	-	376	376
Derivatives assets	-	-	194	194
Investments	-	247	1,614	1,861
Loans to customers	3,491	1,222	136	4,849
Other assets	-	-	15	15
<u>Financial liabilities</u>				
Debt issued and borrowings	-	11,696	-	11,696
Other liabilities	-	83	82	165

(Unit: Million Baht)

Transactions	Separate financial statements			
	2020			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items	158	-	14	172
Financial assets measured at fair value				
through profit or loss	-	460	758	1,218
Derivatives assets	-	-	142	142
Investments	-	7,202	1,495	8,697
Loans to customers	680	87	140	907
Other assets	-	-	48	48
Financial liabilities				
Debt issued and borrowings	-	10,700	-	10,700
Other liabilities	-	66	82	148

As at 31 December 2021 and 2020, all assets and liabilities under insurance contracts are non-interest bearing assets or liabilities.

With respect to financial instruments that carry fixed interest rates, the periods from the financial statements date to the repricing or maturity date (whichever is the earlier) are presented below:

(Unit: Million Baht)

Transactions	Consolidated financial statements						
	2021						
	Repricing or maturity date					Total	Weighted average interest rates Percent
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	-	666	5,113	14	-	5,793	0.25 - 0.65
Financial assets measured at fair value through profit or loss	-	-	71	252	-	323	2.37
Investments	-	2,683	6,636	268	644	10,231	0.84 - 3.38
Loans to customers	2,240	693	17,066	32,113	28	52,140	7.04 - 11.91
Financial liabilities							
Interbank and money market items	850	5,231	7,903	2,000	-	15,984	0.93 - 1.06
Debt issued and borrowings	-	2,225	7,602	18,149	6,300	34,276	1.42 - 3.69
Other liabilities - lease liabilities	-	3	33	351	-	387	0.18 - 5.65

(Unit: Million Baht)

Consolidated financial statements							
2020							
Transactions	At call	Repricing or maturity date				Total	Weighted average interest rates Percent
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	-	452	4,963	-	-	5,415	0.10 - 1.10
Financial assets measured at fair value through profit or loss	-	46	155	444	735	1,380	3.94 - 5.42
Investments	-	8,461	8,613	1,949	270	19,293	0.39 - 1.65
Loans to customers	2,026	226	17,104	29,330	19	48,705	7.00 - 18.03
Financial liabilities							
Interbank and money market items	990	3,977	955	7,390	-	13,312	1.02 - 1.66
Debt issued and borrowings	-	4,105	1,525	21,248	6,957	33,835	0.20 - 3.95
Other liabilities - lease liabilities	-	2	11	201	221	435	2.17 - 5.65

(Unit: Million Baht)

Transactions	Separate financial statements						
	2021						Weighted average interest rates Percent
	Repricing or maturity date						
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total	
<u>Financial assets</u>							
Investments	-	-	131	116	-	247	3.38
Loans to customers	87	1,000	-	135	-	1,222	11.91
<u>Financial liabilities</u>							
Debt issued and borrowings	-	-	3,996	2,700	5,000	11,696	3.69
Other liabilities	-	-	21	62	-	83	2.49

(Unit: Million Baht)

	Separate financial statements						
	2020						
	Repricing or maturity date						Weighted
		0 - 3	3 - 12	1 - 5	Over 5		average
Transactions	At call	months	months	years	years	Total	interest rates
							Percent
<u>Financial assets</u>							
Financial assets measured at fair value through profit or loss	-	-	-	-	460	460	5.42
Investments	-	5,916	1,040	203	43	7,202	0.39
Loans to customers	87	-	-	-	-	87	18.03
<u>Financial liabilities</u>							
Debt issued and borrowings	-	-	-	5,700	5,000	10,700	3.95
Other liabilities - lease liabilities	-	-	1	65	-	66	2.39

b) Market risk

Market risk is the risk that changes in the market prices of equity securities will result in fluctuations in revenue and the value of financial assets.

Market risk guidelines

The Company and its subsidiaries have a policy to manage market risk by setting manageable limits on transactions in order to control the risk to the acceptable level. The Risk Control Unit is responsible for managing risk and reporting on compliance to the Board of Directors, relevant business units and relevant management, in order to facilitate responsive risk management. This unit is under the supervision of the Board of Executives.

46.3 Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries will be unable to liquidate their financial assets or procure sufficient funds to discharge their obligations in a timely manner, resulting in the Company and its subsidiaries incurring a financial loss.

Liquidity risk guidelines

The Company and its subsidiaries manage liquidity risk by means of appropriate structuring of short-term and long-term sources of capital. In addition, the Company and its subsidiaries has a policy to maintain liquidity to ensure that it has sufficient liquidity to meet both present and future requirements, under the supervision of the Board of Executives.

Counting from the financial position date, the periods to maturity of financial instruments held as at 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements				
	2021				
	At call	Less than 1 year	Over 1 year	Unspecified	Total
<u>Financial assets</u>					
Cash	4	-	-	-	4
Interbank and money market items	3,139	5,779	14	-	8,932
Financial assets measured at fair value					
through profit or loss	-	271	253	2,257	2,781
Derivatives assets	206	-	-	-	206
Investments	-	9,505	911	2,708	13,124
Loans to customers ⁽¹⁾	2,742	18,065	32,146	4,730	57,683
Receivables from purchase and sale of securities	-	843	-	-	843
Other Assets	176	1,401	204	10	1,791
<u>Insurance assets</u>					
Premium receivables	-	749	-	-	749
Reinsurance assets - claims reserves	-	125	27	-	152
Reinsurance receivables	-	51	-	-	51
<u>Financial liabilities</u>					
Interbank and money market items	850	13,134	2,000	-	15,984
Derivatives liabilities	-	18	-	-	18
Debt issued and borrowings	-	9,859	24,449	-	34,308
Payables from purchase and sale of securities	-	1,264	-	-	1,264
Other liabilities	-	290	317	-	607
<u>Insurance liabilities</u>					
Insurance contract liabilities					
- long-term insurance policy reserves ⁽²⁾	-	857	5,739	-	6,596
- loss reserves and outstanding claims	-	1,231	652	-	1,883
Due to reinsurers	-	468	-	-	468
<u>Commitments</u>					
Other commitments	1	-	9	-	10

(1) The outstanding balances of loans to customers at call included credit impaired loans.

(2) Reserves for long-term insurance contracts were presented to amount undiscounted cashflow insurance contract liabilities.

(Unit: Million Baht)

Consolidated financial statements					
Transactions	2020				
	At call	Less than 1 year	Over 1 year	Unspecified	Total
<u>Financial assets</u>					
Cash	2	-	-	-	2
Interbank and money market items	2,375	5,423	-	-	7,798
Financial assets measured at fair value through profit or loss	-	920	460	1,977	3,357
Derivatives assets	142	3	-	-	145
Investments	-	17,074	2,219	2,357	21,650
Loans to customers ⁽¹⁾	2,694	17,348	29,458	3,009	52,509
Receivables from purchase and sale of securities	-	1,247	-	-	1,247
Other assets	1,141	1,195	4	14	2,354
<u>Insurance assets</u>					
Premium receivables	-	670	-	-	670
Reinsurance assets - claims reserves	-	156	54	-	210
Reinsurance receivables	-	99	-	-	99
<u>Financial liabilities</u>					
Interbank and money market items	990	4,932	7,390	-	13,312
Derivatives liabilities	-	14	-	-	14
Debt issued and borrowings	52	5,630	28,205	-	33,887
Payables from purchase and sale of securities	-	2,083	-	-	2,083
Other liabilities	-	345	333	-	678
<u>Insurance liabilities</u>					
Insurance contract liabilities					
- long-term insurance policy reserves ⁽²⁾	-	767	5,739	-	6,506
- loss reserves and outstanding claims	-	1,358	481	-	1,839
Due to reinsurers	-	719	-	-	719
<u>Commitments</u>					
Other commitments	1	-	63	-	64

(1) The outstanding balances of loans to customers at call included credit impaired loans.

(2) Reserves for long-term insurance contracts were presented to amount undiscounted cashflow insurance contract liabilities.

(Unit: Million Baht)

Separate financial statements					
Transactions	2021				
	At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets					
Interbank and money market items	1,348	-	-	-	1,348
Financial assets measured at fair value through profit or loss	-	200	-	176	376
Derivatives assets	194	-	-	-	194
Investments	-	131	116	1,614	1,861
Loans to customers ⁽¹⁾	216	4,520	113	-	4,849
Other assets	13	2	-	-	15
Financial liabilities					
Debt issued and borrowings	-	3,996	7,700	-	11,696
Other liabilities	-	103	62	-	165
Commitments					
Other commitments	1	-	-	-	1

(1) The outstanding balances of loans to customers at call included credit impaired loans

(Unit: Million Baht)

Separate financial statements					
Transactions	2020				
	At call	Less than 1 year	Over 1 year	Unspecified	Total
Financial assets					
Interbank and money market items	172	-	-	-	172
Financial assets measured at fair value through profit or loss	-	-	460	758	1,218
Derivatives assets	142	-	-	-	142
Investments	-	6,956	246	1,495	8,697
Loans to customers ⁽¹⁾	899	2	6	-	907
Other assets	41	7	-	-	48
Financial liabilities					
Debt issued and borrowings	-	-	10,700	-	10,700
Other liabilities - accrued interest expenses	-	82	-	-	82
Other liabilities - lease liabilities	-	14	52	-	66
Commitments					
Other commitments	1	-	-	-	1

(1) The outstanding balances of loans to customers at call included credit impaired loans

46.4 Derivatives

Risk of derivative of the subsidiary which operate in derivative transactions is the risk that the fair value of equities and derivatives with linked to equity instrument changes as a result of changes in market price of stock. The majority of investment in equity instrument of the subsidiary is marketable equity instrument which mostly is trading securities held for hedging against derivatives, which have equity instrument as an underlying. Both equity and derivatives instruments are measured at fair value through profit and loss (FVTPL) for hedging purpose. The subsidiary manages such risk at acceptable levels through risk management policies and establishment of proper risk limits, regularly review of policies and outstanding to reflect the current market conditions, and establishment of a function to monitor and control risks in accordance with the Company's policies.

46.5 Fair value of financial instruments

As at 31 December 2021 and 2020, the Company and its subsidiaries had financial assets and financial liabilities that were measured at fair value, and those that were measured at cost but has to disclose the fair value, which presented based on fair value hierarchy as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	2021				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss	2,781	2,781	1,778	653	350
Derivatives assets	206	206	206	-	-
Investments in debt securities measured at fair value through other comprehensive income	10,416	10,416	-	10,416	-
Investments in equity securities designated to be measured at fair value through other comprehensive income	2,708	2,708	2,434	-	274
<u>Financial liabilities measured at fair value</u>					
Derivatives liabilities	18	18	18	-	-
<u>Non-financial assets measured at fair value</u>					
Land, premises and equipment - land and buildings	166	166	-	-	166
<u>Financial assets and liabilities non-measured at fair value</u>					
Cash	4	4	4	-	-
Inter bank and money market items (assets)	8,947	8,947	3,153	5,794	-
Loan to customers	55,221	54,751	-	5,223	49,528
Receivables from purchase and sale securities	843	843	-	843	-
Other assets	697	697	-	697	-
Interbank and money market item (liabilities)	15,984	15,995	-	2,147	13,848
Debts issued and borrowings	34,308	34,494	-	34,494	-
Payables from purchase and sale of securities	1,264	1,264	-	1,264	-
Other liabilities - accrued interest expenses	220	220	-	220	-

(Unit: Million Baht)

Consolidated financial statements					
2020					
Book value	Fair value				
	Total	Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss	3,357	3,357	1,008	2,021	328
Derivatives assets	145	145	145	-	-
Investments in debt securities measured at fair value through other comprehensive income	19,250	19,250	-	19,250	-
Investments in equity securities designated to measured at fair value through other comprehensive income	2,357	2,357	2,072	-	285
<u>Financial liabilities measured at fair value</u>					
Derivatives liabilities	14	14	14	-	-
<u>Non-financial assets measured at fair value</u>					
Land, premises and equipment - land and buildings	181	181	-	-	181
<u>Financial assets and liabilities non-measured at fair value</u>					
Cash	2	2	2	-	-
Interbank and money market items (assets)	7,812	7,812	2,387	5,425	-
Investments in debt securities measured at mortised cost	43	43	-	43	-
Loan to customers and accrued interest receivables	50,251	49,687	-	3,339	46,348
Receivables from purchase and sale securities	1,247	1,247	-	1,247	-
Other assets	1,340	1,340	-	1,290	50
Interbank and money market item (liabilities)	13,312	13,348	-	550	12,798
Debts issued and borrowings	33,887	34,401	-	34,401	-
Payables from purchase and sale of securities	2,083	2,083	-	2,083	-
Other liabilities - accrued interest expenses	243	243	-	243	-

(Unit: Million Baht)

Separate financial statements

	2021				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss	376	376	-	251	125
Derivatives assets	194	194	194	-	-
Investments in debt securities measured at fair value through other comprehensive income	247	247	-	247	-
Investments in equity securities designated to be measured at fair value through other comprehensive income	1,614	1,614	1,445	-	169
<u>Non-financial assets measured at fair value</u>					
Land, premises and equipment - land and buildings	61	61	-	-	61
<u>Financial assets and liabilities non-measured at fair value</u>					
Interbank and money market items (assets)	1,348	1,348	1,348	-	-
Loan to customers and accrued interest receivables	4,722	4,724	-	4,591	133
Other assets	13	13	-	13	-
Debt issued and borrowings	11,696	11,662	-	11,662	-
Other liabilities - accrued interest expenses	82	82	-	82	-

(Unit: Million Baht)

Separate financial statements

	2020				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets measured fair value</u>					
Financial assets measured at fair value through profit or loss	1,218	1,218	-	1,101	117
Derivatives assets	142	142	142	-	-
Investments in debt securities measured at fair value through other comprehensive income	7,202	7,202	-	7,202	-
Investments in equity securities designated to be measured at fair value through other comprehensive income	1,495	1,495	1,331	-	164
<u>Non-financial assets measured at fair value</u>					
Land, premises and equipment - land and buildings	64	64	-	-	64
<u>Financial assets and liabilities non-measured at fair value</u>					
Interbank and money market items (assets)	172	172	172	-	-
Loan to customers and accrued interest receivables	804	804	-	670	134
Other assets	43	43	-	43	-
Debt issued and borrowings	10,700	11,118	-	11,118	-
Other liabilities - accrued interest expenses	82	82	-	82	-

Valuation techniques and inputs used for fair value measurement

Cash	- The fair value is assumed to approximate its book value in the statement of financial position.
Interbank and money market items - deposits at financial institutions	- The fair value is assumed to approximate their book value in the statement of financial position due to their short-term nature.
Derivatives	- The fair value is based on quoted market prices. When there is no observable market price, the fair value is measured using a valuation technique that uses observable inputs such as interest rates and foreign exchange rates, obtained from reliable sources and adjusted to reflect counterparty credit risk.
Investments	<ul style="list-style-type: none">- The fair value of marketable securities is based on the latest bid price of the last working day of the year.- The fair value of debt securities is determined using the yield rates quoted by the Thai Bond Market Association.- The fair value of unit trusts is determined from their net asset value.- The fair value of investments in non-marketable equity securities is determined using common valuation techniques such as book value or adjusted book value.
Loans to customers	<ul style="list-style-type: none">- The fair value of floating rate loans is assumed to approximate their book value, net of allowance for expected credit loss.- The fair value of fixed rate loans is determined by discounting the expected future cash flows at the interest rate of similar loans, net of allowance for expected credit loss.- The fair value of loans purchase of receivables is determined by discounting the expected cashflow at the effective interest rate, net of allowance for expected credit loss.

Land, premises and equipment - land and buildings	- The fair value of land is determined using market comparison approach which is used whereby the buying and selling prices for assets with similar characteristics.
	- The fair value of buildings is determined using replacement cost approach, market comparison approach and income approach.
Receivables and payables from purchase and sale of securities	- The fair value is assumed to approximate their book value in the statement of financial position due to their short-term nature.
Interbank and money market items - borrowings from financial institutions and debt issued and borrowings	- The fair value of borrowings at call, floating rate or fixed rate with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book value.
	- The fair value of fixed rate borrowings with more than 1 year from the statement of financial position date remaining to maturity is determined based on the present value of future cash flows, discounted by the estimated current market interest rate for borrowings subject to similar conditions.

During the current year, the Company and its subsidiaries did not transfer any items among fair value hierarchy levels.

47. Reclassification of accounts

The Company and its subsidiaries reclassified certain accounts in the statement of comprehensive income for the year 2020, restated for comparative purposes, to be consistent with the current year's accounting classification. These reclassifications do not have any impact on previously reported profit or equity.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	
	Reclassified	Previously reported
Non-life insurance/Life insurance expenses	5,820,603	5,820,488
Other expenses	663,902	674,730
Expected credit loss	606,102	595,389

48. Events after the reporting period

On 25 February 2022, the Board of Directors of the Company passed a resolution to propose to the Annual General Meeting of Shareholders for consideration for payment of a dividend of Baht 1.80 per share, or a total of Baht 1,888 million, to the ordinary and preference shareholders and for approval of a decrease of the Company's registered share capital through the cancellation of 19,467,000 shares, valued at Baht 1,000 million, due to the end of treasury stock program. Resulting in a decline number of registered in the share capital to 1,145,662,703 shares and the issued and paid-up share capital to Baht 11,456,627,030.

49. Approval of financial information

These financial information were authorised for issue by the Company's Board of Directors on 25 February 2022.

Abbreviations

Thanachart Capital Public Company Limited	the Company
Thanachart Securities Public Company Limited	TNS
Thanachart Insurance Public Company Limited	TNI
MBK Life Assurance Public Company Limited	MBK LIFE
Ratchthani Leasing Public Company Limited	THANI
RTN Insurance Broker Company Limited	RTN
NFS Asset Management Company Limited	NFS AMC
MAX Asset Management Company Limited	MAX AMC
TS Asset Management Company Limited	TS AMC
Thanachart Plus Company Limited	T-Plus
Thanachart Management and Services Company Limited	TMS
Security Scib Services Company Limited	SSV
TM Broker Company Limited	TM Broker
MT Service 2016 Company Limited	MTS
Thanachart SPV1 Company Limited	SPV1
Thanachart SPV2 Company Limited	SPV2
Thanachart Bank Public Company Limited	TBANK
Thanachart Fund Management Company Limited	TFUND
Thanachart Broker Company Limited	TBROKE
TMB Bank Public Company Limited	TMB
TMBThanachart Bank Public Company Limited	TTB
Siam City Bank Public Company Limited	SCIB
MBK Public Company Limited	MBK
Prudential Life Assurance (Thailand) Public Company Limited	Prudential
Ajinomoto (Thailand) Company Limited	AJT
Financial Institutions Development Fund	FIDF
The Bank of Thailand	BOT
The Securities and Exchange Commission, Thailand	SEC
The Stock Exchange of Thailand	SET
Office of the Insurance Commission	OIC
Coronavirus Disease 2019	COVID-19



Thanachart Capital Public Company Limited

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56-1 One Report e-book



The background of the slide features a blurred, artistic photograph of several business professionals in a meeting. They are standing and looking at documents or a screen, with a large window in the background showing a city skyline at dusk or dawn. The lighting is warm and soft, creating a professional yet approachable atmosphere.

Attachments

- Attachment 1 Details of the Board of Directors, Executives, Controlling Persons, and Company Secretary
- Attachment 2 Details of Directors of Subsidiary Companies
- Attachment 3 Details of the Head of Internal Control and the Head of Compliance of the Company
- Attachment 4 Details Related to Assets Appraisal
- Attachment 5 Corporate Governance Policies and Code of Ethics
- Attachment 6 Reports of Sub-Committees

Attachment 1

Details of the Board of Directors, Executives, Controlling Persons, and Company Secretary

Board of Directors and Executives Management

The Board of Directors

(As at 31 December 2021)

Mr. Banterng Tantivit	Chairman (Non-executive Director)
Date of Appointment	30 October 1980
Age	77 Years
Education	<ul style="list-style-type: none"> Master of Science (Finance) in Management, Massachusetts Institute of Technology, USA Bachelor of Science in Electrical Engineering, Massachusetts Institute of Technology, USA
Directorship and Executive Training Program	<u>Thai Institute of Directors Association</u> <ul style="list-style-type: none"> Certificate, Director Accreditation Program (DAP), Class 25/2004 <u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none"> Anti-Corruption for Executives 2017
Position in Other Listed Company	
MBK Public Company Limited	<ul style="list-style-type: none"> Chairman 2006 - Present
Position in Other Non-listed Company	
911 Streetball Company Limited	<ul style="list-style-type: none"> Director 2021 - Present
Thanachart Insurance Public Company Limited	<ul style="list-style-type: none"> Chairman 2019 - Present
Laem Sai Village Company Limited	<ul style="list-style-type: none"> Director 2016 - Present
Siam Piwat Holding Company Limited	<ul style="list-style-type: none"> Director 2006 - Present
MBK Resort Public Company Limited	<ul style="list-style-type: none"> Chairman 2003 - Present
Siam Piwat Company Limited	<ul style="list-style-type: none"> Director 2003 - Present
B.V. Holding Company Limited	<ul style="list-style-type: none"> Director 2003 - Present
Deebuk Company Limited	<ul style="list-style-type: none"> Director 1987 - Present
Thai Farming Company Limited	<ul style="list-style-type: none"> Director 1987 - Present
Experience in the Past 5 Years	
Dusit Thani Public Company Limited	<ul style="list-style-type: none"> Director 2015 - 2017
Thanachart Bank Public Company Limited	<ul style="list-style-type: none"> Chairman 2002 - 2019
MBK Public Company Limited	<ul style="list-style-type: none"> Chairman of the Executive Committee 1994 - 2018
Family Relationship with Director and Management	None
No. of TCAP Share Held	None

Mr. Suphadej Poonpipat	Vice Chairman and Chairman of the Executive Committee (Executive Director)
Date of Appointment	23 May 1983
Age	71 Years
Education	<ul style="list-style-type: none"> • Master of Science, University of Wisconsin, USA • Bachelor of Business Administration and Accounting, Chulalongkorn University
Directorship and Executive Training Program	<p><u>Thai Institute of Directors Association</u></p> <ul style="list-style-type: none"> • Certificate, Director Accreditation Program (DAP), Class 8/2004 • Certificate, Role of the Compensation Committee (RCC), Class 15/2012 • Certificate, Role of the Chairman Program (RCP), Class 28/2012 • Certificate, Financial Institutions Governance Program (FGP), Class 4/2012 <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> • Anti Corruption for Executives, Class 1/2014 • Anti-Corruption for Executives 2017 • Block Chain Technology 2018 <p><u>Capital Market Academy, The Stock Exchange of Thailand</u></p> <ul style="list-style-type: none"> • Certificate, Capital Market Academy Leadership Program, Class 8/2009 <p><u>The Bank of Thailand</u></p> <ul style="list-style-type: none"> • Cyber Resilience Leadership: Herd Immunity 2021
Position in Other Listed Company	
TMBThanachart Bank Public Company Limited (Formerly known as “TMB Bank Public Company Limited” changed the name of the company since May 2021)	<ul style="list-style-type: none"> • Vice Chairman and Vice Chairman of the Board of Executive Directors 2019 - Present
MBK Public Company Limited	<ul style="list-style-type: none"> • Chairman of the Executive Committee 2018 - Present • Chairman of the Nomination and Compensation Committee 2015 - Present • Vice Chairman 2006 - Present
PRG Corporation Public Company Limited (Formerly known as “Patum Ricemill and Granary Public Company Limited” changed the name of the company since May 2021)	<ul style="list-style-type: none"> • Chairman of the Good Corporate Governance Committee 2016 - Present • Chairman 2012 - Present

Position in Other Non-listed Company		
Thanachart Insurance Public Company Limited	<ul style="list-style-type: none"> • Vice Chairman • Chairman of the Executive Committee 	2019 - Present 2005 - Present
MBK Life Assurance Public Company Limited	<ul style="list-style-type: none"> • Chairman 	2014 - Present
Siam Piwat Holding Company Limited	<ul style="list-style-type: none"> • Director 	2006 - Present
MBK Resort Public Company Limited	<ul style="list-style-type: none"> • Director 	2005 - Present
Siam Piwat Company Limited	<ul style="list-style-type: none"> • Director 	2003 - Present
Experience in the Past 5 Years		
Thanachart Bank Public Company Limited	<ul style="list-style-type: none"> • Vice Chairman of the Executive Committee • Member of the Succession Committee • Vice Chairman • Chairman of the Executive Committee 	2019 - 2021 2016 - 2019 2005 - 2021 2005 - 2019
DMS Property Investment Private Company Limited	<ul style="list-style-type: none"> • Chairman 	2015 - 2019
Thanachart Insurance Public Company Limited	<ul style="list-style-type: none"> • Chairman 	2014 - 2019
Thanachart Capital Public Company Limited	<ul style="list-style-type: none"> • Chairman of the Risk Management Committee • Chief Executive Officer 	2013 - 2018 2010 - 2018
Patum Ricemill and Granary Public Company Limited	<ul style="list-style-type: none"> • Chairman of the Executive Committee 	2011 - 2017
Royal Orchid Hotel (Thailand) Public Company Limited	<ul style="list-style-type: none"> • Director 	2007 - 2018
Thai Royal Orchid Real Estate Company Limited	<ul style="list-style-type: none"> • Director 	2007 - 2018
MBK Public Company Limited	<ul style="list-style-type: none"> • Vice Chairman of the Executive Committee 	2003 - 2018
Family Relationship with Director and Management	None	
No. of TCAP Share Held	None	

Mrs. Siripen Sitasuwan		Chairperson of the Audit Committee and Member of the Nomination, Remuneration, and Corporate Governance Committee (Independent Director)	
Date of Appointment	23 May 2000		
Age	73 Years		
Education	<ul style="list-style-type: none">• Master of Business Administration, Wichita State University, Kansas, USA• Bachelor of Business Administration and Accounting, Chulalongkorn University		
Directorship and Executive Training Program	<u>Thai Institute of Directors Association</u> <ul style="list-style-type: none">• Certificate, Director Certification Program (DCP), Class 33/2003• Certificate, Role of the Compensation Committee (RCC), Class 4/2007• Certificate, Audit Committee Program (ACP), Class 32/2010 <u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none">• Anti Corruption for Executives, Class 1/2014• Anti-Corruption for Executives 2017 <u>Singapore Institute of Directors</u> <ul style="list-style-type: none">• Attendance for course LCD-Module 1: Listed Company Director Essentials-Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know• Attendance for course LCD-Module 2: Audit Committee Essentials• Attendance for course LCD-Module 3: Risk Management Essentials• Attendance for course LCD-Module 4: Nominating Committee Essentials• Attendance for course LCD-Module 5: Remuneration Committee Essentials		
<hr/>			
Position in Other Listed Company			
Sermasuk Public Company Limited	<ul style="list-style-type: none">• Member of the Sustainability and Risk Management Committee• Member of the Audit Committee	2015 - Present	2013 - Present
<hr/>			
Position in Other Non-listed Company			
Fraser and Neave, Limited (Singapore)	<ul style="list-style-type: none">• Chairperson of the Audit Committee and Member of the Nomination Committee• Member of the Remuneration Committee	2014 - Present	2013 - Present
<hr/>			
Experience in the Past 5 Years			
Thai Solar Energy Public Company Limited	<ul style="list-style-type: none">• Chairperson of the Audit Committee	2013 - 2021	
Solaris Asset Management Company Limited	<ul style="list-style-type: none">• Chairperson	2008 - 2017	
<hr/>			
Family Relationship with Director and Management	None		
No. of TCAP Share Held	None		

Mr. Tiraphot Vajrabhaya		Chairman of the Nomination, Remuneration, and Corporate Governance Committee and Member of the Audit Committee (Independent Director)	
Date of Appointment		3 April 2014	
Age		68 Years	
Education		<ul style="list-style-type: none">● Master of Business Administration, Boston University, USA● Bachelor of Arts in Economics and Commerce, University of Melbourne, Australia	
Directorship and Executive Training Program		<u>Thai Institute of Directors Association</u> <ul style="list-style-type: none">● Certificate, Director Certification Program (DCP), Class 197/2014● Certificate, Role of the Compensation Committee (RCC), Class 19/2014 <u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none">● Anti Corruption for Executives, Class 1/2014● Anti-Corruption for Executives 2017● Block Chain Technology 2018	
Position in Other Listed Company		None	
Position in Other Non-listed Company			
U.S.P.N. Company Limited		● Director	1997 - Present
T.V.V. Enterprise Company Limited		● Managing Director	1984 - Present
Experience in the Past 5 Years			
U.V.S.P. Company Limited		● Director	1997 - 2021
Family Relationship with Director and Management		None	
No. of TCAP Share Held		None	

Mrs. Salinee Wangtal	Member of the Audit Committee and Member of the Risk Oversight Committee (Independent Director)	
Date of Appointment	1 January 2020	
Age	67 Years	
Education	<ul style="list-style-type: none">● Master of Business Administration, Finance & International Business, Columbia University, USA● Bachelor of Accounting, Chulalongkorn University	
Directorship and Executive Training Program	<u>Thai Institute of Directors Association</u> <ul style="list-style-type: none">● Certificate, Role of the Chairman Program (RCP), Class 36/2015 <u>Harvard University, USA</u> <ul style="list-style-type: none">● Advance Management Program	
Position in Other Listed Company	None	
Position in Other Non-listed Company		
Siam Paragon Retail Company Limited	● Director	2021 - Present
Siam Paragon Development Company Limited	● Director	2021 - Present
Green Earth Power (Thailand) Company Limited	● Chairperson	2020 - Present
SCB Asset Management Company Limited	● Chairperson of the Audit Committee	2018 - Present
Experience in the Past 5 Years		
Nation Multimedia Group Public Company Limited	● Director	2018 - 2020
The Office of Small and Medium Enterprise Promotion	● Director	2015 - 2017
MBK Life Assurance Public Company Limited	● Chairperson of the Audit Committee	2014 - 2019
Public Warehouse Organization Ministry of Commerce Thailand	● Chairperson of the Executive Committee	2014 - 2018
Small and Medium Enterprise Development Bank of Thailand	● Chairperson	2014 - 2016
Family Relationship with Director and Management	None	
No. of TCAP Share Held	None	

Dr. Thanachart Numnonda		Chairman of the Risk Oversight Committee (Independent Director)	
Date of Appointment		1 January 2020	
Age		56 Years	
Education		<ul style="list-style-type: none"> • Doctor of Philosophy in Engineering, University of Auckland, New Zealand • Master of Engineering (Electrical and Electronic), University of Auckland, New Zealand • Bachelor of Engineering (Electrical Engineering), Khon Kaen University 	
Directorship and Executive Training Program		<u>Thai Institute of Directors Association</u> <ul style="list-style-type: none"> • Certificate, Director Accreditation Program (DAP), Class 121/2015 • Certificate, Advanced Audit Committee Program (AACP), Class 25/2016 • Certificate, Director Certification Program (DCP), Class 242/2017 • Certificate, Role of the Chairman Program (RCP), Class 41/2017 • Certificate, Financial Statements for Directors (FSD), Class 35/2018 • Certificate, Strategic Board Master Class (SBM), Class 5/2018 • Certificate, Risk Management Program for Corporate Leaders (RCL), Class 19/2020 • Certificate, Director Leadership Certification Program (DLCP), Class 2/2021 • Certificate, Successful Formulation and Execution of Strategy (SFE), Class 36/2021 <u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none"> • Block Chain Technology 2018 <u>Columbia Business School</u> <ul style="list-style-type: none"> • Digital Strategies for Business 2018 	
Position in Other Listed Company			
Humanica Public Company Limited		<ul style="list-style-type: none"> • Member of the Nomination and Remuneration Committee • Member of the Audit Committee 	2020 - Present 2015 - Present
Vintcom Technology Public Company Limited		<ul style="list-style-type: none"> • Chairman of the Risk Management Committee and Member of the Nomination and Remuneration Committee • Member of the Audit Committee 	2019 - Present 2015 - Present
SiamEast Solutions Public Company Limited		<ul style="list-style-type: none"> • Chairman and Chairman of the Audit Committee 	2016 - Present

Position in Other Non-listed Company		
Burapha University	• Committee of BUU Council	2021 - Present
Khon Kaen University	• Committee of KKU Council	2019 - Present
Ubon Ratchathani University	• Committee of UBU Council	2013 - Present
IMC Outsourcing (Thailand) Company Limited	• Director	2013 - Present
Experience in the Past 5 Years		
Thanachart Bank Public Company Limited	• Chairman of the Audit Committee	2017 - 2019
The Association of Thai ICT Industry	• President	2015 - 2017
Family Relationship with Director and Management	None	
No. of TCAP Share Held	None	

Mr. Vichit Yanamorn	Member of the Nomination, Remuneration, and Corporate Governance Committee and Member of the Risk Oversight Committee (Non-executive Director)
Date of Appointment	25 February 2015
Age	75 Years
Education	<ul style="list-style-type: none"> • Master of Science (Computer Science), University of Iowa, USA • Bachelor of Commerce and Accountancy (Statistics), Second Class Honor, Chulalongkorn University
Directorship and Executive Training Program	<p><u>Thai Institute of Directors Association</u></p> <ul style="list-style-type: none"> • Certificate, Director Accreditation Program (DAP), Class 34/2005 • Certificate, Audit Committee Program (ACP), Class 18/2007 • Certificate, Role of the Compensation Committee (RCC), Class 20/2015 • Certificate, Role of the Nomination and Governance Committee (RNG), Class 7/2015 • Certificate, Driving Company Success with IT Governance (ITG), Class 3/2016 <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> • Anti-Corruption for Executives 2017 • Block Chain Technology 2018 <p><u>The Bank of Thailand</u></p> <ul style="list-style-type: none"> • Thailand Sustainable Banking 2018 <p><u>The Stock Exchange of Thailand</u></p> <ul style="list-style-type: none"> • IT Future for Listed Company, Class 3/2017 • IT Future for Capital Market, Class 2/2018
Position in Other Listed Company	
IT City Public Company Limited	<ul style="list-style-type: none"> • Chairman 2020 - Present • Member of the Risk Management Committee 2019 - Present • Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee 2018 - Present • Director 2002 - Present
Netbay Public Company Limited	<ul style="list-style-type: none"> • Member of the Nomination and Remuneration Committee 2015 - Present • Member of the Audit Committee 2014 - Present
MBK Public Company Limited	<ul style="list-style-type: none"> • Information Technology Advisor 2012 - Present

Position in Other Non-listed Company		
Amornchewin Company Limited	• Director	2016 - Present
Thanachart Insurance Public Company Limited	• Information Technology Advisor	2014 - Present
The Grand UB Company Limited	• Director	2010 - Present
Experience in the Past 5 Years		
New Continent Company Limited	• Director	2002 - 2020
Public Sector Audit Evaluation Sub-committee of Social Development and Human Security	• Sub-committee	2001 - 2017
Acerts Company Limited	• Director	1991 - 2016
Family Relationship with Director and Management	None	
No. of TCAP Share Held	None	

Ms. Suvarnapha Suvarnaprathip		Vice Chairperson of the Executive Committee (Executive Director)	
Date of Appointment	1 September 2005		
Age	76 Years		
Education	<ul style="list-style-type: none">● Bachelor of Economics, Monash University, Australia		
Directorship and Executive Training Program	<u>Banker Trust, New York, USA</u> <ul style="list-style-type: none">● Corporate Finance Training Program <u>Thai Institute of Directors Association</u> <ul style="list-style-type: none">● Certificate, Director Accreditation Program (DAP), Class 20/2004 <u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none">● Anti-Corruption for Executives 2017● Block Chain Technology 2018 <u>The Bank of Thailand</u> <ul style="list-style-type: none">● Thailand Sustainable Banking 2018		
Position in Other Listed Company			
Ratchthani Leasing Public Company Limited	<ul style="list-style-type: none">● Member of the Corporate Governance Committee	2020 - Present	
Position in Other Non-listed Company			
Thanachart Plus Company Limited	<ul style="list-style-type: none">● Chairman	2021 - Present	
Seacon Development Public Company Limited	<ul style="list-style-type: none">● Director	1991 - Present	
Experience in the Past 5 Years			
Thanachart Capital Public Company Limited	<ul style="list-style-type: none">● Vice Chairperson of the Risk Management Committee	2013 - 2018	
Thanachart Bank Public Company Limited	<ul style="list-style-type: none">● Vice Chairperson of the Executive Committee● Director	2006 - 2019 2002 - 2019	
Family Relationship with Director and Management	None		
No. of TCAP Share Held	None		

Mr. Somjate Moosirilert	Member of the Executive Committee, Member of the Risk Oversight Committee, and Chief Executive Officer (Executive Director)
Date of Appointment	2 March 2009
Age	65 Years
Education	<ul style="list-style-type: none"> • Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Business Administration, Thammasat University
Directorship and Executive Training Program	<p><u>Thai Institute of Directors Association</u></p> <ul style="list-style-type: none"> • Certificate, Corporate Governance for Capital Market Intermediaries (CGI), Class 15/2016 • Certificate, Role of the Chairman Program (RCP), Class 5/2001 <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> • Anti Corruption for Executives, Class 1/2014 • Anti-Corruption for Executives 2017 <p><u>Thai Listed Company Association,</u> <u>The Stock Exchange of Thailand</u></p> <ul style="list-style-type: none"> • Certificate, TLCA Leadership Development Program (LDP) 2012 <p><u>Capital Market Academy, The Stock Exchange of Thailand</u></p> <ul style="list-style-type: none"> • Certificate, Capital Market Academy Leadership Program, Class 5/2007 <p><u>Judicial Training Institute, Courts of Justice</u></p> <ul style="list-style-type: none"> • Certificate, The Program for Senior Executives on Justice Administration, Class 9/2005 <p><u>The Bank of Thailand</u></p> <ul style="list-style-type: none"> • Thailand Sustainable Banking 2018 • Cyber Resilience Leadership: Herd Immunity 2021
Position in Other Listed Company TMBThanachart Bank Public Company Limited (Formerly known as “TMB Bank Public Company Limited” changed the name of the company since May 2021)	<ul style="list-style-type: none"> • Member of the Credit Committee 2021 - Present • Member of the Board of Executive Directors and Member of the Nomination, Remuneration, and Corporate Governance Committee 2019 - Present
Ratchthani Leasing Public Company Limited	<ul style="list-style-type: none"> • Member of the Executive Committee, Member of the Risk Management Committee, Member of the Nomination and Remuneration Committee, and Member of the Corporate Governance Committee 2020 - Present

Position in Other Non-listed Company		
TBCO Public Company Limited (Formerly known as “Thanachart Bank Public Company Limited” changed the name of the company since November 2021)	• Liquidation Advisor	2021 - Present
Thanachart Plus Company Limited	• Director	2021 - Present
Phahonyothin Asset Management Company Limited	• Advisor	2021 - Present
Thanachart SPV1 Company Limited	• Chairman • Director	2020 - Present 2019 - Present
Thanachart SPV2 Company Limited	• Chairman • Director	2020 - Present 2019 - Present
TS Asset Management Company Limited	• Chairman	2019 - Present
Thanachart Securities Public Company Limited	• Chairman of the Executive Committee • Chairman	2013 - Present 2009 - Present
Association of Thai Securities Companies	• Board Advisor	2010 - Present
Experience in the Past 5 Years		
Thanachart Bank Public Company Limited	• Member of the Executive Committee and Member of the Nomination and Remuneration Committee • Chairman of the Risk Management Committee • Chief Executive Officer and President • Member of the Executive Committee	2019 - 2021 2012 - 2018 2011 - 2018 2009 - 2018
The Thai Bankers’ Association	• Director • Advisor • Director	2018 2016 - 2018 2011 - 2016
Thai Listed Company Association	• Vice Chairman • Vice Chairman Advisor	2017 - 2021 2015 - 2017
Thanachart Insurance Public Company Limited	• Vice Chairman • Vice Chairman of the Executive Committee	2014 - 2018 2013 - 2018
Sasin Graduate Institute of Business Administration of Chulalongkorn University	• Director	2014 - 2016
Thanachart Fund Management Company Limited	• Chairman • Chairman of the Executive Committee	2013 - 2020 2011 - 2020
TS Asset Management Company Limited	• Chairman and Chairman of the Executive Committee	2011 - 2018
Family Relationship with Director and Management	None	
No. of TCAP Share Held	None	

Executives

(As at 31 December 2021)

Mr. Kamtorn Tantisirivat	Member of the Risk Oversight Committee, Secretary to the Risk Oversight Committee, and Executive Vice President, Financial Division
Age	59 Years
Education	<ul style="list-style-type: none"> ● Master of Business Administration in Finance, The University of Michigan at Ann Arbor, USA ● Master of Science in Computer Science, The University of Texas at Austin, USA ● Bachelor of Engineering, Chulalongkorn University
Directorship and Executive Training Program	<p><u>CFA Institute</u></p> <ul style="list-style-type: none"> ● CFA Program 2001 <p><u>Thai Institute of Directors Association</u></p> <ul style="list-style-type: none"> ● Certificate, Director Accreditation Program (DAP), Class 176/2020 <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> ● Anti Corruption for Executives, Class 1/2014 ● Anti-Corruption for Executives 2017 ● Impacts of IFRS 9 to Thanachart Group ● Block Chain Technology 2018 <p><u>Federation of Accounting Professions</u></p> <ul style="list-style-type: none"> ● Thailand IFRS Conference 2016 ● Keep up with Thai Financial Reporting Standards Implemented in 2019 and 2020 <p><u>KPMG</u></p> <ul style="list-style-type: none"> ● Classification of Financial Assets/Liabilities according to the IFRS 9 <p><u>EY Office Limited</u></p> <ul style="list-style-type: none"> ● Preparation for the Change of Financial Reporting Standard <p><u>IMC Institute</u></p> <ul style="list-style-type: none"> ● Blockchain 2017: Unlocking Internet of Value <p><u>NYC Management Company Limited</u></p> <ul style="list-style-type: none"> ● What to Know about new TFRS ● TFRS 2021 <p><u>The Bank of Thailand</u></p> <ul style="list-style-type: none"> ● Thailand Sustainable Banking 2018

	<u>Dharmniti Seminar and Training Company Limited</u> <ul style="list-style-type: none">Financial Analysis for analyzing the business situation and improving the performance <u>SEC, Sustainalytics and Morningstar Research Thailand</u> <ul style="list-style-type: none">ESG Risk & Investment for Asset Managers and Market Participants	
Position in Other Listed Company		
Ratchthani Leasing Public Company Limited	<ul style="list-style-type: none">Member of the Executive Committee, Member of the Risk Management Committee, and Member of the Corporate Governance Committee	2020 - Present
Position in Other Non-listed Company		
TM Communications and Brand Management Company Limited	<ul style="list-style-type: none">Director	2020 - Present
TS Asset Management Company Limited	<ul style="list-style-type: none">Director	2019 - Present
Thanachart SPV1 Company Limited	<ul style="list-style-type: none">Director	2019 - Present
Thanachart SPV2 Company Limited	<ul style="list-style-type: none">Director	2019 - Present
MAX Asset Management Company Limited	<ul style="list-style-type: none">Vice ChairmanDirector	2018 - Present 2016 - Present
NFS Asset Management Company Limited	<ul style="list-style-type: none">Vice ChairmanDirector	2018 - Present 2016 - Present
MT Service 2016 Company Limited	<ul style="list-style-type: none">Director	2016 - Present
MBK Life Assurance Public Company Limited	<ul style="list-style-type: none">Member of the Risk Management Committee	2014 - Present
Experience in the Past 5 Years		
MAX Asset Management Company Limited	<ul style="list-style-type: none">Chairman	2016 - 2018
NFS Asset Management Company Limited	<ul style="list-style-type: none">Chairman and Chairman of the Executive Committee	2016 - 2018
MBK Life Assurance Public Company Limited	<ul style="list-style-type: none">Member of the Executive Committee	2014 - 2020
Family Relationship with Director and Management	None	
No. of TCAP Share Held	None	

Mr. Watchara Permphithak		Senior Vice President, Business Division	
Age		60 Years	
Education		<ul style="list-style-type: none"> • Master of Business Administration, National Institute of Development Administration • Bachelor of Engineering (Electrical), Kasetsart University 	
Directorship and Executive Training Program		<u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none"> • Anti Corruption for Executives, Class 1/2014 	
Position in Other Listed Company		None	
Position in Other Non-listed Company			
TS Asset Management Company Limited		• Director	2019 - Present
MAX Asset Management Company Limited		• Director	2007 - Present
NFS Asset Management Company Limited		• Director	2006 - Present
Experience in the Past 5 Years			
MAX Asset Management Company Limited		• Vice Chairman	2016 - 2018
NFS Asset Management Company Limited		<ul style="list-style-type: none"> • Vice Chairman • Vice Chairman of the Executive Committee 	2016 - 2018 2006 - 2018
Family Relationship with Director and Management		None	
No. of TCAP Share Held		None	

Mrs. Yada Thaipinnarong		Senior Vice President, Business Support Division	
Age	59 Years		
Education	<ul style="list-style-type: none">• Master of Business Administration, San Angelo State University, Texas, USA• Bachelor of Arts, Ramkhamhaeng University		
Directorship and Executive Training Program	<ul style="list-style-type: none">• The 4th Essential Roles of Leadership for Senior Managment• Thanachart Leaderships Developments• Empower Employees		
Position in Other Listed Company	None		
Position in Other Non-listed Company	None		
Experience in the Past 5 Years			
MAT Cordyceps Farm Company Limited	<ul style="list-style-type: none">• Director	2019 - 2021	
Thanachart Bank Public Company Limited	<ul style="list-style-type: none">• Senior Vice President, Head of Business Lending Service• Senior Vice President, Head of Business Analysis & SRD	2018 - 2020	
		2012 - 2018	
Family Relationship with Director and Management	None		
No. of TCAP Share Held	None		

Mrs. Krisayanee Ratanachaichan	Senior Vice President, Legal Department	
Age	59 Years	
Education	<ul style="list-style-type: none">● Barrister-at-Law, Thai Bar Association, The Institute of Legal Education● Master of Law, Thammasat University● Bachelor of Law, Thammasat University	
Directorship and Executive Training Program	<ul style="list-style-type: none">● Leader as Coach● Leadership Transformation	
Position in Other Listed Company	None	
Position in Other Non-listed Company		
Thanachart Management and Services Company Limited	● Director	2020 - Present
Security Scib Services Company Limited	● Chairman	2016 - Present
Bangkok Home Company Limited	● Director and Liquidator	2000 - Present
Experience in the Past 5 Years		
Thanachart Bank Public Company Limited	● Senior Vice President, Legal Department	1990 - 2019
Family Relationship with Director and Management	None	
No. of TCAP Share Held	None	

Mrs. Thanawan Chaisithikarnkha		Senior Vice President, Accounting Department	
Age	56 Years		
Education	<ul style="list-style-type: none">● Master of Business Administration Program in Entrepreneurship Management, King Mongkut’s University of Technology Thonburi● MINI MBA, Chulalongkorn University● Bachelor of Business (Accounting), Ramkhamhaeng University		
Directorship and Executive Training Program	<u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none">● Anti Corruption for Executives, Class 1/2014 <u>Thai Institute of Banking and Finance Association</u> <ul style="list-style-type: none">● Young Bankers’ Executive Development Program (YOBEX) <u>NIDA Business School/The Stock Exchange of Thailand/Market for Alternative Investment (MAI) and The Federation of Thai Industries</u> <ul style="list-style-type: none">● CFO Professional Program		
Position in Other Listed Company	None		
Position in Other Non-listed Company			
H T R Corporation Limited	● Director	2020 - Present	
Thanachart Insurance Public Company Limited	● Director	2020 - Present	
MBK Life Assurance Public Company Limited	● Member of the Executive Committee	2020 - Present	
	● Director	2010 - Present	
TM Communications and Brand Management Company Limited	● Director	2020 - Present	
Security Scib Services Company Limited	● Director	2020 - Present	
Thanachart Management and Services Company Limited	● Director	2020 - Present	
Thanachart SPV1 Company Limited	● Director	2019 - Present	
Thanachart SPV2 Company Limited	● Director	2019 - Present	
MT Service 2016 Company Limited	● Director	2016 - Present	
Experience in the Past 5 Years			
Thanachart Capital Public Company Limited	● First Vice President, Accounting Department	2012 - 2018	
Family Relationship with Director and Management	None		
No. of TCAP Share Held	None		

Company Secretary and the Company's Head of Compliance

(As at 31 December 2021)

Mr. Panupan Tuangthong	Company Secretary, Secretary to the Board of Directors, Secretary to the Executive Committee, Secretary to the Nomination, Remuneration, and Corporate Governance Committee, and Vice President, Corporate Secretary Office
Age	58 Years
Education	<ul style="list-style-type: none"> • Bachelor of Law, Thammasat University
Directorship and Executive Training Program	<ul style="list-style-type: none"> • <u>Thai Institute of Directors Association</u> • Certificate, Company Secretary Program (CSP), Class 4/2003 • Certificate, Effective Minute Taking (EMT), Class 8/2007 • Certificate, Director Certification Program (DCP), Class 150/2011 • Certificate, Financial Institutions Governance Program (FGP), Class 2/2011 • Certificate, Corporate Governance for Executives (CGE), Class 8/2017 • <u>Thanachart Bank Public Company Limited</u> • Anti Corruption for Executives, Class 1/2014 • Anti-Corruption for Executives 2017 • <u>The Bank of Thailand</u> • Thailand Sustainable Banking 2018 • <u>Board of Trade of Thailand</u> • Personal Data Protection Act - PDPA • <u>Thai Law Training</u> • Anti-Money Laundering Law Course for Reporting Persons
Position in Other Listed Company	None
Position in Other Non-listed Company Thai Listed Company Association	<ul style="list-style-type: none"> • Director, Thai Company Secretary Club 2014 - Present
Experience in the Past 5 Years	None
Family Relationship with Director and Management	None
No. of TCAP Share Held	None

Report on Changes in Shareholding of the Company's Directors and Executives in 2020 to 2021

No.	Name	Position	Number of Share(s) held as at 31 December 2021	Number of Share(s) held as at 31 December 2020	Increase (Decrease)	Percentage of Shareholding (Percent)
1.	Mr. Banterng Tantivit	Chairman	-	-	-	-
	Spouse and minor children		1,000,000	-	1,000,000	0.06
2.	Mr. Suphadej Poonpipat	Vice Chairman	-	-	-	-
	Spouse and minor children		-	-	-	-
3.	Mrs. Siripen Sitasuwan	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
4.	Mr. Tiraphot Vajrabhaya	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
5.	Mrs. Salinee Wangtal	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
6.	Dr. Thanachart Numnonda	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
7.	Mr. Vichit Yanamorn	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
8.	Ms. Suvarnapa Suvarnaprathip	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
9.	Mr. Somjate Moosirilert	Director and Chief Executive Officer	-	-	-	-
	Spouse and minor children		-	-	-	-
10.	Mr. Kamtorn Tantisirivat	Executive Vice President, Financial Division	-	-	-	-
	Spouse and minor children		-	-	-	-
11.	Mr. Watchara Permiphithak	Senior Vice President, Business Division	-	-	-	-
	Spouse and minor children		-	-	-	-
12.	Mrs. Yada Thaipinnarong	Senior Vice President, Business Support Division	-	-	-	-
	Spouse and minor children		-	-	-	-
13.	Mrs. Krisayanee Ratanachaichan	Senior Vice President, Legal Department	-	-	-	-
	Spouse and minor children		-	-	-	-
14.	Mrs. Thanawan Chaisithikarnkha	Senior Vice President, Accounting Department	-	-	-	-
	Spouse and minor children		-	-	-	-

(As at 31 December 2021)

Note:			
XXX	Chairman	XX	Vice Chairman
///	Chairman of the Executive Committee	//	Vice Chairman of the Executive Committee
A	Chief Executive Officer	B	Managing Director
D	Senior Vice President	C	Executive Vice President
		X	Director

List of Subsidiary, Associated, and Related Companies

Subsidiary Companies

1. Thanachart Securities Public Company Limited
2. Thanachart Insurance Public Company Limited
3. MBK Life Assurance Public Company Limited
4. Ratchthani Leasing Public Company Limited
5. TS Asset Management Company Limited
6. Thanachart SPV1 Company Limited
7. Thanachart SPV2 Company Limited
8. MAX Asset Management Company Limited
9. NFS Asset Management Company Limited
10. MT Service 2016 Company Limited
11. Thanachart Management and Services Company Limited
12. Security Scib Services Company Limited
13. Thanachart Plus Company Limited

Associated Company

14. MBK Public Company Limited
15. TMBThanachart Bank Public Company Limited
16. TM Communications and Brand Management Company Limited

Related Companies

17. MBK Resort Public Company Limited
18. Siam Piwat Company Limited
19. Siam Piwat Holding Company Limited
20. Thai Farming Company Limited
21. Deebuk Company Limited
22. B.V. Holding Company Limited
23. Laem Sai Village Company Limited
24. 911 Streetball Company Limited
25. PRG Corporation Public Company Limited
26. Sermasuk Public Company Limited
27. Fraser and Neave, Limited (Singapore)
28. U.S.P.N. Company Limited
29. T.V.V. Enterprise Company Limited
30. SCB Asset Management Company Limited
31. Green Earth Power (Thailand) Company Limited
32. Siam Paragon Retail Company Limited
33. Siam Paragon Development Company Limited
34. Vintcom Technology Public Company Limited
35. Humanica Public Company Limited
36. SiamEast Solutions Public Company Limited
37. IMC Outsourcing (Thailand) Company Limited
38. Netbay Public Company Limited
39. IT City Public Company Limited
40. Amornchewin Company Limited
41. The Grand UB Company Limited
42. Seacon Development Public Company Limited
43. Bangkok Home Company Limited
44. H T R Corporation Limited

Attachment 2

Details Related to Directors of Subsidiary Companies

Details Related to Directors of Subsidiary Companies as at 31 December 2021

Subsidiary Companies that significantly generated income more than 10 percent of total income in consolidated comprehensive income statements of the latest accounting year were 1) TNI, 2) THANI, and 3) TNS.

Name		TNI	THANI	TNS
1. Mr. Banterng	Tantivit	XXX		
2. Mr. Suphadej	Poonpipat	XX ///		
3. Mr. Praphan	Anupongongarch	//		
4. Mr. Wichian	Mektrakarn	X		
5. Mr. Pirus	Pradithavanij	X		
6. Mr. Surapant	Meknavin	X		
7. Mr. William	George Said	X		X
8. Mrs. Thanawan	Chaisithikarnkha	X		
9. Mr. Perapart	Meksingvee	X / A		
10. Mr. Virat	Chinprapinporn		XXX /	
11. Mr. Kovit	Rongwattanasophon		X /// A	
12. Mr. Charoensuk	Kijitti		X	
13. Mr. Somjate	Moosirilert		X /	XXX ///
14. Ms. Suvarnapa	Suvarnaprathip		X	
15. Mr. Kamtorn	Tantisirivat		X /	
16. Mr. Sorasak	Chayarak		X	
17. Dr. Thakol	Nanthirapakorn		X	
18. Mr. Suvit	Arunanondchai		X	
19. Mr. Varavudh	Varaporn		X	
20. Dr. Naree	Boontherawara		X	
21. Mr. Surapon	Satimanont		X	
22. Mrs. Asvini	Tailanga			XX /
23. Mr. Punsak	Vejanurug			X
24. Mr. Nakarin	Virameteekul			X
25. Mr. Pong-amorn	Nimpoonsawat			X
26. Ms. Pimpaka	Nichgaroon			X / A

Note:	XXX	Chairman	XX	Vice Chairman
	X	Director	///	Chairman of the Executive Committee
	//	Vice Chairman of the Executive Committee	/	Executive Committee
	A	Managing Director		

Attachment 3

Details of the Head of Internal Control and the Head of Compliance of the Company

The Company's Head of Compliance

(As at 31 December 2021)

Mr. Panupan Tuangthong	Company Secretary, Secretary to the Board of Directors, Secretary to the Executive Committee, Secretary to the Nomination, Remuneration, and Corporate Governance Committee, and Vice President, Corporate Secretary Office
Age Education Directorship and Executive Training Program	58 Years <ul style="list-style-type: none"> • Bachelor of Law, Thammasat University <u>Thai Institute of Directors Association</u> <ul style="list-style-type: none"> • Certificate, Company Secretary Program (CSP), Class 4/2003 • Certificate, Effective Minute Taking (EMT), Class 8/2007 • Certificate, Director Certification Program (DCP), Class 150/2011 • Certificate, Financial Institutions Governance Program (FGP), Class 2/2011 • Certificate, Corporate Governance for Executives (CGE), Class 8/2017 <u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none"> • Anti Corruption for Executives, Class 1/2014 • Anti-Corruption for Executives 2017 <u>The Bank of Thailand</u> <ul style="list-style-type: none"> • Thailand Sustainable Banking 2018 <u>Board of Trade of Thailand</u> <ul style="list-style-type: none"> • Personal Data Protection Act - PDPA <u>Thai Law Training</u> <ul style="list-style-type: none"> • Anti-Money Laundering Law Course for Reporting Persons
Position in Other Listed Company	None
Position in Other Non-listed Company Thai Listed Company Association	<ul style="list-style-type: none"> • Director, Thai Company Secretary Club 2014 - Present
Experience in the Past 5 Years	None
Family Relationship with Director and Management	None
No. of TCAP Share Held	None

The Company's Head of Internal Audit

(As at 31 December 2021)

Mr. Wichai Sathiarujikanon		Vice President, Audit Division and Secretary to the Audit Committee	
Age	57 Years		
Education	<ul style="list-style-type: none">• Master of Business Administration, University of the Thai Chamber of Commerce• Bachelor of Accountancy, Ramkhamhaeng University		
Directorship and Executive Training Program	<u>Thai Institute of Directors Association</u> <ul style="list-style-type: none">• Certificate, Corruption Risk & Control: Technical Update (CRC) <u>The Thai Bankers' Association</u> <ul style="list-style-type: none">• Standard Practices for Fraud Risk Management and Technology <u>The Institute of Internal Auditors of Thailand</u> <ul style="list-style-type: none">• Audit Change from Internal Auditor to Consultant• Smart IA in The Digital World <u>Electronic Transactions Development Agency</u> <ul style="list-style-type: none">• Risk Based Audit and The Challenges of The Digital Age <u>Thai General Insurance Association</u> <ul style="list-style-type: none">• Techniques for auditing and analyzing operational fraud claims		
Position in Other Listed Company	None		
Position in Other Non-listed Company	None		
Experience in the Past 5 Years			
Thanachart Bank Public Company Limited	<ul style="list-style-type: none">• Vice President, Audit Division	2014 - 2019	
Family Relationship with Director and Management	None		
No. of TCAP Share Held	None		

Attachment 4 Details of Assets Appraisal

- None -

Attachment 5

Corporate Governance Policies and Code of Ethics

Good Corporate Governance Policies Thanachart Capital Public Company Limited (Revised 2021)

The company has reviewed the good corporate governance policy to be in line with the company's structure and companies in Thanachart Group by adhering to the Principles of Good Corporate Governance for Listed Companies 2017. In this connection, the Board of Directors of Thanachart Capital Public Company Limited at its meeting No. 10/2021 held on 4 October 2021 adopted a resolution revising the Good Corporate Governance Policies.

Preface

Thanachart Capital Public Company Limited ("the Company"), as a public company listed on the Stock Exchange of Thailand and a leading business organization, has set targets that it grows in a sustainable manner and creates long-term values for shareholders and stakeholders. The Company not only is determined to conduct its business affairs in line with the principles of good corporate governance but also attaches importance to ethics in the conduct of business affairs. They serve as a behavior framework which reflects the organization's values. The main objectives are for the Company's personnel at all levels to develop themselves and to recognize their responsibilities towards the performance of duties in a moral and ethical manner.

In order to achieve these objectives, the Company has established the Good Corporate Governance Policies and the Handbook of the Code of Ethics for Directors, Executives, and employees to adhere to. As well, the Company has requested member companies of Thanachart Group to apply such practice guidelines to their respective organizations in an appropriate and adequate manner. They are required not only to adhere to the morality and honesty principles but also to comply

with all the related laws. In this connection, the Company reviews the policies and the Code of Ethics annually, ensuring that they are up-to-date and in line with new changes which take place.

This reviewed policy has adjusted some guidelines to be in line with the structure of Thanachart Group that has been changed at the end of 2019 by still adhering to the Principles of Good Corporate Governance for Listed Companies 2017 disclosed by The Securities and Exchange Commission.

The Company is confident that management processes influenced by the good corporate governance which is on a par with the international standards will enhance the Company's competitiveness and make it more acceptable both domestically and internationally. The acceptance will be one of the important factors not only in helping the Company achieve its business goals and enhance its economic values but also in building the confidence of shareholders, investors and all groups of stakeholders, as all of them will be treated in an equitable manner. As a result, the Company will gain the trust of all groups of stakeholders and the trust will reflect the positive images of both the Company and Thanachart Group.

Principles of Business Operations

Thanachart Capital Public Company Limited

Thanachart Group has established the following principles of business operations, aiming at achieving sustainable and stable growth.

1. Compete with others in a moral and ethical manner. Also achieve healthy performance, taking into consideration both short-term and long-term impacts.
2. Conduct business affairs by respecting the rights of and accepting responsibilities towards shareholders and stakeholders.
3. Adhere to the conduct of business affairs in a socially responsible manner. Also protect the environment or reduce its negative environmental impacts.
4. Be able to adapt to new situations and environments.

Good Corporate Governance Policies

Principle 1: Recognize roles and responsibilities of the Company's Board of Directors as organizational leader in creating sustainable business values

Principle 1.1: Understand and recognize responsibilities as leaders

The Company's Board of Directors independently makes their decisions. The Company provides each Director with rights and equality in making decision on various matters. The duties of the Board of Directors, the Committees, the Chief Executive Officer and the management are clearly segregated. In this connection, the Board of Directors is not responsible for managing the Company's day-to-day business operations. However, the Board has the duties as specified by the laws and are responsible for attending meetings to consider the Company's business management in line with the established agenda or others as deemed appropriate by the Chairperson. These include, among others, the following:

1. Determine or approve missions, strategies, goals, policies, business plans and budgets of the Company.
2. Oversee and monitor the management's performance regularly, ensuring that they are in line with the established goals and business plans.
3. Ensure that good internal control systems and appropriate risk management measures are put in place and implemented.

Principle 1.2: Oversee creation of sustainable values to the Company

In relation to the conduct of the Company's business affairs, the Board of Directors has established the principles of business operations together with the Good Corporate Governance Policies and the Handbook of the Code of Ethics as practice guidelines for Directors, Executives and employees to adhere to.

The Company's Directors and Executives at all levels must serve as good role models for employees in relation to the compliance of the Good Corporate Governance Policies and the Handbook of the Code of Ethics which have been established. The compliance unit, the management and the human resource department are responsible not only for sharing and clarifying the related knowledge but also for encouraging employees at all levels to rigorously adhere to the Good Corporate Governance Policies and the Handbook of the Code of Ethics in a continuous manner and making the adherence as part of corporate culture in the performance of duties. They are also required to give reports to the Nomination, Remuneration, and Corporate Governance Committee and the Board of Directors on the knowledge-sharing performance results as well as the implementation of the Good Corporate Governance Policies and the Handbook of the Code of Ethics.

In order to ensure that the Company's Good Corporate Governance Policies and the Handbook of the Code of Ethics are in line with the laws, rules and regulations of

the state agencies and also with constant changes in the business environment, the Nomination, Remuneration and Corporate Governance Committee is responsible for having the policies and the handbook reviewed at least once a year.

The Company's Directors, Executives and employees at all levels are required to study, understand and strictly adhere to the Good Corporate Governance Policies and the Handbook of the Code of Ethics. They are also required to certify their compliance with both the Policies and the Handbook.

Principle 1.3: Role of the Company's Board of Directors

The Company's Board of Directors performs various roles including governing, overseeing and monitoring the Company's business operations, ensuring that they are in line with the strategies, objectives, goals, rules and regulations, resolutions adopted at shareholders' meetings and the Good Corporate Governance Policies. The roles must be performed in a responsible, honest, careful manner in the best interests of the Company. The Board also ensures reasonable implementation, paying attention to the events that affect the Company and its business affairs. Members of the Board must employ their abilities and dedicate themselves to the performance of their duties. Importantly, they must take full responsibility and work independently.

The Board of Directors also puts in place control systems relating to operations, financial reporting as well as compliance with policies and the regulations. In this connection, the Board appoints persons or work units responsible for monitoring the implementation of such control systems, the information of which must be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report). The persons or work units must be independent in the performance of their duties.

Principle 1.4: Scope of duties and responsibilities

The Company's Board of Directors draws up the Board Charter which sets out the duties and responsibilities of the Board of Directors. It serves as a reference which every Director could consult in relation to the performance of their duties. The Charter is subject to regular review at least once a year. In addition, the segregation of the roles and duties among the Board of Directors, the Chief Executive Officer and the management must be regularly reviewed. The objective is to ensure that the segregation is in line with the organizational direction.

The Board of Directors must understand the scope of their responsibilities. They will delegate to the Chief Executive Officer and the management the authority to manage the organization. The delegation of the authority must be made in writing. However, such delegation does not abdicate the responsibilities of the Board of Directors. The Board is still responsible for ensuring that the management performs their duties as assigned.

Principle 2: Define main objectives and goals of the business, which foster sustainability

Principle 2.1: Main objectives and goals concerned with looking after stakeholder

According to the Company, stakeholders include the following:

1. Shareholders
2. Lenders
3. The Company's Board of Directors
4. The Company's Executives
5. The Company's employees
6. Customers and trading partners
7. Auditors
8. Competitors
9. Society and environment
10. The Public Sector

The Company's Board of Directors will ensure fairness to all groups of stakeholders by doing the following:

1. In the conduct of its business affairs, the Company will strictly comply with all the laws concerned. As well, its business affairs must give rise to good impacts on the society and the public sector in various areas which include economy, culture, tradition and the environment.
2. The Company determines remuneration for shareholders, Directors, Executives and employees, ensuring that the remuneration is appropriate and fair.
3. The Company provides customers with quality, honest and fair services, for which it charges appropriate fees.
4. The Company is responsible towards customers and trading partners through service delivery. For examples, its services meet good professional standards and it maintains confidentiality of customers and trading partners. As well, it establishes a complaint handling unit.
5. The Company does business with trading partners in an honest manner and does not take advantage of them. Importantly, the Company complies with the conditions of the agreements which have been reached.
6. The Company conducts its business affairs and competes with competitors in a transparent manner and by following the established rules. It will not compete to such an extent that there is a negative impact on the business as a whole.
7. The Company discloses the information about its transactions in line with the standards and regulations imposed by the state agencies concerned, in order to comply with transparency requirements.
8. The Company encourages employees to acquire knowledge about the environment and support their participants in various social and environmental responsibility activities.

9. The Company adopts a clear policy of neither violating human rights nor committing any act which could be construed as infringement of intellectual property rights or copyrights under different forms, whether directly or indirectly.

Principle 2.2: Define main objectives and goals of the business, which foster sustainability

The Company's Board of Directors oversees and ensures that the organization's medium-term and/or annual objectives and goals as well as strategies are in line with the organization's main objectives and goals by:

1. Not only taking into consideration the organization's surrounding factors, opportunities and the acceptable level of risks but also analyzing the environment, various factors and risks which may affect the stakeholders concerned. Also putting in place mechanisms for understanding the real needs of the stakeholders.
2. Supporting the formulation or review of the objectives, goals and strategies for the medium term (3-5 years).
3. Not only overseeing and fostering innovation but also applying technology to enhance competitiveness and to meet stakeholder needs in an appropriate and safe manner, always bearing in mind the Company's social and environmental responsibility.
4. Setting both monetary and non-monetary goals which are appropriate to the business environment and business potential. Being aware of the risks arising from setting the goals which may lead to illegal or unethical behavior.
5. Overseeing and ensuring the propagation of information about the objectives and goals via the strategies and plans across the organization.
6. Overseeing and ensuring appropriate allocation of resources and appropriate operational control. Also monitoring the implementation of the annual strategies and business plans.

Principle 3: Enhance effectiveness of the Board of Directors

Principle 3.1: Specify and review the structures of the Board of Directors and other committees

The Company's Board of Directors is responsible for specifying and reviewing the structures of the Board of Directors in terms of size, composition, and appropriate proportion of Independent Directors. The Board is also responsible for ensuring that it is comprised of Directors with diverse qualifications in terms of skills, experiences, abilities and specific characteristics, as well as gender and age, which are necessary for achieving the organization's key objectives and goals. In this connection, the Board of Directors prepares a board skills matrix which shows the knowledge and expertise of all the Directors. The purpose is to ensure that the Board of Directors as a whole has the right mix of appropriate qualifications which enable it to understand and cater to stakeholder needs.

The following are the details related to the Board of Directors' composition, duties, responsibilities and appointment methods.

Number of Directors and proportion

The number of the Company's Directors shall be in line with the legal requirements and the principles of good corporate governance, with the proportion of Executive Directors to Non-executive Directors (including Independent Directors) being appropriate. In addition, the proportion of shares held by each group of shareholders shall be taken into consideration in a fair manner. The objective is to ensure that the Directors are able to consider and give opinions on business matters in an adequately independent manner. In this connection, the Board of Directors shall disclose the composition of the Board of Directors as well as the information about each Director in the Annual Registration Statement/Annual Report (56-1 One Report). and also on its website.

In addition, the Board of Directors specifies that the number of Executive Directors shall not exceed one half of the total number of Directors. As well, no less than one-third of the total number of Directors but at least 3 Directors

shall be Independent Directors. Importantly, they must be independent from the management and must not have any interests in or any relationship with the Company's businesses. The number of Independent Directors shall also be in fair proportion to the investments made by each group of shareholders.

Qualifications of Directors

1. Directors must have knowledge, skills and experience in diverse fields, which could contribute to the Company's conduct of business affairs. In addition, they must possess useful specialized expertise in line with the Company's business strategies. In addition, the Board must consist of at least one Independent or Non-executive Director, regardless of gender, who has work experience related to the Company's businesses.
2. Directors do not possess any of the prohibited characteristics prescribed by applicable laws and regulations.
3. Additional qualifications required for each of the following types of Directors:

Executive Directors

Being a director who holds an executive position and a Director who is responsible for any action in the manner of management and this shall include a director with the power to bind sign. Unless it can show that it is a sign of binding according to the transaction approved by the Board of Directors and is a joint signing with other directors.

Independent Directors

- Independent Directors shall hold no more than 0.5% of the total number of voting shares of the Company.
- Independent Directors shall not hold the directorship continuously for more than 9 years.
- Independent Directors possess the qualifications in line with rules established by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission or other state agencies concerned.

- Independent Directors do not possess any characteristics which are against the Capital Market Supervisory Board's criteria for Independent Directors.

Other committees, composition, duties and responsibilities as well as appointments

The Company's Board of Directors establishes other committees responsible for studying, screening and overseeing the following work areas:

1. Executive Committee

The Executive Committee consists of Executive Directors, Directors who represent major shareholders or outside directors. Of the Directors, one will serve as the Chairperson of the Executive Committee with the Chief Executive Officer being an ex officio Director. In this connection, the Executive Committee is authorized to control and oversee the Company's businesses in line with the assignments given by the Board of Directors. As well, the Committee required to directly report its performance to the Board of Directors.

2. Audit Committee

The Audit Committee consists of at least 3 Directors whose qualifications being in line with the requirements imposed by the regulatory agencies. Performing its duties in a fully independent manner and reporting directly to the Board of Directors, the Committee serves as the Board of Directors' key tool for overseeing and ensuring that the business operations management not only has appropriate standards and transparency but also complies with the regulations of the state agencies as well as those of the Company. The objectives are to put in place effective internal control as well as reliable reporting systems, which are of benefit to all the parties concerned and shareholders.

3. Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee is composed of at least 3 Non-executive Directors. Importantly, most of the committee members should be Independent Directors. In this connection, the chairperson of the Committee shall be an independent director with power and duties as specified by the Company's Board of Directors. The roles and responsibilities of the Committee which reports directly to the Board of Directors are specified in the Charter of the Nomination, Remuneration and Corporate Governance Committee. In case the Board of Directors appoints any person to serve as an advisor of the Nomination, Remuneration and Corporate Governance Committee, the information about the advisor as well as his or her independence and declaration of no conflict of interest shall be disclosed in the Annual Registration Statement/ Annual Report (56-1 One Report).

4. Risk Oversight Committee

The Risk Oversight Committee is comprised of Directors and Executives, with Non-executive Directors or advisors accounting for no less than one half of the Committee and its Chairperson being Non-executive Director. The Committee is responsible for proposing the risk management policy for the Company and Thanachart Group to the Board of Directors for approval. The Committee is also responsible for overseeing the management's implementation of the policy and sending a report to the Company's Board of Directors regularly. In addition, the Committee reviews the risk management system and assesses its effectiveness at least once a year or when a significant change occurs. The Committee also

pays attention to early warning signals and reports on irregularities, the information of which shall be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).

Principle 3.2: Selection of the Chairperson of the Board of Directors

The Company's Board of Directors has established the rules for nominating and considering Independent or Non-executive Directors who are not involved in managing the Company's business operations, and have the qualifications appropriate for holding office as the Board's Chairperson. In this connection, the Chairperson shall oversee the Board of Directors' composition and implementation, ensuring that the latter are conducive to the exercise of discretion and independent judgment.

Roles of Chairperson

1. The Chairperson is not involved in the Company's day-to-day management activities.
2. The Chairperson exercises leadership in ensuring that the Board of Directors' performance of duties is efficient, in the best interest of the Company and being independent from the management.
3. The Chairperson is responsible for considering and approving agenda items which are proposed by the Chief Executive Officer and have been approved by the Chairperson of the Executive Committee. The objective is to ensure that the agenda items are in line with the Board of Directors' duties and responsibilities. As well, each Director is provided with an opportunity to propose matters useful for the Company as agenda items.
4. The Chairperson allocates not only adequate time for the management to propose agenda items but also as much time as possible for all the Directors to consider and discuss key points in a careful manner. Importantly, the Chairperson

encourages the Board of Directors to exercise great discretion and give opinions in an independent manner.

5. The Chairperson of the Board of Directors shall not be the same person as the Chief Executive Officer. This information shall be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report) and on the Company's website.
6. The Chairperson of the Board of Directors shall not serve as Chairpersons or members of other committees. The objective is to ensure that other committees are able to carry out their duties in a truly independent manner.
7. The Chairperson oversees and ensures the Board of Directors' adherence to the principles of good corporate governance as well as the Handbook of the Code of Ethics.
8. The Chairperson fosters good relations not only between Executive Directors and Non-executive Directors but also between the Board of Directors and the management.

Principle 3.3: Nomination and selection of Directors

The Company's Board of Directors oversees and looks after the nomination and selection of Directors, ensuring that the related process is transparent and clear. The objective is to have the Directors who have the qualifications in line with the Board composition requirements which have been established. In this connection, the Board of Directors has established the rules for nominating and selecting the Directors. As well, the clear guidelines for practice have been announced. Importantly, the Board of Directors has established the Nomination, Remuneration and Corporate Governance Committee. Most of the Committee members and its Chairperson are Independent Directors. In this connection, their roles and duties are specified in this policy and the Charter of the Nomination, Remuneration and Corporate Governance Committee.

The Director tenure shall be in compliance with the laws and regulations as well as this policy. In proposing the names of Directors retiring by rotation to shareholders for re-election, in addition to the guidelines for nominating Directors, the Board of Directors shall take into account the retiring Directors' knowledge, ability, past performance, age and independence in expressing opinions in line with the roles and duties and type of each Director.

Principle 3.4: Remuneration of Directors

In proposing the pay structure and remuneration rates applicable to the Company's Board of Directors and other committees to shareholders for approval, the Board of Directors shall take into consideration the pay structure and remuneration rates which not only are appropriate to the responsibilities but also motivate the Directors to help the organization to achieve both short-and long-term goals. In considering the remuneration for the Board of Directors and other committees, the Nomination, Remuneration and Corporate Governance Committee shall be the one responsible for the consideration by following the following guidelines:

1. The pay structure of the Board of Directors should be in line with the Company's long-term strategies and goals, taking into account not only the current risks and those risks which may arise in the future but also the experience, duties, the scope of roles, accountability and responsibility as well as the benefits expected to be received by each Director. The Directors who are assigned additional duties and responsibilities such as being members of other committees should receive appropriate additional remuneration, taking into account the level of practice of a comparable nature in the same industry.
2. Shareholders shall be responsible for approving the pay structure and remuneration rates for the Board of Directors and other committees in the form of both monetary and non-monetary remuneration. In this connection, the Board of Directors shall consider the appropriateness of each form of remuneration.

Principle 3.5: Performance of duties and time allocation

The Company's Board of Directors should oversee all the Directors, ensuring that they have responsibility for carrying out duties and allotting adequate time.

1. Directors carry out duties with responsibility and to the best of their ability while being fair not only to the organization and shareholders but also to the Company's Executives, employees and personnel.
2. Directors shall not hold jobs in more than 5 other companies listed domestically or abroad. In this connection, holding of a position in any other companies must not violate the requirements or regulations of the other regulatory agencies concerned. As well, the Company must be notified of the appointment within 7 days after the Executive is appointed or assumes the position.
3. Directors shall not hold office as Director in any other company which operates a business of the same nature as and competing with the Company, regardless of whether it is for personal benefit or for the benefit of other parties, unless the shareholders' meeting is notified before the appointment. In this connection, the Nomination, Remuneration and Corporate Governance Committee which has the responsibility for nominating Director candidates for shareholders' consideration and election, shall examine and ensure that those candidates do not hold office as director in or operate a business of the same nature as and competing with the Company.
4. Directors, Executives or related persons are allowed to enter into a usual transaction in the ordinary course of business with the Company or member companies of Thanachart Group, provided that the transaction is under the same commercial terms as those an ordinary person would agree with any general party under the similar circumstances, on the basis of commercial negotiation and without any influence, except for the transactions prohibited by the laws or the notifications or directives issued by the state agencies.

5. Directors are responsible for participating in all meetings of the Board of Directors, except when necessary. In this connection, the Director who will be absent at a meeting is required to inform the chairperson of the Board of Directors or the corporate secretary of the absence in advance. Each Director is required to attend at least 75% of all Board meetings held each year.
6. Directors' roles and duties include consideration of agenda items brought to the attention of their meetings. To the best of their ability, they shall join others in asking questions and expressing opinions which are useful at the meetings. The discussion includes issues relating to good corporate governance.
7. Directors are responsible for overseeing the corporate governance of the Company and member companies of Thanachart Group, ensuring that it is appropriate to the structure, nature of business and the risks.

Principle 3.6: Governing and looking after subsidiaries and associate companies

The Company's Board of Directors is responsible for governing and looking after subsidiaries in order to safeguard the Company's interests in them. In this connection, the Board of Directors shall consider the appropriateness and appoint a person as director or managing director in TMBThanachart Bank (or other names changed later). For other companies, either it is a subsidiary or any other company that the Company have the power to take part in making decisions on policies related to the company's financial and operation but not up to the level of having control over such policies, the Board of Directors shall assign the Executive Committee to consider appointing persons to serve as directors or persons with power in management of these companies, except in case they are small and serve as its operating arms, the Company shall assign the Chief Executive Officer to make the appointments.

The persons who have been appointed as directors, executives or persons with power in management in the

subsidiaries shall be responsible for looking after the business operations of the subsidiaries, ensuring not only that the subsidiaries put in place internal control systems which are watertight and adequate but also that the execution of transactions is in compliance with the laws as well as the related rules and regulations. In addition, the appointees shall ensure that the subsidiaries report and disclose information about their operational performance and key transactions in a complete and adequate manner to the Company.

If significant investments in other businesses, such as the investments with the minority interest in associate companies being from 20 percent of outstanding shares to not more than 50 percent, and the related investment amounts or the expected additional investments are expected to be substantial, in case it is considered necessary, the Company's Board of Directors shall arrange for the Company to enter into shareholders' agreements or other contracts. The objective is to clarify the Company's power in management and its participation in key matters as well as its monitoring of the operational performance. The agreements can also be used as information for preparing the Company's financial statements in a standardized and timely manner.

Principle 3.7: Performance appraisal

The Company's Board of Directors and other committees carry out their own performance appraisal at least once a year. The objective is for the Board of Directors to jointly consider the performance and problems in order to resolve them later. As well, the appraisal results will be used for considering the appropriateness of the Board of Directors' composition.

The Company has disclosed the rules, procedures as well as performance appraisal results of the Board of Directors as a whole or individually by using Self-Evaluation method in the Annual Registration Statement/Annual Report (56-1 One Report). The Board of Directors may also consider using Cross-Evaluation method.

The Board of Directors may consider hiring external consultants to assist in establishing guidelines and proposing key points to be used for the performance appraisal of the

Board of Directors at least every 3 years. The information about such implementation shall be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).

Principle 3.8: Enhancing skills and knowledge

The Company's Board of Directors oversees the Directors, ensuring that each of them has knowledge and understanding about their roles and responsibilities, nature of business operations, and the laws related to the business operations. The Board of Directors also encourages all Directors to regularly enhance their skills and knowledge useful for the performance of their duties as Directors. In this connection, the Directors are required to attend training courses or seminars in order to broaden their knowledge in the performance of their duties. The information of which has to be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).

The Board of Directors ensures that a person appointed as a new director will be given advice and provided useful information on one's duties. This includes an understanding of the objectives, main targets, visions, missions, corporate values, as well as the nature of the business and business practices of the entity.

Principle 3.9: Board of Directors' performance of duties

The Company's Board of Directors ensures orderly performance of its duties and ability to access necessary information. As well, the Board of Directors is supported by the Company's secretary who has knowledge and experience necessary and appropriate for supporting the Board of Directors' performance of duties.

1. The management shall send important information to the Company's Board of Directors at least 5 days before the meeting date. In case the Board of Directors needs additional documentation, they could request the documentation from the Chief Executive Officer or the corporate secretary. Moreover, in case it is deemed necessary, the Board of Directors may make an arrangement for obtaining independent opinions from external consultants or professional advisors. The expenses

for the related services shall be borne by the Company.

2. The Company establishes the schedules and agenda of various committees' meetings for each year in advance. In this connection, the Company shall notify each Director of the schedules so that they will be able to allocate time for attending the meetings as follows:
 - 2.1 The Board of Directors shall meet at least 6 times a year.
 - 2.2 The Executive Committee shall meet at least 6 times a year.
 - 2.3 The Audit Committee shall meet at least 6 times a year.
 - 2.4 The Nomination, Remuneration and Corporate Governance Committee shall meet at least 4 times a year.
 - 2.5 The Risk Oversight Committee shall meet at least 6 times a year.
 - 2.6 How often other Committees shall meet will be left to the discretion of each Committee's Chairperson.
3. The number of Directors attending Committee meetings, which constitutes a quorum, shall be in line with the announcement or Charter issued by each Committee. As regards the Board of Directors' meetings, no less than two-thirds of all its members shall constitute a quorum.
4. The Company's Board of Directors encourages the Chief Executive Officer to invite management from the level of executive vice president or an equivalent position called something else ("High-ranking Executives") to attend the Board of Directors' meetings so that the Executives could give additional details necessary for the Board's consideration. This also provides the Board with an opportunity to get to know the high-ranking Executives. The knowledge could be used later when the Board develops the succession plan.

5. The Board arranges for the preparation of the minutes of its meetings, ensuring that the minutes include all agenda items.
6. The Board of Directors shall organize at least one meeting annually for its Non-executive Directors without the participation of any members of the management. The results of the meeting shall be notified to the Chief Executive Officer.
7. The Board of Directors appoints a company secretary who has knowledge and experience necessary and appropriate for supporting the Board of Directors' performance of duties. The corporate secretary shall continuously attend training courses to broaden knowledge in relation to laws, accounting or the performance of company secretary's duties.
8. The company secretary shall undergo continuous training which is useful for performing his or her duties. Moreover, in case there is a certified program available, the corporate secretary should attend such program as well.
2. The Board of Directors oversees the Chief Executive Officer, ensuring that he or she is supported by an appropriate team of high-ranking Executives. At least, the Nomination, Remuneration and Corporate Governance Committee cooperates with the Chief Executive Officer in considering the guidelines and methods for identifying and appointing the persons proposed by the Chief Executive Officer as high-ranking Executives.
3. The Board of Directors puts in place a system for identifying and nominating appropriate candidates as key Executives at all levels. The nomination of high-ranking Executives shall follow a nomination procedure which takes into consideration candidates from both within and outside Thanachart Group. The Board of Directors also puts in place an Executive development program while developing a succession plan.
4. The Board of Directors gives support to and encourages the Chief Executive Officer and high-ranking Executives to attend training courses for the purpose of enhancing their knowledge and experience useful for the performance of their duties.
5. The Chief Executive Officer, or advisor must not hold jobs in more than 5 other companies listed domestically or abroad.

Principle 4: Nominate and develop high-ranking Executives as well as human resource development

Principle 4.1: Nominate and develop high-ranking Executives

The Company's Board of Directors makes arrangements for recruitment and development of the Chief Executive Officer and high-ranking Executives with knowledge, skills, experiences and characteristics necessary for driving the organization forward and helping it achieve the established goals. The related details are as follows:

1. The Board of Directors takes into consideration or assigns the Nomination, Remuneration and Corporate Governance Committee to consider the guidelines and methods for identifying candidates who have appropriate qualifications to serve as the Chief Executive Officer and high-ranking Executives.

High-ranking or senior Executive of the Company who will take up directorship in another company (except the company which is owned by their immediate family member), which does not consume too much time in the performance of duties must receive the Executive Committee's approval before taking up the directorship. As regards, the Chief Executive Officer who will take up directorship in another company (except the company which is owned by his or her immediate family member) which does not consume too

much time in the performance of duties, the Chief Executive Officer must receive the Board of Directors' approval before taking up the directorship.

In this connection, holding of a position in any other companies must not violate the requirements or regulations of the other regulatory agencies concerned. As well, the Company must be notified of the appointment within 7 days after the Executive is appointed or assumes the position.

Roles of the Chief Executive Officer

1. The Chief Executive Officer's roles include duties and responsibilities relating to management of the Company's businesses and operations within the scope of the duties and authority assigned by the Company's Board of Directors and the Executive Committee respectively.
2. The Chief Executive Officer oversees the performance of employees at all levels, ensuring that they carry out duties in line with the policies established by the Board of Directors and the Executive Committee respectively.

Roles of the top executive of the department

1. The roles of high-ranking or senior Executives include duties and responsibilities relating to implementation of the policies and strategies, as well as risk management framework and remuneration determination. As well, high-ranking or senior Executives strictly adhere to the Company's principles of good corporate governance.
2. High-ranking or senior Executives are responsible not only for determination of work processes and work systems as well as enterprise-wide and specific risk management but also for maintaining the Company's risks at the levels which are appropriate and acceptable. In addition, they are responsible for regularly reviewing the risk management processes and systems as well as the risk limits.

3. High-ranking or senior Executives are responsible for cultivating a risk intelligent culture. As well, they ensure that employees are aware of and understand the risk management policies and strategies.
4. High-ranking or senior Executives are responsible for reporting risk status in line with the requirements imposed by the compliance unit and the Company.
5. High-ranking or senior Executives are responsible for determining appropriate and clear structure, duties and responsibilities of employees under their supervision or employees who have to report to them.
6. High-ranking or senior Executives put in place employees with adequate knowledge and ability to carry out duties related to risk management and internal control. In addition, they assist the Board of Directors in ensuring that high-ranking Executives are suitably qualified and able to manage the Company's businesses.

Principle 4.2: Remuneration structure and performance appraisal

The Company's Board of Directors oversees the establishment of a remuneration structure and a performance appraisal system which are appropriate, taking into consideration the current risks and those which may arise in the future.

1. In determining remuneration for Executives at the levels of high-ranking Executives, the Chief Executive Officer will be responsible for submitting a proposal to the Nomination, Remuneration and Corporate Governance Committee.
2. The appraisal of the performance as well as the determination of remuneration and employment terms of high-ranking Executives and the Chief Executive Officer shall follow the proposals made by the Nomination, Remuneration and Corporate Governance Committee.
3. The Nomination, Remuneration and Corporate Governance Committee is responsible for establishing guidelines for appraising the annual performance

of high-ranking Executives and the Chief Executive Officer. The performance appraisal outcomes will be used for determining the remuneration of Vice Presidents and also the Chief Executive Officer, taking into account the benchmarks in concrete terms, which have been agreed upon in advance with the Chief Executive Officer. The appraisal will also take into account the financial performance and also performance related to the implementation of the long-term strategies in line with the objectives, as well as executive development, among others. The Board of Directors shall give their feedback to the above performance appraisal outcomes. In this connection, the Board of Directors may assign the Chairperson to consider and communicate the outcomes to Chief Executive Officer.

4. Employees receive remuneration in line with the guidelines and policies established by the Board of Directors in the best interests of the Company. In this connection, the remuneration levels in the form of salaries, bonuses as well as long-term incentives must be in line with the performance of each employee, taking into account the current risks, those which may arise in the future and the Company's sustainability.
5. The Company's Board of Directors oversees and ensures the establishment of the guidelines and factors to be used for performance appraisal across the organization.

Principle 4.3: Shareholder structure and relationship

The Company's Board of Directors conducts a study aiming to understand the shareholder structure and relationship. In case there are agreements of family shareholders, whether in writing or not, agreements of shareholders, or policies of the holding company, which have impacts on the power in management of the business operations, the Board of Directors ensures that the information about the various agreements which have impacts on the control of the business is disclosed to the public.

Principle 4.4: Human resource development

The Company's Board of Directors monitors and oversees the management and the development of human resources, ensuring that they are developed in line with the organization's direction and strategies. The objective is to provide employees at all levels with knowledge, ability, skills, experience and appropriate motivation. In addition, the Board of Directors ensures that employees are treated fairly so that the organization is able to retain capable employees.

The Company's Board of Directors makes an arrangement for the establishment of a provident fund. The objective is to ensure that employees have enough savings for retirement. In addition, the Board of Directors encourages employees to acquire knowledge and understanding of financial management and the selection of the investment policy which corresponds with the stage of their life cycle and their level of risk tolerance.

Principle 4.5: Disciplinary Considerations

The Company has established the disciplinary criteria for employees, management, and directors by establishing a committee to consider disciplinary offenses in accordance with the regulations set by the Company.

Principle 5: Stimulate innovation and conduct business affairs responsibly

Principle 5.1: Create innovation

The Company's Board of Directors pays attention to and support creation of innovation which not only adds value to businesses but also is of benefit to customers or the parties concerned. The Board of Directors also has responsibility towards society and environment. The related details are as follows:

1. The Board of Director places emphasis on cultivating a culture of innovation and encourages the management to take into consideration the innovation culture cultivation when they review strategies, develop plans for streamlining business operations and monitoring performance.

2. The Board of Directors fosters creation of innovation with an aim to add values to businesses, taking into account constant changes in the environment which encompasses adoption of business models, designing perspectives, development of products and services, research and work processes as well as cooperation with trading partners.

Principle 5.2: Responsibility towards society and environment

The Company's Board of Directors monitors the implementation of the management and ensures that the management not only conducts business affairs in an ethical manner with responsibility towards society and environment but also avoids infringing the rights of stakeholders. The operational plans which reflect the ethical and responsible conduct of business affairs and the avoidance of infringement shall serve as guidelines for ensuring that all the concerned parties in the organization act in line with the main objectives and goals as well as the business strategies for achieving sustainability. In this connection, the principle will cover the following areas:

1. Responsibility towards personnel and employees

The Company complies with the related laws and standards. It not only treats its personnel and employees in a fair manner but also respects human rights. Among others are fair determination of remuneration and other benefits as well as provision of welfare benefits which are at least equal to the levels imposed by the law or at higher levels as deemed appropriate. Also noteworthy are the workplace health and safety as well as training activities aiming at broadening the knowledge, enhancing potential and supporting career advancement of personnel and employees. In addition, the Company provides personnel and employees with opportunities to develop their skills in other work areas.

2. Responsibility towards customers

The Company complies with the related laws and standards. It pays attention to fairness, customer confidentiality, after-sales services, and assessment of customer satisfaction for improving products and services, as well as advertisement, public relations and sales promotion activities which have to be implemented in a responsible manner in order to prevent misunderstandings or avoid taking advantage over customers' misunderstandings.

3. Responsibility towards trading partners

The Company puts in place procurement and hiring processes, ensuring that the terms and conditions of the related contracts or agreements are fair. The Company also assists its trading partners in broadening their knowledge, enhancing their potential and making the quality of their services on a par with the established standards. It also gives clarifications and ensures that its trading partners respect human rights and treat their own labor fairly with responsibility towards society and environment. As well, the Company monitors and appraises the performance of its trading partners for the purpose of developing sustainable business relationships with them.

4. Responsibility towards communities

The Company makes use of its business knowledge and experiences in developing projects which can provide communities with benefits in concrete terms. In this connection, it monitors and assesses the progress of the projects and the long-term achievements.

5. Responsibility towards environment

The Company prevents, reduces, and manages negative impacts on the environment. It ensures that it will not produce or cause adverse environmental impacts. Emphasis is placed on use of energy and water, resource recycling, as well as release and management of wastes caused by business operations and greenhouse gas emissions, among others.

6. Fair competition

The Company conducts its business affairs in a transparent manner and avoids gaining unfair competitive advantages over its competitors.

7. Anti-fraud and anti-corruption

The Company complies with the related laws and standards. The Company and the member companies of Thanachart Group have become members of Thailand's Private Sector Collective Action Coalition against Corruption (CAC). The Boards of Directors of the Company and the member companies of Thanachart Financial Conglomerate have adopted the anti-corruption policy and anti-corruption measures as well as guidelines on whistleblowing, the information of which is made available on the Company's website.

Principle 5.3: Resource management

The Company's Board of Directors monitors the implementation of the management and ensures that the management allocates and manages the available resources in an efficient and effective manner. In this connection, the Board of Directors also takes into consideration impacts and resource development across the value chain. The objective is to enable the Company to achieve its main objectives and goals in a sustainable manner. The related details are as follows:

1. The Board of Directors recognizes the necessity of the resources to be used. As well, the Board recognizes that using each type of resource will have impacts on one another.
2. The Board of Directors recognizes that different business models create different impacts. As a result, the Board of Directors takes into consideration the impacts and values created by using the resources, still bearing in mind the Code of Ethics and social responsibility as well as the creation of values to the organization in a sustainable manner.
3. The Board of Directors oversees the management and ensures that, in achieving the organization's main objectives and goals, the management

regularly reviews, develops and uses resources in an efficient and effective manner by taking into account of changes in internal and external factors.

Principle 5.4: Information technology management

The Company's Board of Directors arranges for the establishment of the framework for information technology management and governance at the organizational level, ensuring that they are line with the organization's needs. In addition, the Board of Directors ensures that the information technology will be used not only for increasing business opportunities but also for developing business operations and risk management. The objective is to enable the Company to achieve its main objectives and goals.

1. The Board of Directors arranges for the establishment of the policy on allocation and management of information technology resources. The policy includes the allocation of adequate information technology resources for business operations. As well, the Board of Directors adopts guidelines for addressing problems in case adequate resources could not be allocated as required.
2. The Board of Directors ensures that the organization's risk management includes the management of information technology risks.
3. The Board of Directors arranges for the establishment of the policy and measures on information technology security.

Principle 6: Enhancing effectiveness of risk management and internal control systems

Principle 6.1: Risk management and internal control

The Company's Board of Directors oversees and looks after Thanachart Group, ensuring that they establish a good risk governance framework. The framework consists of audit processes, internal control systems, risk management, and corporate governance which are adequate and suitable to the business environment. Importantly, the Board of Directors ensures that the member companies of the conglomerate pay attention to the cultivation of a risk intelligent culture.

Risk management

The Company recognizes the importance of risks in different areas, which may have impacts on the Company's business operations. As a result, it has established the Risk Management Department responsible for the following:

1. Formulating plans which aims to put in place risk management systems for all areas of the Company's business.
2. Overseeing and looking after risk assessment development and preparation of reports on details of various risks.
3. Coordinating with various work units, ensuring that the risks are managed in an efficient manner.
4. Studying new techniques of assessing and managing risks.

In addition, the Company has a risk management policy. They serve the Company's risks. In addition, the company has adopted a risk management policy. To serve as as guidelines for managing the Company and companies in the Thanachart Group.

Internal control

The Company puts in place internal control and internal audit systems. The objective is for the Company to have adequate internal control. The related details are as follows:

1. The Company not only clearly describes duties and responsibilities as well as the scope of approval authority but also puts in place adequate and appropriate control systems.
2. The Company establishes an appropriate system of checks and balances. In particular, it puts in place verification processes complete for each step and key operational processes, as well as clear segregation of duties and responsibilities. It also establishes an internal audit unit responsible for controlling, overseeing and checking. Being independent, this unit is able to carry out its responsibilities in an effective manner. The unit also clearly describes the duties and responsibilities of each work unit and establishes a system for reporting any conduct which does not comply

with the laws or the Company's internal rules and regulations. In this connection, the internal audit unit shall report directly to the Audit Committee and the Board of Directors. Importantly, the Company reviews the appropriateness of the system of checks and balances as well as the segregation of the duties and responsibilities of various work units or persons in a regular manner.

3. The Company ensures that various work units including business units, control units, and operations units have appropriate resources and personnel with knowledge, ability and experience suitable for performing their duties. In addition, the Company puts the position and status of the head of each unit in order of importance, ensuring that the position and status are high enough so that they can carry out their duties in an effective manner.
4. The Company controls and keeps financial accounts of all the Company's transactions. It puts in place financial accounting and reporting systems which give information about the Company's financial position, performance and risks in an accurate and timely manner.
5. The Company puts in place control systems which are adequate and appropriate for looking after and protecting the Company's work areas and assets, as well as the right to access key work areas as well as the right to access important assets.

Principle 6.2: Audit Committee

The Company's Board of Directors has established the Audit Committee which can carry out their duties in an efficient and independent manner.

The Board of Directors or the Audit Committee shall give their opinions on the adequacy of the internal control systems as well as the risk management systems in the Annual Registration Statement/Annual Report (56-1 One Report). In addition, they place emphasis on reviewing the key systems related to internal control and risk management regularly or at least once a year.

Principle 6.3: Conflicts of interest

The Company has established the principle for employees, Executives, Directors and the parties concerned to avoid pursuing one's own interests or the interests of other groups of people. The related details are as follows:

1. The Company has established guidelines for employees, Executives, Directors and the parties concerned on avoiding committing any act which will give them undue benefits other than those given normally or in line with the Company's conditions.
2. The Company has established guidelines for employees, executives and directors on not participating in the decision making on the transaction in which they have a conflict of interest.
3. The Company establishes guidelines for keeping insider information and preventing its use. Such guidelines have been disseminated to all the parties concerned in writing. In this connection, the Company requires all parties in the organization to adhere to the guidelines and also discloses them in the Annual Registration Statement/Annual Report (56-1 One Report).
4. The Company establishes guidelines for executing transactions with related parties, taking into account available information and actual principles which are rational, with their prices being the same as those of transactions executed with normal customers.
5. The Company establishes guidelines prohibiting employees, Executives and Directors from accepting other benefits from parties related to the matters which have to be discussed or decided upon.
6. The Company requires the Board of Directors to be informed of related-party transactions and conflict of interest transactions. Importantly, it requires the Board of Directors to be careful in considering these transactions every time and to comply with the regulations of the Company's regulatory agencies.
7. The Company requires the Board of Directors to

disclose related-party transactions and conflict of interest transactions in the Annual Report and also in the Annual Registration Statement (Form 56-1).

8. The Company requires its Directors and Executives as well as the parties concerned to report their transactions of the Company shares in line with the legal requirements. In this connection, they are required to send the reports to the corporate secretary who will present the reports to the Board of Directors at their next meeting. As well, the reports shall be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).
9. The Company's Directors who have a conflict of interest in any agenda item are required to give a report on the conflict of interest and not to participate in the discussion of the agenda item. The objective is to enable other Directors to discuss and adopt resolutions in an independent manner.
10. Directors are assigned with the responsibility of preparing conflict of interest disclosure forms. As well, they are required to disclose their personal information such as information about the shareholders who belong to their group, ensuring that the information is complete and accurate.

Principle 6.4: Anti-fraud and anti-corruption

In the conduct of business affairs, the Company adopts the important principle of not supporting businesses, groups of people or persons participating in or supporting direct or indirect pursuit of undue advantages by abusing one's authority. In this connection, the Company has put in place clear guidelines for supporting and cooperating with both the public and private sectors. In addition, the Boards of Directors of the Company and the member companies of Thanachart Group have approved anti-corruption policies and anti-corruption measures. The Company has also established guidelines for whistleblowers, the information of which is made available on the Company's website. Importantly, the Company

has established guidelines for checking and assessing the progress achieved in the implementation of the anti-corruption policy. the Company and the member companies of Thanachart Financial Conglomerate have become members of Thailand's Private Sector Collective Action Coalition against Corruption (CAC).

Principle 6.5: Complaint channels

The Company's Board of Directors oversees business operations and ensures that the Company puts in place a mechanism for receiving complaints or taking actions in case a whistleblower exposes misconduct occurring within the organization. As well, the Board of Directors discloses the processes and channels for receiving complaints on the Company's website or Annual Registration Statement/Annual Report (56-1 One Report). The related details are as follows:

1. The Board of Directors makes available convenient channels for receiving complaints from stakeholders through the Company's website, written notifications, letters, and telephones, among others. In this connection, With complaints management and report to the relevant agencies or committees.
2. The Board of Directors has adopted a clear policy and guidelines for whistleblowers. In particular, the Board of Directors makes an arrangement that whistleblowers may notify the Company of the misconduct via its website. Or they may directly notify the Chief Executive Officer, the head of audit, or supervisors of the misconduct. In case it involves high-ranking Executives or Directors, they may directly notify the Chairperson of the Audit Committee. As well, the Board of Directors has put in place processes for checking information about business operations, which will be reported to the Board of Directors.
3. The Company has adopted a policy of protecting whistleblowers who expose fraud or corruption. As well, it has put in place appropriate processes for resolving complaints.

Principle 7: Maintain financial credibility and information disclosure

Principle 7.1: Information disclosure and transparency

The Company's Board of Directors ensures that all groups of stakeholders are treated equitably. The Board of Directors is responsible for financial reporting and for disclosing information in a correct, transparent and timely manner. In this connection, the Company shall disseminate news, data and information of the business in compliance with the legal requirements as well as the regulations of the Company's regulatory agencies. The information to be disseminated must be screened by the responsible persons, ensuring that the information is complete, accurate and adequate for investors' decision-making. The disclosure of the information must be approved by the Company's authorized persons. Confidential information about the Company, its customers or trading partners shall not be disclosed to any parties who are not involved, unless the disclosure is approved or must comply with the law. The Company shall not disclose exaggerated information in order to prevent misunderstandings of material issues. In this connection, the information disclosure could be separately grouped as follows:

1. Types of disclosed information
 - 1.1 Disclosure of performance, statements of financial position and statements of comprehensive income (including all reviewed and audited statements), as well as Management's Discussion and Analysis (MD&A) which accompanies quarterly financial statements, the objectives of which are for investors to have the information and to better understand the changes to the Company's financial position and business operations in each quarter in addition to only financial numbers shown on the financial statements.
 - 1.2 The Board of Directors' responsibility statement together with the auditor's report in the Annual Registration Statement/Annual Report (56-1

- One Report).
- 1.3 Summary reports on the good corporate governance policies, the code of ethics, and the risk management policy which have been approved by the Company's Board of Directors as well as the results obtained from implementing those policies. The reports are made available through various channels including the Company's Annual Registration Statement/Annual Report (56-1 One Report) and website, among others.
 - 1.4 Policy on remuneration for Directors and high-ranking Executives, which reflects burdens, duties and responsibilities of each person. The policy also covers both the forms and characteristics of the remuneration. In this connection, the disclosed remuneration amounts shall also include the remuneration which each Director receives from serving as Director of subsidiaries.
 - 1.5 Roles and duties of the Board of Directors and other committees, number of their meetings and the meeting attendance record of each Director over the past year as well as opinions on the Board of Directors' performance of duties and their participation in training activities and professional development programs in a continuous manner, the information to be disclosed in the Annual Registration Statement/Annual Report (56-1 One Report).
 - 1.6 Audit fees and other fees related to services given by the auditor.
 - 1.7 Information of the Company in compliance not only with the requirements, conditions and methods related to information disclosure, which are issued by the Stock Exchange of Thailand as guidelines, but also with the legal requirements such as disclosure of the Company's acquisition or disposal of assets, related-party transaction, and change in the Company's registered capital, among others.
 - 1.8 Disclosure of the qualifications and experience of the head of internal audit and the head of compliance in the Annual Registration Statement/Annual Report (56-1 One Report) and on the Company's website.
 - 1.9 Disclosure of the qualifications and experience of the corporate secretary in the Annual Registration Statement/Annual Report (56-1 One Report) and on the Company's website.
 - 1.10 Disclosure of other information.
2. Channels for dissemination of information include the following:
 - 2.1 The Stock Exchange of Thailand:
 - Quarterly Management's Discussion and Analysis: MD&A
 - Annual Registration Statement/Annual Report (56-1 One Report)
 - Quarterly Financial Statement of the Company
 - Resolutions of the Board of Directors, resolutions of the shareholders' meetings, and other news and information
 - 2.2 The Office of the Securities and Exchange Commission: The Annual Registration Statement/Annual Report (56-1 One Report) and Prospectus
 - 2.3 The Department of Business Development, Commerce Ministry: the Company's information
 - 2.4 The Company's website: www.thanachart.co.th
 3. Mass media, printing media and other media: quarterly operating results, statements of important event, and others
 4. Quarterly Analyst Meeting
 5. Company visits/one-on-one meetings
 6. Local and overseas roadshow/conference events
 7. Dispatch of news notifications by mail.

Principle 7.2: Financial liquidity

The Company's Board of Directors monitors the Company's financial liquidity adequacy and ability to repay debts. The related details are as follows:

1. The Board of Directors ensures that the management monitors and assesses the financial position and sends a report to the Board regularly. The Board of Directors and the management will jointly find solutions promptly if there are signs indicating problems relating to liquidity and the ability to repay debts.
2. In approving any transaction or giving opinions on a transaction for approval by the meeting of shareholders, the Board of Directors ensures that the execution of the transaction will not affect the Company's business continuity in terms of financial liquidity or the ability to repay debts.

Principle 7.3: Guidelines for addressing financial problems

The Company's Board of Directors develops plans or any other mechanisms which could address financial problems in the event that the business is faced with financial problems or is expected to encounter problems, taking into account the rights of stakeholders.

1. In the event that the business is expected to be unable to repay debts or encounters financial problems, the Board of Directors shall monitor the situation closely. The Board shall also ensure that business affairs are conducted in a careful manner and that the Company complies with the requirements related to information disclosure.
2. The Board of Directors develops plans for addressing the financial problems, taking into account the fairness to stakeholders and lenders. As well, the Board of Directors shall monitor the progress towards solutions of the problems and require the management to send it a status report regularly.

3. As regards the solutions to the Company's financial problems, the Board of Directors ensures that any decision to be made must be a rational one, regardless of any methods to be adopted.

Principle 7.4: Sustainability reports

The Company's Board of Directors takes into consideration the preparation of sustainability reports as deemed appropriate.

1. The Board of Directors takes into consideration the appropriateness of information disclosure, compliance with the laws, compliance with the good corporate governance policies, the code of ethics, the anti-corruption policy, the treatment of employees and stakeholders, and the fair treatment and respect for human rights as well as responsibility towards society and environment bearing in mind the reporting framework which is acceptable domestically and internationally. The information is disclosed in the Annual Registration Statement/ Annual Report (56-1 One Report).
2. The Board of Directors oversees the disclosure of the important information. This information reflects the practices which will bring about the creation of values for businesses in a sustainable manner.

Principle 7.5: Investor Relations

The Company requires the establishment of the "Investor Relations department" which serves as a center responsible for communicating with institutional investors, shareholders, analysts and the public sector by coordinating with high-ranking Executives and work units within the Company.

The Chief Executive Officer, Chief Financial Officer, corporate secretary and head of Investor Relations department have been assigned as persons responsible for disclosing any information about the Company and its subsidiaries. In this connection, they can assign any person to disclose on their behalf the information only about the work under the authorized person.

Principle 8: Promote participation of and communication with shareholders

Principle 8.1: Encourage shareholders to participate in decision making on important matters

1. Shareholders have equal rights to participation in meetings. In this connection, the Company shall inform shareholders of the rules of procedure used in the conduct of meetings, which include voting rights by type of shares, voting steps, expression of opinions, and receipt of information about the Company's financial position and performance.

The Company's Board of Directors ensures disclosure of the policy to support or encourage all groups of shareholders including institutional shareholders, to participate in the meetings of shareholders.

2. The Company holds shareholders' yearly meeting called "ordinary general meeting" within four months after the end of the Company's accounting year. Other shareholders' meetings which are held as deemed necessary, as the case may be, are called "extraordinary general meetings."
3. The Company shall send to the Stock Exchange of Thailand a notice of the annual general meeting together with the meeting agenda as well as the Board of Directors' opinions, both Thai and English, prior to the meeting date. In this connection, the Company shall assign Thailand Securities Depository Company (TSD) serving as the Company's share registrar to send the information to shareholders within the timeframe established by the law. As well, the Company shall make available the information on the Company's website at least 30 days before the meeting date.

Principle 8.2: Meetings of shareholders

1. In holding shareholders' meetings, the Company determines the rights of shareholders over the following matters:

- 1.1 The right of shareholders in proposing the name of candidate for appointment as the Company's Director. In this connection, the Company develops a method for minority shareholders to propose the name of such candidate through the Nomination, Remuneration and Corporate Governance Committee at least 3 months before the meeting date. For consideration, the proposal must be accompanied with supporting information about the candidate's qualifications and agreement on the proposal.
- 1.2 Every shareholder is entitled to attend and vote at each meeting. They can participate in the meeting and cast their vote on each agenda item, except in that a shareholder has a conflict of interest in any agenda item and the law requires that they are prohibited from participating in and casting their vote on the related agenda item at the meeting.
- 1.3 The Company shall ensure disclosure of adequate information about the Company to shareholders for their decision making at each meeting. For example, the notice of the meeting shall give rationale behind each agenda item together with supporting information adequate for decision making, minutes of the previous meeting, and an Annual Registration Statement/ Annual Report (56-1 One Report) which has been prepared in line with the guidelines issued by the Stock Exchange of Thailand and the Office of the Securities Exchange Commission.
- 1.4 The right to appoint or remove Directors individually.
- 1.5 The right to appoint auditors.
- 1.6 Shareholders can appoint other person as a proxy to participate and cast votes at a meeting on their behalf, using the proxy form in the format specified by the law. As well, the

Board of Directors encourages shareholders to use the proxy form in the format that enables them to decide the direction of their voting. In addition, the Board of Directors proposes at least one Independent Director as an alternative proxy which could be appointed by shareholders.

1.7 Shareholders can check their shareholding status on the book closure date at the Company or Thailand Securities Depository Company Limited.

2. In relation to meetings of shareholders, the Company has a policy of requiring all members of the Board of Directors to participate in each meeting of shareholders. In this connection, shareholders can ask questions to various Committee Chairpersons about related matters. As well, the Company makes available facilities and amenities for shareholders at every meeting. Emphasis is placed on enabling shareholders to participate in the meeting. The objective is to ensure equitable treatment of shareholders.

2.1 Venue of shareholders' meeting

In holding each meeting of shareholders, the Company shall hold it at a place in Bangkok which its headquarters are located in. The venue must be large enough to accommodate all attended shareholders. In this connection, the Company must make available all the necessary facilities and amenities, accessibility, modern business environment and modern equipment for the meeting, such as audio visual equipment, microphones, and stationeries.

The Company shall use new technology at the meeting of shareholders in shareholder registration, vote counting and showing of voting results for the purpose of making the meeting procedures efficient, correct and accurate. In case of meeting of shareholders via electronic

media, the Company will use the meeting control system that meets the standards required by the regulatory agencies.

2.2 Appropriate date and time

Apart from the legal timeframe requirement, in determining the date and time for the meeting of shareholders, the Company shall take into consideration the appropriate time period. For example, the meeting shall not be held during a festival or a long weekend, among others. The Chairperson at the meeting shall also allocate appropriate time for shareholders and encourage them to express opinions and ask questions about matters relating to the Company.

2.3 Voting

- 1) The Company shall arrange for voting for each agenda item. As well, voting must be arranged separately for each sub-item in case there are several sub-items under an agenda item, such as the agenda item regarding the election of Directors.
- 2) The Company shall prepare ballots to be used for voting at each meeting except for the shareholders' meeting through electronic media, voting will be in accordance with item 1)
- 3) Vote counts must be done in a clear, transparent, verifiable manner. In this connection, the Company shall separate vote counting methods as follows:
 - Counting votes from the proxy forms submitted to the Company before commencement of the meeting.
 - Counting votes collected from the participants at the meeting.
- 4) The Chairperson of the meeting shall be responsible for reporting the results of the vote counts based on the proxy forms submitted before the meeting, plus the results of the vote counts of

shareholders present at the meeting. The Chairperson shall notify the meeting of the results.

- 5) The Company shall arrange for an independent person to observe or check vote counts at the meeting of shareholders. The Company shall notify the meeting of the information and also disclose it in the minutes of the meeting.

2.4 Meeting Agenda

- 1) The Company makes available an explanation and rationale for each agenda item or resolution to be adopted, as specified in the notice of the shareholders' meeting or in the supporting documentation for agenda items. The Company avoids any action which limits opportunities for shareholders to study its information.
- 2) The Company establishes rules for minority shareholders to propose additional agenda items in a clear manner before the date of the shareholders' meeting. The objective is to demonstrate the fairness and transparency as to whether the additional agenda items proposed by minority shareholders could be considered for inclusion.

2.5 Submission of questions in advance

The Company requires shareholders to submit their questions before the meeting date. In this connection, the Company shall inform shareholders of the requirement together with the notice of the shareholders' meeting. In addition, the Company makes available on its website the rules governing the submission of questions in advance.

Principle 8.3: Preparation of the minutes of the shareholders' meeting and disclosure of meeting resolutions

The Company's Board of Directors ensures that the resolutions adopted at the meeting of shareholders and the minutes of the meeting are prepared in an accurate and complete manner.

1. Preparation and disclosure of the minutes of the shareholders' meeting

1.1 The Company makes an arrangement for the production of minutes after the closure of each meeting. The minutes shall include the number of shareholders participating in the meeting in person and the number of shareholders who appoint a proxy to attend the meeting on their behalf, as well as the number of shareholders, the number of their respective shares and the proportion of the number of shares held by the participating shareholders in comparison to the number of the fully paid-up shares.

1.2 The minutes of the shareholders' meeting must be produced and completed within 14 days after the meeting. In this connection, the minutes shall include the names of the Directors attending the meeting and the names of those who are absent. The minutes shall include the voting procedures and the methods for showing vote counts, of which the Company informs shareholders before the commencement of the meeting, in addition to provision of opportunities to shareholders for raising issues or asking questions. The minutes also include the questions and answers, details of deliberations, discussion points, and opinions of the shareholders as well as the results of vote counts for each agenda item which include

the number in favor, the number against and the number of abstention. In this connection, shareholders can read or download the details of minutes of the shareholders' meeting on the Company's website.

- 1.3 The Company shall disclose to the public the voting results of each agenda item at the shareholders' meeting on the Company's website next day right after the meeting.

2. The Company shall keep the documentation related to the shareholders' meeting and file them by using an appropriate classification system so that shareholders can check and verify them.
3. Shareholders are equitably entitled to share in the Company's profits in form of dividends.
4. In addition to the above-mentioned, shareholders will receive various rights in accordance with the provisions of the law.

Handbook of the Code of Ethics
Thanachart Capital Public Company Limited
(Revised in 2021)

The Company has reviewed the Handbook of the Code of Ethics. In this connection, the Board of Directors of Thanachart Capital Public Company Limited at its meeting No. 10/2021 held on 4 October 2021 adopted a resolution revising the Handbook.

Preface

In the conduct of business affairs, one of the key components for organizations is to adhere to the code of business ethics, apart from compliance with the laws as well as rules and regulations established by state agencies and themselves. In this connection, the Company attaches great importance to the Code of Ethics as the adherence to it will enable the Company to grow in a stable and sustainable manner.

This Handbook of the Code of Ethics serves as practice guidelines for directors, executives and staff members of the Company to adhere to. As well, it serves as good examples for all parties concerned in carrying out their duties in a fair and ethical manner with responsibilities not only to themselves, fellow colleagues, supervisors and subordinates but also to all stakeholders.

The Code of Ethics of Thanachart Capital Public Company Limited

Thanachart Capital Public Company Limited (“the Company”) has prepared the Handbook of the Code of Ethics, which consists of the Code of Business Ethics and the Code of Conduct for Directors, Executives, Employees and Investor Relations Officers. The Code of Conduct serves as ethical standards which Directors, Executives and staff members at all levels adhere to when they carry out their assigned duties. It also serves as good examples for performance of duties within Thanachart Group. In this connection, directors, executives and employees are required to acknowledge, study and strictly adhere to the Code of Conduct by performing their duties in an efficient, noticeable, transparent and honest manner, in the best interests of the Company. In addition, importance is attached to the fair treatment of all groups of the stakeholders concerned in line with the Good Corporate Governance Policy and the Handbook of the Code of Ethics. The Code is put in place, being ready for explanation and examination in order for sustainable and stable growth of the Company.

The Code of Business Ethics

1. Conduct of Business Affairs

The Company should ensure that its personnel adhere to the Code of Business Ethics as follows:

- 1.1 Perform duties like a professional who has knowledge, ability, expertise, carefulness and prudence, with honesty, morality, responsibility, in the best interests of the Company and the stakeholders concerned.
- 1.2 Carry out work in a manner strictly compliant with laws, rules and regulations of state agencies, the good corporate governance policies, the anti-corruption policy and other policies as well as the Company’s related regulations.

- 1.3 Conduct business affairs in line with the resolutions adopted at shareholders’ meetings in the best interests of shareholders as a whole. As well, protect shareholders’ interests, ensuring that shareholders’ rights are looked after and taken care of in an equitable manner.
- 1.4 Do not participate in or support, directly or indirectly, or do business with organizations and/or persons who violate laws or cause social harms. As well, do not commit any act which is harmful to national security.
- 1.5 Avoid and do not commit any act which may give rise to a conflict of interest with the Company. Treat all groups of stakeholders in an appropriate, equitable, fair and impartial manner.
- 1.6 Protect confidential information and do not use internal or confidential information inappropriately for the benefit of yourself or others.
- 1.7 Being responsible and do not commit any act that goes against custom, tradition and morality or the society as a whole. As well, in relation to business operations, foster environmental protection and promote efficient use of resources.
- 1.8 Lay down practical guidelines and reasonably promote social and public benefit activities by supporting and encouraging the participation of employees in various CSR activities, the information of which to be disclosed in the Company’s Annual Registration Statement/ Annual Report (56-1 One Report).
- 1.9 Respect and honor any agreement or contract with trading partners or lenders. Treat them fairly by giving them complete, accurate and truthful information in order to prevent misunderstandings.

2. Personnel and Workplace Environment

The Company makes available the following facilities and amenities so that personnel could carry out their duties efficiently:

- 2.1 The Company puts in place a hygienic workplace and creates a healthy environment. As well, it ensures life safety and asset security for all the employees.
- 2.2 The Company treats all employees in a fair and impartial manner, regardless of their differences in gender, national, age, religion or disability. In this connection, it puts in place an appropriate welfare program.
- 2.3 The Company promotes and supports personnel development so that they have knowledge and opportunities for career progression in line with their ability and suitability.
- 2.4 The Company provides personnel with fair compensation based on unbiased appraisal of their performance.
- 2.5 The Company does not disclose confidential personnel information to outsiders and does not use personal personnel information for other benefits.
- 2.6 In case an investigation into performance of duties has to be conducted, the Company should make an arrangement for the personnel concerned to give cooperation to the compliance unit as well as the internal and external auditors. The objective is to ensure a fair investigation.
- 2.7 Employees are entitled to exercise political rights under the provisions of the constitutional law. The exercise of the rights is considered a personal matter for each employee and they have to be responsible for it by themselves. However, they must not mix the personal matter with those of the Company's business and/or their duties towards the Company.

As well, the Company will not be involved in the exercise of the rights so long as it does not affect the reputation and good image of the Company, and does not significantly obstruct nor inhibit the employees from their dedication or efforts to the performance of duties. In addition, the exercise of the rights must not contradict the Code of Conduct and the Code of Business Ethics, must not give rise to a conflict of interest and must not violate laws or rules of morality.

- 2.8 The Company ensures that no one makes threats by means of language or gestures that might affect the honor or human dignity of others in the workplace.
- 2.9 The Company makes available channels for filing complaints or giving clues. In this connection, every employee has a duty to oversee the performance of duties. In the event that they notice anything suspicious, which may be a fraud or an act in violation of the law or the related regulations, they are required to immediately report the irregularity to their supervisor or the Internal Audit Division in line with the Company's regulations.
- 2.10 The Company supports and encourages all employees who put the interests of their organization or the society at large above their own.

3. Conflicts of Interest

The Company establishes the following measures for managing conflicts of interest in the conduct of business affairs:

- 3.1 The Company will not take any action which gives rise to a conflict of interest. When a conflict of interest arises, the Company must deal with it in a fair and prompt manner. If the personnel or the party who may have a conflict of interest do business with the Company,

- the business must be at an appropriate level or the transaction must follow the ordinary course of trade in normal market conditions as if it were done with an unrelated party.
- 3.2 The Company puts in place control and preventive measures, aiming at dealing with related-party transactions and use of the Company's information which has not yet been disclosed to the public. The objective is to avoid potential conflicts of interest. In this connection, the Company not only establishes policies and regulations but also discloses the related party transactions in line with the requirements imposed by the regulating agencies concerned.
 - 3.3 The Company has separate locations of workplace or prevents information leakage between work units by making an arrangement for the separation of the work units which may have a conflict of interest.
 - 3.4 In procuring, buying or hiring, the employees in charge must not take bribes, directly or indirectly, from trading partners or they must not do business with their closely related parties such as family members or related parties, which may have influence on their decision-making. In an event that the procurement, purchase or hiring has to be done with the Company's closely related trading partner, a report about the relationship has to be given to the compliance unit for information and for opinions in advance. The employees who may have a conflict of interest must not participate in the approval of the transactions.
 - 3.5 Directors, Executives, employees and parties related to the Company trading partners are required to give a report about their relationship to the compliance unit and the supervising unit immediately when they become aware of the relationship.
 - 3.6 Directors, Executives or employees which have a conflict of interest in any transaction are required not to participate in the approving process relating to such transaction. The objective is to ensure that the decision making is in the best interests of the Company.
 - 3.7 The Company shall not use any resources of Thanachart Group, which include their intellectual property, name, or reputation for one's own benefit.
 - 3.8 The Company establishes a regulation which governs the exchange of gifts, presents, rewards, receptions or other benefits for the purpose of developing business relationships. Such exchange has to be done in a careful manner, ensuring that the related values are appropriate and also taking into consideration the ongoing festival, tradition and custom. The Company also has to ensure that there is no intention of accepting bribes from or giving bribes to customers, state agencies, individuals or third parties, which may have influence on the performance of duties or result in inappropriate gains.
 - 3.9 Directors, Executives or employees must be careful when performing duties for their own benefits, other than the duties and responsibilities towards the Company. For example, an Executive serves as a director in a company outside Thanachart Group. The director who spends time during the office hours to carry out such duties must get prior approval from their supervisor and report to the compliance unit.
 - 3.10 Directors, Executives or employees must not operate a business or be a shareholder who has authority in management in a company which does business or competes with member companies of Thanachart Group.

4. Information Management

The Company puts in place appropriate information management systems as follows:

- 4.1 The Company safeguards, protects, stores and looks after the information of its customers and also its own in an appropriate manner in line with the legal requirements. As well, the Company will not disclose the information or use it incorrectly for the benefit of the Company, Executives, employees or the parties concerned, unless the customers consent to the disclosure or the Company has to disclose the customer information in compliance with the law.
- 4.2 The Company records, stores and safeguards the information and assets of customers in a correct, safe, appropriate and up-to-date manner. As well, the Company puts in place Information Technology Security Systems which are efficient for both internal and external use. In addition, it acquires appropriate information technology systems, equipment and software.
- 4.3 The Company cooperates in giving information which can be disclosed for the purpose of preventing damage which may be caused to the economic system.
- 4.4 The Company discloses the information of the organization, which is accurate, complete, adequate, fair, transparent and up-to-date, as required by the law or the state agencies concerned.
- 4.5 In case the Company plans to disclose information or give an interview to the press or the public, the disclosure or interview has to be given by persons assigned by the Company only.

5. Overall Governance

The Company conducts its business affairs in compliance with the law, rules, regulations, the policies and regulations of the Company as well as the principles of good corporate governance as follows:

- 5.1 The Company encourages its employees not only to have knowledge and understanding of the laws and regulations but also to recognize the risks arising from non-compliance with the laws and regulations, as well as the damage that may be caused to the Company's business operations, image and reputation as well as the employees' own duties and responsibilities.
- 5.2 The Company establishes a work unit which is responsible for ensuring that the conduct of business affairs is in compliance with the laws and regulations. The work unit carries out its duties in a manner independent of the management. In addition, the Company allocates appropriate and adequate resources and personnel for the work unit.
- 5.3 The Company regularly oversees and reviews its compliance not only with the laws and regulations established by the state agencies concerned, but also with the Company's policies and regulations. In addition, the Company puts in place management guidelines to problem-solving as well as preventative measures within the framework of the laws, regulations, the principles of good corporate governance, as well as the Company's policies and regulations.
- 5.4 The Company takes disciplinary actions against the parties who do not comply with the laws, regulations or the Company's policies and

regulations in an appropriate manner, taking into consideration the impacts and the nature of the violation. The Company also ensures that the disciplinary actions are taken in an impartial manner and are fair to all the parties concerned.

5.5 The Company gives its cooperation and support to the various policies of the state authorities.

5.6 The Company makes available channels for giving clues or reports about anything suspicious, which may be a dishonest act or a violation of the law or the related regulations.

6. Business Competition and Dispute Settlement

The Company has established the following business operations systems which are efficient and sustainable:

6.1 The Company conducts its business affairs within the framework of fair rules and fair business competition without entering into mutual agreements with another company to fix buying prices, selling prices or terms of services which are unfair to customers.

6.2 The Company should offer products and services which are of benefit and good value to customers. In this connection, customers can freely choose to use any services and the Company shall refrain from overzealously persuading them not to switch to the services offered by another company.

6.3 The Company shall not verbally attack its competitors. As well, it shall not commit any act which is construed as a monopoly or any act which restrains or reduces competition in the marketplace.

6.4 If there are disputes or complaints, the Company shall put in place appropriate procedures for resolving or mediating the disputes or complaints.

6.5 The Company respects and does not infringe upon intellectual property of another party. In this connection, the Company strictly adheres to the law and the related agreements.

The Code of Conduct for Directors, Executives, Employees and Investor Relations Officers

Directors, Executives, employees and Investor Relations Officers have to carry out their duties and responsibilities within the ethical and moral framework. The objectives are to achieve good corporate governance at all levels of the organization and to ensure that the organization is driven forward in line with the Code of Business Ethics. The related details are as follows:

1. Directors and Executives

1.1 Directors and Executives conduct business affairs in an honest, fair, moral, responsible and ethical manner. In performing their duties and governing business operations, they do them with care, in the best interests of the organization and stakeholders and based on the business judgment rule. As well, they take into account and strive to protect primarily the interests of the organization by paying attention to events which affect the organization and its operations.

1.2 Directors and Executives play an important role in putting in place good corporate governance which builds stakeholder confidence. Good corporate governance brings about maximum benefits for the

organization, the industry and the country. As well, Directors and Executives establish good corporate governance policies and put them down in clear writing. As well, they prepare the Code of Ethics and distribute it to executives and employees for implementation in the most efficient manner.

- 1.3 Directors and Executives must act in compliance with the principles of good corporate governance. In this connection, they establish various policies relating to business operations and direction. As well, they must make arrangements for good corporate governance. Directors must ensure that executives and the management implement the established policies in an efficient and effective manner.
- 1.4 Directors and Executives establish policies to ensure that the Company's conduct of business affairs is in compliance with the laws, rules and regulations, as well as various standards and practice guidelines of the state agencies concerned. In this connection, executives are responsible for putting the policies into practice in an appropriate manner. As well, Executives put in place efficient internal control systems.
- 1.5 Directors ensure that the Company's high-ranking Executives implement the key policies, strategies and targets across the organization. They also ensure that the Executives not only establish work processes and work systems but also implement them so that the Company achieves the established targets in line with the policies and strategies approved or adopted by the Company's Board of Directors.
- 1.6 Directors and executives ensure that the Company puts in place risk management policies and systems which are efficient in order to accommodate the Company's key risks. They also ensure that the Risk Management Committee

is able to carry out its duties effectively, in a professional manner independent of business units. In addition, they must be aware of various risks which may arise. As well, they must not only protect and look after the Company's interests but also reduce potential damages to an acceptable level within the efficient risk management framework.

- 1.7 Transactions to be executed by Directors or Executives with the Company must follow the ordinary course of trade in normal market conditions as if they were done with an unrelated party, primarily in the best interests of the Company.
- 1.8 Executives must adopt positive attitudes towards their subordinates. In addition, they must supervise their subordinates with kindness and fairness. As well, they must not abuse their authority.
- 1.9 Directors must exercise discretion in the performance of their duties independent of the management or any interest group.
- 1.10 Directors must dedicate themselves to attending the meetings of the Board of Directors and the meetings of shareholders.

2. Employees

- 2.1 Employees carry out their duties in an honest manner by applying their knowledge and abilities efficiently on a par with the desirable standards expected from job holders. In addition, employees perform their duties with care and responsibly in the best interests of the organization and stakeholders.
- 2.2 Employees carry out their duties correctly and in compliance with the laws, as well as objectives, rules, regulations, orders and announcements issued by Thanachart Group.

- 2.3 Employees adopt positive attitudes towards Thanachart Financial Group, their colleagues and supervisors. As well, they respect and listen to their supervisors.
- 2.4 Representing the Company, employees are required to conduct themselves properly towards outsiders. As well, they should help enhance the positive image of the Company when an appropriate opportunity arises. As well, employees refrain from disgraceful behavior which may affect their own image and the Company's reputation, such as indulging themselves in vices, drug addiction, all types of gambling, and insolvency.
- 2.5 Employees are prohibited from committing any act which could be construed as a threat or adversely affects the honor or human dignity of others. These include, among others, making threats by means of language or gestures or noticeable harassment, particularly all types of sexual harassment, or commenting on private or personal information of colleagues in a manner which tarnishes the latter's image.
- 2.6 Employees are prohibited from procuring or arranging a person to engage in a sexual activity in order to get business or support their career advancement.
- 2.7 In case a problem arises in the course of performing one's duties or there is a customer service problem, employees are required to give a report to or consult with their supervisors by following the chain of command.

3. Investor Relations Officers

- 3.1 Investor Relations Officers build confidence as well as positive images and attitudes towards the organization, among shareholders, investors, analysts, and stakeholders.
- 3.2 Investor Relations Officers disclose necessary information of the Company in a transparent, complete, clear, timely, credible and fair manner to the public.
- 3.3 Investor Relations Officers do not disclose information which may affect the Company's share prices or investment decisions.
- 3.4 Investor Relations Officers promptly send their supervisor a report about material information which affects confidence, positive images and attitudes towards the organization.
- 3.5 Investor Relations Officers provide all groups of stakeholders with opportunities to access to or request for information.
- 3.6 Investor Relations Officers establish good relationships with shareholders, investors, analysts and stakeholders.
- 3.7 Investor Relations Officers carry out their duties, primarily in the best interests of shareholders and stakeholders.
- 3.8 Investor Relations Officers do not accept appointments during the period close to the disclosure of the financial statements. As well, investor relations officers adhere to the securities trading guidelines issued by the Company.

Attachment 6 Reports of Sub-committees

Report of the Audit Committee

The Audit Committee of the Company consists of three members. Each member is an Independent Director, qualified in the field of accounting and finance, and experienced with financial institutions and large organizations. The members are as follows:

- Mrs. Siripen Sitasuwan Chairperson
- Mr. Tiraphot Vajrabhaya Member
- Mrs. Salinee Wangtal Member

In this regard, Ms. Thanawan Teekautamakorn, Executive Vice President, Audit Division, had been the secretary of the Audit Committee until September 2021. The Committee has assigned Mr. Wichai Sathianrujikanon to serve as the secretary of the Audit Committee of Thanachart Capital Public Company Limited effective since 1 October 2021.

The Audit Committee has carried out the duties and responsibilities as assigned by the Board of Directors, which are in line with the regulations of the SEC and the notifications of the SET. The duties and responsibilities are specified in the Charter approved by the Board of Directors. In relation to risk management, the Board of Directors has established the Risk Oversight Committee which is responsible for setting the risk management framework and policy and also for directly monitoring the risk management of the Company and member companies of Thanachart Group.

In 2021, the Audit Committee held 13 meetings with management, high-ranking executives from related work functions, and the auditors. Out of total, 12 meetings were regular meetings and 1 meeting was extraordinary meeting holding for acknowledgement and consideration of various related matters as follows:

• Financial Reports

The Committee reviewed quarterly financial statements, annual financial statements, and consolidated financial statements of the Company and its subsidiaries by conferring with the auditors, Chief Financial Officer, and the management of Accounting Department of the Company for ensuring that the financial statements were in accordance with the Generally Accepted Accounting Principles and the disclosed information was sufficient, complete, and reliable. The Committee also considered accounting policies and important changes. Moreover, the Committee arranged the meetings with the auditors without the management for conferring about independent work and opinion of the auditors. The auditors have reported all examined issues to the Audit Committee for consideration.

• Internal Control and Internal Audit

The Committee ensured that the Company has an efficient internal control system and efficient internal audit. The Committee conferred and advised with the internal auditors in strategizing and approving annual audit process plans, evaluating the sufficiency and suitability of the personnel, and independence of internal audit work process. The Committee monitored and evaluated the performance monthly including evaluation of staff knowledge and competency in order to develop knowledge and efficiency of auditing. The Committee also considered the reports of the state agencies concerned and those of the auditor. The objectives were to assess the adequacy of the internal control system and the appropriateness of the Company's guidelines to problem solving.

- **Compliance with Rules and Regulations**

The Committee closely monitored the Company's operations, ensuring that they were in compliance with rules and regulations imposed by the state agencies concerned, which included the SEC, the SET and the OIC, among others. The Committee also kept abreast of the changes in the rules and regulations which had impacts on the operations of the Company and its subsidiaries. In this connection, it ensured not only that improvements and corrections were made but also that the results were closely monitored.

- **The Charter of the Audit Committee**

The Committee ensured that the Charter of the Audit Committee is regularly revised at least once a year and approved the revision of the Charter of the Audit Department and ensured that they were up-to-date and most appropriate. The performance of the Audit Committee was also assessed and it was concluded that the Committee functioned in accordance with the Charter and yielded good and appropriate results that helped achieve good corporate governance.

- **Auditor**

The Committee gave advice for selecting the auditors by considering from qualification, personal experienced, independence, performance in the past, and the fairness in remuneration for the auditors in accordance with their responsibilities. The results were reported to the Company's Board of Directors for proposing to the Annual General Meeting of Shareholders for appointing the auditors and approving the audit fees.

- **Related Party Transaction and Conflict of Interest**

The Committee examined the related party transactions or transactions that may lead to a conflict of interest by holding the principles of rationale, transparency, and sufficiency of disclosure to related parties as reported by related departments before reporting to the Company's Board of Directors.

- **Reviewing Assessment Forms and Anti-Corruption Measures**

The Committee reviewed and monitored the operations, ensuring that the Company implemented the anti-corruption measures. In addition, the Committee ensured that the Company not only put in place an adequate control process aiming at preventing corruption, but also, importantly, a whistleblowing process. In this connection, the reports concerning wrongdoing would be considered independently and the whistleblowers would be protected. The objective was to make the whistleblowers feel confident that they would be protected from retaliation. On the other hand, the accused parties would be treated fairly.

The Audit Committee independently acts on its duties with cautiousness and gives frankly opinion for the benefits of the Company with cooperation from executives and staff of the Company and without limitation in data. Finally, the Audit Committee is of the opinion that the financial reports were correctly prepared and the financial information was sufficiently and properly disclosed in accordance with the Generally Accepted Accounting Principle. The internal control system and internal audit are appropriate and efficient. As well, the Company's risk management system is efficient. The Company operates strictly abiding by the laws and regulations of the authorities. The external auditors are independent in carrying out their duties. In addition, related party transactions or transactions that may lead to a conflict of interest are reasonable and considered as normal business operations with sufficient disclosure.



(Mrs. Siripen Sitasuwan)

Chairperson of the Audit Committee

Report of the Nomination, Remuneration, and Corporate Governance Committee

The Board of Directors has established the Nomination, Remuneration, and Corporate Governance Committee which consists of three members, of whom two are Independent Directors and one is Non-executive Director. Their names are as follows:

1. Mr. Tiraphot Vajrabhaya Chairman (Independent Director)
2. Mrs. Siripen Sitasuwan Member (Independent Director)
3. Mr. Vichit Yanamorn Member (Non-executive Director)

The Nomination, Remuneration, and Corporate Governance Committee has carried out the duties assigned by the Board of Directors in a careful and cautious manner as well as in line with the Committee's policies and Charter of the Nomination, Remuneration, and Corporate Governance Committee established by the Board of Directors in the best interests of the Company's operations, the details of which are as follows:

- Recruiting and selecting candidates with a diverse range of knowledge, ability, experience, and expertise, who meet all eligibility requirements of the law and possess no prohibited characteristics established by the law or stipulated in the official announcements. Also, proposing them for appointment as the Company's Directors, the members of various sub-committees, Chief Executive Officer, and executives at the executive vice president level and higher. As well, ensuring that the number, structure, qualifications, knowledge, and expertise of the Directors are appropriate in line with the Company's corporate governance.
- Determining remuneration and the rates of remuneration applicable to Members of the Board of Directors, the members of various sub-committees, and Chief Executive Officer, ensuring that they are not only at the levels appropriate to their duties and responsibilities and comparable to the remuneration of those industry peers, but also at the levels which are fair to shareholders. In addition, proposing performance appraisal of the Board of Directors, sub-committees, and Chief Executive Officer also establishing guidelines for appraising the performance of executives at the level of vice president and above.
- In carrying out corporate governance responsibilities, the Committee reviews, proposes and monitors the implementation of the policy on Good Corporate Governance and Handbook of the Code of Ethics as well as the related regulations and guidelines. The Committee not only takes into consideration corporate governance assessments of the Company, which are prepared by external parties, but also proposes desirable practices or regulations for the Board of Directors and sub-committees. As well, the Committee monitors the adequacy of disclosure of the Company's information in the areas related to corporate governance and sustainable development. Importantly, the Committee encourages sharing of good corporate governance culture as well as participation in sustainable development.

In 2021, the Nomination, Remuneration, and Corporate Governance Committee held five meetings altogether. The following important agenda items were considered:

1. Considering agenda items related to nomination of Directors and High-level Executives
 - Considering and selecting persons with appropriate qualifications and also checking whether their qualifications met the regulatory requirements as well as the requirements announced by the Company. The objective was to propose names of candidates to the Board of Directors for election as Members of the Board,

replacing the ones retiring by rotation at the 2020 Annual General Meeting of Shareholders. In this connection, shareholders were also given an opportunity to propose the names of candidates for election as directors via the Company's website.

- Considering and reviewing the structure, qualifications, and skills matrix of the Board of Directors and Sub-committees in 2021. And annually examining the qualifications of Directors and persons with powers, ensuring compliance with the laws as well as the notifications issued by the regulatory agencies overseeing the Company.
- Considering the employment of Chief Executive Officer in 2022.

2. Considering agenda items related to determination of remuneration of Directors and High-level Executives

- Considering and reviewing the remuneration of the Board of Directors and other committees in 2021 and the allocation of performance allowances for Members of the Board of Directors in 2020, proposing the remuneration and performance allowance to the Board of Directors and the 2020 Annual General Meeting of Shareholders. Also acknowledging a summary report on the number of meetings attended by each director as well as the remuneration paid to the members of the Board of Directors and various standing committees for the year 2021.
- Considering the performance of the Board of Directors as well as the Nomination, Remuneration and Corporate Governance Committee for 2020 and reviewing the 2021 performance appraisal form for the Board of Directors as well as the Nomination, Remuneration and Corporate Governance Committee. Also considering the performance of other committees for 2021.
- Reviewing the 2020 performance appraisal form for the Chief Executive Officer as well as the performance appraisal results for 2020. Also considering adjustments to the salary and special remuneration of the Chief Executive Officer.

3. Considering agenda items relating to implementation of corporate governance activities

- Considering the report of the Nomination, Remuneration and Corporate Governance Committee and to acknowledge the disclosure report for 2020 in line with the principles of good corporate governance, which was given in Annual Report 2020 and through the Company's other channels. The purpose was to monitor the adequacy of corporate information disclosure in line with the Company's guidelines.
- Considering the organization of the 2021 Annual General Meeting of Shareholders as well as the agenda of the meeting. The objective was to ensure full compliance with the laws and the announcements of the state agencies concerned as well as the rules and regulations related to the good corporate governance. Also considering the provision of an opportunity for shareholders to propose agenda items for the annual general meeting of shareholders and to propose names of candidates for election as directors, replacing the ones retiring by rotation at the 2021 Annual General Meeting of Shareholders.

- Reviewing Thanachart Group's Good Corporate Governance Policy and Handbook of the Code of Ethics for the Year 2020. Reviewing the Nomination and Remuneration Policy. Also considering the Charter of the Board of Directors, the Charter of the Nomination, Remuneration, and Corporate Governance Committee, and reviewing the policy on information disclosure and use of insider information, ensuring that it was appropriate and in line with the Company's business operations by taking into account the Corporate Governance Code (the CG Code) developed by the SEC. The objective was to propose the charters to the Board of Directors for consideration.
- Acknowledging the assessment results of the 2021 Corporate Governance Report (CGR) Survey. Also, considering suggestions for developing the Company's corporate governance in line with Corporate Governance Report (CGR) of Thai Listed Companies Project.

In this connection, the Nomination and Remuneration Policy and the details related to the nomination and remuneration process have been disclosed in this 56-1 One Report.



(Mr. Tiraphot Vajrabhaya)

Chairman of the Nomination, Remuneration,
and Corporate Governance Committee



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