

STEP of STABILITY





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VISION

Be a leading investment company which invests in a diverse range of businesses and is widely recognized for its stability, sustainability, and good returns.





MISSIONS

Search for opportunities to invest in new businesses with good potential, aiming at enhancing the Company's business diversity, stability, and operating performance.

Govern member companies of Thanachart Group, ensuring that they realize their potential growth in full and in line with the business goals.

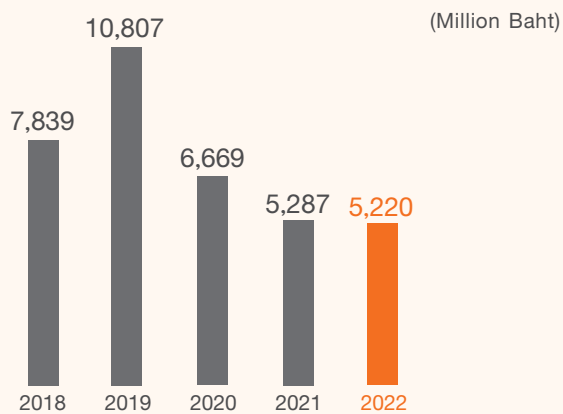
Be committed to supporting, promoting, and driving member companies of the Group not only to offer quality products and services that satisfactorily meet customer needs but also to adhere to the principles of good corporate governance in order to gain credibility and generate sustainable good returns.



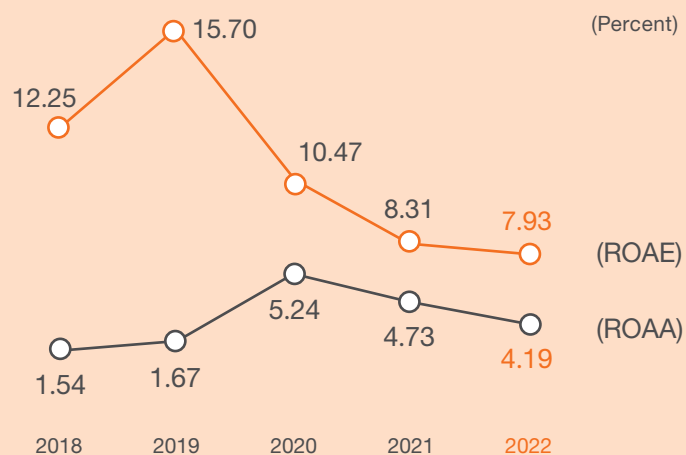


Financial Highlights

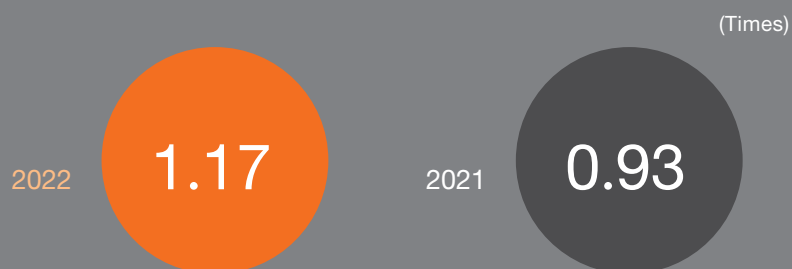
Profit attributable to the Company



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



Debt to Equity Ratio (D/E Ratio)



Consolidated

As at or for the year ended 31 December

	2022	2021	2020	2019	2018
Operating Performance (Million Baht)					
Interest Income	4,563	4,026	4,213	4,339	4,074
Interest Expenses	1,559	1,355	1,620	1,599	1,515
Net Interest Income	3,004	2,671	2,593	2,740	2,559
Non-interest Income	7,964	8,513	10,317	4,744	5,546
Net Operating Income	10,968	11,184	12,910	7,484	8,105
Other Operating Expenses	3,275	3,143	2,899	3,034	3,019
Expected credit loss/Impairment Loss of Loans and Debt Securities (Reversal)	493	483	606	(316)	302
Profit before Income Tax	7,200	7,558	9,405	4,766	4,784
Income Tax	772	836	1,557	1,367	927
Profit for the Year from Continuing Operations	6,428	6,722	7,848	3,399	3,857
Profit for the Year from Discontinued Operations	-	-	-	13,361	11,949
Total Profit for the Year	6,428	6,722	7,848	16,760	15,806
Profit attributable to the Company	5,220	5,287	6,669	10,807	7,839
Profit attributable to Non-controlling Interest	1,208	1,435	1,179	5,953	7,967
Operating Performance Ratios (Percent)					
Return on Average Assets (ROAA)	4.19	4.73	5.24	1.67	1.54
Return on Average Equity ⁽¹⁾ (ROAE)	7.93	8.31	10.47	15.70	12.25
D/E Ratio (Times)	1.17	0.93	0.93	1.17	6.69
Financial Position (Million Baht)					
Loans to Customers and Accrued Interest Receivables - net	62,383	55,221	50,251	53,159	731,125
Total Assets	157,089	142,735	140,756	160,927	1,060,929
Total Liabilities	84,558	68,594	67,987	86,868	923,011
Total Equity	72,531	74,141	72,769	74,059	137,918
Equity Attributable to Owners of the Company	66,763	65,114	63,311	65,833	65,735
Common Share Information					
Information per Share (Baht)					
Basic Earnings per Share	4.98	5.04	6.26	9.43	6.74
Book Value	63.67	62.10	60.38	57.46	57.15
Dividend ⁽²⁾	1.20	3.00	3.00	7.00	2.60
Common Shares Outstanding (Million Shares)					
Average-Basic	1,049	1,049	1,066	1,146	1,164
End of Year	1,049	1,049	1,049	1,146	1,150
Share Price ⁽³⁾ (Baht)					
Highest	44.25	38.25	57.00	59.50	60.25
Lowest	36.25	32.25	27.00	50.25	46.25
Closing	42.50	37.75	34.50	53.50	49.75
Market Capitalization (Million Baht)	43,984	43,984	40,197	62,334	57,965
Other Information					
Employees ⁽⁴⁾	1,814	1,811	1,824	2,062	13,893

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

⁽²⁾ Dividend per share for 2022 is interim rate paid

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

⁽⁴⁾ Number of employees in 2019 - 2022 excludes employees of TBANK, TBROKE, and Thanachart Fund Management Company Limited

ST P of STABILITY

“**Thanachart Group** places a strong emphasis on organizational and human resource development, with an aim to enhance their potentials and to develop innovative products and services in preparation for accommodating changes in the digital era. The purposes are to achieve sustainable growth, to build confidence of all the sectors concerned, to fulfill every life and to meet customer needs in a stable and sustainable manner....”





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 Public 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 AJT. 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.

2022

Implemented the strategic plan by continuously increasing equity stakes in subsidiaries and associated companies

The Company continuously increased its shareholdings in subsidiaries and associated companies in line with the strategic plan by increasing its equity stakes in THANI, TNI, TNS and TTB respectively. These shareholdings served as a foundation for generating appropriate sustainable returns for shareholders in the long term. **This was in line with the Company's position as a diversified investment holding company which made investments in companies which had potential and provided a wide range of businesses.**





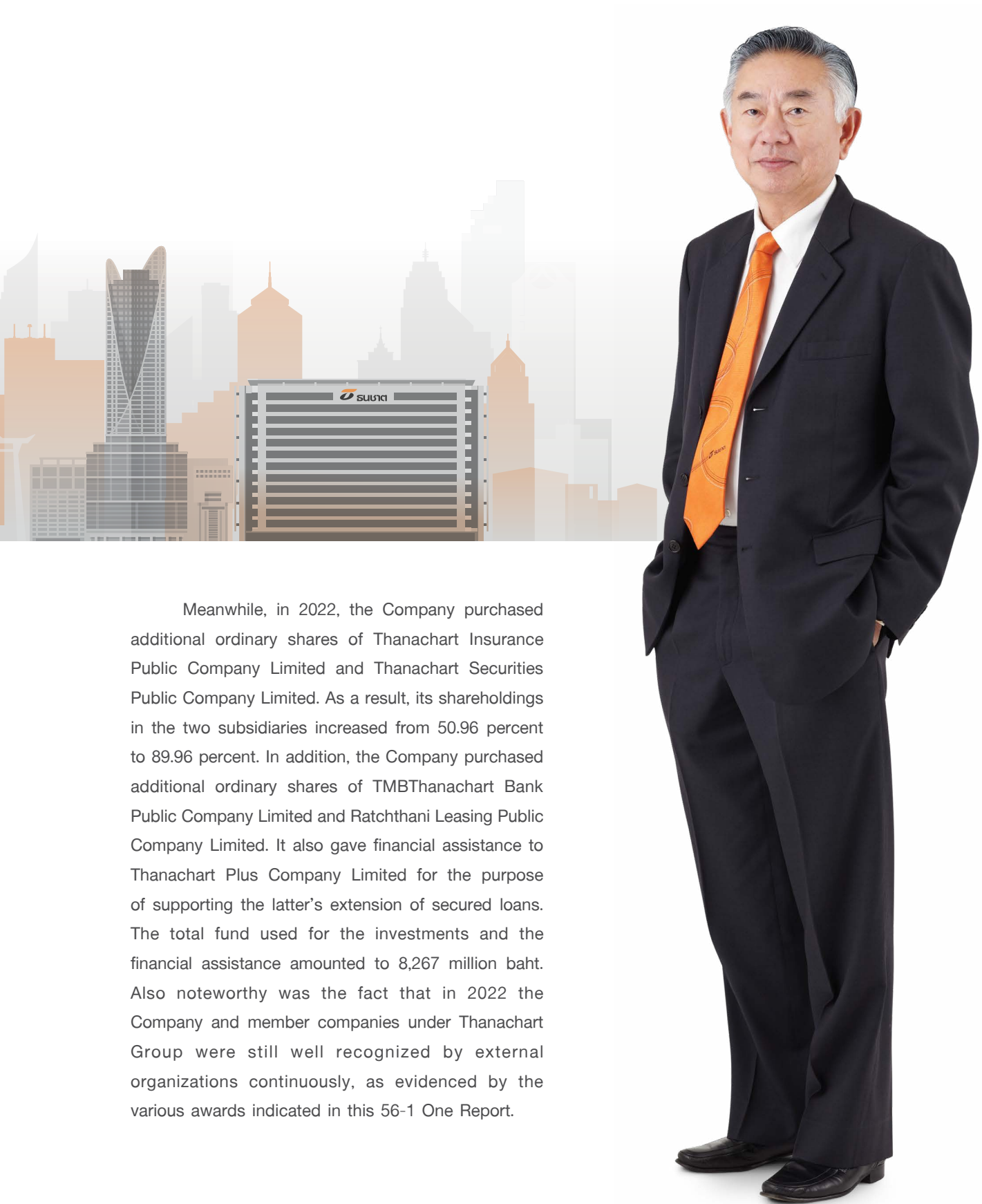
Message from the Board of Directors



In 2022, the Thai economy recovered from the COVID-19 pandemic situation, as evidenced by the economic expansion rate of 2.6 percent, thanks to the growth of the tourism sector in the second half of the year. However, the export sector started to slow down due to the slowdown in demand in the trading partner countries since the middle of the year. On the other hand, the inflation rate increased rapidly since the beginning of the year due to the increases in energy prices and fresh food prices. It was expected that the inflation would increase further in line with the economic recovery. In this connection, the Bank of Thailand's Monetary Policy Committee decided to raise the policy interest rate three times in the second half of 2022. As a result, the benchmark rate increased from 0.50 percent per annum to 1.25 percent per annum.

As regards the performance in 2022, net profit of the Company and its subsidiaries amounted to 6,428 million baht, with the net profit attributable to the Company amounting to 5,220 million baht, representing a decrease of 67 million baht or 1.27 percent when compared to the previous year. This was mainly due to the decrease in non-interest income. On the other hand, in case the special item in 2021 was excluded, net profit of the Company would increase by 13.7 percent. The operating results of the Company's key subsidiaries and associated companies were as follows:

- Net profit of Ratchathani Leasing Public Company Limited amounted to 1,753 million baht.
- Net profit of Thanachart Insurance Public Company Limited amounted to 697 million baht.
- Net profit of Thanachart Securities Public Company Limited amounted to 448 million baht.
- Combined net profit of asset management companies and other subsidiaries amounted to 372 million baht.
- Share of profit from investments in associated companies including TMBThanachart Bank Public Company Limited and MBK Public Company Limited, based on the equity method, amounted to 3,233 million baht.



Meanwhile, in 2022, the Company purchased additional ordinary shares of Thanachart Insurance Public Company Limited and Thanachart Securities Public Company Limited. As a result, its shareholdings in the two subsidiaries increased from 50.96 percent to 89.96 percent. In addition, the Company purchased additional ordinary shares of TMBThanachart Bank Public Company Limited and Ratchthani Leasing Public Company Limited. It also gave financial assistance to Thanachart Plus Company Limited for the purpose of supporting the latter's extension of secured loans. The total fund used for the investments and the financial assistance amounted to 8,267 million baht. Also noteworthy was the fact that in 2022 the Company and member companies under Thanachart Group were still well recognized by external organizations continuously, as evidenced by the various awards indicated in this 56-1 One Report.



In 2023, the Thai economy is expected to grow, thanks to the supporting factors including the recovery of the tourism sector, expansion of private consumption, as well as expansion of both public and private investment. However, the economy might be faced with global economic slowdown, policy rate hikes around the world, and uncertainties caused by protracted geopolitical conflicts. In this connection, the Board of Directors anticipates that the operating results of Thanachart Group in 2023 will grow. The growth will be mainly attributable to two key sources, which are the growth of the associated companies and subsidiaries whose operating results are expected to improve after the end of the COVID-19 pandemic, and the investments used not only for increasing shareholdings in the associate companies and subsidiaries but also for giving additional support to Thanachart Plus Company Limited. From the Company's stable operating results and the expected recovery of the Thai economy, the Board of Directors has passed a resolution to pay the interim dividend of 1.20 baht per share and to propose to

shareholders for approval the second dividend payment of 1.90 baht per share. The total dividend payment will amount to 3.10 baht per share, accounting for 62.28 percent of the net profit attributable to the Company. This represents an increase when compared to 3.00 baht per share in the previous year.

The Board of Directors oversaw business operations of the Company and its subsidiaries, ensuring continuous adherence to the principles of good corporate governance. Importantly, in 2022 the Board took into consideration the implementation of sustainability by establishing guidelines on environmental, social, and governance (ESG) practices and putting in place concrete action plans and clear evaluation measures. In this connection, in February 2023, the Board of Directors adopted a resolution assigning the Executive Committee to serve as a sub-committee responsible for considering further the implementation of this matter in a clear and concrete manner.



The Board of Directors has performed the duties to the best of abilities in overseeing the operations of the Company and member companies under Thanachart Group, guided by the vision **“to be a leading investment company which invests in a diverse range of businesses and is widely recognized for its stability, sustainability, and good returns”**. The Board strongly believes that shareholders and all groups of stakeholders as well as all employees will continue giving trust and support as in the past. May we take this opportunity to express our thankfulness and appreciation to all groups of stakeholders.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to be 'B. Tantivit'.

(Mr. Banterng Tantivit)

Chairman

A handwritten signature in black ink, appearing to be 'Suphadej Poonpipat'.

(Mr. Suphadej Poonpipat)

Vice Chairman

A handwritten signature in black ink, appearing to be 'Somjate Moosirilert'.

(Mr. Somjate Moosirilert)

Chief Executive Officer



BOARD OF DIRECTORS

THANACHART CAPITAL PUBLIC COMPANY LIMITED



Mr. Banterng Tantivit
Chairman



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



Ms. Suvarnapha Suvarnaprathip
Vice Chairperson of the Executive
Committee



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



Mrs. Siripen Sitasuwan

Chairperson of the Audit Committee and Member of the Nomination, Remuneration, and Corporate Governance Committee



Mr. Tiraphot Vajrabhaya

Chairman of the Nomination, Remuneration, and Corporate Governance Committee and Member of the Audit Committee



Dr. Thanachart Numnonda

Chairman of the Risk Oversight Committee



Mrs. Salinee Wangtal

Member of the Audit Committee and Member of the Risk Oversight Committee



Mr. Vichit Yanamorn

Member of the Nomination, Remuneration, and Corporate Governance Committee and Member of the Risk Oversight Committee



1

Business Operation and Performance

Structure and operation of Thanachart Group

Risk Management

Driving Business for Sustainability

Management's Discussion and Analysis

General Information And Other

Important Information





Section 1

Business Operation and Performance

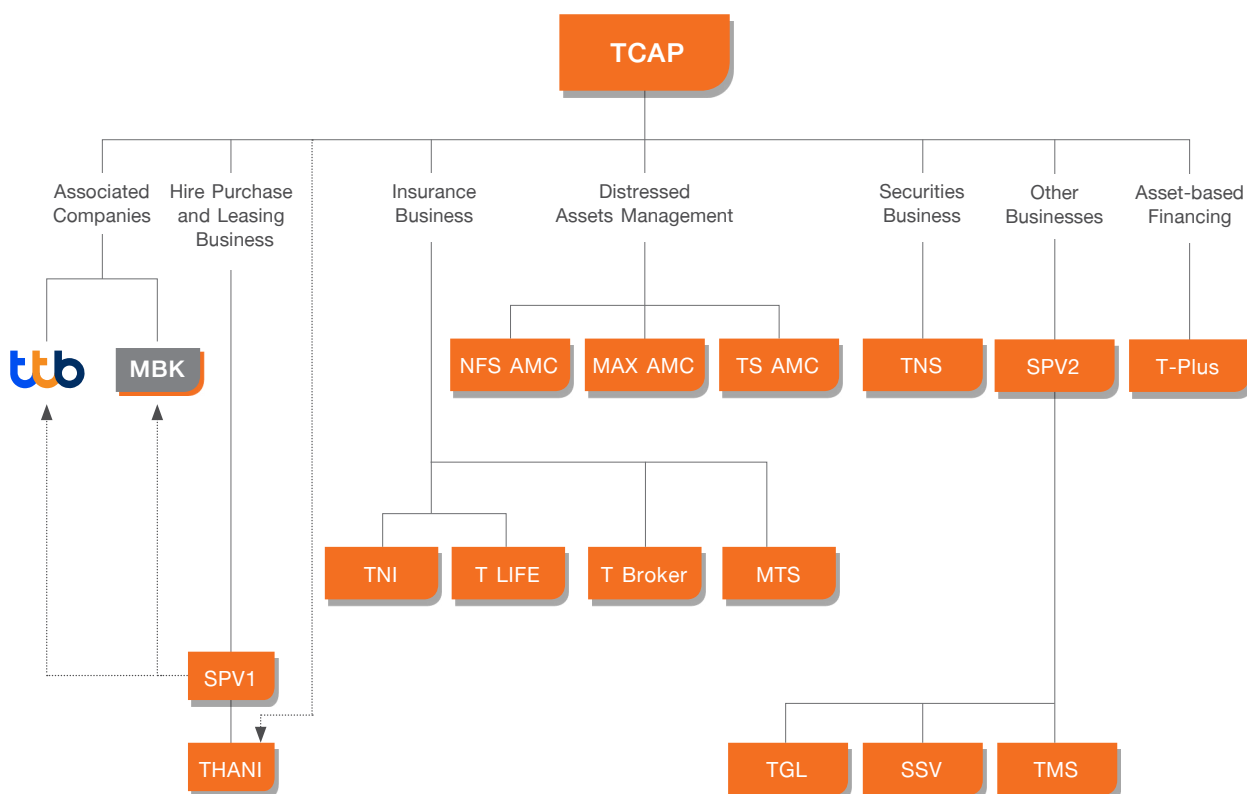
1.1 Structure and operation of Thanachart Group

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 2022



Note

TCAP - Thanachart Capital PCL., ttb - TMBThanachart Bank PCL., MBK - MBK PCL., SPV1 - Thanachart Special Purpose Vehicle 1 Co., Ltd., THANI - Ratchthani Leasing PCL., TNI - Thanachart Insurance PCL., T Life - T Life Assurance PCL., T Broker - T 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., SSV - Security Scib Services Co., Ltd., TMS - Thanachart Management and Services 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 (holding company) of Thanachart Group, which continues to adhere to the customer-centric strategy philosophy, aiming not only to develop products and services which meet the needs of each customer group, but also to provide customers with good experiences from using the products and services offered by every company of the Group. On the other hand, the Company also made investments in the commercial banking business. In this connection, it held shares in TTB (a commercial bank from the merger between TMB and TBANK. Based on the proportion of its equity stake in the Bank (the association company), the Company was entitled to participate in running the business. As a result, the Company was able to continue maintaining the policy of operating its comprehensive auto hire purchase business through TTB and THANI which was the leader in the auto hire purchase business which covered the hire purchases of trucks, passenger cars and specific categories of motorcycles.

In 2022, the Company not only looked after its business affairs but also supported the business operations of all its subsidiaries, ensuring that they had a stable financial position. In addition, it made investments to increase its equity stakes in both associate companies and subsidiaries. As well, it expanded its assets through the loans given to T-Plus for the purpose of supporting the latter's extension of collateral loans. All the investments were made in the businesses in which the Company had expertise, apart from the fact that it was confident of the business operations of these companies. The objective was to generate additional returns to shareholders in the future. The following were the details of the investments. (1) Additional investments in associate companies and subsidiaries: During 2022, the Company purchased additional ordinary shares of TTB, resulting in the increase in the total shareholding from 23.32% to 24.85%. It also purchased additional

ordinary shares of THANI, resulting in the increase in the total shareholding from 60.16% to 60.61%. As well, in the fourth quarter of 2022, it purchased additional shares in TNI and TNS, resulting in the increases of its shareholdings in the two subsidiaries from 50.96% to 89.96%. (2) Asset expansion through the loans given to T-Plus: The latter used the loan proceeds for extending collateral loans. In this connection, the combined funds used for the additional investments and the investments for the above asset expansion amounted to 8,259 million baht in total.

As for the direction of business operations in 2023, 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, Thanchart Group would put into practice the principles of good corporate governance, sustainable development, and social responsibility, together with the reduction of impacts on the environment, ensuring that they were implemented in more concrete terms. In turn, these would bring about appropriate and sustainable returns for shareholders and all the stakeholders concerned in the long run. The Company's vision was **“to be one of the leading business groups in giving a comprehensive range of financial services that can meet customer needs appropriately, in order to generate sustainable returns to all the stakeholders concerned.”**

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

3. T 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 T LIFE and T 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 The company operates an investment business. It was established for the purpose of buying shares of the subsidiaries from TBANK in line with the business restructuring plan. Currently, the company held shares in (1) Seacon Development Public Company Limited, (2) Thanachart Group Leasing Company Limited, (3) SSV, and (4) TMS.

Other businesses include: **1) Thanachart Group Leasing Company Limited, 2) Security SCIB Services Company Limited, and 3) 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

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.

2022

- On 25 February 2022, the Board of Directors adopted a resolution approving the reduction of the paid-up capital under the share repurchase program whereby 9,467,000 shares worth 1 billion baht were repurchased. As the repurchased shares were not disposed of within three years as from the date of the share repurchases, the Company arranged for the reduction of its registered capital by 194,670,000 baht. In this connection, the Company already registered the capital reduction with the Commerce Ministry on 8 March 2022. As a result, the paid-up and registered capital decreased from 11,651,297,030 baht to 11,456,627,030 baht.
- On 6 July 2022, MBK Life Assurance Public Company Limited (a subsidiary) registered the change of its name to T Life Insurance Public Company Limited. In this connection, policyholders still received the same benefits as before.

- On 27 October 2022, the Company made investments to purchase additional shares of TNI and TNS. As a result, the Company's shareholdings in both of the two subsidiaries increased from 50.96% to 89.96%. In this connection, both of the two companies were the ones which operated key businesses of Thanachart Group with their operating results being consistently good.
- On 21 December, TM Broker Company Limited registered the change of its name to T Broker Company Limited.
- During 2022 the Company purchased additional ordinary shares of THANI, resulting in the increase in the total shareholding to 60.61%. In addition, the Company purchased additional ordinary shares of TMB, resulting in the increase in the total shareholding to 24.85%.

Awards Received in 2022

- The Company achieved the excellent level recognized for its corporate governance, based on the assessment survey results given in the Corporate Governance Report 2022 of Thai Listed Companies (CGR) issued by the IOD.
- TNI was assigned a financial rating of "AA-" with a "Stable" outlook by TRIS Rating Corporation for the 2nd consecutive year. The rating reflected the fact that the company was a leading insurance company with business operations and management systems at a good level. In terms of its market position, the company was among the top non-life insurance companies which had expertise in automobile insurance. As well, its financial position was strong with a high level of liquidity, thanks to its comprehensive risk management and corporate governance framework supported by the corporate oversight units concerned.

- TNI received “Thailand Top Company Awards 2022” under the category of “The Best Business Performance Award”, which was organized by the University of the Thai Chamber of Commerce in collaboration with Business+ magazine. The awards were given to organizations with excellent management, which not only were efficient and reliable in terms of operating results, but also were able to adapt business strategies to changing situations in a quickly and timely manner. In addition, they were both socially and environmentally responsible to such an extent that they were able to achieve a continued and sustainable business growth.
- TNI received the 2nd Rank Award at the Non-Life Insurance Companies with Outstanding Performance Awards 2021, 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, socially responsible business operations, creation of products with standard quality and development of service innovations which met customer needs as well as continuous rollout into the insurance market, ability to respond to customer needs and provide them with convenience in all forms in a timely manner.
- TNI received the ISO/IEC 27001: 2013 certification for its information security management system from BSI Group (Thailand) Company Limited, which was a national accreditation institute from the United Kingdom. The certified document confirmed that the organization’s information security management system was secure and safe in accordance with globally accepted standards and that it was not only ready to deal with the risks arising from cyber threats but was also capable of handling incidents quickly.
- TNI received the Product of the Year Award 2022 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 third 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 an award at the “Production Innovation Awards 2022” under the category of accident insurance products for children. The awards ceremony was organized by the College of Management, Mahidol University, in collaboration with Business+ magazine. The given award recognized the company’s product as the most innovative and consumer-friendly, as it was not only a new hybrid insurance that combined accident insurance and coverage for four common diseases among children, but also offered at a good value price and suitable for the current economic situation.”
- 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.

- THANI was rated “Excellent” in the assessment of the corporate governance in 2022. The company received the recognition for the fifth year in a row from the Corporate Governance Report of Thai Listed Company (CGR) project implemented by the Thai Institute of Directors Association.
- THANI was selected as a company with outstanding performance in environmental, social, and governance (ESG) areas and was included in the 2022 list of 100 top-performing companies in terms of ESG. The company received the recognition for the 8th year in a row from Thaipat Institute.
- THANI was selected by the Stock Exchange of Thailand (SET) as one of the companies on the Thailand Sustainability Investment (THSI) list for the year 2022. In this connection, there were altogether 170 companies listed on the SET, which were selected and included in the THSI list.

- TNS was ranked 2nd under the category of the local broker and 8th under the category of Thai research team, by K2 Institutional Investors II Ltd.
- Mr. Pattadol Bunnag, securities analyst of TNS, was given the Best Small/Mid Capitalization Stock Analyst Award by K2 Institutional Investors II Ltd.

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 were given in Section 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 2022, 2021 and 2020 was as follows:

(Unit: Million Baht)

	For the year ended 31 December					
	2022		2021		2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Interest Income						
Interbank and Money Market Interms - Deposit at Financial Institutions	72	0.65	81	0.72	150	1.16
Financial Assets Measured at Fair Value through Profit or Loss	14	0.13	27	0.24	83	0.64
Investments in Debt Securities Measured at Amortized Cost	12	0.11	1	0.01	2	0.02
Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income	183	1.67	115	1.03	234	1.81
Loans to Customers	779	77.10	372	3.33	228	1.77
Hire Purchase and Financial Lease	3,503	31.94	3,430	30.67	3,516	27.24
Total Interest Income	4,563	41.60	4,026	36.00	4,213	32.64
Interest Expenses	1,559	14.21	1,355	12.12	1,620	12.55
Net Interest Income	3,004	27.39	2,671	23.88	2,593	20.09
Non-interest Income						
Net Fees and Service Income	1,113	10.15	1,454	13.00	1,249	9.67
Gains on Financial Instruments Measured at Fair Value through Profit or Loss	461	4.20	527	4.71	151	1.17
Gain (Loss) on Investments	(21)	(0.19)	(3)	(0.03)	3,757	29.10
Share of Profit from Investments Accounted for under Equity Method - Associated Companies and Joint Venture	3,233	29.48	1,986	17.76	2,154	16.69
Gain on Property Foreclosed and Other Assets	116	1.06	850	7.60	225	1.74
Net Non-life insurance/Life Insurance Income	2,380	21.70	2,411	21.56	1,888	14.62
Dividend Income	140	1.27	145	1.30	308	2.39
Other Operating Income	542	4.94	1,143	10.22	585	4.53
Total Non-interest Income	7,964	72.61	8,513	76.12	10,317	79.91
Net Operating Income	10,968	100.00	11,184	100.00	12,910	100.00



Hire Purchase and Leasing Business

Ratchthani Leasing Public Company Limited



“In 2022, the economy began to recover, thanks to the government’s relaxation of disease control measures and its economic stimulus measures. In this connection, THANI closely monitored and assessed the situation so that adjustments could be made to ensure operational continuity amidst changing economic conditions, mainly taking into account the maximum benefits of stakeholders.

As for 2023, THANI will continue to operate business by enhancing competitiveness based on existing experience and expertise, with an aim to become a leader in giving loans for commercial vehicles, automobiles, and other assets in a fully integrated manner in order to meet the needs of all groups of target customers.”

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, and Member of the Risk Management Committee
2. Mr. Kovit	Rongwattanasophon	Chairman of the Executive Committee, Chairman of the Risk Management Committee, and Managing Director
3. Mr. Somjate	Moosirilert	Member of the Executive Committee, Member of the Risk Management Committee, and Member of the Nomination Remuneration and Corporate Governance Committee
4. Ms. Suvarnapha	Suvarnaprathip	Director
5. Mr. Kamtorn	Tantisirivat	Member of the Executive Committee and Member of the Risk Management Committee
6. Mr. Sorasak	Chayarak	Director
7. Dr. Thakol	Nunthirapakorn	Chairman of the Audit Committee
8. Mr. Suvit	Arunanondchai	Chairman of the Nomination Remuneration and Corporate Governance Committee and Member of the Audit Committee
9. Mr. Pichai	Kititti	Director
10. Mr. Varavudh	Varaporn	Member of the Audit Committee and Member of the Nomination Remuneration and Corporate Governance Committee
11. Dr. Naree	Boontherawara	Member of the Audit Committee
12. Mr. Surapon	Satimanont	Member of the Audit 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 generate good returns to shareholders.

Mission to Employees

THANI will develop human resources to expertise, professionalism and provide the proper remuneration to sustain the qualified employees with the Company.

Mission to Partner

THANI will create better relationships, confidence, and a fair return on business to trade partners in long-term business partnership.

Mission to Customers

THANI will provide customers fairly, develop products and services to the excellence to meet the customer's needs of all target groups.

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 2022, 2021, and 2020 was as follows:

(Unit: Million Baht)

Income	2022		2021		2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Hire Purchase Interest Income						
Passenger Cars	961.48	21.64	1,011.71	23.94	1,012.18	23.74
Commercial Cars	2,507.59	56.43	2,373.21	56.15	2,454.75	57.59
Total Hire Purchase Interest Income	3,469.07	78.07	3,384.92	80.09	3,466.93	81.33
Financial Leases Interest Income	33.49	0.75	45.33	1.08	48.82	1.15
Loans interest income	8.32	0.19	-	-	-	-
Other Income						
Fees and Service Income	259.06	5.83	201.91	4.78	161.94	3.80
Income from Late Payment	169.91	3.82	165.22	3.91	159.12	3.73
Bad Debts Recovery	86.02	1.94	90.63	2.14	37.62	0.88
Insurance Premium Income	209.61	4.72	177.63	4.20	154.23	3.62
Others*	207.91	4.68	160.85	3.80	234.07	5.49
Total Other Income	932.51	20.99	796.24	18.83	746.98	17.52
Total Income	4,443.39	100.00	4,226.49	100.00	4,262.73	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

Hire Purchase and Financial Lease Business

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 2022, THANI's loans for new cars accounted for 57 percent of total loan portfolio with used cars accounting for the remaining 43 percent. In addition, in 2022, emphasis was still placed on the market for commercial vehicles, both new and secondhand. In this connection, the commercial vehicles accounted for 72 percent while other vehicles accounted for the remaining 28 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, reference prices of used car market, car registration, etc. 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. 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.

Lending Business

With respect to its lending business operation, THANI gives personal loans by using car registration books as collateral, aiming at retail customers in general who have the ownership of the car. In applying for the loans, the owners of the car will use the car registration book

as collateral and make monthly loan repayments which include principal and interest. In considering the credit line to be given, THANI not only will take into account the type and value of the collateral as well as loan repayment ability, but also check the qualifications of the customer and the guarantor (depending on the case), among others. Each customer can apply for a loan agreement using the car registration book as collateral-one agreement per collateral. THANI will receive interest, fees, and other service charges from the loan extension in line with the rates mutually agreed upon in the agreement. In this connection, the maximum combined rate which includes interest, penalty fees, service charges or other fees shall not exceed the maximum effective rate set by the BOT. However, in addition to the aforementioned interest, penalty fees, and service charges, THANI might collect from borrowers the expenses which were actually incurred and reasonable for the cause, in line with the list of expenses stipulated by the BOT. In order to ensure that the loan applicants are the rightful owners of the cars, customers who apply for loans must hand over the actual car registration book to THANI, as collateral, without having to register the transfer of the ownership. However, customers will be required to sign the Department of Land Transport's car ownership transfer form and power of attorney form. In the event that customers default on debt payments to THANI, they agree to transfer the ownership and hand over the cars to THANI for sale, the proceeds of which will be used for repaying the loans. In this connection, customers remain the owners of the cars and can take the cars back for use. The car registration book which is used as collateral for applying the loan must comply with Road Traffic Act B.E. 2522 ("Road Traffic Act") which covers various types of vehicles including motorcycles, passenger cars, commercial vehicles, trucks, and agricultural vehicles, among others.

In giving dealership floor plan loans which can be used as a source of fund for buying cars for sale as well as for increasing the liquidity of car dealers, THANI will support only those dealers which help find hire purchase customers for the company.

Insurance Brokerage Business

The insurance brokerage services are given by the company's subsidiary, namely RTN Insurance Broker Co., Ltd. (RTN), which started operating in 2018. The broker gives services to the customers who use the company's hire purchase loans, financial leases and loans. The objectives are to meet the needs of the customers and to maintain the efficiency of service delivery. The broker partly enables THANI to offer a fully integrated range of services to its customers of hire purchase loans, financial leases and loans. In this connection, the available insurance services mainly consist of vehicle insurance such as voluntary insurance, compulsory motor insurance, and life assurance.

Market and Competition

The year 2022 was a year of recovery from the COVID-19 pandemic. The overall economic situation and household income might have already passed the lowest point. There are signs of steady improvements. However, inflationary pressure continues to affect the household purchasing power. This might weaken the ability to buy new cars. On the other hand, it might become a factor which supports the second-hand car market and increases the demand for the second-hand car loans. As a result, more loan providers are interested in entering the used car market. However, in view of the the interest rate hike cycle, purchasers of second-hand cars who use hire purchase services from non-bank lenders will be faced with heavier interest burdens, as evidenced by the gradual increases in the interest rate charged to hire purchase loans to accommodate rising

financial costs. Meanwhile, the issues on household debts and bad debts, especially those of the groups with unstable income, will lead to stricter loan screening. It is necessary for lenders to be more cautious in giving loans. Borrowers will be required to increase their down payment by 5-10 percent on average to mitigate the risk. Lenders will have to adopt more prudent lending policy and place emphasis on quality growth. In addition, the increased oversight of retail lending by the government has led to entry of captive finance providers which have a greater role to play in the industry. As a result, THANI has to come up with various strategies with an aim to expand its market, particularly through digital platforms in order to have access to more diverse groups of potential customers. These will be an important factor in maintaining its competitiveness in the future.

Nevertheless, THANI plans to maintain the proportion of hire purchase loans for commercial vehicles at 65-70% of its loan portfolio over the next 3-5 years, mainly because the customer groups are expected to grow continuously and give a high return in terms of profitability rate. With extensive experience and expertise in the business, THANI will continue to leverage these advantages in enhancing its competitiveness. Emphasis will be placed not only on maintaining relationships and giving good returns to second-hand car dealers, but also on providing customers with fast and prompt services in order to maintain the market share and establish relationships with more second-hand car dealers. These will bring about more opportunities and more 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 2022, 2021 and 2020 were as follows:

(Unit: Million Baht)

Items	2022		2021		2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Shareholder's Equity	12,360.94	23.35	11,566.57	24.00	10,818.69	22.78
Borrowings						
Short-term Borrowings ⁽¹⁾	16,114.58	30.44	17,796.32	36.92	10,991.23	23.14
Long-term Bonds ⁽²⁾	22,315.27	42.15	16,794.34	34.84	18,098.73	38.10
Long-term Borrowings	2,147.26	4.06	2,044.76	4.24	7,589.98	15.98
Total-Borrowings⁽³⁾	40,577.11	76.65	36,635.42	76.00	36,679.94	77.22
Total	52,938.05	100.00	48,201.99	100.00	47,498.63	100.00

Notes

⁽¹⁾ Short-term borrowings, overdrafts, and long-term borrowings 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 borrowings 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 2022, total borrowings amounted to 40,577.11 million baht. The related repayment schedule was as follows:

(Unit: Million Baht)

Borrowings Repayment Schedule	Amount
Within 1 year	16,114.58
1-up to 2 years	7,089.09
2-up to 3 years	10,931.43
Over 3 years	6,442.01
Total	40,577.11

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	Loan Agreements	Total
Within 1 year	20,179.72	209.02	156.99	20,545.73
1-up to 2 years	16,313.98	134.55	23.19	16,471.72
2-up to 3 years	11,924.90	84.12	17.95	12,026.97
Over 3 years	9,170.05	56.17	10.93	9,237.15
Total	57,588.65	483.86	209.06	58,281.57

As of 31 December 2022, THANI's borrowings (including overdrafts and short-term borrowings) due to be repaid within one year amounted to 16,114.58 million baht while its long-term borrowings due to be repaid after one year but not more than two years amounted to 7,089.09 million baht. On the other hand, the installment payments due to be repaid by debtors within one year amounted to 20,545.73 million baht while the installment payments due to be repaid after one year but not more than two years amounted to 16,471.72 million baht. It could be seen that THANI's sources of funds were adequate to repay the borrowings which were due within one year as part of the short-term borrowings would be repaid by the long-term borrowings. This was a capital structure strategy adopted by THANI. In this connection, the short-term borrowings due to be repaid within one year consisted of overdrafts, borrowings 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 borrowings 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



“Overall, the non-life insurance industry 2022 continued to grow steadily. As at the end of 2022, total insurance premium amounted to 247,843 million baht, representing an increase of 3.2 percent. In this connection, among all types of non-life insurance, auto insurance had the highest proportion of the total premiums received, amounting to 139,362 million baht, representing an increase of 4.25.

TNI is determined to manage business operations in a prudent manner. Importantly, the company pays great attention to careful risk management. It has also developed a strategy to achieve growth in groups of automobile insurance in which it has expertise. In penetrating the market, it conducts analysis and apply information derived from actuarial calculations. As a result, it is able to meet customer needs in terms of both products and services. Emphasis is also placed on after-sales services. In 2022, it gained customer trust in new market segment, who switched to buy significantly more automobile insurance policies from TNI.

As a result, in 2022, total premiums received amounted to 10,320 million baht, representing a strong growth of 23.8 percent, which was much higher than the non-life insurance industry’s average growth rate. Net profit amounted to 697 million baht while total assets amounted to 17,481 million baht, with a highly liquid financial position as well as the capital adequacy ratio (CAR) being 576.8 percent as at the end of 2022. As a result, TNI was assigned a credit rating of AA- with a stable outlook by TRIS Rating Company.

As regards the business plan for 2023, TNI aims to continue increasing the insurance premium received to reach 12 billion baht, representing an increase of 16.3 percent. Emphasis will still be placed on the strategy to develop auto insurance products in which the company has considerable expertise. It has also come up with a plan to expand automobile insurance market by targeting at more truck groups and more future cars of interest, which include insurance for electric vehicles (EVs) and insurance for hybrid electric vehicles (HEVs). The company will also enhance its strengths and build on the past success to introduce insurance products including loan insurance, personal accident insurance, home insurance, and travel insurance. The purpose is to respond to customer needs of more target groups. Meanwhile, TNI still stays committed to developing and raising the quality level of after-sales services. Focus is also on applying digital technologies and innovations to streamlining the claims management systems and adding service value for customers in each group in fulfillment of their needs. Importantly, the company plans not only to create good customer experiences through digital platforms but also to enhance customer experience at every point of services. In addition, it strives to establish relationships with additional business partners continuously and to develop the organization with great determination, aiming at achieving a strong and stable growth.”

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. Mrs. Thanawan	Chaisithikarnkha	Director
8. Mr. Perapart	Meksingvee	Member of the Executive Committee, Member of the Risk Oversight Committee, Member of the IT Oversight Committee, and Managing Director

Note Mr. William George Said has resigned from his directorship effective since 27 October 2022

Vision

Thanachart Insurance aims to become a leading provider of non-life insurance services for retail customers by applying information technology and analyses to provide customers with protection that meet their needs, aiming at bringing the maximum benefits to customers, employees, trading partners, the society and shareholders.

Missions

- Be a leader in automobile insurance, striving to grow through innovative automobile insurance products and focusing on establishing TNI as the top-of-mind brand of customers for automobile insurance products.
- Impress customers with excellent services, by applying innovations, technologies and digital applications to creating good experiences and positive impressions at various points such as the headquarters, branches, Meet & Care service points, and the delivery of services at accident sites.
- Create values for each group of customers by giving excellent services that align with their behavior and needs. Develop the operations further by building on the past experiences of customers to enhance customer confidence and strengthen the loyalty of TNI's brand.
- Be an organization driven by achievements, through creation of corporate culture that places emphasis on involvement of customers and on applying innovations to business operations, along with planning for continuous employee development.

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, personal accident 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 1.1 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	2022	2021	2020
Insurance Business (Direct Premiums)	10,320	8,334	8,682
Auto	9,134	7,146	7,419
Fire	72	69	79
Miscellaneous	1,114	1,119	1,184
Investment Business (Investment Income)	236	144	103

Market and Competition

The insurance industry in 2022 continued to be impacted by COVID-19 insurance claims for half a year against the policies that had not yet expired. It was a year which was faced with turbulent economic conditions with rising interest rates as a result of high inflation and rising operating costs. These factors had impacts not only on the insurance industry but also on the performance of several insurance companies.

With respect to the overview of the non-life insurance industry in 2022, total premiums received amounted to 275,505 million baht, representing an increase of 3.6 percent. In this connection, automobile insurance which accounted for the highest proportion in the industry registered a growth rate of 4.3 percent, which was in line with the economy which just began to recover. On the other hand, miscellaneous insurance which accounted for the second highest proportion registered a growth of 2.4 percent while fire insurance registered a growth rate of 0.9 percent and marine and transport insurance registered a growth rate of 10.5 percent. Overall, the insurance industry continued to grow well.

Based on the register of the Office of Insurance Commission (OIC) as of 30 September 2022, the number of non-life insurance companies amounted to 52. In this connection, the first top 10 companies had the highest proportion of the premiums received, capturing 65.2 percent of the total market share. In the first half of 2022, the insurers which sold COVID-19 policies were still impacted by the claims against the policies that had not yet expired. As a result, operating results of several insurers showed a loss.

In 2022, premiums received of TNI robustly grew by 23.8 percent, which was much higher than the overall industry's growth rate. In this connection, much of the growth was attributable to automobile insurance which accounted for 88.5 percent of the total premiums received. In order to access various groups of target customers, TNI paid great attention to development of innovative products and services, ensuring that the company stayed relevant amidst changing customer behavior. The company underwrote its insurance policies by adhering to the prudent risk management principles which were implemented through the marketing strategies as follows:

Products

In 2022, the economy and changes in social lifestyles had considerable impacts on daily living. As a result, TNI created and designed new automobile insurance products with value above price, and introduced them to the market, to keep pace with changing lifestyles and rising costs of living. In particular, it launched "2+ Fit car insurance", a new type of automobile insurance which was suitable for customers who required main coverage just sufficient for their own risks with savings to be used when necessary. The coverage included protection against collision, theft and fire with the sum insured to be selected based on one's needs.

Building on the success in developing insurance innovations, TNI launched "Happy PA for Child". This hybrid personal accident insurance product was a mixture between accident insurance and health insurance, which was aimed at family groups. The product provided coverage for parents or guardians who purchased the insurance

and also for their children against four most common childhood diseases including dengue hemorrhagic fever, influenza, hand-foot-and-mouth disease as well as respiratory syncytial virus (RSV) infection. This product won an award at Product Innovation Awards 2022 organized by Business+ which was a magazine owned by ARIP Public Company Limited in collaboration with the College of Management, Mahidol University. The awards were given to organizations which invented and developed innovations with the needs of their customers most satisfactorily fulfilled.

It could be seen that TNI was committed to inventing and designing new types of insurance products in a continuous and rapid manner to enable customers to get the maximum benefits and coverage which included protection against potential risks.

Distribution Channels

TNI offers its products and has access to customers through several channels. In this connection, it still pays great attention to contacting customers through the channels consisting of brokers and trading partner alliances. On the other hand, it has already come up with a plan to continuously include new brokers with potential as additional channels. The objectives are to meet the needs of new customer segments and to enable them to access the products of TNI.

Strong partnership with banks remains a key sales channel and holds a potential for joint growth. In this connection, TNI offers insurance products through TTB (ttb) with types of insurance protection covering all groups of target customers. Strong emphasis is placed on offering personal accident insurance, loan protection insurance, and home insurance through the bank channel. TNI also offers online products and services through the One APP system on the TTB's Application. The objective is to keep pace with changes in the post-COVID-19 world. Customers are given more convenience in the cashless society as they can buy mandatory car insurance policies (Por Ror Bor) as well as "PA all free top up" which is a personal accident insurance product with added-on protection including

additional medical expenses, income compensation coverage or cancer coverage. In this connection, customers can buy the insurance products anywhere without having to visit a bank branch.

As for existing customers who are highly valuable to TNI, the company has already created a LINE official account, namely ("Thanachart Insurance"), a platform serving as a channel for renewing insurance policies. The online platform allows easy and fast access for customers to renew their insurance policies in all categories. Importantly, the platform also gives a notification service which reminds customers about insurance policy renewal to ensure continuous protection. Moreover, customers can also view their insurance policies online around the clock.

Noteworthy is the change in customer behavior whereby increasingly more customers buy their insurance products online. In response, TNI has developed technologies and innovations to enhance its online insurance services. In particular, it has put in place the channel for selling insurance products through its website, namely www.thanachartinsurance.co.th, which provides customers with convenience. Customers are able to buy insurance products through mobile phones easily and conveniently. On the other hand, the company is also able to send policies online instantly. This serves as another channel for accommodating future changes.

Customer Experiences and Services

TNI recognized the rapid changes in the insurance industry, particularly with respect to technology and digital systems. As a result, it had applied modern technological systems including artificial intelligence (AI) and robotic process automation technology (RPA), to streamlining the claims management systems. It also applied technologies to supporting internal operations as well as linkages with the systems of its business alliances, agents, brokers and other stakeholders concerned. The objectives were numerous: to enhance convenience and speed of accessing products and services in an integrated manner, to support continuous growth, to enhance the service efficiency, to create sustainable competitive

advantages, and to cut administrative costs in an efficient manner. Importantly, the company and quality car repair garages in its networks jointly developed the claims management systems.

Particularly noteworthy was the company's "Meet and Care" services with personal assistants responsible for looking after the customers' cars when brought in for repairs. In this connection, customers would be provided free of charge with advice and details related to their car repairs, to enable them to receive stand-ready services from "orange-colored" garages and standard service centers, which spread well over 1,600 locations nationwide.

Not less importantly, the company already developed a service system which was made available on a digital platform. The objective was to enable customers to be well taken care of in line with TNI's standards through the company's LINE official account, namely ("Thanachart Insurance) around the clock. Customers would be provided with convenience as they were able to execute transactions through the LINE account, which included, among others, checking coverage details based on the insurance policy they purchased from Thanachart Insurance, asking about available products, submitting online claims, as well as making online premium payments, after which customers would receive e-policies instantly.

TNI recognizes the importance of the privacy rights of its stakeholders including shareholders, customers, trading partners as well as employees. As a result, the company stands committed to complying with the Personal Data Protection Act (PDPA) and digital marketing regulations. The company has developed information technology standards for overseeing and managing personal information of customers, guided by business ethics and legal requirements. In this connection, it is a certified company of ISO/IEC 27001:2013 (ISO 27001) which represents the highest level of protection of organizational and customer information. The company also stands ready for bolstering the information management efficiency, reinforcing the confidence in its position as a leading company in the insurance industry,

which is well prepared for coping with all situations in the cyber world in a timely manner. The company ensures that all the processes related to collection, use and disclosure of information are being managed appropriately and securely.

Financial Strengths

TNI still maintained its financial strength rating. In this connection, TRIS Rating still assigned the company a credit rating of AA-. Importantly, the company had a highly liquid financial position with the capital adequacy ratio (CAR) being 576.83 percent as at the end of 2022, which was higher than the minimum requirement of 140 percent imposed by the Office of Insurance Commission (OIC).

Growth of Operating Results

In 2022, TNI registered a growth in terms of premiums received. It also managed to capture a larger market share. The company ranked 6th in the industry in terms of premiums received while its market share was 3.8 percent, up from its 10th position in 2021 when its market share was 3.1 percent. With respect to profit from business operations, the company managed to continuously maintain the profitability level.

Instilling Corporate Culture in Employees at All Levels

TNI focuses on instilling an "IDO" culture whose qualities consisting of three aspects, namely Insightful (I), Dynamic (D), and Optimal (O). These qualities serve as important fundamentals which will mold and unite all employees around the common concept of working primarily for the benefits of customers and for developing one's own potential. The objective of the instillation is to create a clear identity of TNI. To accomplish this, the company arranges for trainings and development of change agents. They will promote the IDO culture and serve as the company's agents in putting the culture into practice in the organization through various activities. The purpose is for the entire organization to work towards the same goal in an efficient manner. Emphasis will also be placed on supporting the professional development of employees at all levels.

Thanachart Insurance's Competition Strategies

In 2023, the Thai economy is expected to achieve a better growth, thanks to the economic recovery from the improvements of the COVID-19 situation, increased exports and imports, as well as opening of the country for more tourists. On the other hand, the country is still impacted by fragile global economic conditions including high inflation and steady interest rate hikes. However, overall the non-life insurance industry still manages to maintain a continuous growth as the industry plays an important role in the country's economy and society. In this connection, insurance products will serve as important alternatives in managing risks as they provide a protection guarantee for ensuring life stability and safeguarding assets.

The Thai General Insurance Association forecasts that premiums received in 2023 will amount to 282.2-287.9 billion baht, representing a growth rate of 2.4-4.5 percent.

Due to the impacts of the COVID-19 pandemic over the past 1-2 years, those of the top 10 largest insurance companies whose performance was affected by the sales of COVID-19 insurance policies had to make rapid adjustments so that their operations results could offset parts of the losses or adverse impacts. In this connection, they would enhance competitiveness and create business growth opportunities through all channels. As a result, 2023 would be another year of fierce competition among insurance companies.

TNI has established a growth target of 12 billion baht in terms of premiums received for 2023, representing an increase of 16.3 percent when compared to 2022. In this connection, the company will implement the following strategic plans:

1) Expanding the market for auto insurance for retail customers

In 2023, TNI will focus on implementing marketing activities, aiming at increasing the number of its retail customers. In this connection, it plans to introduce insurance product innovations which cover all phases of customer behavior and every customer group. TNI

plans to sell insurance products to emerging markets such as Electric Vehicle (EV) insurance in response to the increasing popularity of electric vehicles, truck insurance, personal accident insurance, fire and home insurance, loan insurance, and travel insurance.

2) Direct Access to Customers thru Online Channels and Creation of Good Customer Experience

TNI plans to use technological innovations as tools for connecting service experiences, aiming at providing customers with convenience, fast responses and good impressions at every step of service delivery through the platform of its LINE official account, namely ("Thanachart Insurance") around the clock. In this connection, the company will build on the achievements in 2022 to increase the capabilities of the application to execute more transactions such as checking information about TNI's products, checking all the insurance policies which have been purchased and the coverage details of the policies, renewing the policies by policyholders themselves, making online premium payments, as well as receiving e-Policies instantly. When the policyholders' car has an accident, they can submit their claims online, apart from accessing other services through online channels.

Importantly, TNI plans to increase its servicing capabilities, aiming to integrate its services more fully. In particular, it will increase the number of "Meet and Care" service points with personal assistants responsible for providing customers with advice when bringing their cars in for repair. The assistants will coordinate with customers by receiving and bringing the cars for repair, following up, and informing customers of the repair status at every stage. Importantly, the assistants will help customers assess the quality of car repair before delivering the cars back to customers. TNI places a strong emphasis primarily on the quality of repair work performed on customers' cars. In selecting the garages for car repair, the company focuses on leading garages whose services must meet established standards. Importantly, they are subject to quality tests before becoming the company's car service centers called



“orange garages” in TNI’s networks. Noteworthy is the fact that customers can bring their cars in for repair immediately without having to wait in queue. And the cars brought for repair will receive a one-year car repair guarantee.

3) Creating TNI’s Brand and Implementing Marketing Activities

TNI is committed to implementing its plan of creating TNI’s brand and making it widely recognized. In 2023, emphasis will be placed on continuous implementation of advertising and public relations activities which are aimed at the target groups of its products in line with the established plan. TNI primarily pays great attention to customer experience, value and satisfaction.

It has come up with an action plan for implementing the marketing strategies. In particular, it will organize

proactive marketing activities throughout the country. For example, in the latter part of the past year, TNI participated in the preservation of Yee Peng festival in Chiangmai. Apart from preserving local cultural traditions, the marketing activities will help promote the good image and reputation of TNI’s brand in different locations and to customers in various provinces, making customers more aware and fond of the company’s brand. In this connection, TNI will keep implementing these activities continuously.

4) 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, carefully taking into consideration and closely monitoring trends as well as the changing global situations.

Assets Used in Business Operations

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

(Unit: Million Baht)

Items	2022	2021	2020
Equipment	55	56	34
Right-of-use Assets	154	178	206
Intangible Assets	83	89	60
Total Assets Used in Business Operations	292	323	300

T Life Assurance Public Company Limited



“T LIFE has a business operation strategy which enables it to cope with economic fluctuations while achieving growth for the company. This is accomplished by developing not only various sales channels which are capable of supporting its future business expansion but also different types of assurance policies with focus on loan assurance and group assurance. The company also regularly reviews its investment strategies so that it could make necessary adjustments to keep pace with changing economic conditions.

In addition, T LIFE pays great attention to prudent risk management, both in terms of policy underwriting and operational practices, with an aim to create confidence among all groups of the company’s stakeholders. As well, T LIFE places emphasis on streamlining and modernizing its work processes and service delivery in order to enhance service delivery quality and to enable it to manage its resources in a more efficient manner. The goal is for the company to achieve business operations sustainability.”

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. Nopadon	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 T 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 T LIFE's customers while delivering excellent services which make T LIFE's members happy and feel at peace.

Characteristics of Product and Service

T 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 T LIFE

- Universal life insurance
- 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

In 2022, market conditions were still impacted by the COVID-19 pandemic. These in turn affected the financial positions of customers. For example, many groups of corporate customers reduced their purchases of employee welfare insurance policies. This had impacts on the market of T LIFE as well as those of the assurance industry as a whole. On the other hand, in some segments of life assurance, such as loan insurance, they remained the main sources of revenue for T LIFE. In this connection, the company was able to exceed the established targets.

Sales Channels

T LIFE focused on developing the existing marketing channels, aiming at making them more efficient. Much effort went into expanding the market scope of each sales channel to be more flexible for supporting new trading partners and customers with the target groups being clearly specified. The company also provided support in terms of knowledge sharing about types of insurance policies, coverage conditions, and claim processing operations. With respect to services, the company placed emphasis on being a solution provider for its business alliances which included both retail customers and groups of corporate customers.

In presenting products to retail customers, the company placed emphasis on offering Guaranteed Mortgage Reducing Term Assurance (GMRTA) products, which included the type with the sum insured decreasing in line with the remaining coverage period and another type with the sum insured remaining unchanged. Being aimed at customer groups of small and medium-sized lenders, the products provided protection which covered the debt obligations of borrowers to their respective lenders. In addition, the company would offer more insurance products with tax benefits. In this connection, emphasis would be placed on offering products which mainly met the needs of its trading partners.

As for the offering of its products to corporate customers including both leading corporations and juristic persons, the company focused on group life insurance products, both with and without riders, depending on the needs of customers. Emphasis was also placed on group health insurance products which were offered directly through the company's own sales teams to corporate customers as employee benefits. In addition, the products were offered through the company's partner brokers whose target customer groups were aligned with the company's business direction.

Furthermore, to be able to respond to the needs of trading partners and customers appropriately, the company would work with reinsurers in modernizing products, ensuring that the products had selling points which were suitable to customer groups, apart from developing additional products in the future.

Acquisition of Products and Services

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

Services

The company pursues a direction that focuses on more use of information technology, aiming at providing both business partners and customers with convenience in a continuous manner. In addition, the company has adopted a policy to modernize and streamline work procedures related to service delivery transactions and other related internal operations through the implementation of office automation and mobile office technologies. As a result, it will be able to manage the resources in a more efficiently manner, mitigate various risks and reduce consumption of both energy and other resources. Meanwhile, the company is still able to continue providing services to customers as usual.



Securities Business

Thanachart Securities Public Company Limited



“In the past year, securities business faced various challenges in many areas. These included the Russia-Ukraine war, inflation, interest rate hike cycle, and China’s weakened economy due to COVID lockdowns, resulting in a sharp decline in global capital market valuation. These factors not only had impacts on the Thai bourse in terms of trading volume which fell sharply, but also adversely affected the demand for derivatives. Meanwhile, competition in terms of pricing and trading brokerage fees continued to be ongoing.

However, TNS had sources of income other than trading brokerage fees, such as ZEAL (Portfolio Advisory) and margin loan business. It was also successful in managing its costs. As a result, the company’s performance was still relatively strong.

Still faced with various challenges, TNS continues to focus on the delivery of various services by being always committed to upholding quality and integrity. It also continues to invest in making services more convenient for customers, such as giving information and services through Think Application which offers more services every year.”

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 Risk Oversight Committee, and Member of the Executive Committee
3. Mr. Punsak	Vejanurug	Director, Chairman of the Audit Committee, and Member of the Risk Oversight Committee
4. Mr. Nakarin	Virameteekul	Director and Member of the Audit Committee
5. Mr. Pong-amorn	Nimpoonsawat	Director and Chairman of the Risk Oversight Committee
6. Mr. Smart	Saensuk	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 create sustainable wealth for investors.

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 2022 and 2021 amounted to 634,151 million baht and 845,286 million baht, accounting for 1.87 percent and 2.06 percent of the SET's total trading volume respectively. In terms of market share, TNS was ranked 18th among the SET's 39 brokers. In this connection, the SET's average daily trading volume (including MAI) decreased by 17 percent from 85,057 million baht in 2021 to 70,658 million baht in 2022.

Market Share and Trading Volume

	2022	2021	2020
Trading Volume (Million Baht)			
The SET	34,057,268	40,997,605	29,828,660
TNS	634,151	845,286	866,725
Market Share (Percent)	1.87	2.06	2.91

Source the SET

In 2022, 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 2022, 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 23 percent, 2 percent, and 75 percent respectively.

For target customer groups in 2023, TNS places emphasis not only on the continuous growth of domestic institutional customers but also increasing the proportion of long-term investors who want to generate absolute return through the investment portfolio advisory service (ZEAL) whose goal is to achieve higher absolute return. Focus is also on increasing the number of short-term investors through THINK+ App which gives latest investment information to users. For investors who primarily make short-term speculative investments, TNS also promotes 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 2023, 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 2022 amounted to 2,749 million baht.

In 2023, TNS plans not only to expand its customer base in terms of both retail and corporate customers but also to develop services for maximum investment benefits of the customers. Moreover, the company will provide investment advisers and other personnel concerned with knowledge and understanding so that they could give services that help create sustainable wealth for customers.

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. This is a centralized system for transmitting and receiving data on purchases, sales, and payments between investment unit brokers in a single fully integrated system. The system covers all aspects of the transaction process, from account opening, buying and selling transactions, exchanging investment units, and making payments. Customers will benefit from the convenience and speed of investing in mutual funds. With just one account opening, customers can invest through every broker which provides support for selling and redemption of unit trusts. 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 2022, the company offered financial advisory services for companies seeking to be listed on the Stock Exchange of Thailand (SET) and was appointed as an underwriter with firm commitment for the Initial Public Offerings (IPOs) of two companies. In addition, it served as a financial adviser for conducting financial feasibility studies for seven companies. It also served as distributor and sale agent of senior bonds and hybrid subordinated bonds for 10 securities.

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 2022, TNS issued and offered for sale 195 series of warrants. As for 2023, the company plans to issue and offer for sale high quality warrants in a continuous manner. In addition, it plans to provide investment

advisers and the personnel concerned with knowledge and understanding. It will also share knowledge and understanding with customers by preparing public relations information and documentation to be distributed through media outlets. As well, information about the services of TNS will be continuously distributed to the personnel concerned, 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 2023, 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 2022, 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 in the past three years since the service launched in 2020.

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

The competition among non-bank financial institutions is expected to become more intensified, as the number of operators increases during the interest rate hike cycle. As a result, it is necessary for borrowers to be careful when borrowing money. However, as commercial banks are still faced with constraints related to loan extension, numerous steps to follow and lengthy process of approving loan applications, there are gaps in market expansion. As a result, non-bank financial institutions have a greater potential for growth.

In 2022, the company was able to expand its customer base to cover those who never used the services of non-bank financial institutions. Emphasis was placed on establishing long-term relationships with customers, designing quick loan application processes as well as flexible conditions which can be adjusted to meet customer needs.

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 and mitigate the company's risks. 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.

In 2023, the company will focus on sustainable growth. Emphasis will be placed on establishing long-term relationships with customers, expanding the quality customer base, and managing the loan portfolio in an appropriate manner.

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		
	2022	2021	2020
Land*	26	32	32
Buildings and Buildings Improvement*	182	178	178
Furniture, Fixtures and Equipment	624	648	497
Right-of-use Assets	555	581	512
Others	38	26	36
Total	1,425	1,465	1,255
Less Accumulated Depreciation	(743)	(709)	(577)
Land, Buildings, Equipment, and Right-of-use - Net	682	756	678

Note * Revaluation basis

Loans to customers

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

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 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'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 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.

Revenue recognition - Income from loans to customers

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 valued.

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 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.



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

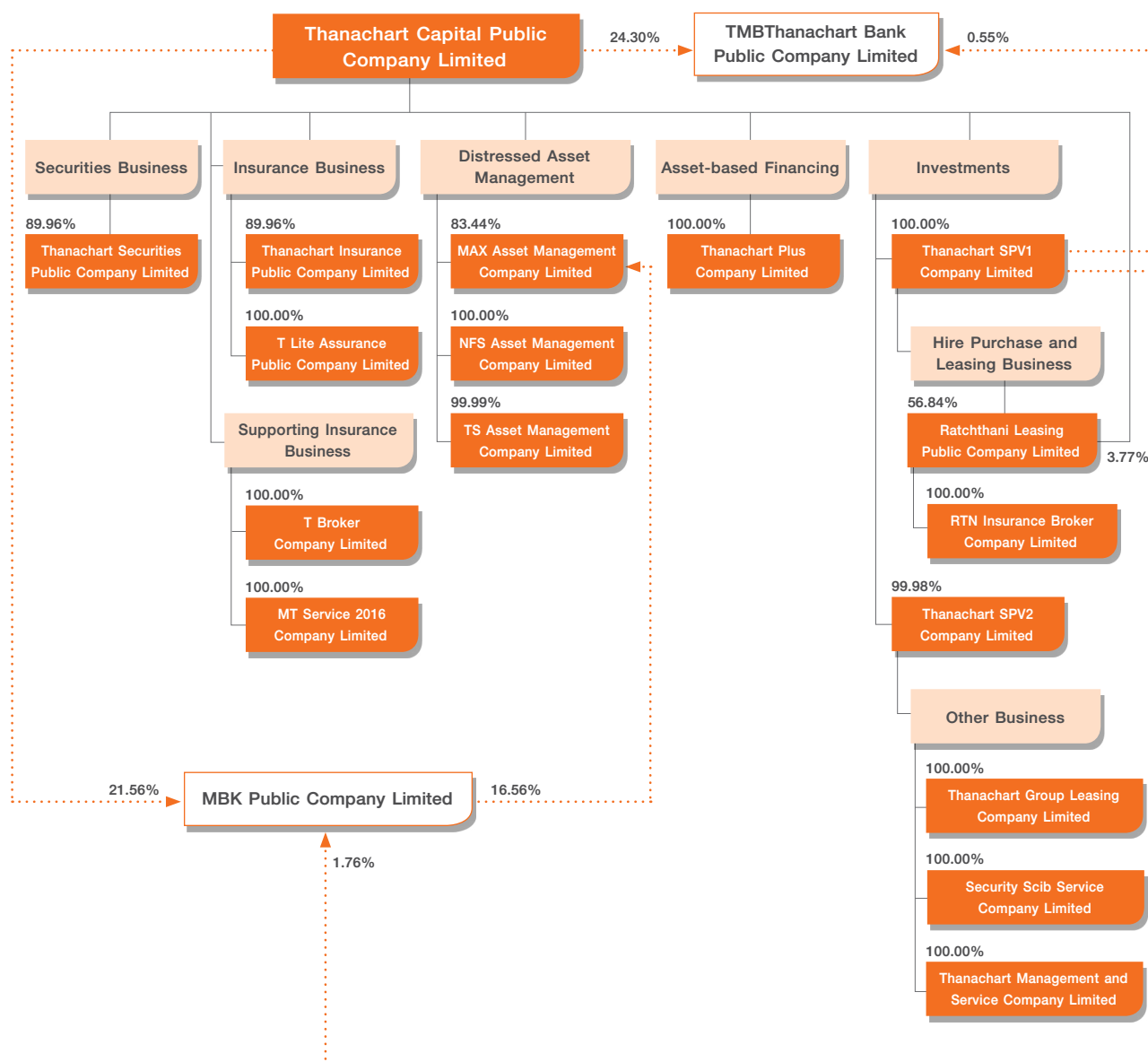
The Company may assign its executives, employees, or qualified representatives to serve as directors or independent directors on the board of directors of its subsidiaries and associated companies for the purpose of participating in the management of their business affairs or in the establishment of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

1.1.3 Shareholding Structure of Thanachart Group

Diagram Depicting the Group Shareholding Structure

As at 31 December 2022

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



- 2) TMBThanachart Bank Public Company Limited holds shares of Thanachart Securities Public Company Limited and Thanachart Insurance Public Company Limited in the amount of 10 percent.
- 3) Thanachart Group Leasing Company Limited and Security Scib Service 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 2022, at the Company's Board of Directors Meeting No. 1/2022 dated 31 January 2022, the Board considered the business plan and budgets of the subsidiary companies for the years 2022 - 2024 as well as considered and approved of the business plan and budget of the Company for the years 2022 - 2024.

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.

Source Report of the Company's Major Shareholders as at 17 October 2022 (the most recent record date of the register book) prepared by Thailand Securities Depository Company Limited.

Name of Shareholders/Group of Shareholders	Ordinary Shares	Preferred Shares	Total Shares	Percentage of Shareholding
1. MBK Public Company Limited	141,804,400	-	141,804,400	12.378
PRIMACY ELEGANCE INVESTMENTS LIMITED	3,400,000	-	3,400,000	0.297
2. Thanachart Capital Public Company Limited	97,045,970	-	97,045,970	8.471
3. Thai NVDR Company Limited	70,309,539	-	70,309,539	6.137
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	24,629,853	-	24,629,853	2.150
5. STATE STREET EUROPE LIMITED	20,826,212	-	20,826,212	1.818
6. BBHISL NOMINEES LIMITED	18,690,500	-	18,690,500	1.631
7. N.C.B. TRUST LIMITED-NORGES BANK 5	17,988,958	-	17,988,958	1.570
8. DBS BANK LTD. AC DBS NOMINEES-PB CLIENTS	17,143,741	-	17,143,741	1.496
9. Mrs. Supaporn Chansereewittaya	15,500,000	-	15,500,000	1.353
10. Ms. Atinuch Tantivit	15,024,772	-	15,024,772	1.311
Other Shareholders	703,285,752	13,006	703,298,758	61.388
Issued and Paid-up Shares	1,145,649,697	13,006	1,145,662,703	100.000
Thai Shareholders	968,936,145	12,946	968,949,091	84.575
Foreign Shareholders	176,713,552	60	176,713,612	15.425

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 20 October 2022.

Name of Shareholders/Group of Shareholders	Total Shares	Percentage of Shareholding
1. Thanachart Capital Public Company Limited	410,951,408	21.724
Thanachart SPV 1 Company Limited	33,416,857	1.767
2. PRG Corporation Public Company Limited	512,754,797	27.106
PRG Property Company Limited	27,029,800	1.429
3. Thai NVDR Company Limited	118,061,493	6.241
4. MORGAN STANLEY & CO. INTERNATIONAL PLC	40,805,752	2.157
5. Mr. Prinya Tieanworn	31,200,000	1.649
6. Krungsri Dividend Stock LTF	28,782,200	1.522
7. Ms. Sukulaya Uahwatanasakul	28,145,356	1.488
8. STATE STREET BANK AND TRUST COMPANY	25,096,620	1.327
9. DBS BANK LTD AC DBS NOMINEES-PS CLIENTS	24,302,498	1.285
10. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	20,890,119	1.104
Other Shareholders	590,245,610	31.202
Issued and Paid-up Shares	1,891,682,510	100.000
Thai Shareholders	1,724,635,128	91.169
Foreign Shareholders	167,047,382	8.831

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 2022, Thanachart Capital Public Company Limited's registered and paid-up capital were as follows:

Registered Capital	:	11,456,627,030	Baht
Paid-up Capital	:	11,456,627,030	Baht
Divided into Ordinary Shares	:	1,145,649,697	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 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

1.1	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
1.2	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
1.3	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

1.4	Security name	Debentures of Thancahrt 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
1.5	Security name	Debentures of Thancahrt Capital Public Company Limited No. 1/2022 due for redemption in 2029 (TCAP295A)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	7 years from the issuance date
	Issue date	27 May 2022
	Maturity date	27 May 2029
	Total issued value	1,300,000,000 baht
	Outstanding value	1,300,000,000 baht
	Interest rate	Fixed rate of 4.42 percent per annum
	Interest payment date	Every year on 27 May and 27 November throughout the tenure of the debentures
	Credit rating score	A by TRIS Rating Company Limited
1.6	Security name	Debentures of Thancahrt Capital Public Company Limited No. 2/2022 Set No. 1 due for redemption in 2024 (TCAP256A)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	2 years from the issuance date
	Issue date	23 June 2022
	Maturity date	23 June 2024
	Total issued value	400,000,000 baht
	Outstanding value	400,000,000 baht
	Interest rate	Fixed rate of 2.47 percent per annum
	Interest payment date	Every year on 23 June and 23 December throughout the tenure of the debentures
	Credit rating score	A by TRIS Rating Company Limited

1.7	Security name	Debentures of Thancahrt Capital Public Company Limited No. 2/2022 Set No. 2 due for redemption in 2025 (TCAP256A)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	3 years from the issuance date
	Issue date	23 June 2022
	Maturity date	23 June 2025
	Total issued value	3,100,000,000 baht
	Outstanding value	3,100,000,000 baht
	Interest rate	Fixed rate of 3.00 percent per annum
	Interest payment date	Every year on 23 June and 23 December throughout the tenure of the debentures
	Credit rating score	A by TRIS Rating Company Limited
1.8	Security name	Debentures of Thancahrt Capital Public Company Limited No. 3/2022 due for redemption in 2024 (TCAP246B)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	1 year 11 months 12 days from the issuance date
	Issue date	6 July 2022
	Maturity date	18 June 2024
	Total issued value	100,000,000 baht
	Outstanding value	100,000,000 baht
	Interest rate	Fixed rate of 2.47 percent per annum
	Interest payment date	No interest payment schedule and one-time principal payment upon maturity
	Credit rating score	A by TRIS Rating Company Limited
1.9	Security name	Debentures of Thancahrt Capital Public Company Limited No. 4/2022 due for redemption in 2024 (TCAP246C)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	1 year 11 months 4 days from the issuance date
	Issue date	14 July 2022
	Maturity date	18 June 2024
	Total issued value	100,000,000 baht
	Outstanding value	100,000,000 baht
	Interest rate	Fixed rate of 2.47 percent per annum
	Interest payment date	No interest payment schedule and one-time principal payment upon maturity
	Credit rating score	A by TRIS Rating Company Limited

1.10	Security name	Debentures of Thanachart Capital Public Company Limited No. 5/2022 due for redemption in 2024 (TCAP248A)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	2 years 9 days from the issuance date
	Issue date	5 August 2022
	Maturity date	14 August 2024
	Total issued value	100,000,000 baht
	Outstanding value	100,000,000 baht
	Interest rate	Fixed rate of 2.55 percent per annum
	Interest payment date	No interest payment schedule and one-time principal payment upon maturity
	Credit rating score	A by TRIS Rating Company Limited
1.11	Security name	Debentures of Thanachart Capital Public Company Limited No. 6/2022 due for redemption in 2024 (TCAP248B)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	1 year 11 months 29 days from the issuance date
	Issue date	18 August 2022
	Maturity date	16 August 2024
	Total issued value	200,000,000 baht
	Outstanding value	200,000,000 baht
	Interest rate	Fixed rate of 2.57 percent per annum
	Interest payment date	No interest payment schedule and one-time principal payment upon maturity
	Credit rating score	A by TRIS Rating Company Limited
1.12	Security name	Debentures of Thanachart Capital Public Company Limited No. 7/2022 due for redemption in 2024 (TCAP24OA)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	2 years 24 days from the issuance date
	Issue date	9 September 2022
	Maturity date	3 October 2024
	Total issued value	100,000,000 baht
	Outstanding value	100,000,000 baht
	Interest rate	Fixed rate of 2.57 percent per annum
	Interest payment date	No interest payment schedule and one-time principal payment upon maturity
	Credit rating score	A by TRIS Rating Company Limited

1.13	Security name	Debentures of Thancahrt Capital Public Company Limited No. 8/2022 Set No. 1 due for redemption in 2026 (TCAP26OA)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	4 years from the issuance date
	Issue date	5 October 2022
	Maturity date	5 October 2026
	Total issued value	1,690,000,000 baht
	Outstanding value	1,690,000,000 baht
	Interest rate	Fixed rate of 3.63 percent per annum
	Interest payment date	Every year on 5 April and 5 October throughout the tenure of the debentures
	Credit rating score	A by TRIS Rating Company Limited
1.14	Security name	Debentures of Thancahrt Capital Public Company Limited No. 8/2022 Set No. 2 due for redemption in 2030 (TCAP30OA)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	8 years from the issuance date
	Issue date	5 October 2022
	Maturity date	5 October 2030
	Total issued value	800,000,000 baht
	Outstanding value	800,000,000 baht
	Interest rate	Fixed rate of 4.36 percent per annum
	Interest payment date	Every year on 5 April and 5 October throughout the tenure of the debentures
	Credit rating score	A by TRIS Rating Company Limited
1.15	Security name	Debentures of Thancahrt Capital Public Company Limited No. 8/2022 Set No. 3 due for redemption in 2026 (TCAP26OB)
	Type of debentures	Senior unsecured debentures with debenture holder's name and representative of debenture holders
	Tenure	4 years from the issuance date
	Issue date	7 October 2022
	Maturity date	7 October 2026
	Total issued value	640,000,000 baht
	Outstanding value	640,000,000 baht
	Interest rate	Fixed rate of 3.63 percent per annum
	Interest payment date	Every year on 7 April and 7 October throughout the tenure of the debentures
	Credit rating score	A by TRIS Rating Company Limited

1.16	Security name	Debentures of Thanachart Capital Public Company Limited No. 8/2022 Set No. 4 due for redemption in 2030 (TCAP300B)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	8 years from the issuance date
	Issue date	7 October 2022
	Maturity date	7 October 2030
	Total issued value	1,770,000,000 baht
	Outstanding value	1,770,000,000 baht
	Interest rate	Fixed rate of 4.36 percent per annum
	Interest payment date	Every year on 7 April and 7 October throughout the tenure of the debentures
	Credit rating score	A by TRIS Rating Company Limited
1.17	Security name	Debentures of Thanachart Capital Public Company Limited No. 9/2022 due for redemption in 2024 (TCAP249A)
	Type of debentures	Senior unsecured debentures with debenture holder's name and no representative of debenture holders
	Tenure	2 years 3 days from the issuance date
	Issue date	27 September 2022
	Maturity date	30 September 2024
	Total issued value	100,000,000 baht
	Outstanding value	100,000,000 baht
	Interest rate	Fixed rate of 2.57 percent per annum
	Interest payment date	No interest payment schedule and one-time principal payment upon maturity
	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 12 October 2022.

2. Bill of exchange

Bill of exchange issued by Thanachart Capital Public Company Limited as of 31 December 2022

2.1	Security name	Bill of exchange of Thanachart Capital Public Company Limited value 1,000 million baht due for redemption on 24 February 2023 (TCAP23224A)
	Tenure	183 days from the issuance date
	Issue date	25 August 2022
	Maturity date	24 February 2023
	Total issued value	1,000,000,000 baht
	Outstanding value	1,000,000,000 baht
	Interest rate	Fixed rate of 1.52 percent per annum

2.2	Security name	Bill of exchange of Thancahrt Capital Public Company Limited value 350 million baht due for redemption on 24 January 2023 (TCAP23124A)
	Tenure	152 days from the issuance date
	Issue date	25 August 2022
	Maturity date	24 January 2023
	Total issued value	350,000,000 baht
	Outstanding value	350,000,000 baht
	Interest rate	Fixed rate of 1.42 percent per annum
2.3	Security name	Bill of exchange of Thancahrt Capital Public Company Limited value 600 million baht due for redemption on 11 May 2023 (TCAP23511A)
	Tenure	182 days from the issuance date
	Issue date	10 November 2022
	Maturity date	11 May 2023
	Total issued value	600,000,000 baht
	Outstanding value	600,000,000 baht
	Interest rate	Fixed rate of 1.665 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 17 October 2022, Thai NVDR Company Limited, a subsidiary of the Stock Exchange of Thailand (SET), issued NVDRs which used 70,309,539 shares of the Company as underlying stock. These shares accounted for 6.14 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	2021	2020	2019	2018	2017
Earnings per Share (Consolidated Financial Statements) (Baht)	5.04	6.26	9.43	6.74	6.01
Dividend per Share (Baht)	3.00	3.00	7.00	2.60	2.20
Dividend Payout Ratio from Net Profit Attributable to the Company (Consolidated Financial Statements) (Percent)	59.50	47.17	72.59	38.25	36.61

- 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 2022 at the rate of 1.20 baht per share on 28 October 2022.

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

The Company's Risk Management Structure Chart

As at 31 December 2022



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 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.

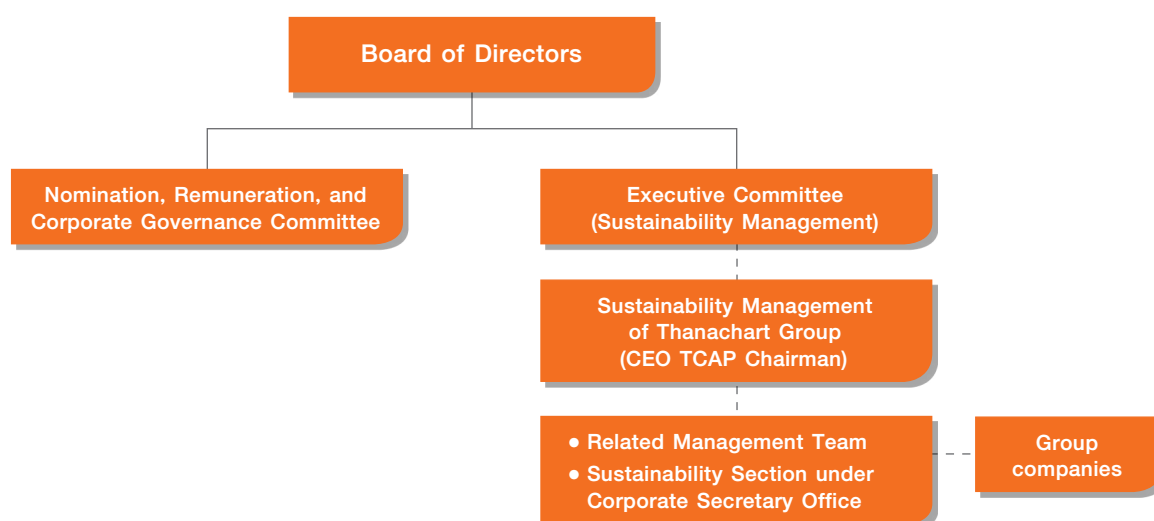
1.3 Driving Business for Sustainability

Thanachart Group is a business organization that is committed to conducting business with consistently good performance relying on corporate governance, as well as proper social and environmental responsibilities. In order to create stable and sustainable returns for stakeholders, the Board of Directors has set its vision to be a “leading investment company in a variety of businesses, generally regarded in terms of stability, sustainability and good returns” The Group aims to develop sustainability management in **environmental, social, and governance dimensions** with a view to creating, developing and complementing to achieve

business growth along with sustainability operations to cover various important issues appropriately.

The Company is a listed company in the SET in the Financials and Banking sectors. It is a Holding Company that invests in businesses which have potential, good performance and sustainability operations. The preparation of this sustainability driven business report takes into account sustainability operations of the Company and the key companies under the Group in terms of environmental, social, and governance dimension. Relevant data used are from the period of 1 January to 31 December 2022

The Company's Governance Structure



The Board of Directors is responsible for formulating sustainability strategies, policies and goals, as well as supervising the Company and its subsidiaries so that they are able to continuously conduct business based on corporate governance principle. Corporate governance sustainability will be responsible by the Nomination, Remuneration, and Corporate Governance Committee. In 2022 the Company has considered sustainability operations so as to formulate environmental, social, governance (ESG) guidelines aimed at achieving a clear plan of both action and measurement.

In February 2023, the Board of Directors resolved to assign the Executive Committee as a sub-committee to consider serious implementation of this matter. The Executive Committee, together with the management, will consider the sustainability guidelines and action plans, monitor the performance, and review the guidelines, as well as promote the participation of Thanachart Group employees. There will also be a sustainability unit, under the Corporate Secretary Office, whose job is to collect operational data for further disclosure.

Thanachart Group's Sustainability Management Policy 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. In February 2023, the Board of Directors resolved to formulate written policy on sustainability management, human rights, and investment governance in order to guide appropriate actions for the business in which Thanachart Group operates. In addition, short-term and long-term goals will be set in order to see concrete developments and sustainability performance. The goals of sustainability management in each dimension are as follows:

1. Corporate Governance Dimension

Thanachart Group aims to be a business group that generates returns and grow sustainably. The Company has a business policy under good governance whereby all the Group companies attach importance to governance in various aspects: Corporate Governance Structure, the constitution of the Board of Directors, the Sub-Committee, business ethics, code of conduct of administrators, employees and investor relations officers. The Group attaches importance to anti-corruption, with view to preventing conflicts of interest so that all parties involved can have confidence in the Group's business operations. The Group also develops products, comes up new financial innovations, and effectively manages risks, with a view to creating a truly sustainable growth of the Company's performance, and achieving stringently enforced security and protection of personal information.

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. In addition, the human rights policy has been announced to ensure equitable and fair treatment of employees and promote the advancement, opportunity and stable career growth of all employees at all levels. 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 Group's goal is to conduct business while utilizing resources and energy appropriately. 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 including reduction of adverse effect on the climate.

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 (NPA) management including efficient and transparent management of investment.

2. Operation



3. Distribution of Goods and Services



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

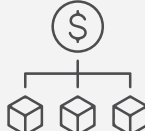
3.



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 Conducts business under good corporate governance policy and effective risk management, supported by a knowledgeable and competent team 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 Providing Directors with information through channels 	<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. 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"> Collect and present appropriate training courses or seminars Information about the meeting is submitted complete and sufficient to the Board of Directors in a timely manner Thanachart Group's information is timely reported Fully facilitate in all aspects. 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

Stakeholders	Participation Channels	Stakeholders' Expectation	Response Guidelines
Employees	<ul style="list-style-type: none"> • Employee meetings to communicate policies and news • Employee Survey • 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><u>Trading Partners</u></p> <ul style="list-style-type: none"> • Good governance in business operation • Trade fairly • Clear procurement policy and regulations <p><u>Creditors</u></p> <ul style="list-style-type: none"> • Repay principal and interest on schedule • Strictly adhere to the contractual clause • Transparent disclosure of information 	<p><u>Trading Partners</u></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><u>Creditors</u></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 and communities Environmental care and preservation guidelines have been developed for both the workplace and the communities 	<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 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 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"> 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 Clear disclosure of information can be verified Cooperating and supporting the work of regulatory authorities 	<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 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.

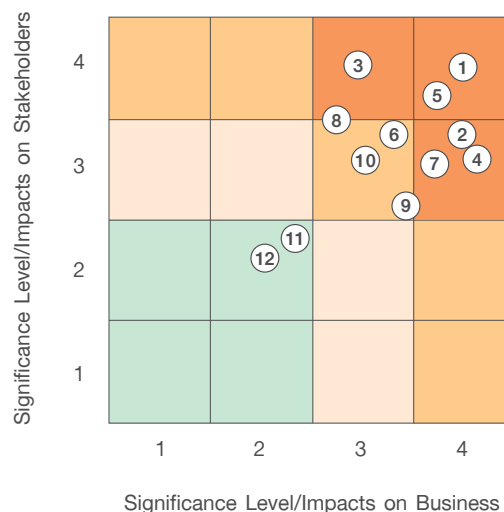
3. Investigating major sustainability issues

Communicate to all businesses in Thanachart Group to investigate major sustainability issues.

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 2022



In 2022, Thanachart Group was able to identify twelve major sustainability issues.

Corporate Governance Dimension





1. Good Corporate Governance
2. Financial Sector Sustainability and Sustainability Strategy
3. Shareholder Returns and Performance
4. Risk Management and Financial Crime Prevention.
5. Supply Chain Management
6. Promoting Financial Innovation and Access to Financial Services
7. Cybersecurity and Personal Data Protection





Social Dimension












8. Respect for Human Rights and Diversity
9. Equal and Fair Treatment of Employees
10. Responsibility to Customers and Consumers and Offering Financial Opportunities
11. Corporate Social Responsibility



Environmental Dimension

12. Promoting Participation in Environmental Protection

Order of key points	Indicators	Internal boundary	External boundary	Compliance with the Sustainable Development Goals (SDGs)
Good Corporate Governance	<ul style="list-style-type: none"> Complaints of non-compliance with Corporate Governance The issue of corruption Assessment results of regulatory authorities or external organizations 	All Business Units	<ul style="list-style-type: none"> Shareholders and Investors Customers Trading Partners and Creditors Regulatory authorities Society and Environment 	
Financial Sector Sustainability and Sustainability Strategy	<ul style="list-style-type: none"> Income from new products or new customers Subsidiary companies maintaining a capital fund that is not lower than the specified criteria and sufficient to conduct business Maintaining existing customer base and creating a customer-centric corporate culture Development of work processes regarding the issuance of products and services Fully implement market conduct Human resource development to enable the development and replacement of important positions 	All Business Units	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Shareholders and Investors Customers Trading Partners and Creditors Society and Environment 	

Order of key points	Indicators	Internal boundary	External boundary	Compliance with the Sustainable Development Goals (SDGs)
Risk Management and Financial Crime Prevention	<ul style="list-style-type: none"> • Annual risk management policy update approved by the Board of Directors, covering the main risks • Operate the business within the specified risk ceiling. • Arrange personnel for performing separate function of maker and checker in order to monitor and review transactions transparently. • Information security of the system and the provision of services in line with the mission and duties of personnel, and in accordance with the information security management system standards. • Establishing policies and procedures to protect the organization from being victimized by money laundering crime. 	All Business Units	<ul style="list-style-type: none"> • Shareholders and Investors • Customers • Trading Partners and Creditors • Regulatory authorities • Society and Environment 	
Supply Chain Management	<ul style="list-style-type: none"> • Respond to stakeholders' expectations • Reduce risks from trading partners that may affect business operations. • Customer satisfaction in obtaining service • Requirement stipulated in the outsource contract regarding the provision of a contingency plan to provide ongoing service. • Process review/Manual production/Efficient work process monitoring 	All Business Units	<ul style="list-style-type: none"> • Customers • Trading Partners and Creditors 	 
Promoting Financial Innovation and Access to Financial Services.	<ul style="list-style-type: none"> • Constantly design and innovate to keep up with changing technologies • Increasing access to financial services 	All Business Units	<ul style="list-style-type: none"> • Customers • Trading Partners and Creditors 	

Order of key points	Indicators	Internal boundary	External boundary	Compliance with the Sustainable Development Goals (SDGs)
Cybersecurity and Personal Data Protection	<ul style="list-style-type: none"> No personal data breach complaints Comply with the personal data protection policy in accordance with international standards and in line with the Personal Data Protection Act (PDPA) 	All Business Units	<ul style="list-style-type: none"> 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 Existing female employees holding position of senior management and directors of the Company and its subsidiaries. No complaints from employees regarding human rights and diversity. 	All Business Units	<ul style="list-style-type: none"> Customers Trading Partners and Creditors 	  
Equal and Fair Treatment of Employees	<ul style="list-style-type: none"> Unfairly favoring or depriving employees of their rights 	All Business Units	<ul style="list-style-type: none"> Regulatory authorities 	    
Responsibility to Customers and Consumers and Offering Financial Opportunities	<ul style="list-style-type: none"> Customers are treated fairly Create a positive customer experience while obtaining services Enhance their quality of life Reduce informal borrowing No issue blamed by regulators regarding customer's complaint from using service or receiving unfair service Carefully oversee vulnerable customers 	All Business Units	<ul style="list-style-type: none"> Customers Society and Environment 	      

Order of key points	Indicators	Internal boundary	External boundary	Compliance with the Sustainable Development Goals (SDGs)
Corporate Social Responsibility	<ul style="list-style-type: none"> Implement projects that promote social responsibility 	All Business Units	<ul style="list-style-type: none"> 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 and efficient utilization of resources 	All Business Units	<ul style="list-style-type: none"> Trading Partners Society and Environment 	

Sustainability Performance

Corporate Governance Dimension

1. The Company's 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.

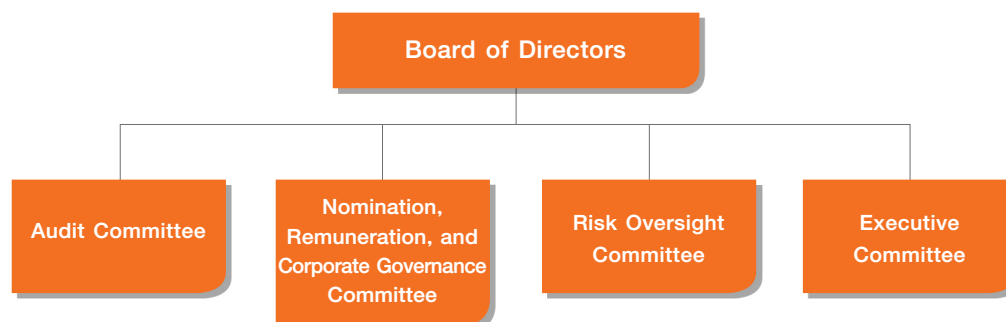
The Board of Directors has therefore formulated a good corporate governance policy and a written code of conduct manual, both of which are to be considered as an operation framework for the Group personnel.

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.

Moreover, the Board of Directors has a role in sustainability management. In February 2023, the Board of Directors resolved to formulate a sustainability management policy. In addition, the Executive Committee

shall be assigned as a sub-committee to consider, propose and formulate sustainability plans, including supervising the implementation of sustainability to achieve its purpose.

The Company's Corporate Governance Structure



In 2022, 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 2022, a total of 12 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. More details can be found in Section 2.6 Corporate Governance Policy and Code of Ethics Handbook. Relevant points are summarized 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 2022, 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 2022, the Nomination, Remuneration, and Corporate Governance Committee held in total 6 meetings.

3. Risk Oversight Committee

The Risk Oversight Committee has 5 directors, including 1 independent director, 1 non-executive director, 2 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 2022, 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 2022, the Board of Directors held in total 12 meetings. In 2023, social and environmental management has been further added to the role of the Executive Committee.

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. In 2023 the Company and the Group companies are in the process of applying for membership renewal for the third time.

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 every year. In 2022, electronic mails were sent to business partners and business representatives, and were also available through the Company's website, during the period of December 2022 - January 31, 2023. In addition, the Group companies also published the No Gift Policy logo, which was received from the CAC project, through the intranet system and the website of each company.

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. This is made possible using Microsoft Forms in Microsoft Office 365. Coordination has been made among the Group companies in order to encourage similar practice to be adopted and carried out by each company annually.

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 email above, complaints can be forwarded to:

Head of Audit Department
Address: 444 MBK Tower, 16th Floor
Phayathai Road, WangMai, Pathumwan
10330 Bangkok, Thailand

	2020	2021	2022
Total number of companies in the Group*	17	18	18
Number of the Group's member companies which are CAC members*	11	11	11
Number of complaints regarding corruption incidents	n.a.	n.a.	n.a.

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.

In addition, the Company has been judged in the Corporate Governance Assessment, as part of the Good Corporate Governance Survey (CGR), and earned its 5-star level. This recognition has been repeated for 7 consecutive years.

2. Financial Sector Sustainability and Sustainability Strategy

The Company, as an investment company and a holding company of Thanachart Group, invests in its financial subsidiary companies and also promising associated companies. It also seeks investment opportunities in other companies that have the



potential to generate appropriate and sustainable return on investment.

As for supervision of group companies, the Company has overseen and formulated a sustainability strategy for investments for its subsidiary companies. The Company is committed to supporting, promoting, and driving Group companies to provide high-quality products and services that meet customer needs, adhere to the principles of good governance, conduct business transparently, efficiently manage risks, and combine social and environmental initiatives to promote sustainable financial growth.

Furthermore, subsidiary companies must maintain a capital fund no less than the specified criteria, which is adequate for conducting business operations. Creating a customer-centric corporate culture, coming up with new financial innovations, and developing work processes for issuing products and services shall only serve to meet the needs of a wide range of customers. This shall in turn result in increased revenue from existing customer base as well as expanding new customer base under fair customer service guidelines (Market Conduct). In terms of personnel, the Company and its subsidiary companies attach importance to the equitable and fair treatment of employees. Continuous training and personnel development shall serve to increase the capacity of employees to replace important positions. Activities should be organized to promote and raise environmental awareness among employees, thus encouraging them to regularly take better care of their working environment.

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. In the year 2022, the Company and its subsidiary companies had a net profit attributable to the company of 5,220 million baht, according to the financial statements, resulting from successful implementation of risk management strategies in line with the company's growth strategy. This has strengthened the financial position of each subsidiary company and supported their business operations, ensuring their financial stability. In addition, the company will consider increasing investments in subsidiary companies, associated companies and also in business operations with more proactive expertise, as well as expanding the business network of the Group companies in order to generate appropriate returns for shareholders in the long run. The dividend payment details are as per the table.

Table of Dividend Payment

Performance	2018	2019	2020	2021	2022
Net profit attributable to the Company (Consolidated Financial Statement) (Million Baht)	7,839	10,807	6,669	5,287	5,220
Earnings per share (Consolidated Financial Statement) (Baht)	6.74	9.43	6.26	5.04	4.98
Dividend per share (Baht) For the year's performance	2.60	7.00	3.00	3.00	3.10
Dividend payout ratio (Consolidated Financial Statement) (percent)	38	73	47	60	62

- 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 3.10 baht per share, and the Company has paid an interim dividend for the year 2022 at the rate of 1.20 baht per share on 28 October 2022.

Tables of the Company Performance

(Unit: Million Baht)

Consolidated Financial Statements	2020	2021	2022
Total Revenue	20,761	18,708	19,219
Employee's expenses	1,887	2,052	2,028
Other operating expenses	7,243	7,260	7,939
Money paid to the owner of the funds	4,766	4,501	4,705
Income tax	1,557	836	772
Net Profit	7,848	6,722	6,428
Total Assets	140,756	142,735	157,089
Total Liabilities	67,987	68,594	84,558
Total Equity	72,769	74,141	72,531

Notes

1. Total revenue = Interest income + Non-interest income
2. Other operating expenses = Fees and service expenses + Non-life insurance/life insurance income + Other operating expenses – Employee's expenses
3. Payment to the owner of the funds = dividend payment + Interest expenses
4. In 2020, there was a special profit from the sale of shares of AJT

(Unit: Million Baht)

Separate Financial Statements	2020 (Revised)	2021	2022
Total Revenue	7,555	6,147	6,174
Employee's expenses	179	200	192
Other operating expenses	138	154	125
Money paid to the owner of the funds	3,713	3,572	3,728
Income tax	(30)	(5)	2
Net Profit	6,669	5,287	5,220
Total Assets	75,022	77,336	87,318
Total Liabilities	11,712	12,222	20,555
Total Equity	63,310	65,114	66,763

Notes

1. Total revenue = Interest income + Non-interest income
2. Other operating expenses = Fees and service expenses + Non-life insurance/life insurance income + Other operating expenses – Employee's expenses
3. Payment to the owner of the funds = dividend payment + Interest expenses



4. Risk Management and Financial Crime Prevention

Effective risk management in accordance with changing circumstances will help Thanachart Group deal with risks that arise appropriately and in a timely manner, which shall lead to the confidence of all stakeholders. As a result, the Group can grow stably and sustainably.

As a result, the Company has clearly defined the risk management policy and guidelines in writing, which have defined the duties and responsibilities of various related departments for employees to comply. In addition, the risk management process has been defined as a guideline in 4 stages: 1) identifying the nature of risks and risk factors, 2) developing appropriate tools and models for risk measurement and risk assessment, 3) controlling risks to an acceptable level, and 4) monitoring risk status to manage risks in time for potential situations.

The Company has established a committee and related departments that clearly define roles, duties and responsibilities in managing and overseeing risks that cover all aspects of risk. Details can be found in Section 1.2 Risk Management.

As for the risks from the spread of COVID-19, Thanachart Group is aware of the risks and impacts arising from the COVID-19 pandemic by attaching importance to the safety of employees of all companies

in the Group, economic conditions, financial and banking volatility, and also services rendered to customers, trading partners or other stakeholders involved in all aspects of the business.

As for financial crime prevention, the Company and its Group companies have brought about certain changes to information technology by taking into account cybersecurity and personal data protection. In addition, the Company has established measures for collecting and disclosing personal information and customer activities, and all employees strictly comply with the scope of their responsibilities. In addition, an IT structure is in place for verifying the identity of customers in accessing the service, thus preventing fraudsters from accessing information of customers and their service usage.

5. Supply Chain Management

Thanachart Group manages the supply chain based on the selection process of their trading partners i.e. considering their work history, the ability of the service team, the quality of products or services, pricing, the preparation of written agreements specifying job scope and service agreement, as well as contingency plans. This is to ensure comprehensive and continuous services. There is also an evaluation of their performance to be used as basis for future hiring.

Example of supply chain management by THANI

Trading Partner Selection

In the process of purchasing or establishing business relationship, THANI shall consider selecting partners with knowledge, expertise, experience and ability related to such products or services, taking into account the cost-effectiveness, efficiency, effectiveness in terms of quality, price and rendering of the most beneficial services. Furthermore, they must have no record of being prosecuted, involved in disputes, or committed any acts that are suspected or intended to violate or disregard laws, regulations, or provisions related to opposition to corruption, human and labor rights, or natural resource and environmental management. In addition, the company also places importance on considering green procurement to reduce environmental impact, for example, choosing to use products made from natural materials or environmentally friendly materials.

Identifying Trading Partner's Importance and Managing Their Risks

The company operates with three main types of business partners: 1) car distributors, 2) debt collection service providers, and 3) business support service providers or other types of suppliers. Since the company's core business operations are related to the distribution of vehicles by distributors (consider more detailed information under the nature of business section in this report), the company manages the risk of dependence on major suppliers by establishing good relationship with a wide range of car distributors. In 2022, the company relied on major trading partners at an acceptable risk level in accordance with the company's strategic risk scorecard.

Partner's Business Ethics

The company aims for the suppliers to conduct their business in compliance with the laws and business ethics. The company has established contractual terms for suppliers to ensure that directors, executives, employees, workers, affiliates, or other individuals under the control of the contracting parties comply fully with the relevant laws, regulations, or provisions related to anti-corruption, human and labor rights, and responsible management of natural resources and the environment.

In addition, to monitor the ethical business practices of its partners, the company arranged a self-assessment for trading partners to assess issues related to sustainable operations in the economic, social, and environmental dimensions. In 2022, the company sent self-assessment forms to 200 major partners, and all partners who responded to the assessment had fully implemented the business ethics in all dimensions.

Setting Trade Credit Terms

The company attaches importance to the management of financial liquidity for both the Company and its business partners by establishing a commercial credit period with business partners within 7-45 days after the delivery of goods or services.



6. Promoting Financial Innovation and Access to Financial Services

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

3. Increase customer service channels and develop products to give customers more access to financial services

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. In addition, Thanachart Group also incorporates innovative media or platforms into all dimensions of service so that customers can easily contact them, fast and convenient. It also helps to build relationships that are easily accessible with platforms that customers are familiar with and use in their daily lives, or with innovations resulting from creating applications to support services.

Example of Promoting Financial Innovation and Access to Financial Services of THANI Financial Innovation

In 2022, THANI underwent changes in its leasing system, including a review of internal processes to increase efficiency. For instance, the company reduced the amount of paperwork involved in transactions within the organization, resulting in a reduction of approximately 522,022 sheets of paper, resulting in a reduction of 489,755 baht in printing and carbon footprint costs per year. However, the company continues to develop innovations to enhance its sustainable business capabilities.

Access to Financial Services

THANI aims to develop products and services by taking into account the opportunity for all groups of service users in society to have equal and equitable access to financial services. This is especially true for low-income, disadvantaged and vulnerable groups in society so that their quality of life could be enhanced and they could less depend on informal loans with unreasonably high interest rates. The company designs its products and sets appropriate interest rates on the basis of comprehensive risk management. In addition, for the convenience of users, the company has disseminated product information and provided various contact channels, including website, www.ratchthani.com, LINE application @Ratchthani, as well as contact through head offices and branch offices nationwide.

In 2022, the company provided new loans to 18,706 customers, totaling 27,819 million baht. These were divided into customers who applied for loans for occupational purposes, accounting for 83 percent, and customers who applied for loans for consumption purposes, accounting for 17 percent. This resulted in the company's revenue from lending and related services in that year, totaling 4,443 million baht, with a net profit of 1,753 million baht.

Managing Customer Relationships

Thanachart Group aims to continuously manage and develop customer relationships by understanding and responding to customer needs, as well as creating a good experience between Thanachart Group and customers before, during and after providing services, to create business relationships that will generate long-term revenue.

Example of Customer Satisfaction Survey regarding the Service of THANI

In 2022, customers obtaining leasing services rated their average service satisfaction at 88.63 percent, which was higher than the target. However, the company will use the results of the assessment and feedback from customers to analyze and plan to improve the quality of service.

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 committees 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. In 2022, the company did not receive any general complaints at all.

General Complaint Handling Procedure of THANI

In 2022, THANI received is complains about their services, which were in vestigated, rectified, and analyzed, for causes and measures to prerent recurring incidents. Reports were also submitted to the relevant committees or executives within the Service Level Agreement (SLA) timeframe.



7. 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. Thanachart Group has taken action to comply with the standards regarding the protection of personal data and the maintenance of data security. This is done by announcing policies to protect personal data, regulations on the storage and disclosure of personal data for shareholders, customers, persons conducting transactions with the Company, and employees within the organization, as well as providing training for all employees to ensure full compliance with the Personal Data Protection Act.

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. The Group has established a human rights policy, as well as ensuring that all business

activities throughout the value chain are socially responsible. This reflects the Group's commitment to managing the issue. Therefore, the Group has undertaken various initiatives in different areas. 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.

8. 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.

From the evaluation of human rights risks in the Company, it is believed that there is no impact on this issue. However, the Company has identified significant human rights risks as follows:

Important Human Right Risks	Stakeholders	Risk Management Guidelines
Cybersecurity and personal data protection	Shareholders The Board of Directors Employees Customers Trading Partners Creditors	<ul style="list-style-type: none"> Ensure compliance with relevant laws and regulations, the Company has established measures to protect personal data and ensure the security of information, both for customers and employees conducting transactions with the company. These measures are designed to be comprehensive and ensure full compliance Establish information technology security policies and measures for strict protection of customer data, without disclosing any customer information or secrets unless required by law or authorized in writing by the customer

Important Human Right Risks	Stakeholders	Risk Management Guidelines
Equal and Fair Treatment of Employees	Employees	<ul style="list-style-type: none"> • Establish policies for fair hiring processes and employment conditions, including setting compensation and fair performance evaluation procedure • Promote employee development by providing training, seminars, and various types of training related to developing knowledge, as well as providing benefits as required by law to employees • Ensure that employees can work safely and have good health in the workplace
Supply chain management with consideration for human rights	Customers and trading partners	<ul style="list-style-type: none"> • Stipulate the policy on human rights according to the law, regulations, or relevant requirements as one of the conditions for considering procurement and hiring with business partners of the company. For example, labor recruitment and usage • Promote respect for the diverse differences of individuals among business partners and must not support or condone the use of violence or violations

9. 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 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. 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.
4. 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.



5. Establish regulations, code of conduct handbook, and policies for good governance to be implemented towards stakeholders such as shareholders, executives, employees, business partners, etc., to adhere to the requirements, guidelines, and processes of working according to the principles of transparency and without corruption.
6. 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 2022, 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 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.
- 2.3 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.
- 2.4 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 2022, 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.

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.

Example of training organized by THANI

In 2022, THANI organized training courses for its executives and employees to develop skills and capabilities in their work. A total of 14 courses were offered, including courses on auto cash loans, pawn, mortgage, and sell with right of redemption of real estate, and technical courses on hire purchase business laws. The average training hours for executives and employees were 6.21 hours per person per year.

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.

Thanachart Group Employee Information

Employees	2020			2021			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
By Age									
Under 30 Years Old	145	64	209	124	64	188	119	40	159
30 – 50 Years	748	572	1,320	737	545	1,282	750	526	1,276
50 Years or More	121	174	295	147	194	341	143	236	379
Total	1,014	810	1,824	1,008	803	1,811	1,012	802	1,814
By Position									
Senior Executives	54	54	108	54	49	103	22	31	53
Manager - Intermediate Executives	239	205	444	240	211	451	242	224	466
Operational Level	721	551	1,272	714	543	1,257	748	547	1,295
Total	1,014	810	1,824	1,008	803	1,811	1,012	802	1,814
By Workplace Location									
Head Office	859	602	1,461	859	607	1,466	861	615	1,476
Domestic Branch	155	208	363	149	196	345	151	187	338
Total	1,014	810	1,824	1,008	803	1,811	1,012	802	1,814
New Recruits by Age									
Under 30 Years Old	29	12	41	19	19	38	57	16	73
30 - 50 Years	46	39	85	46	54	100	74	60	134
50 Years or More	13	10	23	8	4	12	4	15	19
Total	88	61	149	73	77	150	135	91	226
Retired Employees									
Under 30 Years Old	8	12	20	17	5	22	16	13	29
30 - 50 Years	43	42	85	48	60	108	69	46	115
50 Years or More	12	10	22	16	17	33	15	26	41
Total	63	64	127	81	82	163	100	85	185



Other Human Resources Information

Type	2020	2021	2022
Employee's Leave			
Employees Entitled to Maternity Leave for Childcare (Person)	1,014	965	1,052
Employees who Have Exercised Their Maternity Leave (Person)	32	26	20
Employees who Return to Work after the End of Their Maternity Leave (Person)	32	26	19
Sick Leave (Day/Person)	3.78	2.62	19.66
Occupational Health and Safety			
Accident (Sick Leave not Required) (Case)	-	-	-
Accident (Sick Leave Required) (Case)	1	-	-
Training			
Total Trainings (Hour)	14,615.14	7,347.36	8,642.75
Average for Senior Executives (Hour/Person)	14.76	9.72	57.47
Average for Managers -Intermediate Executives (Hour/Person)	20.51	10.16	38.87
Average for Operation Level Employees (Hour/Person)	6.53	4.45	39.28
Human Resources Complaints			
Number of Complaints (Case)	-	2	1

10. Responsibility towards Customers and Consumers and Providing Financial Opportunities

Providing Fair Customer Service

Thanachart Group places importance on providing fair customer service, operating under the concept of showing customers confidence in Thanachart Group companies' transparent and clear operating system that can be easily verified. This is to create customer confidence in all financial products and services provided by the company, providing customers with appropriate information for correct understanding and use in decision-making, convenient and fair pricing and

service/product terms and conditions. The Group also sets out measures in the form of market conduct criteria for employees in dealing with customers, such as agents who must maximize benefits for customers without distorting risk or opportunity information. This is to meet customer needs and provide fair treatment while ensuring appropriate penalties for employees who receive complaints and violate the specified criteria. At the stage of developing the Group's financial products and services, the Group also considers providing financial opportunities for customers.

Example of Financial Opportunities provided by THANI

THANI aims to develop products and services that increase opportunities for all groups in society to access inclusive and equitable financial services, particularly low-income individuals, disadvantaged groups, and vulnerable communities, in order to enhance their quality of life and reduce reliance on high-interest informal loans. The company designs its products and sets interest rates based on comprehensive risk management. Additionally, the company provides convenient channels for customers to access information about its products and services through various channels, including the website www.ratchthani.com, the LINE app @Ratchthani, as well as through its headquarters and branches nationwide.

In 2022, the company provided new loans to customers totaling 27,819 million baht to a total of 18,706 customers. The loans were divided into customers with a purpose of obtaining loans for occupational purposes, accounting for 83 percent and customers with a purpose of obtaining loans for consumer purposes, accounting for 17 percent. This resulted in the company generating revenue from loans and related services in the amount of 4,443 million baht in that year, with a net profit of 1,753 million baht.

11. Corporate Social Responsibility

Thanachart Group emphasizes the importance of conducting business in conjunction with social responsibility, taking into consideration the stakeholders both within and outside the organization, as well as society as a whole, in order to create sustainable development in both business and society.

Examples of Social Projects of Thanachart Group in 2022

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	Ratchthani 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 2022</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	The youth who participated in the activity showed an increased development in self-awareness by 19.73 percent, which will help them recognize their strengths and weaknesses in order to develop their potential and abilities in the future

Project Name	Financial Literacy
Project Organizing Company	Ratchthani Leasing Public Company Limited
Project Objective	Encourage employees to have knowledge, understanding, and discipline in saving money
Project Details	
<ul style="list-style-type: none"> • Execution Range • Person in Charge • How to Operate 	<p>16 December 2022</p> <p>Office of the directors and administration</p> <p>Organize a financial literacy lecture on the topic "Growing Savings in Your Wallet" in order to promote knowledge, understanding, and discipline in saving money among employees. The guest speaker was a representative from Eastspring Asset Management (Thailand) Co., Ltd. The content of the lecture covers principles of investment and investment in retirement funds</p>

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 	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 2,000,0000 baht

Project Name	<p>“Award scholarships to Sirindhorn School of Prosthetics and Orthotics, Faculty of Medicine Siriraj Hospital, Mahidol University”</p> <p>This institute aims to produce professionals in prosthetics and orthotics, who shall rehabilitate people with disabilities and help restore their life</p>
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 	<p>(Continued operation from 2013 - present)</p> <p>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</p>

Environmental dimensions

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.

12. 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 2022

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	
• Execution Range	January - December 2022
• Person in Charge	Thanachart Group's member companies
• How to Operate	<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

THANI's Example Goals and Action Plans to Reduce Environmental Impacts

Resource Management	Goal		Action Plan
	Short-term (1 - 2 years)	Long-term (3 - 5 years)	
Energy Management	Reduce electric energy consumption by 1 - 3% (Compared to base year)	Reduce electric energy consumption by 3 - 5% (Compared to base year)	<ul style="list-style-type: none"> • Purchase energy-efficient electrical equipment to replace damaged electrical equipment • Campaign for the use of electrical equipment sparingly and turn off the equipment after use • Assign a person responsible for directly overseeing the use of electrical equipment • Regularly maintain and monitor the operation of electrical equipment • Promote knowledge on how to save electricity and use resources efficiently
Water Management	Reduce water consumption by 1 - 3% (Compared to base year)	Reduce water consumption by 3 - 5% (Compared to base year)	<ul style="list-style-type: none"> • Campaign for the use of water sparingly and turn off the device after use • Campaign not to throw toilet paper or anything else into the toilet bowl • Promote knowledge on how to save water and use resources efficiently
Waste Management & Pollution Control	Reduce waste and pollution by 1 - 3% (Compared to base year)	Reduce waste and pollution by 3 - 5% (Compared to base year)	<ul style="list-style-type: none"> • Campaign for the reuse of used paper • Choose a document printer and photocopier with a 2-sided printing system • Develop work system with focus on electronic transactions. • Promote knowledge on how to save paper and use resources efficiently
Greenhouse Gas Management	Reduce greenhouse gas emission by 1 - 3% (Compared to base year)	Reduce greenhouse gas emission by 3 - 5% (Compared to base year)	<ul style="list-style-type: none"> • Purchase energy-efficient electrical equipment to replace damaged electrical equipment • Campaign for the use of electrical equipment sparingly and turn off the equipment after use • Assign a person responsible for directly overseeing the use of electrical equipment • Regularly maintain and monitor the operation of electrical equipment • Promote knowledge on how to save electricity and use resources efficiently



THANI's Example Goals and Action Plans to Reduce Environmental Impacts

Performance Indicators	2019	2020	2021	2022
Electricity Consumption				
Electricity Consumption (kWh)	574,971	568,101	643,998	589,793
Increase/Decrease of Electricity Consumption (Percent)	-	(-1.19)	12.01	2.58
Electricity Consumption per Employee (kWh per Person)	1,197.86	1,181.08	1,384.94	1,223.64
Increase/Decrease in Electricity Consumption per Employees (Percent)	-	(-1.40)	15.62	2.15
Electricity Expenses (Baht)	2,740,264	2,706,107	2,898,040	2,945,795
Increase/Decrease in Electricity Expenses (Percent)	-	(-1.25)	5.62	7.50
Water Consumption				
Water Consumption (Cubic Meters)	4,012	4,085	3,801	4,281
Increase/Decrease of Water Consumption (Percent)	-	1.82	(-5.26)	6.70
Water Consumption per Employee (Cubic Meters per Person)	12.54	12.49	11.52	12.63
Increase/Decrease of Water Consumption per Employees (Percent)	-	(-0.36)	(-8.13)	0.72
Water Use Expenses (Baht)	80,280	81,707	76,020	85,620
Increase/Decrease of Water use Expenses (Percent)	-	1.78	(-5.31)	6.65
Using Paper				
Paper Consumption (Reams)	-	5,483	5,150	4,750
Increase/Decrease of Paper Usage (percent)	-	-	(-6.07)	(-13.37)
Paper Purchase Expenses (Baht)	-	548,381	474,481	449,215
Increase/Decrease of Paper Purchase Expenses (percent)	-	-	(-13.48)	(-18.08)
Greenhouse Gas Emissions (Scope 2)				
Greenhouse Gas Emissions (TonCO ₂ e)	287.43	283.99	321.93	294.84
Increase/Decrease of Greenhouse Gas Emissions (Percent)	-	(-1.19)	12.01	2.58
Greenhouse Gas Emissions per Employees (TonCO ₂ e per Person)	0.60	0.59	0.69	0.61
Increase/Decrease of Greenhouse Gas Emissions per Employees (percent)	-	(-1.40)	15.62	2.15

- 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) The Company is in the process of collecting data to measure long-term performance (3 - 5 years).
 - 3) Electricity consumption in 2022 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 2022, 2021 and 2020

In 2022, 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 2022.

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 Notes 1.2 and 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.



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	2022	2021	2020
Cash	4,560	4,477	2,471
Interbank and Money Market Items - net			
- Deposits at Financial Institutions	4,828,482	8,946,827	7,811,600
Financial Assets Measured at Fair Value through Profit or Loss	2,489,925	2,780,747	3,356,589
Derivatives Assets	131,801	206,359	145,444
Investments - net	18,623,405	13,124,068	21,650,020
Investments in Subsidiaries, Associated Companies and Joint Ventures	56,986,216	52,955,094	48,006,971
Loans to Customers and Accrued Interest Receivables - net	62,382,747	55,220,642	50,250,543
Property Foreclosed - net	3,853,623	3,679,488	3,054,027
Land, Buildings, Equipment and Right-of-use Assets - net	682,287	755,575	677,699
Intangible Assets - net	227,010	245,481	163,898
Deferred Tax Assets	1,112,073	1,024,545	917,113
Receivables from Purchase and Sale of Securities	2,001,373	842,654	1,246,888
Other Assets - net	3,765,530	2,948,631	3,472,371
Total Assets	157,089,032	142,734,588	140,755,634

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	2022	2021	2020
Liabilities			
Interbank and Money Market Items - Borrowings from Financial Institutions	16,414,904	15,984,296	13,312,347
Derivatives Liabilities	2,721	17,655	14,219
Debts Issued and Borrowings	47,729,801	34,307,745	33,887,024
Provisions	305,257	324,264	410,153
Deferred Tax Liabilities	235,020	243,501	225,797
Insurance Contracts Liabilities	12,543,254	11,414,278	12,231,053
Other Liabilities	7,327,462	6,301,807	7,906,887
Total Liabilities	84,558,419	68,593,546	67,987,480
Equity			
Share Capital			
Registered, Issued and Paid-up			
13,006 Preferred Shares of 10 Baht Each (2021: 13,006 Preferred Shares of 10 Baht Each) (2020: 13,156 Preferred Shares of 10 Baht Each)	130	130	132
1,145,649,697 Common Shares of 10 Baht Each (2021: 1,165,116,697 Common Shares of 10 Baht Each) (2020: 1,165,116,547 Common Shares of 10 Baht Each)	11,456,497	11,651,167	11,651,165
	11,456,627	11,651,297	11,651,297
Premium on Common Share	2,065,645	2,065,645	2,065,645
Other Components of Equity	(3,757,366)	(3,228,898)	(2,701,100)
Retained Earnings			
Appropriated - Statutory Reserve	1,277,830	1,277,830	1,277,830
- Treasury Shares Reserve	4,863,089	5,863,053	5,863,053
Unappropriated	55,720,423	53,348,103	51,016,932
Less: Treasury Shares - Common Shares	(4,863,089)	(5,863,053)	(5,863,053)
Equity Attributable to Owners of the Company	66,763,159	65,113,977	63,310,604
Non-controlling Interests	5,767,454	9,027,065	9,457,550
Total Equity	72,530,613	74,141,042	72,768,154
Total Liabilities and Equity	157,089,032	142,734,588	140,755,634



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)

	2022	2021	2020
Profit or Loss			
Interest Income	4,562,892	4,026,686	4,213,087
Interest Expenses	(1,558,609)	(1,355,450)	(1,620,162)
Net Interest Income	3,004,283	2,671,236	2,592,925
Fees and Service Income	1,476,572	1,886,819	1,659,343
Fees and Service Expenses	(363,246)	(432,393)	(410,723)
Net Fees and Service Income	1,113,326	1,454,426	1,248,620
Gain on Financial Instruments Measured at Fair Value through Profit or Loss	461,269	527,265	150,558
Gain (Loss) on Investments	(21,127)	(3,026)	3,756,985
Share of Profit from Investments accounted for under Equity Method Associated Companies and Joint Venture	3,233,123	1,986,341	2,154,393
Gain on Debt Settlement/Assets Transferred for Debt Settlement	132,803	738,663	118,425
Gain on Property Foreclosed and Other Assets	115,373	849,500	225,455
Non-life Insurance/Life Insurance Income	8,709,180	8,148,356	7,708,659
Dividend Income	140,283	145,382	308,218
Other Operating Income	409,198	403,214	466,598
Total Operating Income	17,297,711	16,921,357	18,730,836
Non-life Insurance/Life Insurance Expenses	(6,329,435)	(5,737,095)	(5,820,603)
Net Operating Income	10,968,276	11,184,262	12,910,233
Other Operating Expenses			
Employee's Expenses	2,027,582	2,051,760	1,886,934
Directors' Remuneration	87,972	87,349	82,709
Premises and Equipment Expenses	275,824	272,845	244,765
Taxes and Duties	28,683	40,339	20,889
Other Expenses	855,596	690,610	663,902
Total Other Operating Expenses	3,275,657	3,142,903	2,899,199
Expected Credit Loss	493,027	482,865	606,102
Profit before Income Tax	7,199,592	7,558,494	9,404,932
Income Tax	(772,060)	(836,219)	(1,556,690)
Profit for the Year	6,427,532	6,722,275	7,848,242

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)

	2022	2021	2020
Other Comprehensive Income			
<i>Transactions That Will Be Reclassified Subsequently to Profit or Loss</i>			
Loss on Debt Securities Measured at Fair Value through Other Comprehensive Income	38,089	(45,606)	(38,669)
Share of Other Comprehensive Income of Associated Companies and Joint Venture (Loss)	(103,596)	(190,582)	10,034
Income Tax Relating to Components of Other Comprehensive Income (Loss)	(8,050)	9,121	7,734
	(73,557)	(227,067)	(20,901)
<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	5,866	(161,520)	(1,392,658)
Share of Other Comprehensive Income of Associated Companies and Joint Venture (Loss)	(16,143)	128,454	(121,071)
Actuarial Gain (Loss) on Defined Benefit Plan	33,020	47,937	73,781
Income Tax Relating to Components of Other Comprehensive Income	10,396	9,360	157,156
	33,139	24,231	(1,282,792)
Total Other Comprehensive Income (Loss)	(40,418)	(202,836)	(1,303,693)
Total Comprehensive Income	6,387,114	6,519,439	6,544,549
Total Profit Attributable to:			
The Company	5,219,840	5,287,180	6,669,030
Non-controlling Interests	1,207,692	1,435,095	1,179,212
	6,427,532	6,722,275	7,848,242
Total Comprehensive Income Attributable to:			
The Company	5,234,183	5,164,808	5,527,435
Non-controlling Interests	1,152,931	1,354,631	1,017,114
	6,387,114	6,519,439	6,544,549
Earnings per Share of the Company			
Basic Earnings per Share (Baht per Share)	4.98	5.04	6.26
Diluted Earnings per Share (Baht per Share)	4.98	5.04	6.26



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)

	2022	2021	2020
Cash Flows from Operating Activities			
Profit before Income Tax	7,199,592	7,558,494	9,404,932
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	(3,233,123)	(1,986,341)	(2,154,393)
Depreciation and Amortization	240,781	228,110	195,264
Expected Credit Loss	493,027	482,865	606,102
Increase (Decrease) in Provisions	41,094	(8,867)	45,350
Increase (Decrease) in Allowance for Impairment of Property Foreclosed	40,655	(771,301)	(73,075)
Increase (Decrease) in Allowance for Impairment of Equipment/ Other Assets	17,423	(18,616)	(8,716)
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	(277,392)	(137,731)	(37,824)
Gain on Disposal of Equipment and Intangible Assets	13,764	918	3,537
Decrease (Increase) in Accrued Other Income Receivables	75,536	(104,746)	20,237
	4,611,357	5,242,579	7,998,681
Net Interest Income	(3,004,283)	(2,671,236)	(2,592,925)
Dividend Income	(140,283)	(145,382)	(308,218)
Cash Received from Interest on Operating Activities	4,297,376	3,841,100	3,916,642
Cash Paid for Interest on Operating Activities	(248,638)	(262,534)	(207,427)
Cash Paid for Income Tax	(954,977)	(1,215,688)	(1,753,599)
Income from Operating Activities before Changes in Operating Assets and Liabilities	4,560,552	4,788,839	7,053,154
Decrease (Increase) in Operating Assets			
Interbank and Money Market Items-Deposits at Financial Institutions	4,118,814	(1,134,647)	(413,528)
Derivative Assets	-	(102,887)	(132,689)
Financial Assets Measured at Fair Value through Profit or Loss	222,451	634,560	2,646,100
Loans to Customers	(8,299,150)	(5,975,270)	2,656,163
Property Foreclosed	697,380	799,358	837,045
Receivables from Purchase and Sale of Securities	(1,158,719)	404,234	1,330,336
Other Assets	(874,076)	557,598	2,420,152
Increase (Decrease) in Operating Liabilities			
Interbank and Money Market Items	430,608	2,671,949	(2,347,168)
- Borrowing from Financial Institutions			
Derivatives Liabilities	(14,934)	3,437	(32,297)
Payable from Purchase and Sale of Securities	(195,377)	(819,437)	1,135,245
Insurance Contract Liabilities	1,128,976	(816,774)	(864,525)
Other Liabilities	1,327,785	(479,076)	(996,057)
Net Cash Flows from (Used in) Operating Activities	1,944,310	531,884	13,291,931

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)

	2022	2021	2020
Cash Flows from Investing Activities			
Decrease (Increase) in Investments in Securities	(5,648,689)	7,780,644	11,974,493
Cash Paid for Purchase of Investment in Subsidiaries, Associated, and Joint Venture	(6,277,856)	(4,206,014)	(1,475,340)
Cash Received from Interest	140,602	204,084	177,352
Cash Received from Dividend	1,656,583	1,064,403	662,241
Cash Paid for Purchase of Premises and Equipment/Intangible Assets	(137,117)	(219,196)	(95,321)
Cash Received from Disposal of Equipment	2,464	3,840	2,005
Net Cash Flows from (Used in) Investing Activities	(10,264,013)	4,627,761	11,245,430
Cash Flows from Financing Activities			
Cash Received from Debts Issued and Borrowings	28,124,555	7,485,988	18,161,956
Cash Paid for Debts Issued and Borrowings	(14,702,498)	(7,065,268)	(29,055,368)
Cash Paid for Interest Expenses on Debts Issued and Borrowings	(1,209,353)	(1,103,215)	(1,427,775)
Cash Paid for Treasury Shares	-	-	(4,863,089)
Cash Received from Minority Shareholders due to Capital Increase of Subsidiary Companies	-	-	934,402
Cash Returned to Non-controlling Interests due to Capital Decrease	-	(167)	(648)
Cash Paid for Dividend	(3,142,622)	(3,144,513)	(7,726,804)
Cash Paid for Lease Liabilities	(116,874)	(118,106)	(108,796)
Cash Paid for Dividend to Non-controlling Interests	(633,422)	(1,212,358)	(451,738)
Net Cash Flows from (Used in) Financing Activities	8,319,786	(5,157,639)	(24,537,860)
Net Decrease in Cash	83	2,006	(499)
Cash at Beginning of the Year	4,477	2,471	2,970
Cash at End of the Year	4,560	4,477	2,471
Supplemental Cash Flows Information			
Non-cash Transactions			
Property Foreclosed Transferred from Loans to Customers and Payable from Purchase of Assets	912,170	653,517	689,984
Right-of-use Assets	110,962	71,374	52,852
Transfer Investments Held for Minority Shareholders to Investments in Subsidiary and Associated Companies	-	-	39,008



Consolidated Financial Statements of Thanachart Capital Public Company Limited and its Subsidiaries
(Financial Ratio Analysis)

(Unit: Percent)

Consolidated Financial Statements	31 December		
	2022	2021	2020
Profitability Ratios			
Gross Profit Margin	67.70	69.08	65.06
Net Profit Margin	49.86	51.82	52.53
Return on Equity ⁽¹⁾	7.93	8.31	10.47
Efficiency Ratio			
Return on Assets	4.19	4.73	5.24
Financial Ratio			
Debt to Equity (times)	1.17	0.93	0.93
Asset Quality Ratios			
Allowance for Doubtful Accounts to Loans and Accrued Interest Receivables	4.18	4.52	4.45
Non-performing Loans to Total Loans ⁽²⁾	3.59	5.10	5.14
Share Information (Baht)			
Book Value per Share	63.67	62.10	60.38
Earnings per Share	4.98	5.04	6.26

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 Commercial Banking Industry

Overall, the Thai economy in 2022 continued expanding when compared to 2021. In particular, the economy expanded by 2.6 percent, mainly due to the improvements of the COVID-19 pandemic situation. The tourism sector expanded in line with the relaxation of international travel restrictions in the second half of 2022, which resulted in the continued increase in the number of foreign tourists. These had positive impacts on the service sector and the private consumption. On the other hand, the export sector slowed down in line with the slowdown not only in the demand of the trading partner countries since the middle of 2022 but also in the production in the industrial sector and the private investment. Noteworthy was the inflation rate which had risen significantly since the beginning of 2022, mainly due to rising prices of energy and fresh food. Moreover, the inflation rate was expected to increase in line with the economic recovery. As a result, the Bank of Thailand's Monetary Policy Committee decided to increase the policy rate three times in the second half of the year, by 25 basis points each time. In consequence, the policy rate increased to 1.25 percent per annum from 0.50 percent per annum. In this connection, the gradual increases in the policy rate followed the policy implementation in accordance with the direction of the economic recovery and inflationary trends.

Loans of Thai commercial banks in 2022 increased from the previous year. This was mainly due to the expansion of corporate loans as well as retail loans which included both mortgage loans and hire-purchase loans. On the other hand, deposits increased in line with the loan expansion. As well, commercial banks accelerated deposit mobilization not only to accommodate the loan expansion but also to deal with the rising interest rates in the period ahead. As regards non-performing loans, NPLs decreased in line with the gradual economic recovery.

As for the Thai economy in 2023, the economy is expected to continue expanding. Based on the forecasts prepared by the National Economic and Social Development Board (NESDB), the economy will expand by 2.7 - 3.7 percent. In this connection, supporting factors include the recovery of the tourism sector, the continued expansion of private consumption, as well as the expansion of both public and private investment. On the other hand, there may be constraints caused by the risk from the global economic slowdown amidst the rising policy rates worldwide and the uncertainties caused by the persistent geopolitical conflicts as well as the debt burdens of small and medium-sized enterprise (SME) groups and local low-income people who are still faced with risks and inequalities in the economic recovery.

Performance Overview

For the Year Ended 31 December 2022

In 2022, the Company and its subsidiaries' net profit according to the consolidated financial statements amounted to 6,428 million baht. This was mainly due to the operating results of the important subsidiary and associated companies as follows:

- Ratchthani Leasing Public Company Limited had a consolidated net profit of 1,753 million baht
- Thanachart Insurance Public Company Limited had a net profit of 697 million baht
- Thanachart Securities Public Company Limited had a net profit of 448 million baht
- Share of profit from investments accounted for under equity method - associated companies was 3,233 million baht
- Asset Management Companies and other subsidiaries had net profits of 372 million baht



As a result, net profit attributable to the Company amounted to 5,220 million baht, a decrease of 67 million baht or 1.27 percent from last year. This was mainly due to a decrease in non-interest income as there was a special income from the reversal of NPA reserves and gains on debt repayment from a large client in 2021. In case the special income from the reversal of NPA reserves was excluded, the Company's net profit increased by 13.7 percent. However, in 2022, the performances of associated companies improved, resulting in the increase in share of profit from investments accounted for under equity method. In addition, all major subsidiaries have had high level of return on equity in this year.

Earnings per share (EPS) of the Company in 2022 were 4.98 baht, a decrease from 5.04 baht in the previous year. ROAA and ROAE were at 4.19 and 7.93 percent, respectively.

(Unit: Million Baht)

Consolidated Statements of Comprehensive Income	For the Year			2022 VS 2021	
	2022	2021	2020	+ / (-)	Percent
Interest Income	4,563	4,026	4,213	537	13.34
Interest Expenses	1,559	1,355	1,620	204	15.06
Net Interest Income	3,004	2,671	2,593	333	12.47
Net Fees and Service Income	1,113	1,454	1,249	(341)	(23.45)
Operating Income ⁽¹⁾	6,851	7,059	9,068	(208)	(2.95)
Net Operating Income	10,968	11,184	12,910	(216)	(1.93)
Other Operating Expenses	3,275	3,143	2,899	132	4.20
Expected Credit Losses	493	483	606	10	2.07
Profit before Income Tax	7,200	7,558	9,405	(358)	(4.74)
Income Tax	772	836	1,557	(64)	(7.66)
Profit for the Year	6,428	6,722	7,848	(294)	(4.37)
Profit Attributable to the Company	5,220	5,287	6,669	(67)	(1.27)
Profit Attributable to Non-controlling Interests	1,208	1,435	1,179	(227)	(15.82)
Earnings per Share (Baht)	4.98	5.04	6.26	(0.06)	(1.19)
Weighted Average Number of Ordinary Shares (Million Shares)	1,048.62	1,048.62	1,065.52	-	-

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

Net Interest Income

(Unit: Million Baht)

Net Interest Income	For the Year			2022 VS 2021	
	2022	2021	2020	+ / (-)	Percent
Interest Income					
Interbank and Money Market Items - Deposits at Financial Institutions	72	81	150	(9)	(11.11)
Financial Assets Measured at Fair Value through Profit or Loss	14	27	83	(13)	(48.15)
Investments in Debt Securities Measured at Amortized Cost	12	1	2	11	1,100.00
Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income	183	115	234	68	59.13
Loans to Customers	779	372	228	407	109.41
Hire Purchase and Financial Lease	3,503	3,430	3,516	73	2.13
Total Interest Income	4,563	4,026	4,213	537	13.34
Interest Expenses					
Interbank and Money Market Items - Borrowings from Financial Institutions	248	255	216	(7)	(2.75)
Debts Issued and Borrowings	1,280	1,071	1,373	209	19.51
Borrowings Cost	18	16	19	2	12.50
Others	13	13	12	-	-
Total Interest Expenses	1,559	1,355	1,620	204	15.06
Net Interest Income	3,004	2,671	2,593	333	12.47

For the year 2022, the Company and its subsidiaries had 3,004 million baht in net interest income, an increase of 333 million baht or 12.47 percent from the previous year. Interest income was 4,563 million baht, an increase of 537 million baht or 13.34 percent,

due to the increases in asset-based financing, margin loans, and hire purchase loans. Interest expenses were 1,559 million baht, an increase of 204 million baht or 15.06 percent from the increase in debt issued and borrowings outstanding to support business growth.



Non-interest Income

(Unit: Million Baht)

Non-interest Income	For the Year			2022 VS 2021	
	2022	2021	2020	+ / (-)	Percent
Fees and Service Income	1,476	1,886	1,659	(410)	(21.74)
Fees and Service Expenses	363	432	410	(69)	(15.97)
Net Fees and Service Income	1,113	1,454	1,249	(341)	(23.45)
Gain on Financial Instruments Measured at Fair Value through Profit or Loss	461	527	151	(66)	(12.52)
Gain (Loss) on Investments	(21)	(3)	3,757	(18)	(600.00)
Share of Profit from Investments Accounted for under Equity Method - Associated Companies and Joint Venture	3,233	1,986	2,154	1,247	62.79
Gain on Property Foreclosed and Other Assets	116	850	225	(734)	(86.35)
Net Insurance/Life Insurance Income	2,380	2,411	1,888	(31)	(1.29)
Dividend Income	140	145	308	(5)	(3.45)
Other Income	542	1,143	585	(601)	(52.58)
Total Other Operating Income	6,851	7,059	9,068	(208)	(2.95)
Total Non-interest Income	7,964	8,513	10,317	(549)	(6.45)

Non-interest income of the Company and its subsidiaries in 2022 amounted to 7,964 million baht, a decrease of 549 million baht or 6.45 percent from the previous year. The details are as follows:

Net Fees and Service Income

In 2022, net fees and service income amounted to 1,113 million baht, a decrease of 341 million baht or 23.45 percent from the previous year. This was mainly due to the decrease of income from securities business in line with the declined trading volume.

Other Operating Income

Other operating income amounted to 6,851 million baht, a decrease of 208 million baht or 2.95 percent from the previous year. This was mainly due to the fact that in the previous year there was the reversal of NPA reserves and gains on debt repayment from the large client. Meanwhile, share of profit from investments accounted for under equity method increased in line with economic recovery.

Other Operating Expenses

(Unit: Million Baht)

Other Operating Expenses	For the Year			2022 VS 2021	
	2022	2021	2020	+ / (-)	Percent
Employee's Expenses	2,028	2,052	1,887	(24)	(1.17)
Directors' Remuneration	88	87	83	1	1.15
Premises and Equipment Expenses	276	273	245	3	1.10
Taxes and Duties	28	40	21	(12)	(30.00)
Other Expenses	855	691	663	164	23.73
Total Other Operating Expenses	3,275	3,143	2,899	132	4.20

For the year 2022, other operating expenses of the Company and its subsidiaries amounted to 3,275 million baht, an increase of 132 million baht or 4.20 percent from the previous year. The increase was mainly due to legal expenses, IT costs, and marketing expenses of subsidiary companies.

Expected Credit Loss (Reversal)

(Unit: Million Baht)

Expected Credit Loss (Reversal)	For the Year			2022 VS 2021	
	2022	2021	2020	+ / (-)	Percent
Interbank and Money Market Items	(3)	-	(1)	(3)	(100.00)
Investments in Debt Securities Measured at Amortized Cost	1	-	-	1	100.00
Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income	(33)	(30)	271	(3)	(10.00)
Loans to Debtors and Accrued Interest	657	667	337	(10)	(1.50)
Other Assets	(129)	(154)	(1)	25	16.23
Expected Credit Loss	493	483	606	10	2.07

For the year 2022, the Company and its subsidiaries had expected credit loss in the amount of 493 million baht, an increase of 10 million baht or 2.07 percent from the previous year.



Financial Position

(Unit: Million Baht)

Consolidated Statements of Financial Position	31 December			2022 VS 2021	
	2022	2021	2020	+ / (-)	Percent
Cash	5	4	2	1	25.00
Interbank and Money Market Items - net					
- Deposits at Financial Institutions	4,828	8,947	7,812	(4,119)	(46.04)
Financial Assets Measured at Fair Value through Profit or Loss	2,490	2,781	3,357	(291)	(10.46)
Investments - net	18,623	13,124	21,650	5,499	41.90
Investments in Associated Companies and Joint Venture - net	56,986	52,955	48,007	4,031	7.61
Loans to Customers and Accrued Interest Receivables - net	62,383	55,221	50,251	7,162	12.97
Property Foreclosed - net	3,854	3,679	3,054	175	4.76
Land, Premises, Equipment and Right-of-use Assets - net	682	756	678	(74)	(9.79)
Other Assets	7,238	5,268	5,945	1,970	37.40
Total Assets	157,089	142,735	140,756	14,354	10.06
Interbank and Money Market Items					
- Borrowings from Financial Institutions	16,415	15,984	13,312	431	2.70
Debts Issued and Borrowings	47,730	34,308	33,887	13,422	39.12
Insurance Contracts Liabilities	12,543	11,414	12,231	1,129	9.89
Other Liabilities	7,870	6,888	8,557	982	14.26
Total Liabilities	84,558	68,594	67,987	15,964	23.27
Equity Attributable to Owners of the Company		65,114	63,311	1,649	2.53
Non-controlling Interests	5,768	9,027	9,458	(3,259)	(36.10)
Total Equity	72,531	74,141	72,769	(1,610)	(2.17)
Total Liabilities and Equity	157,089	142,735	140,756	14,354	10.06

Assets

As of 31 December 2022, Thanachart Group's total assets amounted to 157,089 million baht, an increase of 14,354 million baht or 10.06 percent from the end of 2021. 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 4,828 million baht, a decrease of 4,119 million baht or 46.04 percent. This was due to liquidity management.

Net Investments

(Unit: Million Baht)

Investments Classified by Type	31 December			2022 VS 2021	
	2022	2021	2020	+ / (-)	Percent
Financial Assets Measured at Fair Value through Profit or Loss	2,490	2,781	3,357	(291)	(10.46)
Investments in Debts Securities Measured at Amortized Cost	1,319	-	43	1,319	100.00
Investments in Debt Securities Measured at Fair Value through Other Comprehensive Income	13,815	10,416	19,250	3,399	32.63
Investments in Equity Securities Designated at Fair Value through Other Comprehensive Income	3,489	2,708	2,357	781	28.84
Investments - net	21,113	15,905	25,007	5,208	32.74
Investments in Associated Companies and Joint Venture - net	56,986	52,955	48,007	4,031	7.61
Total Investments - net	78,099	68,860	73,014	9,239	13.42

As of 31 December 2022, the Company and its subsidiaries had net investments in the amount of 78,099 million baht, an increase of 9,239 million baht or 13.42 percent from the previous year. This was mainly due to the additional investments in debt securities and the additional Investments in TTB.

Net Loans to Customers and Accrued Interest Receivables

As of 31 December 2022, net loans to customers and accrued interest receivables amounted to 62,383 million baht, an increase of 7,162 million baht or 12.97 percent. This was mainly due to the loan expansion of subsidiaries including THANI, T-Plus, and TNS

Property Foreclosed

As of 31 December 2022, the Company and its subsidiaries had property foreclosed stated at cost amounted to 4,783 million baht, accounting for 3.04 percent of total assets. The allowance for impairment of the property foreclosed was 929 million baht, accounting for 19.42 percent of total value at cost.

Source of Fund

Capital Structure

As of 31 December 2022, the Company and its subsidiaries had funds from liabilities and shareholders' equity of 84,558 million baht and 72,531 million baht, respectively. The ratio of debts to equity was at 1.17 times. The important components of funds from liabilities consisted of debts issued and borrowings which as of 31 December 2022 amounted to 47,730 million baht, accounting for 30.38 percent while interbank and money market items - borrowings from financial institutions, insurance contracts liabilities, and other liabilities accounted for 10.45 percent, 7.99 percent, and 5.01 percent of total source of fund.



(Unit: Million Baht)

Capital Structure	31 December			2022 VS 2021	
	2022	2021	2020	+ / (-)	Percent
Interbank and Money Market Items -					
Borrowings from Financial Institutions	16,415	15,984	13,312	431	2.70
Debts Issued and Borrowings	47,730	34,308	33,887	13,422	39.12
Insurance Contracts Liabilities	12,543	11,414	12,231	1,129	9.89
Other Liabilities	7,870	6,888	8,557	982	14.26
Total Liabilities	84,558	68,594	67,987	15,964	23.27
Total Shareholders' Equity	72,531	74,141	72,769	(1,610)	(2.17)
Total Liabilities and Equity	157,089	142,735	140,756	14,354	10.06

Major uses of funds as of 31 December 2022 consisted of loans to customers, accounting for 41.30 percent, net investments including financial assets measured at fair value through profit or loss and investments in associated companies and joint venture, accounting for 49.72 percent, and interbank and money market items - deposits at financial institutions, accounting for 3.07 percent.

Liabilities

Total liabilities of Thanachart Group as of 31 December 2022 were 84,558 million baht, an increase of 15,964 million baht or 23.27 percent from the end of 2021. The key items were as follows:

- Interbank and money market items - borrowings from financial Institutions and debts issued and borrowings totaled 64,145 million baht, an increase of 13,853 million baht or 27.55 percent. This was due to the issuance and offering of debentures of the Company and its subsidiary to support business growth.

Shareholders' Equity

Total shareholders' equity as of 31 December 2022 was 72,531 million baht, a decrease of 1,610 million baht or 2.17 percent from the end of 2021. The total shareholders' equity comprised of the following:

- Equity attributable to the owners of the Company was 66,763 million baht, an increase of 1,649 million baht or 2.53 percent. This was mainly due to the operating net profit of the Company and its subsidiaries in 2022 of 5,220 million baht and the dividend payment of 3,146 million baht.
- Equity attributable to non-controlling interest amounted to 5,768 million baht, a decrease of 3,259 million baht or 36.10 percent. This was mainly from the change in shareholding proportion of in TNI and TNS from 50.96 percent to 89.96 percent.

Commitments

As of 31 December 2022, the Company and its subsidiaries had commitments in the amount of 9 million baht, a decrease of 1 million baht or 10.00 percent from the end of 2021.

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		
		2022	2021	2020
Ratchthani Leasing Public Company Limited (Consolidated)	60.61	1,753	1,709	1,860
Thanachart Insurance Public Company Limited	89.96	697	768	745
Thanachart Securities Public Company Limited	89.96	448	661	479
TS Asset Management Company Limited	99.99	58	43	24
MAX Asset Management Company Limited	83.44	62	34	7
NFS Asset Management Company Limited	100.00	19	88	(25)
T Life Assurance Public Company Limited	100.00	101	111	(383)
Thanachart Plus Company Limited	100.00	118	7	-

- Notes:**
1. The Company and its subsidiary increased shareholding in Ratchthani Leasing Public Company Limited to 60.61 percent at the end of 2022.
 2. The Company increased shareholding in Thanachart Insurance Public Company Limited from 50.96 percent to 89.96 percent at the end of 2022.
 3. The Company increased shareholding in Thanachart Securities Public Company Limited from 50.96 percent to 89.96 percent at the end of 2022.
 4. T Life Assurance Public Company Limited has changed its name from MBK Life Assurance Public Company Limited since 6 July 2022.
 5. Thanachart Plus Company Limited was established in April 2021.

Ratchthani Leasing Public Company Limited

Overall Performance

For the year 2022, net profit of THANI and its subsidiary amounted to 1,753 million baht, representing an increase of 44 million baht or 2.57 percent when compared to the previous year. This was mainly due to the recovery after the improvements of the COVID-19 pandemic situation, which led to improvements of economic activities. In this connection, the important contributing factors included the tourism sector and the private sector spending which increased in line with the gradually rising purchasing power as a result of higher employment and higher income.

However, as the inflation remained high, the costs of living rose, which in turn had negative impacts on consumption and might have impacts on businesses in the future. Total revenue in 2022 amounted to 4,443 million baht, representing an increase of 217 million baht or 5.13 percent when compared to the previous year. On the other hand, financial expenses of THANI and its subsidiary amounted to 926 million baht, representing an increase of 13 million baht or 1.42 percent when compared to 2021. The increase was mainly due to the fact that the



company made sure that the funds it borrowed were sufficient to cover the loans it provided. Importantly, it also kept the interest rate spread at a level that ensured consistent profitability.

Income

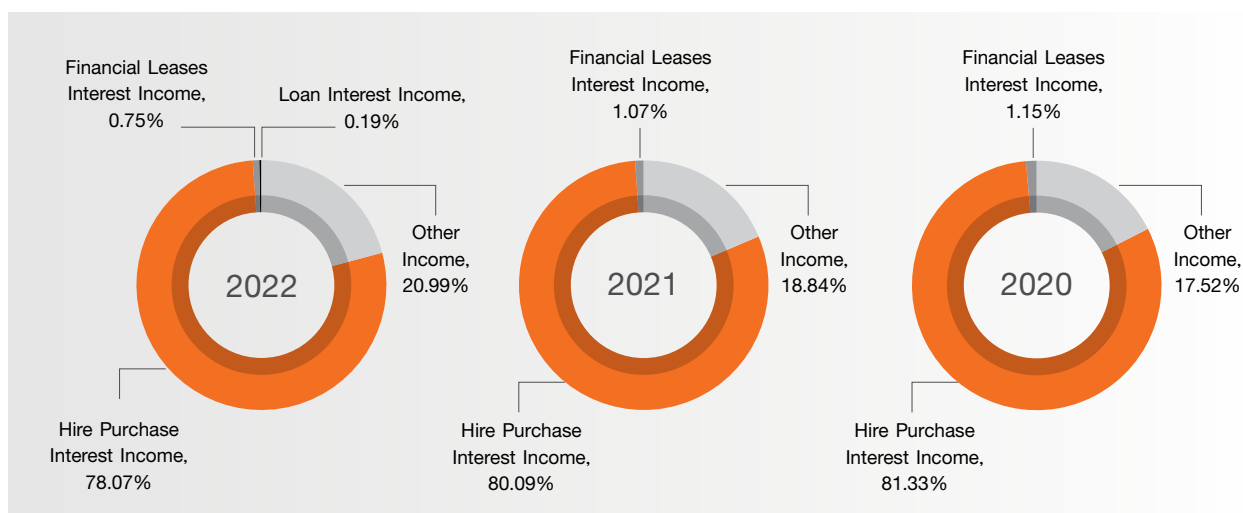
In 2022, the country recovered from the COVID-19 pandemic. Overall, the economic situation and household income already passed their lowest points. There were signs of steady improvements, as witnessed by the recoveries of the tourism sector and related services. In addition, service-related activities were expected to improve further as a result of the recovery of the tourism sector, which included hotels, restaurants, as well as transportation of consumer goods and construction materials to support festivals and house repairs after the flood situation improved.

Total income of THANI and its subsidiary amounted to 4,443 million baht, representing an increase of

217 million baht or 5.13 percent from the year 2021. On the other hand, hire purchase receivables and financial lease receivables increased by 4,190 million baht or 8.75 percent compared to the year 2021.

The key components of the income of THANI and its subsidiary in 2022 included hire purchase interest income, financial leases interest income and loan interest income, which amounted to 3,511 million baht or accounted for 79.01 percent of the total income, fees and service income of 469 million baht, and other income of 464 million baht. They accounted for 10.55 percent and 10.44 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 2022 and the year 2021 were as follows:



Expenses

Finance costs of THANI and its subsidiary in 2022 amounted to 926 million baht while their selling and administrative expenses amounted 774 million baht. On the other hand, expected credit losses (ECL) amounted to 555 million baht while income tax amounted to 436 million baht.

The finance costs in 2022 which amounted to 926 million baht represented an increase of 13 million

baht or 1.42 percent compared to the year 2021. 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 in 2022 was at 2.39 percent.

Selling and administrative expenses in 2022 amounted to 774 million baht, representing an increase of 189 million baht or 32.31 percent compared to the year 2021. The key components of the selling and administrative expenses included personnel expenses, losses from impairment of repossessed cars, and office expenditure.

The expected credit loss (ECL) for 2022 amounted to 555 million baht, down from the previous year's 586 million baht and accounting for 1.11 percent of

the average outstanding loans. As regards the bad debt provision for 2022, THANI already took into consideration the growth of the loan portfolio as well as the asset quality which could be efficiently controlled. In this connection, THANI still relied on cautious consideration of the provision based on the expected credit loss model, by carefully taking into account various factors and potential impacts of economic fluctuations, despite the improvements of the COVID-19 pandemic situation.

Net Profit

Net Profit	For the Year	
	2022	2021
Net profit (Million Baht)	1,753	1,709
Net profit margin (Percent)	39.45	40.44
Yield on Loans (Percent)	6.81	7.15
Cost of Fund (Percent)	2.39	2.49
Interest Spread (Percent)	4.42	4.66

Net profit of THANI and its subsidiary in 2022 amounted to 1,753 million baht, representing an increase of 44 million baht or 2.57 percent when compared to the previous year. Net profit margin amounted to 39.45 percent, down 2.45 percent from the previous year, mainly due to the fragile economic conditions which were still affected by the protracted impacts of the COVID-19 pandemic despite the fact that the situation started improving. However, the economy was still faced

with domestic inflation and interest rate hikes. In this connection, THANI continued expanding its loan base in a cautious manner and placed emphasis on the quality growth strategy during the COVID-19 pandemic. As a result, the average interest rate THANI received amounted to 6.81 percent while the average interest rate it paid decreased to 2.39 percent. In consequence, its interest rate spread amounted to 4.42 percent.

Financial Position

Assets	For the Year	
	2022	2021
Total Assets (Million Baht)	53,909	49,223
Hire Purchase Receivables - net (Million Baht)	51,455	47,371
Financial Lease Receivable - net (Million Baht)	434	540
Loan Receivable - net (Million Baht)	208	-
Total Receivables-to-Total Asset Ratio (Percent)	96.65	97.33
Property Foreclosed (Million Baht)	238	98



For 2022, total assets of THANI and its subsidiary amounted to 53,909 million baht, representing an increase of 9.52 percent when compared to 2021. The proportion of the hire purchases and loans (after deducting provision for expected credit losses) accounted for 96.65 percent of total assets, representing an increase when compared to the previous year. It was still necessary to closely monitor the risks arising from inflation, particularly the pass-through of costs from businesses. In this connection, in the past year 2022, particularly in the second half, automobile sales, especially in Bangkok and in the central region, continued to grow in line with the overall economic recovery and the improvements of the COVID-19 pandemic situation.

Quality of Receivables and Loan Loss Provision

As of 31 December 2022, provision for expected credit losses of THANI from hire purchase customers, financial lessees, and borrowers on loan agreements amounted to 1,558 million baht, representing an increase of 73 million baht or 4.92 percent compared to the end of 2021. On the other hand, when compared to 2021, provision for credit losses of THANI decreased by 31 million baht, mainly due to the efficiency in controlling asset quality. In this connection, THANI still relied on cautious consideration of the provision by carefully taking into account various factors and potential impacts of economic fluctuations. The provision in 2022 reflected the expected credit loss (ECL) model which was used for assessing the risks arising from economic uncertainties in line with the Thai Financial Reporting Standard 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 2022

and 2021, THANI wrote off bad debts worth amounted to 279 million baht and 264 million baht respectively.

Most of hire purchase receivables, financial lease receivables, and loan receivables (less unearned interest income) for the years 2022 and 2021 were normal receivables with no more than 3 installments overdue. They amounted to 52,314 million baht and 47,533 million baht respectively, which accounted for 97.49 percent and 96.23 percent of the total hire purchase receivables, financial lease receivables, and loan 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, THANI's non-performing loans from hire purchase receivables, financial lease receivables, and loan receivables in 2022 and 2021 amounted to 1,347 million baht and 1,863 million baht respectively. As well, allowance for the expected credit loss in 2022 and 2021 amounted to 1,558 million baht and 1,485 million baht respectively.

Allowance for expected credit loss to non-performing loans ratio of THANI (Coverage Ratio) in the year 2022 and 2021 amounted to 115.70 percent and 79.69 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 2022	31 December 2021
Total Liabilities	41,548	37,657
Short-term Loans and Overdrafts	16,115	17,796
Long-term Loans	2,147	2,045
Long-term Debentures	22,315	16,794
Total Other Liabilities	971	1,022

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

Total liabilities of THANI and its subsidiary as of 31 December 2022 amounted to 41,548 million baht, representing an increase of 10.33 percent when compared to 2021, mainly due to the increases in borrowings from financial institutions as well as debentures, which were used for expanding the loan

portfolio and as working capital of the business. Borrowings of THANI and its subsidiary consisted of short-term borrowings 16,115 million baht, long-term borrowings worth 2,147 million baht and long-term debentures worth 22,315 million baht.



Shareholders' Equity

On 5 April 2022, the Annual General Meeting of Shareholders of THANI adopted a resolution approving an allocation worth 86 million baht from 2021 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 57.34 percent of 2021 net profit.

As of 31 December 2022, shareholders' equity of THANI amounted to 12,361 million baht, representing an increase of 794 million baht or 6.86 percent compared to the year 2021. This was mainly due to the net profit of 1,753 million baht, the dividend payment of 963 million baht, and the profit allocation as statutory reserve of 86 million baht.

Liquidity

(Unit: Million Baht)

Cash Flows	31 December 2022	31 December 2021
Cash Flows from (Used in) Operation Activities	(1,814)	1,404
Cash Flows from (Used in) Investing Activities	(74)	(13)
Cash Flows from (Used in) Financing Activities	2,063	(1,958)
Increase (Decrease) in Cash - net	174	(567)
Cash and Deposits at Banks	650	476

As of 31 December 2022, cash of THANI and its subsidiary amounted to 650 million baht. In this connection, net cash flows increased by 174 million baht from the year 2021 which had cash of 476 million baht. The increase was mainly due to net cash flows worth 2,063 million baht from financing activities as a result of the efforts to mobilize funds for accommodating THANI's lending activities. Meanwhile, net cash flows used in operation activities for THANI's normal lending activities amounted to 1,814 million baht. On the other hand, net cash flows used in investing activities amounted to 74 million baht.

Liquidity Ratio

As of 31 December 2022, liquidity ratio of THANI and its subsidiaries amounted to 1.15 times. In this connection, total current assets amounted to 19,625 million baht while total current liabilities amounted to 17,045 million baht. Total current assets were 2,580 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 short-term borrowings could be replaced by issuing new borrowings 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 1.13 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 98.75 percent of total current assets.

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

The Thai economy in 2022 started to recover from the COVID-19 pandemic, thanks to the key supporting factors including private consumption and tourism sector recovery after the improvements of the COVID-19 pandemic and the relaxation of travel restrictions between countries. In particular, from 1 July 2022, foreign tourists were no longer required to apply for a Thailand Pass before entering Thailand. As a result, the number of foreign tourists visiting Thailand increased, leading to higher income for the workforce and businesses related to the tourism sector. However, in 2023 the Thai economy was still faced with the impacts of economic downturns in many countries, geopolitical conflicts, inflation problems, and interest rate hikes in several countries. Meanwhile, the European economy was affected by the Russia-Ukraine war in the form of rapidly rising energy prices, particularly the prices of natural gas. Although the prices already reached the peak, they remained at the high levels and would be a stumbling block to the growth of the European economy in 2023. As regards semiconductor chips, the chip shortage was expected to continue for at least two more years until the chip manufacturers that moved out of China managed to complete the construction of new factories and start production of chips which replaced those from China.

In view of the aforementioned situation, the external factors will have significant impacts on Thailand's economic recovery in 2023 as the country not only is dependent on exports but also is an importer of energy and raw materials used in manufacturing industries, particularly the automotive and electronics industries. In this connection, the following factors or events might have significant impacts on the company's future financial position or operations:

1. Supporting the recovery of the tourism and related services by making preparations that enable the tourism and service sectors to perform to their full potential in accommodating the return of foreign tourists. The objectives are to drive the economy to growth and to

help deal with the impacts caused by various crises in a sustainable manner. In addition, the comparative advantage of the tourism sector should be used for linking to the development of other service sectors such as healthcare, transportation and telecommunications in order to create more added value to the service industry.

2. Taking care of and solving the debt problems faced by retail borrowers, which included household debts and those of small and medium-sized enterprises (SMEs), ensuring that the borrowers are provided with right-to-the-point solutions which are appropriate to each borrower's needs. Emphasis will be placed on dealing with existing debts and debt restructuring, together with the loans given by illegal lenders. The objectives are to enable borrowers to repay debts and to prevent them from being a constraint on the expansion of the country's domestic economic expansion and also on the economy in the long run.
3. Taking care of agricultural production and income of farmers, with focus not only on restoring farmers affected by floods to a normal condition but also on preparing measures to support the agricultural products which will be sold in the market during the growing season. Emphasis should also be placed on improving the quality of the agricultural products to meet established standards and managing the supply of the products to meet the market demand, as well as increasing the distribution channels, both offline and online. This will enable farmers to continue production and have more channels to sell agricultural products.
4. Closely monitoring and preparing measures to cope with the global economic and financial volatility as well as the geopolitical conflicts which are still fraught with uncertainties.



They may also put pressure and have aggravating effects on the economy and the domestic economic stability whose fundamental factors are susceptible to the volatility which may arise.

Thanachart Insurance Public Company Limited

Overall Performance

Total premium received of TNI in 2022 amounted to 10,320 million baht, representing an increase of 1,986 million baht or 23.83 percent, compared to the prior year. TNI had a market share of 3.83 percent in terms

of all types of direct premiums in 2022. The direct premiums in 2022 consisted of auto insurance premiums worth 9,134 million baht, representing an increase of 1,988 million baht or 27.82 percent when compared to the prior year. In this connection, the market share of auto insurance was at 6.00 percent. The increase in insurance premium when compared to the prior year was a result of TNI's development of products and services to reach more target groups of customers to suit the changing behavioral patterns of customer as well as to gain trust from them. The growth of insurance premium was mainly from the increase in sales through other non-bank channels such as brokers and dealers.

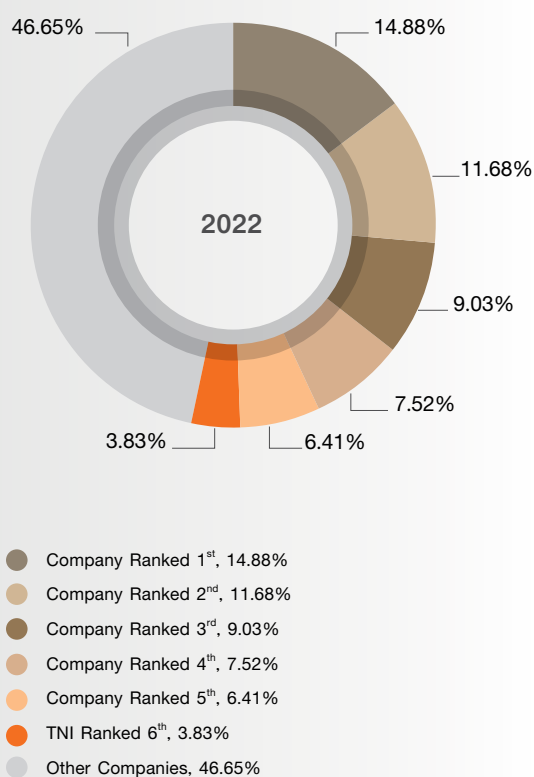
Composition of TNI's Direct Premiums over the Past 5 Years

(Unit: Million Baht)

Type of Insurance	2022		2021		2020		2019		2018	
	Direct Premiums	Percent	Direct Premiums	Percent	Direct Premiums	Percent	Direct Premiums	Percent	Direct Premiums	Percent
Auto Insurance	9,134.02	88.51	7,145.86	85.74	7,419.34	85.46	7,047.80	84.22	6,719.34	84.13
Fire Insurance	71.93	0.70	69.03	0.83	79.30	0.91	71.74	0.86	72.16	0.90
Marine Insurance	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,113.66	10.79	1,119.01	13.43	1,183.39	13.63	1,248.30	14.92	1,195.84	14.97
Total	10,319.61	100.00	8,333.90	100.00	8,682.03	100.00	8,367.84	100.00	7,987.34	100.00

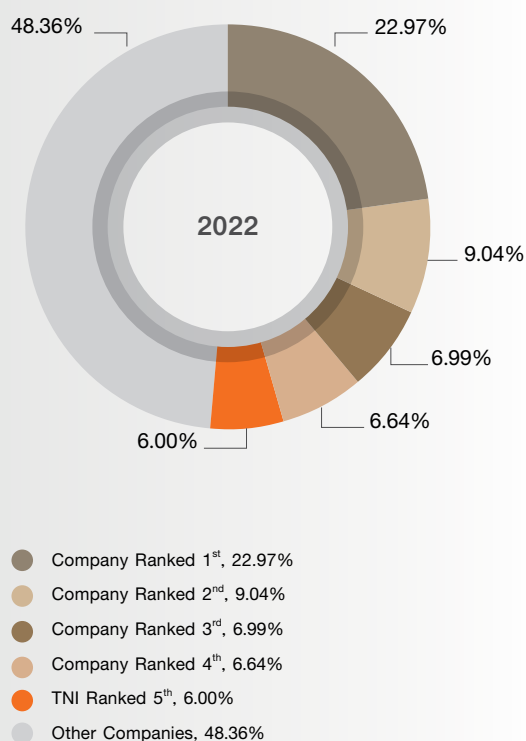
Market Shares and Direct Premiums of All Types of Insurance

Market Shares and Direct Premiums of All Types of Insurance in 2022



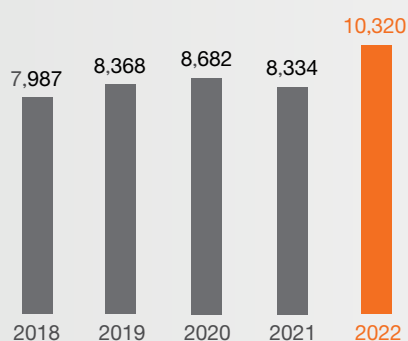
Market Shares and Direct Premiums of Auto Insurance

Market Shares and Direct Premiums of Auto Insurance in 2022



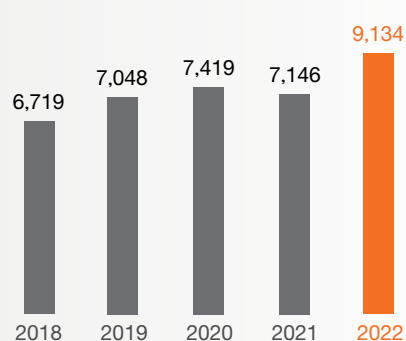
Direct Premiums of All Types of Insurance

(Unit: Million Baht)



Direct Premiums of Auto Insurance

(Unit: Million Baht)



Financial Position and Overall Performance

(Unit: Million Baht)

Financial Position	31 December 2022	31 December 2021
Cash and Cash Equivalents	223	529
Reinsurance Assets	1,099	465
Premium Receivables	730	755
Financial Assets	13,566	11,497
Other Assets	1,863	1,660
Total Assets	17,481	14,906
Insurance Contract Liabilities	7,551	6,152
Amount Due to Insurers	1,004	426
Other Liabilities	2,818	2,831
Total Liabilities	11,373	9,409
Total Equity	6,108	5,497
Total Capital Available	6,304	5,708

TNI's financial position was stable and strong. Its registered capital amounted to 4,930 million baht while its shareholders' equity amounted to 6,304 million baht. Importantly, its capital adequacy ratio amounted to 576.83 percent.

As of 31 December 2022, total assets of TNI amounted to 17,481 million baht, an increase of 2,575 million baht or 17.27 percent compared to the prior year. This was mainly due to the increase in financial

assets and reinsurance assets. Total liabilities amounted to 11,373 million baht, representing an increase of 1,964 million baht or 20.87 percent, most of which were attributable to the increase in liabilities from insurance contract liabilities. Shareholders' equity amounted to 6,108 million baht, representing an increase of 611 million baht or 11.11 percent. This was mainly because TNI has not made interim dividend payments during the year.

(Unit: Million Baht)

Overall Performance	For the Year	
	2022	2021
Gross Premium Written	10,320	8,334
Net Premium Written	8,719	7,688
Net Earned Premium	8,097	7,775
Underwriting Expenses	6,415	6,046
Underwriting Profit	1,682	1,729
Operating Expenses	1,059	918
Operating Profit	623	811
Net Gain on Investments	236	144
Other Income	17	8
Profit before Income Tax	876	963
Income Tax	179	195
Net Profit	697	768

(Unit: Percent)

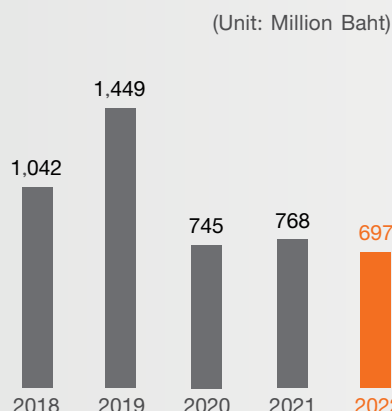
Key Financial Ratios	31 December 2022	31 December 2021
Loss Ratio	51.59	52.28
Expense Ratio	40.72	37.29
Combine Ratio	92.31	89.57
Liquidity Ratio	652.45	649.89
Capital Adequacy Ratio	576.83	1,318.16
ROE	12.14	13.68

As for its performance, net profit of TNI in 2022 amounted to 697 million baht, representing a decrease of 71 million baht or 9.24 percent when compared to the prior year. This was mainly due to the gross premium written, which increased by 1,986 million baht,

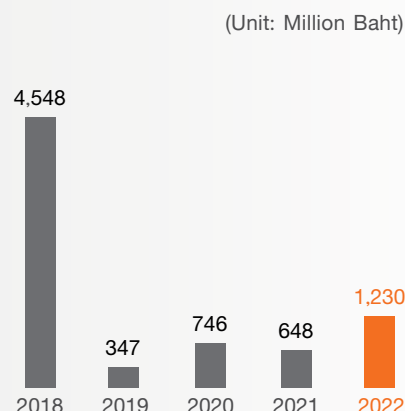
resulting in the increase in insurance reserve. As well, underwriting expenses and operating expenses increased. Meanwhile, net gain on investments increased by 92 million baht as a result of the increase in interest income and dividend income.



Net Profit



Retained Earnings



Sources of Funds

TNI's sources of funds were mainly from shareholders' equity. On 27 October 2022, there were changes in TNI's major shareholdings, from (1) Thanachart Capital, (2) Scotia Netherlands Holding B.V. (BNS) and (3) TMBThanachart Bank which held 50.96 percent, 39.00 percent, and 10.00 percent respectively to (1) Thanachart Capital, and (2) TMB-Thanachart Bank which held 89.96 percent and 10.00 percent respectively.

Liquidity

Net cash of TNI in 2022 amounted to 307 million baht. Of the net cash, 116 million baht was provided by operating activities, 19 million baht was used in investing activities, and 172 million baht was used in financing activities. In this connection, net liquidity ratio of TNI amounted to 652 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

The year 2022 was the one in which other insurance companies were still affected by the claims of COVID-19 insurance policies for half a year from those policies which had not yet expired. It was also a year in which the economic conditions were highly volatile and there were changes in the positions of several non-life insurance companies. The above factors had impacts on the insurance industry in terms of both image and confidence.

In 2023, although the country's economy is still faced with uncertainties, the overall non-life insurance business is expected to still maintain a continuous growth. Various insurers make plans to adapt themselves, restructure business operations, expand customer base, and strive to create business growth opportunities through all channels. As a result, 2023 will be another year when insurance companies will face high levels of competition. There are also other external factors which may have impacts on future insurance business operations. These factors which may be beyond the industry's control include, among others, the following:

1. The overall economic stability sends a signal of higher inflation expectations. If inflation increases, either domestically or internationally, it will inevitably affect costs of insurance claims; raw materials; spare part production; imports, exports, as well as costs of spare parts; and car repair labor costs in automobile insurance business. In this connection, both the insurance industry and manufacturers of various car brands will experience the impacts.

TNI has put in place measures in preparation for managing this matter. In particular, it closely monitors claims management and spare part work. In addition, it prepares, estimates, and places orders for spare parts in advance. Since the company becomes aware of economic uncertainties, it works with “orange garages” and the garages in its networks in developing preparation plans and estimating the number of spare parts required, ensuring that there are enough spare parts for repairing the cars owned by customers with car insurance.

2. International Financial Reporting Standard 17 (IFRS 17) will come into effect on 1 January 2025. The first-time adoption of the new financial reporting standard will require insurance companies to observe the same accounting standard in relation to insurance contracts. In this connection, various insurance companies will have to make preparations, resulting in additional expenses.

As for TNI, the company has already come up with a plan to make preparations in terms of human resources and development of work systems to accommodate the changes required by the new standard.

3. The rapid changes in technology in the future, the increasingly stricter policies on personal information protection, as well as the

importance of cybersecurity systems in the future require all sectors to make plans to support and ensure fail-safe systems to the best of one’s ability. These key factors may have impacts on product designs, sales channels, insurance claims, and services to be given by insurance companies in the future.

As a result, TNI has made additional investments in technologies, innovations, and artificial intelligence. The objectives are for the company to remain competitive in the industry and to take care of and safeguard customer information, especially online or digital channels. In this connection, the company has already set aside a budget and developed a long-term work plan for this purpose.

TNI is committed to strengthening its leadership potential in the insurance industry, with business development which enables it to grow and move ahead. Emphasis will be placed not only on delivering insurance innovations and excellent services to customers and trading partners quickly in all places but also on expanding customer base extensively without any limits. Moreover, the company will utilize technologies and apply information to enhance its long-term competitiveness and achieve a stable, robust, 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 2022 year end, the SET Index closed at 1,668.66 points, which was higher compared to 1,657.62 points at the end of previous year. In this connection, the market share commanded by TNS in 2022 was 1.87 percent. The average daily trading value of the SET was 76,773 million baht, representing a decrease of 18.19 percent compared to prior year.



Trading volume on the Thailand Futures Exchange (TFEX) in 2022 amounted to 565,627 contracts, representing an increase compared to 560,653 contracts in the previous year. In this connection, Single Stock Futures and SET 50 Index Futures accounted for most of the trading volume.

Net profit in 2022 was 448 million baht, representing a decrease of 213 million baht or 32.22 percent compared to prior year. Total income of TNS amounted to 1,510 million baht, representing a decrease of 394 million baht or 20.69 percent. On the other hand, total expenses increased by 11.42 percent.

Performance Analysis

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 2022 amounted to 1,510 million baht, representing a decrease of 20.69 percent when compared to the prior year. This was mainly due to TNS's securities brokerage revenue which decreased by 334 million baht in line with the decrease in trading volume and the trading situation of the SET. Meanwhile, gain and return on financial instruments decreased by 58 million baht when compared to the prior year in line with the decrease in investment return. In addition, fees and service income amounted to 139 million baht, representing a decrease of 107 million baht. Of the fees and service income, fees from the portfolio advisory services (ZEAL) amounted to 65 million baht, representing a decrease of 47 million baht while fees from trading mutual funds amounted to 38 million baht, representing a decrease of 68 million baht. The decreases were in line with the trading situation of the SET which affected ZEAL transactions volume and mutual fund brokerage services.

Expenses

TNS's expenses in relation to securities business in 2022 consisted of fees and service expenses in the amount of 131 million baht, a decrease from the prior year in line with the decrease in trading volume and transactions of TNS, and interest expenses in the amount of 78 million baht, an increase from the prior year, which was due to higher borrowings in line with the increase in margin loans and the increase in interest rate during the year.

Operating expenses amounted to 745 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 49.47 percent.

Net Profit

Net profit of TNS in 2022 amounted to 448 million baht, representing a decrease of 213 million baht compared to prior year. Total income decreased by 20.69 percent while total expenses decreased by 11.42 percent, resulting in the decrease in net profit. In this connection, earnings per share amounted to 0.15 baht while net profit margin was 29.67 percent.

Financial Position

Assets

As of 31 December 2022, total assets of TNS amounted to 10,265 million baht, representing an increase of 18.27 percent compared to 2021 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 34.63 percent from the prior year. TNS's investments which were investments listed on the SET decreased by 12.93 percent. This was mainly due to the decline in block trades as well as the transactions related to the derivative warrants issued. The return on assets (ROA) was 4.73 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 2022 year end, securities business receivables and derivatives business receivables of TNS amounted to 7,793 million baht, increased by 2,197 million baht or 39.26 percent compared to the prior year. The receivables consisted of margin loans worth 5,787 million baht, representing an increase of 1,057 million baht or 22.35 percent, as well as cash accounts receivables worth 2,001 million baht, representing an increase of 1,158 million baht or 137.37 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 2022, TNS set aside the allowance for expected credit loss in full compliance with the Thai Financial Reporting Standards No. 9.

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 2022 year end, total liabilities of TNS amounted to 6,751 million baht, representing an increase of 1,706 million baht or 33.82 percent compared to 2021 year end. Most of the liabilities were borrowings from financial institutions and other debts issued and borrowings, which amounted to 4,482 million baht

or accounted for 66.39 percent of the total liabilities, representing an increase of 1,335 million baht when compared to the end of 2021. 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 2022, shareholders' equity of TNS amounted to 3,514 million baht, representing a decrease of 120 million baht or 3.30 percent compared to 2021 year end. In this connection, net operating profit amounted to 448 million baht while return on equity (ROE) was 12.53 percent. During the year 2022, TNS paid dividend for 2021 performance in the amount of 300 million baht and paid interim dividend for the first half of 2022 performance in the amount of 270 million baht. Moreover, TNS has already fully set aside the statutory reserve.

As of 31 December 2022, debt to equity ratio of TNS was 1.92 times, representing an increase from 1.39 times compared to 31 December 2021. 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 2022 and 2021 would be 1.41 times and 1.04 times respectively.

Sources of Capital

As of 31 December 2022, 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.

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 2022, TNS's net cash flow decreased by 118 million baht. In this connection, cash flows from operating activities amounted to 879 million baht. On the other hand, cash flows used in investing activities amounted to 35 million baht while cash flows from financing activities amounted to 726 million baht.

Net capital ratio (NCR) of TNS was 44.72 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

The economic and political situations, both domestic and international, may have impacts on the financial position and operating results of TNS. Among others, these include interest rate trends, uncertainties of the COVID-19 pandemic, and the Bank of Thailand's monetary policies, as well as Thailand's economic conditions and global economic situations. These factors will have impacts on the confidence of domestic and foreign investors. Also noteworthy is the continuously falling fee rates charged on securities trading. Nevertheless, being well aware of the above-mentioned impacts, TNS has applied technology to development of new products, such as the application for increasing the number of access channels to customers in order to provide them with various news feeds such as marketing and promotion news, and the application for securities trading. The applications include LINE and Think Application, among others. The purpose is to accommodate

changing customer behavior. Furthermore, TNS has developed new work systems, services, and products to increase revenues, apart from diversifying income structures. Importantly, to enhance its competitiveness to compete with other securities brokers in the future, the company has improved the quality of its human resources, news, and various services. It has also implemented expense control measures and developed plans to make the best use of the existing resources.

T Life Assurance Public Company Limited

Performance Overview

As of 31 December 2022, total assets of MBK LIFE amounted to 6,353 million baht, representing a decrease of 99 baht or 1.56 percent when compared to the end of 2021.

Net profit of T LIFE in 2022 amounted to 101 million baht, compared with net profit of 111 million baht in 2021. The main factors that affected the performance compared to the previous year were the increase of 238 million baht in net premium income; the increase of 52 million baht in net investment income; the increase of 296 million baht in underwriting expenses which was due to an increase in long-term insurance reserves of 387 million baht; the decrease of 209 million baht in net benefits paid under insurance policies and net insurance claims; the increase of 76 million baht in expected credit loss; the increase of 40 million baht in commission and brokerage expenses; and the increase of 5 million baht in deferred tax expenses.

(Unit : Million Baht)

Items	For the Year	
	2022	2021
Assets	6,254	6,353
Liabilities	5,141	5,378
Shareholders' Equity	1,113	975
Net Profit	101	111
Capital Adequacy Ratio (Percent) (Unaudited)	596.1	419.37

Factors or Events which May Significantly Affect the 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 insurance business is concerned with long-term insurance coverage agreements. When products are sold to customers, the proceeds from the sale will be invested in a range of instruments including debt instruments, equity instruments, derivatives as well as investments in various real sectors which are permitted by the regulatory agencies concerned. Gains from the investments not only will be given to customers as part of the terms and conditions of the insurance policies but also will be part of T LIFE's own operating results. In this connection, changes in the economic conditions will have direct impacts on the values of the investments as well as the liabilities whereby a provision has to be set aside in line with the accounting standards to compensate customers in fulfillment of the obligations specified in the insurance policies. This in turn has direct impacts on T LIFE's financial position. In particular, the impacts may be significantly beneficial to the business or destabilize the financial position of the business.

2. New Emerging Risks

As the COVID-19 pandemic is still going on, customers' financial position is also directly affected by the economic conditions, rising costs of living due to inflation, and interest rate volatility. Retail customers delay their spending while many groups of corporate customers reduce parts of their insurance purchases, which are related to staff welfare. These have impacts on T LIFE's own sale

revenues. In the future, T LIFE will still be faced with various challenges including, among others, uncertainties about new disease threats, global economy which shows signs of slowdown or potential recession, emerging cyberwarfare threats, as well as enforcement of new laws. As a result, T LIFE has to develop new insurance policies and services that more satisfactorily meet customer needs. In this connection, it has to streamline its operational processes and manage risks in a comprehensive manner. This not only will enable the company to adapt its strategies and change the direction of business operations to keep pace with changing situations, but also will ensure the strong and stable growth of its financial position.

3. Change in the regulations governing life insurance business

The life insurance industry is undergoing a shift in the accounting standard to International Financial Reporting Standard 17 (IFRS 17), which will bring about greater transparency for consumers and investors. However, in making the shift, the entire industry has to make significant investments to accommodate the new standard. In view of the current economic situation, this will basically depend on the preparedness of each company.

4. Social and environmental responsibility

The company continues implementing its policies on corporate governance and anti-corruption, aiming at driving business towards sustainability. Current risk management measures have been observed in the conduct of business affairs. These include adoption of work methods, such as working from home, which reduce risks to customers, business partners and employees.



In this connection, both T LIFE and shareholders have been adhering to the various measures regularly, including maintenance of capital adequacy, in order to mitigate the risks mentioned above. As a result, the company is able not only to deliver services to customers in accordance with the terms and conditions specified in the insurance policies and provide customers with quality services, but also comply with the rules and regulations imposed by the regulatory agencies concerned. In addition, the company has put in place various work units and committees responsible

for managing risks and implementing strategies related to products, investments, and internal operations, ensuring compliance with the policies of T LIFE and Thanachart Group.

In addition, it is the company's policy to strike a balance among all groups in a fair manner. These include employees, shareholders, customers, business partners, regulating agencies, and the society. The purpose is to achieve the company's business sustainability.

1.5 General Information and Other Important Information

General Information

(As at 31 December 2022)

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	:	11,456,627,030 baht
Paid-up Capital	:	11,456,627,030 baht
Ordinary Shares	:	1,145,649,697 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 97,045,970 shares according to the shares repurchased from 11 February 2020 to 10 August 2020.

Investments of Thanachart Capital Public Company Limited in Other Companies

As at 31 December 2022, 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	92,939,053,968.75	91,937,270,202.15	96,776,073,897	23,513,026,385	24.30
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) 2613 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
T 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	99,999,997	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	1,895,598,424	1,895,598,424	1,895,598,424	410,950,608	21.68
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	658,698,729	658,698,729	658,698,729	130,327,111	19.79

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
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, Suan-luang, 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	443,502,410	89.96
Thanachart Securities Public Company Limited 444 MBK Tower, 18 th - 19 th Floor, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 Tel. : +66 (0) 2779 9119 Fax : +66 (0) 2217 9642	Securities Business	Ordinary	3,000,000,000	3,000,000,000	3,000,000,000	2,698,914,695	89.96
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
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	83,597,740	83,597,740	8,359,774	8,358,129	99.98



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
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
T 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	1,999,998	100.00
TM Communications and Brand Management Company Limited 444 MBK Tower, 9 th Floor, Phayathai Road, Wangmai, 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"> • 56-1 One Report Section 1.1.5 Issuance of Other Securities No. 1.1 - 1.7 	: 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
<ul style="list-style-type: none"> • 56-1 One Report Section 1.1.5 Issuance of Other Securities No. 1.8 - 1.17 	: CIMB Thai Bank Public Company Limited 44 Langsuan Road, Lumpini, Pathum Wan, Bangkok 10330, THAILAND Tel. : +66 (0) 2626 7777 Fax : - Website : www.cimbthai.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

T 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.tlife.co.th

T 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,
Krungthoburi 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

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

Tel. : +66 (0) 2217 8000
Fax : None
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,
Krungthoburi 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

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

Tel. : +66 (0) 2217 8000
Fax : None
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

2022 Ms. Somjai Khunapasut
Certified Auditor No. 4499

2021 Ms. Somjai Khunapasut
Certified Auditor No. 4499

2020 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 and its subsidiaries

- None -

Lawsuits Having Significant Impacts on Business Operations

As of 31 December 2022, the Company and its subsidiaries had liabilities which might arise from a legal case claiming about 176 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.



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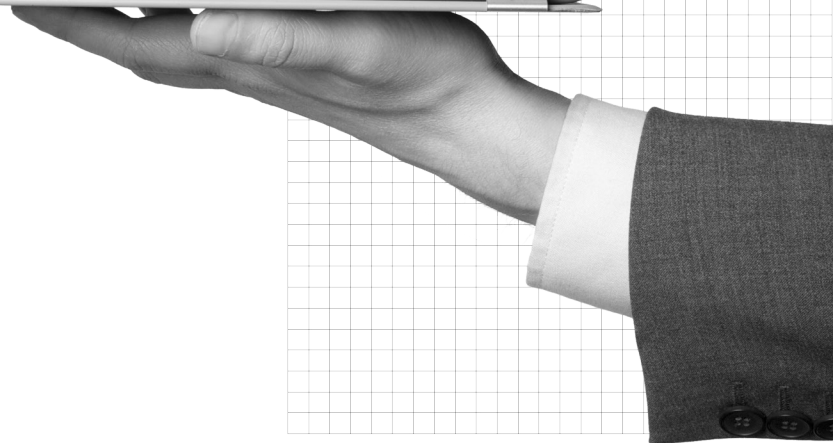
Management Structure

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 in 2022

Internal Control and Related Party
Transactions



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 2022 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.

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 56-1 One 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. 6007 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 total number of shares with voting rights of the Company 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.

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 has already been disclosed in the Company's 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 has a duty to supervise the establishment of a framework and mechanisms for overseeing the policies and operations of subsidiaries and other businesses in which the Company has made significant investments. The purpose is to safeguard the interests of the Company's investments. In this connection, the Board of Directors will consider the suitability of the persons to be appointed as directors or executives of TTB. As for other companies, regardless of whether they are subsidiaries or others which the Company participates in making decisions about their financial or operational policies but does not have control over such policies, the Board of Directors will assign the Executive Committee to consider appointing persons who will serve as directors, executives or controllers in such companies. However, in case small companies which are the Company's operating arms, the Chief

Executive Officer will be responsible for making such appointments.

The persons appointed as directors, executives, or controllers in subsidiaries must ensure that the operations of the subsidiaries are in line with the policies of the Company. They must also ensure that the subsidiaries have put in place appropriate internal control systems, which are sufficient for executing transactions in compliance with relevant laws and regulations. In addition, they must ensure that complete and sufficient reports on the operational status and key transactions are disclosed to the Company.

If there is a significant joint investment in other business, such as having a shareholding with voting rights of at least 20 percent but not exceeding 50 percent of the investment amount or if it is necessary to make an additional investment which is significant to the Company, in case it is deemed necessary, the Company's Board of Directors will arrange for the preparation of a shareholders' agreement or other agreement. The objective is to make clear the power to manage and participate in making decisions on important matters and in monitoring operations. The information can be used for preparing the Company's financial statements in accordance with the established standards and time frame.

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 and at its Meeting No. 2/2023 held on 20 February 2023, the Board of Directors passed a resolution expanding the Executive Committee's roles and responsibilities to include sustainability management.

Currently, the Executive Committee consists of 3 members whose names are as follows:

1. Mr. Suphadej Poonpipat
Chairman of the Executive Committee
2. Ms. Suvarnapa 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. Business operations
 - 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.



2. Sustainability management

- 1) Consider and establish guidelines for the operations of the Company and member companies of the Group in line with the good corporate governance policy, the sustainability management policy, the human right policy, and other related policies.
- 2) Consider, review, and recommend any changes to the Charter of the Executive Committee which is responsible for sustainability management. And submit the recommendations to the Board of Directors for approval and appropriate improvements.
- 3) Propose guidelines on the sustainability management of the Company to the Board of Directors for consideration.
- 4) Develop an action plan for implementing the Company's sustainable management practices.
- 5) Consider the appointment of a task force responsible for properly managing various issues related to sustainability management, which may arise in the future.
- 6) Submit progress reports on the sustainability management activities implemented by the Company and member companies of the Group to 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

Mr. Wichai Sathiarujikanon
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 Internal 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. Report of the Audit Committee
- The Committee gives opinions on the development and improvement of policies and practices related to the Company's good corporate governance. The Committee also reviews various practice guidelines, ensuring that they are appropriate. These guidelines include, among others, policies and practice guidelines on personal information protection, practice rules applicable to the use of insider information and securities trading, the Handbook of the Code of Ethics for personnel in the organization, and work manual for whistleblowing and reporting complaints.
 - Monitoring behavior of employees in compliance with ethical principles and employee code of conduct.



- The Committee oversees the Company's operations, ensuring that they comply with the good corporate governance principles of regulators or other regulatory agencies concerned. The Committee also submits reports of progress on performance to the Board of Directors. These include, among others, opinions about processes related to preparation and disclosure of reliable, accurate and complete information in the Company's financial reports, opinions about adequacy of the Company's internal control systems, and opinions about cooperation received from the Company's executives and staff members as well as obstacles encountered in the course of performing its duties. In addition, the Committee gives reports on matters which shareholders or investors in general should know about, within the scope of the duties and responsibilities assigned by the Company's Board of Directors.

9. 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 Annual 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 or an executive who is appointed by the Company to hold a position in subsidiary companies or businesses in which the Company invests as specified by 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 Tantisiriva
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

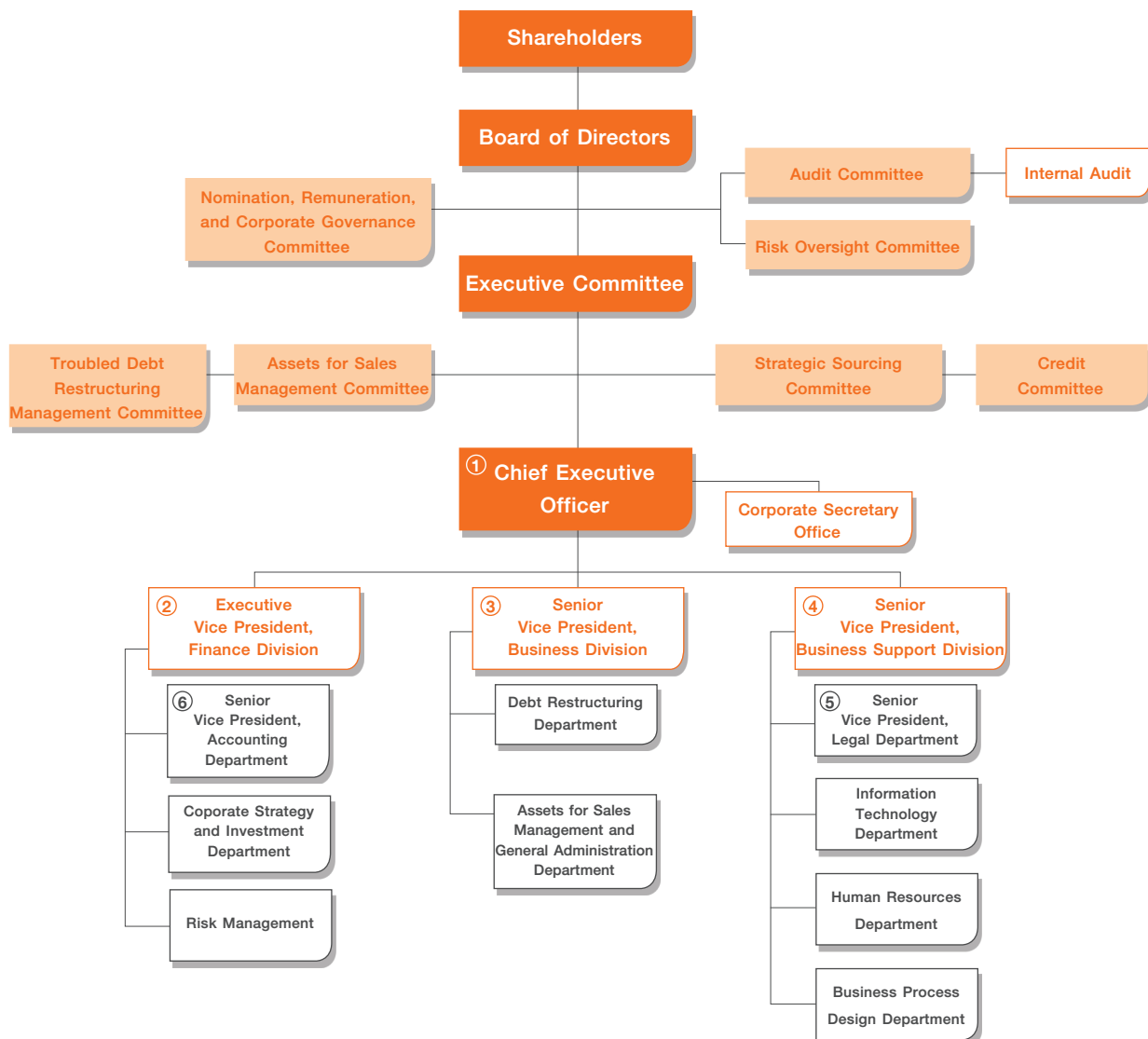
Management Structure of the Company

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 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 2022



Note ①-⑥ are executives at the managerial level and the first four executives after the managerial level according to the regulations of the SEC.

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 2022, 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 2022, 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 12 meetings in 2022.

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 2022

List of Company's Directors	Position	Board of Directors	Audit Committee	Nomination, Remuneration, and Corporate Governance Committee	Executive Committee	Risk Oversight Committee
		(Total of 12 Meetings)	(Total of 13 Meetings)	(Total of 6 Meetings)	(Total of 12 Meetings)	(Total of 12 Meetings)
1. Mr. Banterng Tantavit	Chairman (Non-executive Director)	12/12	-	-	-	-
2. Mr. Suphadej Poonpipat	Vice Chairman and Chairman of the Executive Committee (Executive Director)	12/12	-	-	12/12	-
3. Mrs. Siripen Sitasuwan	Chairperson of the Audit Committee and Member of the Nomination, Remuneration, and Corporate Governance Committee (Independent Director)	12/12	13/13	6/6	-	-
4. Mr. Tiraphot Vajrabhaya	Chairman of the Nomination, Remuneration, and Corporate Governance Committee and Member of the Audit Committee (Independent Director)	12/12	13/13	6/6	-	-
5. Mrs. Salinee Wangtal	Member of the Audit Committee and Member of the Risk Oversight Committee (Independent Director)	12/12	13/13	-	-	12/12
6. Dr. Thanachart Numnonda	Chairman of the Risk Oversight Committee (Independent Director)	12/12	-	-	-	12/12
7. Mr. Vichit Yanamorn	Member of the Nomination, Remuneration, and Corporate Governance Committee and Member of the Risk Oversight Committee (Non-executive Director)	12/12	-	6/6	-	11/12
8. Ms. Suvamapha Suvannapraphit	Vice Chairperson of the Executive Committee (Executive Director)	12/12	-	-	12/12	-
9. Mr. Somjate Moosirilert	Member of the Executive Committee, Member of the Risk Oversight Committee, and Chief Executive Officer (Executive Director)	12/12	-	-	12/12	12/12

Notes 1) Authorized signatories of the Company included 1) Mr. Suphadej Poonpipat 2) Ms. Suvamapha Suvannapraphit 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 2022, 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 Permiphithak
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 56-1

One Report under attachment on the Company's website.

Remuneration of Directors and Executives of the Company

Financial Remuneration

In 2022, 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 47,648,501.99 baht. The remuneration was in the forms of monthly compensation, meeting stipends, and performance allowance based on the performance of 2021 which could be summarized as follows:

1. The remuneration payments made in 2022 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	720,000	6,291,700.39	8,451,700.39
2. Mr. Suphadej	Poonpipat	720,000	360,000	3,145,850.20	4,225,850.20
3. Mrs. Siripen	Sitasuwan	720,000	360,000	3,145,850.20	4,225,850.20
4. Mr. Tiraphot	Vajrabhaya	720,000	360,000	3,145,850.20	4,225,850.20
5. Mrs. Salinee	Wangtal	720,000	360,000	3,145,850.20	4,225,850.20
6. Dr. Thanachart	Numnonda	720,000	360,000	3,145,850.20	4,225,850.20
7. Mr. Vichit	Yanamorn	720,000	360,000	3,145,850.20	4,225,850.20
8. Ms. Suvarnapa	Suvarnaprathip	720,000	360,000	3,145,850.20	4,225,850.20
9. Mr. Somjate	Moosirilert	720,000	360,000	3,145,850.20	4,225,850.20
Total		7,200,000	3,600,000	31,458,501.99	42,258,501.99

2. The remuneration payments made in 2022 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	390,000	1,110,000
2. Mr. Tiraphot	Vajrabhaya	480,000	260,000	740,000
3. Mrs. Salinee	Wangtal	480,000	260,000	740,000
Total		1,680,000	910,000	2,590,000

3. The remuneration payments made in 2022 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	120,000	480,000
2. Mrs. Siripen	Sitasuwan	240,000	90,000	330,000
3. Mr. Vichit	Yanamorn	240,000	90,000	330,000
Total		840,000	300,000	1,140,000

4. The remuneration payments made in 2022 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	360,000	720,000
2. Mr. Vichit	Yanamorn	240,000	220,000	460,000
3. Mrs. Salinee	Wangtal	240,000	240,000	480,000
4. Mr. Somjate	Moosirilert*	-	-	-
5. Mr. Kamtorn	Tantisirivat*	-	-	-
Total		840,000	820,000	1,660,000

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 2022, 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. As a result, the Company paid a total of 52,196,149.20 baht in the remuneration payment made to six executives in forms of salaries, allowance, and social security contribution in 2022.

8. The remuneration payments made to executive committees and executives of main subsidiaries

Main subsidiaries of the Company include THANI, TNI, TNS, and T LIFE. These four companies made remuneration in forms of salaries, allowances based on performance, and social security contribution to a total of 32 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 2022 in the amount of 207,143,905.55 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 2022, the Company contributed 3,254,479.20 baht to the provident fund for six executives.

3. Other remuneration for executive committees and executives of main subsidiaries

THANI, TNI, TNS, and T LIFE have provided provident fund for their executives. In 2022, all four companies contributed 6,554,050.20 baht to the provident fund for 32 executives.

Personnel

As of 31 December 2022, the Company had a total of 71 full-time employees. They belonged to different functions as follows:

	Department	No. of Employees
1.	Top Management	3
2.	Business Division	6
3.	Corporate Secretary Office	14
4.	Financial Division	30
5.	Business Support Division	12
6.	Internal Audit	6

Note The number of full-time employees 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 2022, the Company and its subsidiaries paid remuneration worth 2,028 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 T LIFE were as follows:

2022	The Company	Four Key Subsidiaries
Number of Employees	49	1,248
Number of Executives	14	435
Number of High-Level Executives	8	45
Total	71	1,728
Staff Remuneration (Million Baht)	192	1,755

Other Important Information

Head of Internal Audit

The Company assigned Mr. Wichai Sathianrujikanon, 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 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 56-1 One Report under attachment on the Company's website.

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 56-1 One Report under attachment on the Company's website.

Head of Investor Relations

The Company assigns Mr. Angkarn Praonpan 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. 6007 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 8 April 2022, the shareholders considered and approved of the auditors of EY Office Company 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 (Thailand) No. 4499) serves as the Company's auditor.

During 2022, the remuneration paid to the auditor of EY Office Company 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 8,075,000 baht.

2. Non-audit Fees

The fees of other services charged to Thanachart Group's member companies in 2022 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 T LIFE.



2.8 Report of Corporate Governance Key Performance in 2022

Nomination, Development, and Performance Appraisal of the Board of Directors

The Company's Board of Directors

In 2022, 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 has already been disclosed in the 56-1 One Report and the website of the Company.

Board Skill Matrix

Broad Skill Matrix	No. of Skilled Directors	Proportion of Skilled Directors (Percent)
1. Financial Business	9	100
2. Accounting or Financial Knowledge	7	78
3. Risk Management	9	100
4. Organization Management Including HR Management	9	100
5. Vision and Strategy Formulation	9	100
6. Internal Audit and Internal Control	9	100
7. IT Management	5	56
8. Leading Business Management Including Foreign Contacts	6	67
9. Marketing	6	67
10. Corporate Governance and Social Responsibilities	9	100

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 2022 on 15 December 2022. The meeting discussed the qualifications of Independent Directors, the nomination of staff in the management, who had knowledge and expertise in technology, the succession plan to replace high level executives at the Company and its subsidiaries, and the business expansion of Thanachart Group.

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 2022, the Director who participated in training activities or seminars was as follows:

Dr. Thanachart Numnonda

- Ethical Leadership Program (ELP), Class 25/2022 by the IOD.

Mr. Vichit Yanamorn

- Successful Formulation and Execution of Strategy (SFE), Class 38/2022 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 Director 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 of 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 2022 were as follows

1) The average performance appraisal score of the Board of Directors as a whole was 3.91 or 97.85 percent.

2) The average performance appraisal score of the Board of Directors on an individual basis was 3.86 or 96.47 percent.

Appraisal of Sub-committees' Performance

In 2022, 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. With respect to the performance appraisal for 2022, the Committee covered

the topics as follows: (1) Appraisal of financial performance; (2) Appraisal of strategy formulation, planning and implementation; (3) Appraisal of leadership; and (4) Appraisal of management. In this connection, Non-executive directors (including independent directors) were requested to carry out the performance appraisal. As for 2023, there would be an additional topic, namely Appraisal of sustainability management.

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 situation 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' qualifications and potential, making use of a number of specific tools. In making the assessments, the Company takes into consideration three factors including 1) ability, 2) aspirations, and 3) commitment to the organization (engagement).

4. In relation to the successor development plan, the Human Resource Management Committee will consider the list of successors of all the key positions in the organization. In this connection, the Committee will

consider breaking down the preparedness levels of the successors in terms of both development time period and levels of knowledge and abilities. The objective is for the Committee to manage and make plans for developing potential of the successors, which are deemed appropriate for each person. As well, emphasis will be placed on development of management skills through participation in important committee meetings in the organization.

In addition, the Committee will arrange for knowledge enhancement trainings through the "Leader Development Program" for executives and employees who play important roles in operations. Emphasis will also be placed on rotation of jobs and responsibilities.

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 2022 are as follows:

THANI

(Unit: Baht)

List of the Directors		Meeting Stipends					Monthly Compensation	Performance Allowance	Total Remuneration
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Total Meeting Stipends			
						(1)	(2)	(3)	(1) + (2) + (3)
Mr. Virat	Chinprapinporn	180,000	-	-	-	180,000	144,000.00	473,466.33	797,466.33
Mr. Kovit	Rongwattanasophon	150,000	-	-	-	150,000	120,000.00	394,555.24	664,555.24
Mr. Somjate	Moosirilert	150,000	-	75,000	120,000	345,000	120,000.00	394,555.24	859,555.24
Ms. Suvarnapha	Suvarnaphrathip	150,000	-	-	-	150,000	120,000.00	394,555.24	664,555.24
Mr. Kamtorn	Tantisirivat	150,000	-	-	120,000	270,000	120,000.00	394,555.24	784,555.24
Mr. Sorasak	Chayarak	150,000	-	-	-	150,000	120,000.00	394,555.24	664,555.24
Mr. Pichai	Kititti	50,000	-	-	-	50,000	47,096.77	-	97,096.77
Dr. Thakol	Nunthirapakorn	150,000	120,000	-	-	270,000	144,000.00	394,555.24	808,555.24
Mr. Suvit	Arunanondchai	150,000	100,000	90,000	-	340,000	120,000.00	394,555.24	854,555.24
Mr. Varavudh	Varaporn	150,000	100,000	75,000	-	325,000	120,000.00	394,555.24	839,555.24
Dr. Naree	Boontherawara	150,000	100,000	-	-	250,000	120,000.00	394,555.24	764,555.24
Mr. Surapon	Satimanont	150,000	100,000	-	-	250,000	120,000.00	394,555.24	764,555.24
Directors resigned from positions in 2022									
Mr. Charoensook Kititti		75,000	-	-	-	75,000	72,903.23	394,555.24	542,458.47
Total		1,805,000	520,000	240,000	240,000	2,805,000	1,488,000.00	4,813,573.97	9,106,573.97

Note Mr. Charoensook Kititti completed the tenure as a member of the Company's Board of Directors since 10 August 2022. And Mr. Pichai Kititti was appointed as a member of the Board to fill the vacancy, effective 10 August 2022.

TNI

(Unit: Baht)

List of the Directors	Meeting Stipends						Position Allowance	Performance Allowance	Total Remuneration
	Board of Directors	Audit Committee	Risk Oversight Committee	Executive Committee	IT Oversight Committee	Total Meeting Stipends			
						(1)	(2)	(3)	(1) + (2) + (3)
Mr. Banteng Tantivit	480,000	-	-	-	-	480,000	720,000.00	800,000	2,000,000.00
Mr. Suphadej Poonpipat	360,000	-	-	480,000	-	840,000	1,200,000.00	600,000	2,640,000.00
Mr. Praphan Anupongongarch	80,000	-	-	80,000	-	160,000	240,000.00	400,000	800,000.00
Mr. Wichian Mektrakarn	240,000	260,000	80,000	-	80,000	660,000	1,320,000.00	400,000	2,380,000.00
Mr. Pirus Pradithavanij	240,000	130,000	120,000	-	80,000	570,000	1,200,000.00	400,000	2,170,000.00
Mr. Surapant Meknavin	240,000	130,000	80,000	-	120,000	570,000	1,200,000.00	400,000	2,170,000.00
Mr. Perapart Meksingvee	240,000	-	60,000	240,000	80,000	620,000	1,200,000.00	400,000	2,220,000.00
Mrs. Thanawan Chaisithikamkha	240,000	-	-	-	-	240,000	360,000.00	400,000	1,000,000.00
Director resigned from position in 2022									
Mr. William George Said	180,000	-	-	-	-	180,000	295,161.29	400,000	875,161.29
Total	2,300,000	520,000	340,000	800,000	360,000	4,320,000	7,735,161.29	4,200,000	16,255,161.29

Note Mr. William George Said has resigned from his directorship of TNI effective since 27 October 2022.

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	280,000	-	-	240,000	520,000	480,000.00	-	1,000,000.00
Mrs. Asvini	Tailanga	300,000	-	90,000	180,000	570,000	420,000.00	400,000	1,390,000.00
Mr. Punsak	Vejanurug	220,000	240,000	90,000	-	550,000	360,000.00	400,000	1,310,000.00
Mr. Nakarin	Virameteekul	240,000	120,000	-	-	360,000	360,000.00	400,000	1,120,000.00
Mr. Pong-amom	Nimpoonsawat	240,000	-	180,000	-	420,000	360,000.00	400,000	1,180,000.00
Mr. Smart	Saensuk	-	-	-	-	-	-	-	-
Ms. Pimpaka	Nichgaroon	-	-	-	-	-	-	-	-
Director resigned from position in 2022									
Mr. William	George Said	160,000	-	-	-	160,000	295,161.29	400,000	855,161.29
Total		1,440,000	360,000	360,000	420,000	2,580,000	2,275,161.29	2,000,000	6,855,161.29

Notes

1. Mr. William George Said has resigned from his directorship of TNS effective since 27 October 2022.
2. Mr. Smart Saensuk and Miss Pimpaka Nichgaroon were directors who held executive positions of the Company and/or were the executives whom Thanachart Group assigned to hold a director position. As a result, they would not receive any director position allowance or performance allowance.

T LIFE

T LIFE made remuneration payments to only three independent directors. In 2022, the remuneration payments were made to the following:

1. Pol.Col. Yanphon Youngyuen received an annual remuneration of 1,140,000 baht.
2. Mr. Sidhinard Duangratana received an annual remuneration of 1,170,000 baht.
3. Mr. Pandit Chanapai received an annual remuneration of 1,140,000 baht.

Total remuneration amounted to 3,450,000 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 Management 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 2022, 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. Meanwhile, in 2023 the Company and member companies of Thanachart Group were in the process of applying for the renewal of their memberships of CAC for the 3rd consecutive year.

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. The objective was to develop, test, and measure the level of knowledge and understanding of the practices related to compliance with the principles of good corporate governance as well as Anti-corruption through Microsoft Forms in Microsoft Office 365. also coordinated with member companies of Thanachart Group in preparing a policy compliance agreement form as well as an assessment form for each member company regularly on an annual basis.

6. 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.

7. 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.

8. As part of the Anti-Corruption Policy, during December 2022 – 31 January 2023 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 2022

The Company conducted its business according to Good Corporate Governance Principles in 2022 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 12 years (2010-2018 and 2020-2022).

In 2022, the Company held the Annual General Meeting of Shareholders on 8 April 2022. The meeting was conducted via electronic media, 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, 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 2022, the Company sent the notification of the Board of Directors' resolution to call the 2022 Annual General Meeting of Shareholders (AGM), showing the meeting schedule together with the agenda and dividend payment. and it was a virtual meeting.
- 3 March 2022, 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 7 March 2022. The information was the same as the information given in the documentation sent by postal mail. These included 1) the date, time, 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 56-1 One 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 24 March 2022.

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 2021 to 31 December 2021.

2. Shareholders could propose questions or other suggestions for the Annual General Meeting of Shareholders during the six-month period from 1 October 2021 to 31 March 2022.

The Company informed shareholders of the opportunity through the SET's system on 30 August 2021. 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 (8 April 2022)

The Company organized the Shareholders' Meeting via electronic media (e-AGM). 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 1,360 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 2022 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 22 April 2022.

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 2022 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.

Information Disclosure and Transparency

In every calendar year including 2022, 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. Directors or top executives of each department or at the office level or higher, employees, outsourced personnel, and any person serving as consultant, who have access to insider information are prohibited to use such information for personal gain or for the benefit of others. The information is not yet available to the general public and could have material impacts on the change in the prices or values of the Company's stock or influence investment decisions. The prohibition is stipulated not only in the Company's policy on information disclosure and use of insider information but also in the Company's good corporate governance policy as well as its 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. The parties specified in Item 3 are prohibited from trading the securities of the Company from the 1st day of the first month of each quarter until 24 hours after the disclosure of the financial statements, with particular details as follows:

- From 1st April until 24 hours after the disclosure of the financial statements for the first quarter,
- From 1st July until 24 hours after the disclosure of the financial statements for the second quarter,
- From 1st October until 24 hours after the disclosure of the financial statements for the third quarter, and
- From 1st January until 24 hours after the disclosure of the annual financial statements.

The prohibition is stipulated in the policy on information disclosure and use of insider information.

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 benefit 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 executives of member companies of Thanachart Group, related parties or close relatives of the above parties. Also noteworthy are the policy on the use of services from external service providers of Thanachart Group. Guidelines have also been established for using services among member companies of Thanachart Group as well as the use of services from major shareholders, directors, and executives of member companies of Thanachart Group, related parties or close relatives of the above parties. The principle is

- 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.

- Directors and executives who have a conflict of interest shall not participate in the approval of the transactions, and shall have no right to vote on such agenda item.

- 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. And in 2023, member companies under Thanachart Group were in the process of applying for the renewal of their memberships of CAC for the 3rd consecutive year. Their current memberships would expire in the 3rd quarter of 2023. 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. The boards of directors of the Company and member companies under Thanachart Group already approved a policy on hiring of government officials, ensuring that the hiring is aligned with the good corporate governance policy as well as the anti-corruption policy. The objective is to establish practice procedures which are transparent, free from conflicts of interest or reciprocal benefits.

3. 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:

- **C**ustomer Focus :
meeting the customer needs,
- **C**ollaboration :
working as a team,
- **C**ommitmet :
fulfilling one's duties until goals are achieved,
- **S**piri :
devotion to one's work,
- **I**ntegrity :
adhering to integrity and Anti-corruption,
- **P**rofessional :
possessing adequate knowledge and ability to perform one's duties.

4. 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.

5. 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.

6. Thanachart Group attached great importance to all forms of corruption, especially the offering or acceptance of gifts, presents, entertainment, welcome services, convenience fees 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.

7. 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.



8. 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.

9. 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, the use of insider information, the policy on personal data protection, and human resource privacy policy. Anti-corruption measures, messages from Chief Executive Officer on Anti-corruption, regulations to accepting presents, gifts, reception, welcome services, convenience fees 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.

10. 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 2022 – 31 January 2023.

11. 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 2022, 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 attachment to the 56-1 One Report on the Company's website. In this connection, the information about the number of meetings and the number of meeting attendance in 2022 was disclosed in Section 2.7 on corporate governance structure and important information related to sub-committees, executives, employees, and others

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 attachment to the 56-1 One Report on the Company's website. 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 56-1 One Report.

In this connection, the information about the number of the meetings and the number of meeting attendance in 2022 of other standing committees is disclosed in Section 2.7 on corporate governance structure and important information related to sub-committees, executives, employees, and others.

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 Technology 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 concerned department also monitors the adherence to the Code of Conduct and reports to the Audit Committee, the Executive Committee, and the Board of Directors.

In the Board of Directors Meeting No. 1/2023 dated 30 January 2023, 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.

In addition, related parties transactions within Thanachart Group, except normal business services are collected and reported to the Executive Committee, Audit Committee, and the Board of Directors on a regular basis every six months.

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.



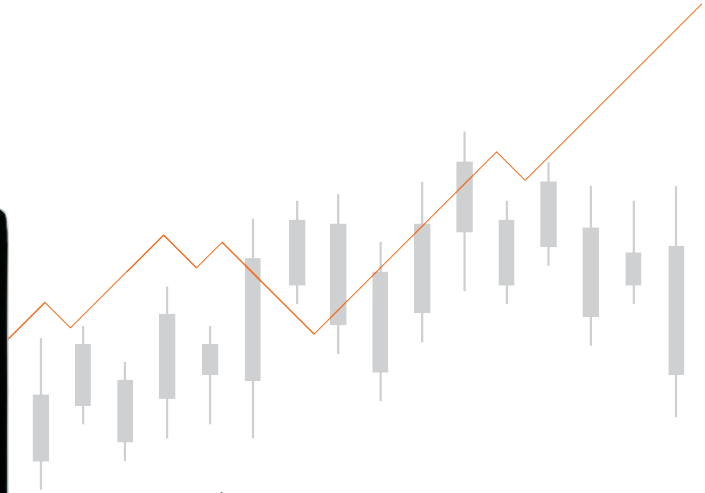
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Financial Statements

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 56-1 One Report. The aforementioned financial statements for the year ended 31 December 2022 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 Form 56-1 One Report under attachment on the Company's website.

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 2022 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 2022, 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 2022, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



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 13 to the consolidated financial statements, as at 31 December 2022, the Group had loans to customers of Baht 65,107 million (accounting for 41 percent of total assets) and allowance for expected credit loss of Baht 2,724 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. 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 based on the change in credit risk since initial recognition 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 2022, the Group recognised interest income on hire-purchase and financial lease receivables amounting to Baht 3,503 million (accounting for 20 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 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, by inquiring of management to gain an understanding, assessing the methods applied by the management, as well as testing, on a sampling basis, 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 56,986 million (accounting for 36 percent of total assets), as at 31 December 2022. 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 24 to the consolidated financial statements, as at 31 December 2022, the Group has life policy reserves of Baht 4,823 million and outstanding claims from insurance contracts of Baht 2,143 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. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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. When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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: 21 February 2023

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 2022 and 2021

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Assets					
Cash		4,560	4,477	-	-
Interbank and money market items - net					
- deposits at financial institutions	7	4,828,482	8,946,827	1,847,920	1,347,849
Financial assets measured at fair value through profit or loss	8	2,489,925	2,780,747	175,967	376,023
Derivatives assets	9	131,801	206,359	128,890	193,524
Investments - net	10	18,623,405	13,124,068	2,065,500	1,861,337
Investments in subsidiaries	11	-	-	19,763,320	14,705,371
Investments in associated companies and joint venture	12	56,986,216	52,955,094	55,617,233	51,637,656
Loans to customers and accrued interest receivables - net	13	62,382,747	55,220,642	5,164,135	4,722,198
Property foreclosed - net	15	3,853,623	3,679,488	2,371,228	2,299,705
Land, buildings, equipment and right-of-use assets - net	16	682,287	755,575	131,181	157,254
Intangible assets - net	17	227,010	245,481	2,952	3,409
Deferred tax assets	18	1,112,073	1,024,545	-	-
Receivables from purchase and sale of securities		2,001,373	842,654	826	-
Other assets - net	19	3,765,530	2,948,631	49,043	31,958
Total assets		157,089,032	142,734,588	87,318,195	77,336,284

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 2022 and 2021

(Unit: Thousand Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
	Note	2022	2021	2022	2021
Liabilities and equity					
Interbank and money market items					
- borrowings from financial institutions	21	16,414,904	15,984,296	-	-
Derivatives liabilities	9	2,721	17,655	-	-
Debts issued and borrowings	22	47,729,801	34,307,745	20,015,926	11,695,749
Provisions	23	305,257	324,264	33,616	51,904
Deferred tax liabilities	18	235,020	243,501	195,026	192,210
Insurance contracts liabilities	24	12,543,254	11,414,278	-	-
Other liabilities	25	7,327,462	6,301,807	310,468	282,444
Total liabilities		84,558,419	68,593,546	20,555,036	12,222,307
Equity					
Share capital	26				
Registered, issued and paid-up					
13,006 preferred shares of Baht 10 each		130	130	130	130
1,145,649,697 common shares of Baht 10 each					
(2021: 1,165,116,697 common shares of Baht 10 each)		11,456,497	11,651,167	11,456,497	11,651,167
		11,456,627	11,651,297	11,456,627	11,651,297
Premium on common share		2,065,645	2,065,645	2,065,645	2,065,645
Other components of equity	27	(3,757,366)	(3,228,898)	(3,757,366)	(3,228,898)
Retained earnings					
Appropriated - statutory reserve	28	1,277,830	1,277,830	1,277,830	1,277,830
- treasury shares reserve	26	4,863,089	5,863,053	4,863,089	5,863,053
Unappropriated		55,720,423	53,348,103	55,720,423	53,348,103
Less: Treasury shares - common shares	26	(4,863,089)	(5,863,053)	(4,863,089)	(5,863,053)
Equity attributable to owners of the Company		66,763,159	65,113,977	66,763,159	65,113,977
Non-controlling interests		5,767,454	9,027,065	-	-
Total equity		72,530,613	74,141,042	66,763,159	65,113,977
Total liabilities and equity		157,089,032	142,734,588	87,318,195	77,336,284

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 years ended 31 December 2022 and 2021

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss					
Interest income	30	4,562,892	4,026,686	312,108	168,381
Interest expenses	31	(1,558,609)	(1,355,450)	(582,155)	(426,153)
Net interest income		3,004,283	2,671,236	(270,047)	(257,772)
Fees and service income		1,476,572	1,886,819	985	1,157
Fees and service expenses		(363,246)	(432,393)	(630)	(1,046)
Net fees and service income	32	1,113,326	1,454,426	355	111
Gain on financial instruments measured at fair value through profit or loss	33	461,269	527,265	400,485	371,609
Gain (loss) on investments	34	(21,127)	(3,026)	1,310	53
Share of profit from investments accounted for under equity method - subsidiaries	11	-	-	2,075,190	2,530,677
Share of profit from investment accounted for under equity method - associated companies and joint venture	12	3,233,123	1,986,341	3,169,876	1,587,266
Gain on repayment/assets transferred for debt settlement		132,803	738,663	95	550,012
Gain on property foreclosed and other assets		115,373	849,500	90,712	749,389
Non-life insurance/Life insurance income	35	8,709,180	8,148,356	-	-
Dividend income		140,283	145,382	11,285	55,887
Other operating income		409,198	403,214	112,297	132,980
Total operating income		17,297,711	16,921,357	5,591,558	5,720,212
Non-life insurance/Life insurance expenses	36	(6,329,435)	(5,737,095)	-	-
Net operating income		10,968,276	11,184,262	5,591,558	5,720,212
Other operating expenses					
Employee's expenses		2,027,582	2,051,760	191,587	199,787
Directors' remuneration	37	87,972	87,349	47,649	47,869
Premises and equipment expenses		275,824	272,845	22,969	30,328
Taxes and duties		28,683	40,339	1,175	17,797
Other expenses		855,596	690,610	53,181	56,809
Total other operating expenses		3,275,657	3,142,903	316,561	352,590
Expected credit loss	38	493,027	482,865	57,024	75,219
Profit before income tax		7,199,592	7,558,494	5,217,973	5,292,403
Income tax	18.2	(772,060)	(836,219)	1,867	(5,223)
Profit for the year		6,427,532	6,722,275	5,219,840	5,287,180

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 years ended 31 December 2022 and 2021

(Unit: Thousand Baht except earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
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	38,089	(45,606)	(2,655)	(625)
Share of other comprehensive income of subsidiaries (loss)	-	-	70,960	(20,662)
Share of other comprehensive income of associated companies				
and joint venture (loss)	(103,596)	(190,582)	(100,909)	(189,970)
Income tax relating to components of other comprehensive income (loss)	(8,050)	9,121	531	125
	(73,557)	(227,067)	(32,073)	(211,132)
<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	5,866	(161,520)	26,072	33,685
Share of other comprehensive income of subsidiaries (loss)	-	-	38,376	(73,854)
Share of other comprehensive income of associated companies				
and joint venture (loss)	(16,143)	128,454	(15,979)	126,594
Actuarial gain on defined benefit plan	33,020	47,937	3,161	11,189
Income tax relating to components of other comprehensive income (loss)	10,396	9,360	(5,214)	(8,854)
	33,139	24,231	46,416	88,760
Total other comprehensive income (loss)	(40,418)	(202,836)	14,343	(122,372)
Total comprehensive income	6,387,114	6,519,439	5,234,183	5,164,808
Total profit attributable to:				
The Company	5,219,840	5,287,180	5,219,840	5,287,180
Non-controlling interests	1,207,692	1,435,095		
	6,427,532	6,722,275		
Total comprehensive income attributable to:				
The Company	5,234,183	5,164,808	5,234,183	5,164,808
Non-controlling interests	1,152,931	1,354,631		
	6,387,114	6,519,439		
Earnings per share of the Company				
Basic earnings per share (Baht per share)	4.98	5.04	4.98	5.04
Diluted earnings per share (Baht per share)	4.98	5.04	4.98	5.04

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The accompanying notes are an integral part of the financial statements.

Thanachart Capital Public Company Limited and its subsidiaries
Statements of changes in equity
For the years ended 31 December 2022 and 2021

(Unit: Thousand Baht)

		Consolidated financial statements									
		Equity attributable to the Company's shareholders									
		Other components of equity					Retained earnings				
		Surplus from the change in the ownership interests in subsidiaries/ associated companies		Share of other comprehensive income of joint venture (loss) of an associate			Appropriated		Unappropriated		Total
		Issued and paid-up share capital	Premium on common share	Revaluation surplus on investments	Revaluation surplus on assets	Share of surplus from the change in the ownership interests in subsidiaries of an associate	Statutory reserve	Treasury shares reserve	Treasury shares	Non-controlling interests	
Preferred shares	Common shares										
132	11,651,165	2,065,645	(4,304,393)	1,071,533	62,735	80,810	1,277,830	5,863,053	51,016,932	9,457,550	72,768,154
(2)	2	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(3,145,850)	-	(3,145,850)
-	-	-	-	-	-	-	-	-	1,337	-	1,337
-	-	-	-	-	-	-	-	-	-	(1,212,427)	(1,212,427)
-	-	-	(213,059)	-	473	(4,336)	-	-	-	(572,689)	(789,611)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	2,283	(2,773)	(123,287)	-	-	123,777	-	-
-	-	-	-	-	-	-	-	-	5,287,180	1,435,095	6,722,275
-	-	-	-	(88,797)	-	(98,302)	-	-	64,727	(80,464)	(202,836)
130	11,651,167	2,065,645	(4,517,452)	985,019	60,435	76,474	1,277,830	5,863,053	53,348,103	9,027,065	74,141,042
130	11,651,167	2,065,645	(4,517,452)	985,019	60,435	76,474	1,277,830	5,863,053	53,348,103	9,027,065	74,141,042
-	-	-	-	-	-	-	-	-	(3,145,850)	-	(3,145,850)
-	-	-	-	-	-	-	-	-	3,228	-	3,228
-	-	-	-	-	-	-	-	-	-	(633,422)	(633,422)
-	-	-	(438,754)	-	156	(3,781)	-	-	-	(3,779,120)	(4,221,499)
-	-	-	-	4,227	(2,785)	-	-	-	73,725	-	-
-	(194,670)	-	-	-	-	-	-	(999,964)	194,670	-	-
-	-	-	-	-	-	-	-	-	5,219,840	1,207,692	6,427,532
-	-	-	-	109,706	-	(122,070)	-	-	26,707	(54,761)	(40,418)
130	11,456,497	2,065,645	(4,956,206)	1,098,952	57,806	72,693	1,277,830	4,863,089	55,720,423	5,787,454	72,530,613

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 years ended 31 December 2022 and 2021

(Unit: Thousand Baht)

Separate financial statements													
		Other components of equity											
		Surplus from the change in the ownership interests in subsidiaries/associated companies			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		
											Appropriated		
											Treasury shares		
											Statutory reserve		
											Unappropriated reserve		
											Treasury shares		
											Total		
Issued and paid-up share capital	Preferred shares	Common shares	Premium on common share	Investments in 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	Statutory reserve	Treasury shares	Total	
	132	11,651,165	2,065,645	(4,304,393)	487,970	41,060	605,238	388,215	80,810	1,277,830	5,863,053	51,016,932	63,310,604
	(2)	2	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	(3,145,850)	(3,145,850)
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	1,337	1,337
	-	-	-	(213,059)	-	-	473	-	(4,336)	-	-	-	(216,922)
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	10,584	(1,842)	(11,725)	(120,794)	-	-	-	123,777	-
	-	-	-	-	-	-	-	-	-	-	-	5,287,180	5,287,180
	-	-	-	-	24,331	-	(111,880)	(99,550)	-	-	-	64,727	(122,372)
	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	65,113,977
	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	65,113,977
	-	-	-	-	-	-	-	-	-	-	-	(3,145,850)	(3,145,850)
	-	-	-	-	-	-	-	-	-	-	-	3,228	3,228
	-	-	-	(438,754)	-	-	156	-	(3,781)	-	-	-	(442,379)
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	(1,842)	(1,136)	(70,747)	-	-	-	73,725	-
	-	(194,670)	-	-	-	-	-	-	-	-	(999,964)	194,670	999,964
	-	-	-	-	-	-	-	-	-	-	-	5,219,840	5,219,840
	-	-	-	-	18,734	-	88,183	(119,281)	-	-	-	26,707	14,343
	130	11,456,497	2,065,645	(4,956,206)	541,619	37,376	569,309	(22,157)	72,693	1,277,830	4,863,089	55,720,423	66,763,159

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 years ended 31 December 2022 and 2021

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax	7,199,592	7,558,494	5,217,973	5,292,403
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	-	-	(2,075,190)	(2,530,677)
Share of profit from investments accounted for under equity method - associated companies and joint venture	(3,233,123)	(1,986,341)	(3,169,876)	(1,587,266)
Depreciation and amortisation	240,781	228,110	26,420	30,872
Expected credit loss	493,027	482,865	57,024	75,219
Increase (decrease) in provisions	41,094	(8,867)	2,765	8,797
Increase (decrease) in allowance for impairment of property foreclosed	40,655	(771,301)	(48,904)	(765,961)
Increase (decrease) in allowance for impairment of equipment/other assets	17,423	(18,616)	-	-
Gain and interest income from assets transferred for debt settlement	-	(206)	-	-
Gain on financial instruments measured at fair value through profit or loss	(277,392)	(137,731)	(372,463)	(59,325)
Loss (gain) on disposal of equipment and intangible assets	13,764	918	(1,480)	(1,316)
Decrease (increase) in accrued other income receivable	75,536	(104,746)	(4,183)	26,691
	4,611,357	5,242,579	(367,914)	489,437
Net interest income	(3,004,283)	(2,671,236)	270,047	257,772
Dividend income	(140,283)	(145,382)	(11,285)	(55,887)
Cash received from interest on operating activities	4,297,376	3,841,100	290,524	137,462
Cash paid for interest on operating activities	(248,638)	(262,534)	(4)	-
Cash paid for income tax	(954,977)	(1,215,688)	(6,674)	(7,325)
Income from operating activities before changes in operating assets and liabilities	4,560,552	4,788,839	174,694	821,459

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 years ended 31 December 2022 and 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Interbank and money market items - deposits at financial institutions	4,118,814	(1,134,647)	(500,071)	(1,175,945)
Derivatives assets	-	(102,887)	(450)	-
Financial assets measured at fair value through profit or loss	222,451	634,560	200,584	851,224
Loans to customers	(8,299,150)	(5,975,270)	(454,620)	(3,952,383)
Property foreclosed	697,380	799,358	(22,619)	63,766
Receivables from purchase and sale of securities	(1,158,719)	404,234	(826)	-
Other assets	(874,076)	557,598	(9,899)	18,760
Increase (decrease) in operating liabilities				
Interbank and money market items - borrowings from financial institutions	430,608	2,671,949	-	-
Derivatives liabilities	(14,934)	3,437	-	-
Payable from purchase and sales of securities	(195,377)	(819,437)	-	-
Insurance contract liabilities	1,128,976	(816,774)	-	-
Other liabilities	1,327,785	(479,076)	(7,417)	(516,154)
Net cash flows from (used in) operating activities	1,944,310	531,884	(620,624)	(3,889,273)
Cash flows from investing activities				
Decrease (increase) in investments in securities	(5,648,689)	7,780,644	(120,648)	6,842,813
Cash paid for purchase of investment in subsidiaries and associated companies	(6,277,856)	(4,206,014)	(6,167,343)	(3,913,511)
Cash received from capital return from subsidiary companies	-	-	149,971	1,125,525
Cash received from interest	140,602	204,084	5,796	11,275
Cash received from dividend	1,656,583	1,064,403	2,135,546	2,420,859
Cash paid for purchase of premises and equipment/intangible assets	(137,117)	(219,196)	(3,179)	(5,040)
Cash received from disposal of equipment	2,464	3,840	85	2,233
Net cash flows from (used in) investing activities	(10,264,013)	4,627,761	(3,999,772)	6,484,154

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 years ended 31 December 2022 and 2021

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash flows from financing activities				
Cash received from debts issued and borrowings	28,124,555	7,485,988	16,934,983	995,310
Cash paid for debts issued and borrowings	(14,702,498)	(7,065,268)	(8,650,000)	-
Cash paid for interest expenses on debts issued and borrowings	(1,209,353)	(1,103,215)	(502,847)	(422,300)
Cash paid to the non-controlling interests from the decreases of registered share capital of subsidiary companies	-	(167)	-	-
Cash paid for dividend	(3,142,622)	(3,144,513)	(3,142,622)	(3,144,513)
Cash paid for lease liabilities	(116,874)	(118,106)	(19,118)	(23,378)
Cash paid for dividend to non-controlling interests	(633,422)	(1,212,358)	-	-
Net cash flows from (used in) financing activities	8,319,786	(5,157,639)	4,620,396	(2,594,881)
Net increase in cash	83	2,006	-	-
Cash at beginning of the year	4,477	2,471	-	-
Cash at end of the year	4,560	4,477	-	-
Supplemental cash flows information				
Non-cash transactions				
Property foreclosed transferred from loans to customers	912,170	653,517	-	-
Payable from purchase of assets	8,675	100,557	-	-
Right-of-use assets	110,962	71,374	16,228	40,378

The accompanying notes are an integral part of the financial statements.

Thanachart Capital Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2022

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’ businesses 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 2022 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 2022	31 December 2021	31 December 2022	31 December 2021
<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	-	-
T Life Assurance Plc. ⁽¹⁾	Life insurance	100.00	100.00	-	-
T Broker Co., Ltd. ⁽²⁾	Life insurance/ non-life insurance broker	100.00	100.00	-	-
MT Service 2016 Co., Ltd.	Service	100.00	100.00	-	-
Thanachart Plus Co., Ltd.	Lending	100.00	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	89.96	50.96	-	-
Thanachart Insurance Plc.	Non-life insurance	89.96	50.96	-	-
<u>Subsidiaries indirectly held by the Company</u>					
Ratchthani Leasing Plc.	Hire purchase and leasing business	3.77	3.77	56.84	56.39
Thanachart Group Leasing Co., Ltd.	In liquidation process	-	-	100.00	100.00
Thanachart Management and Services Co., Ltd.	Services	-	-	100.00	100.00
Thanachart Training and Development Co., Ltd.	Dissolution	-	-	-	100.00
Security Scib Services Co., Ltd.	In liquidation process	-	-	100.00	100.00
RTN Insurance Broker Co., Ltd.	Life insurance/ non-life insurance broker	-	-	60.61	60.16

(1) T Life Assurance Plc. has changed its name from MBK Life Assurance Plc. since 6 July 2022

(2) T Broker Co., Ltd. has changed its name from TM Broker Co., Ltd. since 21 December 2022

- 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 2022 and 2021 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	
	2022	2021	2022	2021
Thanachart Securities Plc.	10,264	8,679	1,308	1,692
Thanachart Insurance Plc.	16,833	14,866	2,364	2,332
T Life Assurance Plc.	5,747	6,350	249	278
Ratchthani Leasing Plc.	53,318	48,646	2,985	2,927

- 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 years 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 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 years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. 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 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 that become effective in the current year

The Federation of Accounting Professions has announced Accounting Guidance on 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 guidelines of the BOT. The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Group may elect to adopt accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C.802/2564 dated 3 September 2021 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)". The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:



1. For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension (Assistance type 1). For this type of debt restructuring, the Group may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions as follows:
 - Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), 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 with 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, counting from the due date.
 - 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.
2. For debt restructuring involving only a payment timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts into long-term debts (Assistance type 2). For this type of debt restructuring, the Group is required to perform staging assessment and set aside provisions in accordance with the related financial reporting standards. However, the Group may elect to adopt treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT No. BOT.RPD2.C.802/2564 to assess whether a debtor is to move to under-performing stage or Stage 2.

During the year 2022, a subsidiary company provides assistance type 2 to debtors, then the subsidiary has adopted the staging assessment and the setting aside of provisions in accordance with the related financial reporting standards.

4. Significant accounting policies

4.1 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 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.

4.2 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.

Interest income received in advance and deferred fee revenues 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.

4.3 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 designated to be 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 high market volatility are classified as financial assets designated to be 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 measured 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 are 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.

4.4 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.

4.5 Loans to customers

Loans to customers are stated at the principal balances, excluding accrued interest receivables. Interest income received in advance and deferred fee revenues on loans are deducted from the loan balances.

Hire purchase and finance lease receivables are stated at outstanding balance, net of advances received from hire purchase and finance lease receivables. Deferred income and fee revenue which is stated net of commissions and direct expenses incurred at the initiation of hire purchase contracts is presented as deduction 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".

4.6 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. Evidence 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 13.2 to financial statement for staging assessment and setting aside of provisions for qualify debtors.

4.7 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).

4.8 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.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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 is 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.

4.15 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 including computer software, membership fees for Thailand Futures Exchange and others have useful lives of approximately 3 - 10 years.

No amortisation for computer software under development.

4.16 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, personal accident, health insurance, fire insurance and other miscellaneous insurance, 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.

4.17 Premium receivables and allowance for doubtful accounts

Premium receivables from direct insurance 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.

4.18 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.

4.19 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) 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.

4.20 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.

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. 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.

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.

4.21 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 of the year.

The subsidiary that operates in securities business is 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.

4.22 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.

4.23 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 is 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.

4.24 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.

4.25 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 leave, 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.

4.26 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.

4.27 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.

4.28 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.

4.29 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 buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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 in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such 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 Group determines 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.

5. 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:

5.1 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.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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 16 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.

5.7 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.

5.8 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.

5.9 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.

5.10 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.

5.11 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.

5.12 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.

6. Classification of financial assets and liabilities

(Unit: Million Baht)

Consolidated financial statements				
2022				
Financial instruments measured at				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<u>Financial assets</u>				
Cash	-	-	5	5
Interbank and money market items - net	-	-	4,828	4,828
Financial assets measured at fair value through profit or loss				
Debt securities	303	-	-	303
Equity securities	2,187	-	-	2,187
Derivatives assets	132	-	-	132
Investments - net				
Debt securities	-	13,815	1,319	15,134
Equity securities	-	3,489	-	3,489
Loans to customers and accrued interest receivables - net	6	-	62,377	62,383
Receivables from purchase and sale of securities	-	-	2,001	2,001
Other assets - receivable from clearing house	-	-	112	112
Other assets - accrued interest receivables	-	-	161	161
Other assets - others	-	-	341	341
<u>Financial liabilities</u>				
Interbank and money market items	-	-	16,415	16,415
Derivatives liabilities	3	-	-	3
Debt issued and borrowings	-	-	47,730	47,730
Other liabilities - payables from purchase and sale of securities	64	-	1,005	1,069
Other liabilities - payable to clearing house	-	-	740	740
Other liabilities - accrued interest payables	-	-	272	272
Other liabilities - lease liabilities	-	-	346	346

(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 and				
dividend receivables	-	-	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
Other liabilities - 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)

	Separate financial statements			
	2022			
	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	-	-	1,848	1,848
Financial assets measured at fair value through profit or loss				
Debt securities	49	-	-	49
Equity securities	127	-	-	127
Derivatives assets	129	-	-	129
Investments - net				
Debt securities	-	162	-	162
Equity securities	-	1,904	-	1,904
Loans to customers and accrued interest receivables - net	-	-	5,164	5,164
Receivables from purchase and sale of securities	-	-	1	1
Other assets - accrued interest receivables	-	-	1	1
Other assets - others	-	-	13	13
<u>Financial liabilities</u>				
Debt issued and borrowings	-	-	20,016	20,016
Other liabilities - accrued interest payables	-	-	121	121
Other liabilities - lease liabilities	-	-	63	63

(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 - accrued interest and dividend receivables	-	-	2	2
Other assets - others	-	-	11	11

(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 liabilities</u>				
Debt issued and borrowings	-	-	11,696	11,696
Other liabilities - accrued interest payables	-	-	82	82
Other liabilities - lease liabilities	-	-	83	83

7. Interbank and money market items - deposits at financial institutions

(Unit: Million Baht)

Consolidated financial statements						
2022			2021			
At call	Term	Total	At call	Term	Total	
Commercial banks	3,883	16	3,899	3,139	3,209	6,348
Specialised financial institutions	-	914	914	-	2,584	2,584
Total	3,883	930	4,813	3,139	5,793	8,932
Add: Accrued interest receivables	-	15	15	14	4	18
Less: Allowance for expected credit loss	-	-	-	-	(3)	(3)
Total	3,883	945	4,828	3,153	5,794	8,947

(Unit: Million Baht)

Separate financial statements						
2022			2021			
At call	Term	Total	At call	Term	Total	
Commercial banks	1,848	-	1,848	1,348	-	1,348
Total	1,848	-	1,848	1,348	-	1,348



8. Financial assets measured at fair value through profit or loss

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Fair value	Fair value	Fair value	Fair value
Financial assets designated to be measured at fair value through profit or loss				
Government and state enterprises securities	233	303	-	-
Private debt securities	21	21	-	-
Others				
Private debt securities	-	200	-	200
Unit trusts	49	129	49	51
Domestic marketable equity securities	1,830	1,778	-	-
Domestic non-marketable equity securities	357	350	127	125
Total	2,490	2,781	176	376

9. Derivatives assets/derivatives liabilities

As at 31 December 2022 and 2021, 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					
	2022			2021		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate						
Forward contract	-	1	16	-	-	-
Others						
Derivatives for trading	-	-	1,594	-	-	1,728
Options contracts on derivative bonds	-	-	9	-	-	-
Derivatives warrants	-	2	210	-	18	1,611
Warrants	132	-	-	206	-	-
Total	132	3	1,829	206	18	3,339

(Unit: Million Baht)

Types of risk	Separate financial statements					
	2022			2021		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Others						
Warrants	129	-	-	194	-	-
Total	129	-	-	194	-	-

10. Investments

10.1 Classified by type of investments

As at 31 December 2022 and 2021, investments classified by type of investments are as follows;

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2022	2021	2022	2021
	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	113	-	-	-
Private debt securities	1,207	-	-	-
Less: Allowance for expected credit loss	(1)	-	-	-
Total	1,319	-	-	-
Investments in debt securities measured at fair value through other comprehensive income				
Government and state enterprises securities	6,760	8,898	-	-
Private debt securities	7,055	1,518	162	247
Total	13,815	10,416	162	247
Allowance for expected credit loss	211	244	58	31
Investments in equity securities designated to be measured at fair value through other comprehensive income				
Domestic marketable equity securities	2,805	2,434	1,621	1,445
Domestic non-marketable equity securities	277	274	231	169
Perpetual subordinated bond	407	-	52	-
Total	3,489	2,708	1,904	1,614
Total	18,623	13,124	2,066	1,861

10.2 During the years ended 31 December 2022 and 2021, 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							
	2022				2021			
	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	792	4	(4)	Disposal	390	1	(2)	Disposal
Total	792	4	(4)		390	1	(2)	

(1) Only the Company portion

(Unit: Million Baht)

	Separate financial statements							
	For the years ended 31 December							
	2022				2021			
	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
Total	-	-	-		13	-	(11)	

In addition, during the years ended 31 December 2022 and 2021, the Company and its subsidiaries received dividends from other equity securities designated to be measured at fair value through other comprehensive income by Baht 60 million and Baht 99 million, respectively (separate financial statements: Baht 6 million and Baht 52 million, respectively).

10.3 Investments in companies having problems relating to financial position and operating results

As at 31 December 2022 and 2021, investments in securities of the Company and its subsidiary included investments in companies having problems relating to financial position and operating results, amounting to Baht 206 million and Baht 243 million, respectively. The Company and its subsidiary have already set aside allowance for expected credit loss for the full amount. (separate financial statements: Baht 58 million (including investment in debt securities that was purchased from its subsidiary during the year 2022) and Baht 30 million, respectively).

10.4 Investments in securities in which the Company and its subsidiaries hold not less than 10 percent

As at 31 December 2022 and 2021, 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:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Utilities and services	1,499	1,337	1,499	1,329
Real estate rental	167	162	167	162

11. Investments in subsidiaries

11.1 Separate financial statements

As at 31 December 2022 and 2021, 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			
	2022	2021	2022	2021	Cost method		Equity method	
					2022	2021	2022	2021
Subsidiaries								
NFS Asset Management Co., Ltd.	175	175	100.00	100.00	175	175	519	551
Thanachart SPV 1 Co., Ltd.	12,704	12,704	100.00	100.00	12,704	12,704	7,583	6,606
T Life Assurance Plc.	1,000	1,000	100.00	100.00	1,081	1,081	1,111	975
T Broker Co., Ltd.	20	20	100.00	100.00	24	24	17	29
MT Service 2016 Co., Ltd.	50	50	100.00	100.00	30	30	7	10
Thanachart Plus Co., Ltd.	250	250	100.00	100.00	250	250	400	268
TS Asset Management Co., Ltd.	125	125	99.99	99.99	459	459	396	369
Thanachart SPV 2 Co., Ltd.	84	234	99.98	99.98	559	709	288	441
NASSET Property Fund 6	5	5	99.80	99.80	4	4	41	41
Max Asset Management Co., Ltd.	40	40	83.44	83.44	33	33	291	329
Thanachart Securities Plc.	3,000	3,000	89.96	50.96	3,219	1,771	3,160	1,859
Thanachart Insurance Plc.	4,930	4,930	89.96	50.96	5,364	2,697	5,495	2,801
Ratchthani Leasing Plc.	5,663	5,663	3.77	3.77	815	815	455	426
Total investments in subsidiaries					24,717	20,752	19,763	14,705
Less: Allowance for impairment					(454)	(454)		
Total investments in subsidiaries - net					24,263	20,298		

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>			
T Life Assurance Plc.	49,000,000	468	49.00
Ratchthani Leasing Plc.	36,376,200	147	0.64
T 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	Number	Value of investment
	(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.

During the year 2022, 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>			
Thanachart Securities Plc.	1,169,978,547	1,448	39.00
Thanachart Insurance Plc.	192,266,203	2,667	39.00
<u>The subsidiaries purchased</u>			
Ratchthani Leasing Plc.	25,240,400	103	0.45



- b) Thanachart SPV 2 Co., Ltd. decrease the number of ordinary shares issued and paid back to shareholders totaling Baht 150 million according to the registered value.

11.2 Share of profit from investments in subsidiaries

During the years ended 31 December 2022 and 2021, 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	
	2022	2021	2022	2021	2022	2021
NFS Asset Management Co., Ltd.	18	85	(19)	(2)	31	-
Thanachart SPV 1 Co., Ltd.	1,031	1,333	2	1	-	508
T Life Assurance Plc.	101	176	35	(46)	-	-
T Broker Co., Ltd.	(13)	1	1	1	-	-
MT Service 2016 Co., Ltd.	(3)	-	-	1	-	-
Thanachart Plus Co., Ltd.	132	18	-	-	-	-
TS Asset Management Co., Ltd.	58	44	-	-	31	24
Thanachart SPV 2 Co., Ltd.	6	46	-	(2)	9	27
NASSET Property Fund 6	-	2	-	-	-	-
Max Asset Management Co., Ltd.	51	27	-	-	89	-
Thanachart Securities Plc.	235	344	1	6	396	398
Thanachart Insurance Plc.	394	391	89	(55)	60	455
Ratchthani Leasing Plc.	65	64	-	1	36	34
Total	2,075	2,531	109	(95)	652	1,446

11.3 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(%)	(%)								
Thanachart Securities Plc.	10.04	49.04	353	1,782	205	324	-	5	174	382
Thanachart Insurance Plc.	10.04	49.04	613	2,696	301	376	(56)	(52)	58	438
Ratchathani Leasing Plc.	39.39	39.84	4,523	4,328	624	630	1	1	383	392

11.4 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.	
	2022	2021	2022	2021	2022	2021
Total assets	10,265	8,679	17,478	14,899	53,629	48,956
Total liabilities	6,751	5,045	11,370	9,402	41,439	37,533

Summarised information about comprehensive income for the years ended 31 December

(Unit: Million Baht)

	Thanachart Securities Plc.		Thanachart Insurance Plc.		Ratchthani Leasing Plc.	
	2022	2021	2022	2021	2022	2021
Net operating income	1,301	1,686	2,096	2,215	3,211	3,029
Profit for the years	448	661	697	768	1,726	1,679
Other comprehensive income (loss)	2	10	32	(108)	4	1
Total comprehensive income	450	671	729	660	1,730	1,680

Summarised information about cash flow for the years ended 31 December

(Unit: Million Baht)

	Thanachart Securities Plc.		Thanachart Insurance Plc.		Ratchthani Leasing Plc.	
	2022	2021	2022	2021	2022	2021
Cash flow from (used in) operating activities	574	925	4,881	288	(11,776)	1,526
Cash flow from (used in) investing activities	(4)	(145)	(4,845)	633	(24)	(13)
Cash flow from (used in) financing activities	(570)	(780)	(36)	(921)	11,800	(1,511)
Net increase in cash	-	-	-	-	-	2

12. Investments in associated companies and joint venture

12.1 Detail of investments in associated companies and joint venture

As at 31 December 2022 and 2021, 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	
		2022	2021	2022	2021	2022	2021
<u>Associated companies</u>							
TMBThanachart Bank Plc.	banking	24.85	23.32	47,602	45,643	52,830	48,902
MBK Plc.	property rental, hotel and services	23.32	23.32	2,563	2,085	4,154	4,049
<u>Joint Venture</u>							
TM Communications and Brand Management Co., Ltd.	publish relations and advertising	50.00	50.00	3	3	2	4
Total investments in associated companies and joint venture				50,168	47,731	56,986	52,955

(Unit: Million Baht)

Company's name	Nature of business	Percentage of holding (%)		Separate financial statements			
				Value of investments			
				Cost method		Equity method	
		2022	2021	2022	2021	2022	2021
<u>Associated companies</u>							
TMBThanachart Bank Plc.	banking	24.30	22.76	47,065	45,106	51,839	47,954
MBK Plc.	property rental, hotel and services	21.56	21.56	5,342	4,900	3,776	3,680
<u>Joint Venture</u>							
TM Communications and Brand Management Co., Ltd.	publish relations and advertising	50.00	50.00	3	3	2	4
Total investments in associated companies and joint venture				52,410	50,009	55,617	51,638

TMBThanachart Bank Plc.

During the year 2021, the Company and its subsidiaries gradually purchased 3,139 million additional ordinary shares of TMBThanachart Bank Plc., amount to Baht 3,567 million, resulting in an increase of 3.21 percent, representing a total shareholding of 23.32 percent (Separate financial statements: purchase of additional 2,602 million ordinary shares, amount to Baht 3,030 million, resulting in an increase of 2.65 percent, representing total shareholding of 22.76 percent). In purchasing additional shares, the Company and its subsidiaries have assessed the net fair value of the identifiable assets and liabilities acquired on the acquisition date. The fair value is calculated according to the proportion paid by the Company and its subsidiaries, total amount of Baht 6,472 million (referring to the latest financial statement available on the date of acquisition). The portion of the fair value of the investment that is higher than the cost of Baht 2,905 million is recognised as a gain on purchase in the consolidated financial statements. At the same time, the Company and its subsidiaries have recognised losses from the purchase price in the past which higher than the fair value of net assets that was previously recognised as part of the cost of investment as expenses in the financial statements.

During the year 2022, the Company purchased 1,522 million ordinary shares of TMBThanachart Bank Plc., amount to Baht 1,959 million, increasing its shareholding by 1.57 percent, representing a total shareholding of 24.85 percent. (Separate financial statements: 24.30 percent) and at the same time TMBThanachart Bank Plc. has issued shares to support the conversion of warrants. In order to purchase additional shares, the Company has assessed the net fair value of identifiable assets and liabilities acquired on the acquisition date. The fair value is calculated according to the proportion paid by the Company, total amount of Baht 1,959 million (referring to the latest financial statement available on the date of acquisition).

MBK Plc.

During the year 2021, the subsidiary has exercised warrants to purchase ordinary shares of MBK Plc. of 31 million shares, amount to Baht 381 million or 1.77 percent. Meanwhile MBK Plc. has issued shares to support the exercise of warrants. As of 31 December 2021, the Company and its subsidiaries have a total shareholding of 23.32 percent (Separate financial statements: Company holding 21.56 percent of shares). The subsidiary has assessed the net fair value of the identifiable assets and liabilities acquired on the acquisition date, the fair value in proportion to which the subsidiary acquired was Baht 269 million (referring to the latest financial statements available on the date of acquisition) and the value of the investment paid for the purchase was higher than the fair value of the net assets of Baht 112 million, which was presented as part of investments.



During the year 2022, the Company and its subsidiaries exercised warrants to purchase 34 million ordinary shares of MBK Plc., amount to Baht 478 million (Separate financial statements: 31 million shares, amount to Baht 442 million). Meanwhile MBK Plc. has issued shares to support the exercise of warrants. In purchasing additional shares, the Company and its subsidiaries have assessed the net fair value of the identifiable assets and liabilities acquired on the acquisition date, the fair value in proportion to which the Company and its subsidiaries acquired was Baht 100 million (referring to the latest financial statements available as of acquired) and the value of the investment paid for the purchase was higher than the fair value of the total net assets of Baht 378 million (Separate financial statements: the fair value was calculated in proportion to the purchase amount of Baht 93 million (referring to the latest financial statements available as of acquired) and the value of the investment paid for the purchase is higher than the fair value of the total net assets of Baht 349 million), which is presented as part of investments.

12.2 Share of profit from investments in associated companies and joint venture

(Unit: Million Baht)

Consolidated 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	
	2022	2021	2022	2021	2022	2021	2022	2021
<u>Associated companies</u>								
TMBThanachart Bank Plc.	3,427	2,256	(121)	(62)	-	-	1,337	919
MBK Plc.	(194)	(271)	2	-	(4)	(4)	177	-
<u>Joint Venture</u>								
TM Communications and Brand Management Co., Ltd.	-	1	-	-	-	-	2	-
Total	3,233	1,986	(119)	(62)	(4)	(4)	1,516	919

(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	
	2022	2021	2022	2021	2022	2021	2022	2021
<u>Associated companies</u>								
TMBThanachart Bank Plc.	3,349	1,844	(118)	(62)	-	-	1,305	919
MBK Plc.	(179)	(258)	1	(1)	(4)	(4)	164	-
<u>Joint Venture</u>								
TM Communications and Brand Management Co., Ltd.	-	1	-	-	-	-	2	-
Total	3,170	1,587	(117)	(63)	(4)	(4)	1,471	919

12.3 Summarised financial information of associated companies

- a) Summarised financial information of significant associated companies as at 31 December 2022 and 2021 and for the years then ended are as follows:

Summarised information about financial position

(Unit: Million Baht)

	TMBThanachart Bank Plc.		MBK Plc.	
	31 December 2022	31 December 2021	31 December 2022 ⁽¹⁾	30 September 2021 ⁽¹⁾
Total assets	1,826,279	1,758,170	58,207	59,632
Total liabilities	(1,607,271)	(1,547,334)	(33,781)	(35,677)
Other equity items of associated companies	(166)	(209)	68	192
Net assets	218,842	210,627	24,494	24,147
Shareholding percentage (%)	24.85	23.32	23.32	23.32
Share of net assets	54,382	49,118	5,712	5,631
Elimination entries	-	-	(2,504)	(2,150)
Goodwill	-	-	946	568
Others	(1,552)	(216)	-	-
Carrying amounts of associate based on equity method	52,830	48,902	4,154	4,049

(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		For the years ended	
	31 December 2022	31 December 2021	31 December 2022 ⁽¹⁾	30 September 2022 ⁽¹⁾
Revenue	83,497	82,718	8,506	8,420
Profit for the year	14,195	10,474	208	(380)
Other comprehensive income year (loss)	(550)	(274)	186	528
Total comprehensive income for the year	13,645	10,200	394	148

(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 (loss) of the associate under the equity method for the year ended 31 December 2022 was determined based on the budgeting of financial report for the year ended 31 December 2022 prepared by the management of the Company and for the year ended 31 December 2021 calculated from the financial statements for the year ended 30 September 2021 due to limitation of information.

b) Fair value of investments in associated companies

As at 31 December 2022 and 2021, 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	
	2022	2021	2022	2021
TMBThanachart Bank Plc.	33,911	33,117	33,153	32,328
MBK Plc.	7,821	5,505	7,233	5,091

13. Loans to customers and accrued interest receivables

13.1 Classified by loan type

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Loans to customers</u>				
Loans	4,843	2,609	5,094	3,647
Loans purchased of receivables	953	1,046	203	206
Notes receivables	7	7	7	1,007
Hire purchase receivables	59,059	54,175	-	-
Financial lease receivables	505	611	-	-
Less: Unearned revenues and deferred fee of hire purchase and financial lease	(6,112)	(5,387)	-	-
Less: Interest income received in advance and deferred fee revenues	(172)	(132)	(12)	(11)
Total loans to customers net of unearned revenues	59,083	52,929	5,292	4,849
Add: Accrued interest receivables	231	153	74	46
Total loans to customers and accrued interest receivables net of unearned revenues	59,314	53,082	5,366	4,895
Less: Allowance for expected credit loss	(2,724)	(2,615)	(202)	(173)
Loans to customers and accrued interest receivables - net	56,590	50,467	5,164	4,722
<u>Securities business receivables</u>				
Credit balances receivables	5,787	4,730	-	-
Other receivables	6	24	-	-
Total securities business receivables	5,793	4,754	-	-
Less: Allowance for expected credit loss	-	-	-	-
Securities business receivables - net	5,793	4,754	-	-
Total loans to customers and accrued interest receivables - net	62,383	55,221	5,164	4,722

13.2 Debt restructuring

As at 31 December 2022 and 2021, the Company and its subsidiaries have restructured receivables balances (principal and accrued interest receivable) as follow:

	Restructured receivables			
	Number of receivables		Outstanding balances	
	2022	2021	2022	2021
			Million Baht	Million Baht
Thanachart Capital Plc.	11	13	15	17
MAX Asset Management Co., Ltd.	43	45	144	143
Other subsidiaries	37	46	56	115

In addition to debtors who have entered into debt restructuring agreements above. A subsidiary has entered into an assistance program for hire-purchase debtors affected by the Coronavirus Disease 2019. As at 31 December 2022, the balance of debtors under assistance was 2.43 percent of the debtors according to the hire-purchase contract. The subsidiary company has followed the accounting guidelines on Guidelines for Assisting Debtors Affected by Coronavirus Disease 2019 by classifying and setting aside provisions in accordance with relevant financial reporting standards. For under-performing debtors, debtors can be reclassified as performing debtors only when debtors are able to comply with new repayment conditions for 3 consecutive months or 3 payment installments, whichever is longer. And if the debtor who is helping is a non-performing debtor (NPL), the debtor can be upgraded to the Performing class only if the debtor is able to comply with the new repayment conditions for 12 consecutive months or 12 payment installments, whichever is longer period.

13.3 Classified by classification

As at 31 December 2022 and 2021, the Company and its subsidiaries classified loans and related allowances as summarised below.

(Unit: Million Baht)

	Consolidated financial statements			
	2022		2021	
	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)	56,428	300	49,670	247
Receivables with a significant increase in credit risk (Under-performing)	6,132	846	5,084	689
Receivables with credit impairment (Non-performing)	1,369	874	1,887	1,005
Receivables with purchased or originated credit impairment (Non- performing purchased or originated credit impaired)	1,178	704	1,195	674
Total	65,107	2,724	57,836	2,615

(Unit: Million Baht)

	Separate financial statements			
	2022		2021	
	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)	5,067	32	4,622	31
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)	277	151	251	123
Total	5,366	202	4,895	173



13.4 Hire purchase/financial lease receivables classified by aging

As at 31 December 2022 and 2021, 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							
2022							
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	22,286	16,359	11,887	6,794	2,181	57	59,564
Less: Unearned finance income ⁽²⁾	(3,022)	(1,791)	(919)	(327)	(52)	(1)	(6,112)
Present value of minimum lease payments receivables	19,264	14,568	10,968	6,467	2,129	56	53,452
Allowance for expected credit loss							(1,988)
Hire purchase/financial lease receivables - net							51,464

(1) Hire purchase/financial lease receivables due within one year included credit impaired receivables

(2) Net of deferred initial direct costs of hire purchase/financial lease

(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 impaired receivables

(2) Net of deferred initial direct costs of hire purchase/financial lease

As at 31 December 2022 and 2021, hire purchase and financial lease receivables balances and allowance for expected credit loss of that subsidiary are classified by credit risk as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	2022		2021	
	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)	45,976	288	42,452	241
Receivables with a significant increase in credit risk (Under-performing)	6,129	845	5,084	689
Receivables with credit impairment (Non-performing)	1,347	855	1,863	986
Total	53,452	1,988	49,399	1,916

13.5 Loans to companies which have settlement problems

As at 31 December 2022 and 2021, 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	
	2022	2021	2022	2021	2022	2021	2022	2021
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Non - listed companies with similar operating results and financial position to listed companies possible to delisting from the SET	7	9	1	5	-	-	1	5
2. Companies which have loan settlement problems or have defaulted on the repayment	494	643	1,426	1,708	258	344	815	795



Separate financial statements

	Number of debtors		Debt balances		Collateral value		Allowance for expected credit loss provided in the accounts	
	2022	2021	2022	2021	2022	2021	2022	2021
			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	117	106	33	47	89	77

14. Allowance for expected credit loss

Movement of allowance for expected credit loss for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	For the year ended 31 December 2022					
	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	(3)	-	-	-	-	(3)
Ending balance	-	-	-	-	-	-
Investments in debt securities measured at amortised cost						
Beginning balance	-	-	-	-	-	-
Changes due to re-measurement of allowance for credit loss	1	-	-	-	-	1
Ending balance	1	-	-	-	-	1
Investments in debt securities measured at fair value through other comprehensive income						
Beginning balance	-	-	244	-	-	244
Changes due to re-measurement of allowance for credit loss	5	-	-	-	-	5
Eliminate financial assets	-	-	(38)	-	-	(38)
Ending balance	5	-	206	-	-	211

(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 2022						
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	247	689	1,005	674	-	2,615
Changes due to re-measurement of allowance for credit loss	(241)	(58)	495	40	-	236
Changes due to reclassification	139	(82)	(57)	-	-	-
New financial assets purchased or acquired	155	296	96	-	-	547
Eliminated financial assets	-	-	-	(10)	-	(10)
Written-off	-	-	(279)	-	-	(279)
Transfer assets type	-	-	(385)	-	-	(385)
Ending balance	300	845	875	704	-	2,724
Other assets						
Beginning balance	-	1	1,061	-	32	1,094
Changes due to re-measurement of allowance for credit loss	-	-	(147)	-	-	(147)
New financial assets purchased or acquired	-	-	-	-	18	18
Eliminated financial assets	-	-	-	-	-	-
Written-off	-	-	(42)	-	-	(42)
Transfer assets type	-	-	385	-	-	385
Ending balance	-	1	1,257	-	50	1,308

(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
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
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)

Separate financial statements					
For the year ended 31 December 2022					
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	-	30	-	31
New financial assets purchased or acquired	(1)	-	28	-	27
Ending balance	-	-	58	-	58
Loans to customers and accrued interest receivables					
Beginning balance	31	-	19	123	173
Changes due to re-measurement of allowance for credit loss	1	-	-	28	29
Ending balance	32	-	19	151	202
Other assets					
Beginning balance	-	-	2	-	2
Changes due to re-measurement of allowance for credit loss	-	-	-	-	-
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 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)

15. Property foreclosed

The Company and its subsidiaries' property foreclosed consist of immovable assets (External appraised) and movable assets as follow:

(Unit: Million Baht)

Consolidated financial statements				
2022				
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Assets transferred for settlement of debts				
Immovable assets	1,681	1	(11)	1,671
Movable assets	136	912	(679)	369
Assets purchase by bid on the open market				
Immovable assets	2,359	50	(58)	2,351
Others				
Immovable assets	392	-	-	392
Total property foreclosed	4,568	963	(748)	4,783
Less: Allowance for impairment	(889)	(51)	11	(929)
Property foreclosed - net	3,679	912	(737)	3,854

(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)

Separate financial statements				
2022				
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Assets transferred for settlement of debts				
Immovable assets	936	1	(7)	930
Assets purchase by bid on the open market				
Immovable assets	1,596	28	-	1,624
Others				
Immovable assets	243	-	-	243
Total property foreclosed	2,775	29	(7)	2,797
Less: Allowance for impairment	(475)	49	-	(426)
Property foreclosed - net	2,300	78	(7)	2,371

(Unit: Million Baht)

Separate financial statements				
2021				
	Balance - beginning of the year	Additions	Disposals	Balance - end of the year
Assets transferred for settlement of debts				
Immovable assets	972	-	(36)	936
Assets purchase by bid on the open market				
Immovable assets	1,624	14	(42)	1,596
Others				
Immovable assets	243	-	-	243
Total property foreclosed	2,839	14	(78)	2,775
Less: Allowance for impairment	(1,241)	714	52	(475)
Property foreclosed - net	1,598	728	(26)	2,300

16. Land, buildings, equipment and right-of-use assets

(Unit: Million Baht)

Consolidated financial statements									
For the year ended 31 December 2022									
	Revaluation basis		Cost basis						
	Land	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 2022	32	178	648	25	1	17	496	68	1,465
Additions/new contracts	-	56	25	7	7	-	90	21	206
Transfers/disposals/ change in contract term	(6)	(52)	(49)	2	(4)	-	(119)	(18)	(246)
31 December 2022	26	182	624	34	4	17	467	71	1,425
<u>Accumulated depreciation</u>									
1 January 2022	-	44	419	21	-	10	178	37	709
Transfers/disposals/ change in contract term	-	(3)	(50)	2	-	-	(85)	(15)	(151)
Depreciation for the year	-	10	63	3	-	1	94	14	185
31 December 2022	-	51	432	26	-	11	187	36	743
<u>Net book value</u>									
31 December 2022	26	131	192	8	4	6	280	35	682
Depreciation charged for the year									185

(Unit: Million Baht)

Consolidated financial statements									
For the year ended 31 December 2021									
	Revaluation basis		Cost basis						
	Land	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 2021	32	178	497	32	4	-	441	71	1,255
Transfer type	-	-	-	-	-	17	-	-	17
Additions/new contracts	-	-	47	-	148	-	66	5	266
Transfers/disposals/ change in contract term	-	-	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)

	Separate financial statements								
	For the year ended 31 December 2022								
	Revaluation basis		Cost basis						
		Buildings and buildings	Furniture, fixtures and equipment	Vehicles	Assets under installation	Right-of-use assets			
	Land	improvement				Land	Buildings	Vehicles	Total
<u>Cost/Revaluation</u>									
1 January 2022	23	46	62	6	-	17	114	9	277
Additions/new contracts	-	-	3	-	-	-	10	6	19
Transfers/disposals	-	-	(1)	-	-	-	(31)	-	(32)
31 December 2022	23	46	64	6	-	17	93	15	264
<u>Accumulated depreciation</u>									
1 January 2022	-	8	57	5	-	10	35	5	120
Transfers/disposals	-	-	(1)	-	-	-	(12)	-	(13)
Depreciation for the year	-	3	2	1	-	1	17	2	26
31 December 2022	-	11	58	6	-	11	40	7	133
<u>Net book value</u>									
31 December 2022	23	35	6	-	-	6	53	8	131
Depreciation charged for the year									26

(Unit: Million Baht)

	Separate financial statements								
	For the year ended 31 December 2021								
	Revaluation basis		Cost basis						
		Buildings and buildings	Furniture, fixtures and equipment	Vehicles	Assets under installation	Right-of-use assets			
	Land	improvement				Land	Buildings	Vehicles	Total
<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

As at 31 December 2022 and 2021, 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 339 million and Baht 368 million, respectively (separate financial statements: Baht 60 million and Baht 54 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 was revalued using the market approach.
- Building was 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 2022 and 2021 would have been as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Land				
Cost	6	12	3	3
Buildings				
Cost	187	183	45	45
Accumulated depreciation	(119)	(117)	(37)	(37)
Net book value	68	66	8	8

Key assumptions used in the valuation are summarised below.

	Consolidated	Separate	Result to fair value
	financial statements	financial statements	whereas 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 2022 and 2021 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance - beginning of the year	76	78	49	51
Increase during the year	-	1	-	-
Transfer out during the year	(4)	(3)	(2)	(2)
Balance - end of the year (Before related income tax)	72	76	47	49

Surplus on revaluation of assets can neither be offset against deficit nor used for dividend distribution.

17. Intangible assets

Movement of intangible assets for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

For the year ended 31 December 2022

	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
<u>Cost</u>							
1 January 2022	457	7	32	496	12	-	12
Additions	24	-	27	51	-	-	-
Transfers/disposals	29	-	(42)	(13)	-	-	-
31 December 2022	510	7	17	534	12	-	12
<u>Accumulated amortisation</u>							
1 January 2022	244	7	-	251	9	-	9
Transfers/disposals	-	-	-	-	-	-	-
Amortisation for the year	56	-	-	56	-	-	-
31 December 2022	300	7	-	307	9	-	9
<u>Net book value</u>							
31 December 2022	210	-	17	227	3	-	3
Remaining amortisation year	0-10 years	1-2 years	-		0-9 years	-	
Amortisation for the year				56			-

(Unit: Million Baht)

For the year ended 31 December 2021

	Consolidated financial statements				Separate financial statements		
	Membership fees for						
	Computer software	Exchange and others	Computer software under development	Total	Computer software	Computer software under development	Total
<u>Cost</u>							
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
<u>Accumulated amortisation</u>							
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
<u>Net book value</u>							
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

As at 31 December 2022 and 2021, 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 158 million and Baht 128 million, respectively (separate financial statements: Baht 8 million and Baht 8 million, respectively).



18. Deferred tax assets/liabilities and income tax

18.1 Deferred tax assets/liabilities

As at 31 December 2022 and 2021, deferred tax assets/liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets	1,112	1,025	-	-
Deferred tax liabilities	(235)	(244)	(195)	(192)
Net	877	781	(195)	(192)

(Unit: Million Baht)

The components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements			
	As at 31 December		Changes of deferred tax assets / liabilities in profit or loss for the years	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit loss	680	640	46	58
Allowance for impairment of properties foreclosed	27	8	19	1
Employee benefits	47	48	4	(2)
Accrued expenses	6	12	-	1
Insurance contract liabilities	434	403	31	28
Financial lease liabilities / other liabilities	9	1	1	-
Others	21	15	6	10
Deferred tax assets	1,224	1,127	107	96
Deferred tax liabilities				
Deferred commissions and direct expenses incurred at the initiation of hire purchase	(104)	(91)	(13)	2
Unrealised gain from measurement of investments	(186)	(176)	(20)	(9)
Unrealised gain from measurement of derivatives	(27)	(50)	23	(17)
Surplus on revaluation of assets	(21)	(20)	(1)	-
Others	(9)	(9)	-	(1)
Deferred tax liabilities	(347)	(346)	(11)	(25)
Net	877	781	96	71

(Unit: Million Baht)

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December		Changes of deferred tax assets / liabilities in profit or loss	
			for the years	
	2022	2021	2022	2021
Deferred tax liabilities				
Unrealised gain from measurement of investments	(160)	(142)	(13)	5
Unrealised gain from measurement of derivatives	(25)	(39)	14	(11)
Surplus on revaluation of assets	(10)	(10)	-	-
Others	-	(1)	1	1
Deferred tax liabilities	(195)	(192)	2	(5)

As at 31 December 2022 and 2021, the Company and its subsidiaries have deductible temporary differences and unused tax loss totaling Baht 3,129 million and Baht 3,043 million, respectively (separate financial statements: Baht 1,622 million and Baht 1,399 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 1,409 million in the consolidated financial statements and Baht 955 million in the separate financial statement will expire by 2023 - 2027.

18.2 Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Corporate income tax charge for the year	870	905	-	-
Adjustment in respect of income tax from previous year	(5)	2	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(96)	(71)	(2)	5
Relating to disposals of equity instruments designated at fair value through other comprehensive income during the year	3	-	-	-
Income tax expenses reported in statements of comprehensive income	772	836	(2)	5



The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax relating to:				
Gain (loss) on changes in value of debt securities measured at fair value through other comprehensive income	8	(9)	-	-
Gain (loss) on changes in value of equity securities designated to be measure at fair value through other comprehensive income	(15)	(16)	5	9
Actuarial gain on defined benefit plan	5	7	-	-
	(2)	(18)	5	9

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit before tax	7,200	7,558	5,218	5,292
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,440	1,512	1,044	1,058
Adjustment in respect of income tax from previous year	(5)	2	-	-
Effects of non-taxable revenue and non-deductible expenses - net	(617)	(361)	(1,023)	(769)
Utilised tax loss during the period	-	(157)	-	(141)
Expense treated as non-deductible which are temporary differences and not expected to utilised (reversal)	(46)	(160)	(23)	(143)
Income tax expenses reported in statements of comprehensive income	772	836	(2)	5

19. Other assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accrued premium insurance	717	749	-	-
Accrued income	30	103	6	2
Estimated insurance claims recoveries	233	203	-	-
Receivable from clearing house	112	275	-	-
Prepaid brokerage fee	274	271	-	-
Prepaid expenses	369	258	17	7
Reinsurance assets	1,118	489	-	-
Corporate income tax refundable	53	46	18	11
Accrued interest and dividend receivables	164	108	1	2
Other receivables	34	40	5	5
VAT refundable	188	76	-	-
Other receivables - VAT paid in advance for customers	52	47	-	-
Deposits	27	31	4	6
Other receivables - hire purchase receivables	1,211	1,019	-	-
Others	493	329	-	1
Total	5,075	4,044	51	34
Less: Allowance for impairment	(1)	(1)	-	-
Allowance for expected credit loss	(1,308)	(1,094)	(2)	(2)
Other assets - net	3,766	2,949	49	32

20. Classification of assets

As at 31 December 2022 and 2021, the financial assets are classified as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	2022						
			Debt securities				
	Interbank	Debt	measured at	Loans to	Receivables		
	and	securities	fair value	customers	from		
money	measured at	through other	and accrued	purchase and			
market items	amortised	comprehensive	interest	sale of	Other		
	cost	income	receivables	securities	assets	Total	
Financial assets							
classified by credit risk							
Stage 1 ⁽¹⁾	4,828	1,320	13,815	56,428	2,001	332	78,724
Stage 2 ⁽²⁾	-	-	-	6,132	-	26	6,158
Stage 3 ⁽³⁾	-	-	-	1,369	-	1,270	2,639
POCI ⁽⁴⁾	-	-	-	1,178	-	-	1,178
Simplified ⁽⁵⁾	-	-	-	-	-	294	294
Total	4,828	1,320	13,815	65,107	2,001	1,922	88,993

(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						
	2021						
			Debt securities				
	Interbank	Debt	measured at	Loans to	Receivables		
	and	securities	fair value	customers	from		
	money	measured at	through other	and accrued	purchase and		
	market items	amortised	comprehensive	interest	sale of	Other	
		cost	income	receivables	securities	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)

Separate financial statements						
2022						
	Interbank and money market items	Debt securities measured at fair value through other comprehensive income	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⁾	1,848	162	5,067	1	14	7,092
Stage 2 ⁽²⁾	-	-	-	-	-	-
Stage 3 ⁽³⁾	-	-	22	-	2	24
POCI ⁽⁴⁾	-	-	277	-	-	277
Total	1,848	162	5,366	1	16	7,393

(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						
2021						
	Interbank and money market items	Debt securities measured at fair value through other comprehensive income	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)



21. Interbank and money market items - borrowings from financial institutions

(Unit: Million Baht)

	Consolidated financial statements					
	2022			2021		
	At call	Term	Total	At call	Term	Total
Bill of Exchange	-	12,135	12,135	-	11,584	11,584
Long term borrowings	-	2,000	2,000	-	2,450	2,450
Promissory notes	680	1,600	2,280	850	1,100	1,950
Total	680	15,735	16,415	850	15,134	15,984

As at 31 December 2022, interbank and money market items - borrowings from financial institutions in the consolidated financial statements included borrowings of a subsidiary company amounting to Baht 4,280 million, consisting of (i) a borrowing of Baht 2,000 million, repayable in full within 4 years from the date of the loan drawdown, carrying interest at a fixed rate per annum and payable monthly, (ii) borrowing in the form of promissory notes, amounting to Baht 2,280 million, with principal repayment due as specify in each promissory note and carrying interest at a fixed rates per annum and payable monthly. 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 (2021: included loans of a subsidiary company amounting to Baht 4,400 million).

22. Debt issued and borrowings

As at 31 December 2022 and 2021, 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	
						2022	2021	2022	2021	2022	2021
				(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
2	Unsubordinated debentures	Year 2013	Year 2023	4.85, 5.00	1,000	1,800	1,800	1,800	1,800	1,800	1,800
3	Unsubordinated debentures	Year 2013	Year 2025	4.95	1,000	900	900	800	900	900	900
4	Unsubordinated debentures	Year 2019	Year 2022	2.94, 3.30	1,000	-	3,815	-	3,685	-	-
5	Unsubordinated debentures	Year 2019	Year 2022	2.96, 3.00, 3.10	1,000	-	1,995	-	1,995	-	-
6	Unsubordinated debentures	Year 2019	Year 2023	3.40	1,000	486	486	486	456	-	-
7	Unsubordinated debentures	Year 2019	Year 2024	3.50	1,000	594	594	594	554	-	-
8	Unsubordinated debentures	Year 2019	Year 2029	3.01	1,000	5,000	5,000	5,000	5,000	5,000	5,000
9	Unsubordinated debentures	Year 2020	Year 2023	2.65	1,000	2,000	2,000	2,000	2,000	-	-
10	Unsubordinated debentures	Year 2020	Year 2023	3.20	1,000	3,439	3,439	3,439	3,439	-	-
11	Unsubordinated debentures	Year 2020	Year 2024	2.80	1,000	2,000	2,000	2,000	2,000	-	-
12	Unsubordinated debentures	Year 2020	Year 2023	2.65	1,000	200	200	200	200	-	-
13	Unsubordinated debentures	Year 2020	Year 2025	3.40	1,000	1,593	1,593	1,593	1,593	-	-
14	Unsubordinated debentures	Year 2020	Year 2026	3.50	1,000	700	700	700	657	-	-
15	Unsubordinated debentures	Year 2020	Year 2027	3.70	1,000	1,300	1,300	1,300	1,300	-	-
16	Unsubordinated debentures	Year 2021	Year 2024	2.00	1,000	3,000	3,000	3,000	3,000	-	-
17	Unsubordinated debentures	Year 2021	Year 2025	2.35	1,000	1,500	1,500	1,500	1,500	-	-
18	Unsubordinated debentures	Year 2022	Year 2025	1.78, 1.99	1,000	3,000	-	3,000	-	-	-
19	Unsubordinated debentures	Year 2022	Year 2026	2.46	1,000	1,000	-	880	-	-	-
20	Unsubordinated debentures	Year 2022	Year 2024	2.47	1,000	400	-	400	-	400	-
21	Unsubordinated debentures	Year 2022	Year 2025	3.00	1,000	3,100	-	3,100	-	3,100	-
22	Unsubordinated debentures	Year 2022	Year 2025	3.26	1,000	2,000	-	1,950	-	-	-
23	Unsubordinated debentures	Year 2022	Year 2024	2.47, 2.55, 2.57	1,000	700	-	672	-	672	-

Instrument	Types of borrowings	Issue period	Year of maturity	Interest rate	Face Value per unit	Issuance unit		Consolidated financial statements		Separate financial statements	
						2022	2021	2022	2021	2022	2021
						(Thousand unit)	(Thousand unit)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
				(Percent per annum)	(Baht)						
24	Unsubordinated debentures	Year 2022	Year 2026	3.60	1,000	1,300	-	1,230	-	-	-
25	Unsubordinated debentures	Year 2022	Year 2026	3.50	1,000	2,000	-	1,870	-	-	-
26	Unsubordinated debentures	Year 2022	Year 2029	4.42	1,000	1,300	-	1,300	-	1,300	-
27	Unsubordinated debentures	Year 2022	Year 2026	3.63	1,000	2,330	-	2,220	-	2,330	-
28	Unsubordinated debentures	Year 2022	Year 2030	4.36	1,000	2,570	-	2,270	-	2,570	-
29	Unsubordinated debentures	Year 2022	Year 2024	2.88	1,000	500	-	500	-	-	-
30	Unsubordinated debentures	Year 2022	Year 2025	2.88, 3.30	1,000	2,000	-	1,751	-	-	-
31	Structured Notes		Year 2023					9	-	-	-
32	Promissory Notes		At Call	MLR-1				21	32	-	-
33	Promissory Notes		Year 2023 - 2026	3.00, 3.30, 3.50				201	201	-	-
34	Bill of Exchange	Year 2021	Year 2022	0.94, 0.95				-	996	-	996
35	Bill of Exchange	Year 2022	Year 2023	1.42, 1.52, 1.665				1,944	-	1,944	-
Total debt issued and borrowings								47,730	34,308	20,016	11,696

Instruments 1) to 3), 8), 20), 21) and 26) to 28) are name-registered, unsubordinated, unsecured debenture with no debentures holders' representative, paying interest semi-annually.

Instruments 23) and 30) are name-registered, unsubordinated, unsecured debenture with no debentures holders' representative, paying interest at call at a discount rate.

Instruments 5), 10), 11), 13) to 19), 22), 24) and 29) 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 4), 6), 7), 9), 12) and 25) 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.

23. Provisions

(Unit: Million Baht)

Consolidated financial statements			
For the year ended 31 December 2022			
	Employee benefits	Demolition cost	Total
As at 1 January 2022	313	11	324
Increase (decrease) during the year	(2)	10	8
Decrease from actual utilised	(27)	-	(27)
As at 31 December 2022	284	21	305

(Unit: Million Baht)

Consolidated financial statements			
For the year 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)

Separate financial statements			
For the year ended 31 December 2022			
	Employee benefits	Demolition cost	Total
As at 1 January 2022	47	5	52
Decrease during the year	-	(2)	(2)
Decrease from actual utilised	(16)	-	(16)
As at 31 December 2022	31	3	34

(Unit: Million Baht)

Separate financial statements			
For the year ended 31 December 2021			
	Employee benefits	Demolition cost	Employee benefits
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



Long-term employee benefits

Provision for long-term employee benefits, which are compensations on employees' retirement, are as follows:

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Defined benefit obligation at the beginning of the year	313	401	47	56
Recognised in profit and loss:				
Current service cost	25	30	2	3
Interest cost	8	7	1	1
Past service costs and differences arising from the payment of benefits	(2)	(37)	-	-
Recognised in other comprehensive income:				
Actuarial (gain) loss arising from				
- Demographic assumptions changes	(13)	(28)	(2)	(11)
- Financial assumptions changes	(30)	(24)	(2)	-
- Experience adjustments	10	4	1	-
Employee benefits increase from intercompany transfers	-	4	-	4
Employee benefits paid during the year	(27)	(44)	(16)	(6)
Defined benefit obligation at the end of the year	284	313	31	47

As at 31 December 2022 and 2021, the Company and its subsidiaries expect to pay Baht 23 million and Baht 30 million, respectively, in long-term employee benefits during the next one year (separate financial statements: Baht 4 million and Baht 16 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	
	2022	2021	2022	2021
Discount rate	3.05 - 3.45	2.28 - 2.92	3.40	2.32
Future salary increase rate	4.58 - 5.00	4.89 - 5.00	5.00	5.00
Average staff turnover rate (depending on age)	0.00 - 24.00	0.00 - 19.00	0.00 - 18.00	0.00 - 19.00

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 2022 and 2021 are summarised below:

(Unit: Million Baht)

		2022	
		Consolidated	Separate
	Change	financial statements	financial statements
Discount rate	Decrease 0.5%	12	1
Future salary increase rate	Increase 0.5%	12	1
Average staff turnover rate	Decrease 0.5%	14	1

(Unit: Million Baht)

		2021	
		Consolidated	Separate
	Change	financial statements	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

As at 31 December 2022 and 2021, the weighted average durations of the liabilities for long-term employee benefit of the Company and its subsidiaries are 12 - 20 years and 13 - 22 years, respectively (separate financial statements: 14 years and 14 years respectively).

24. Insurance contract liabilities

(Unit: Million Baht)

	Consolidated financial statements					
	2022			2021		
	Insurance contract liabilities	Reinsurance assets	Net	Insurance contract liabilities	Reinsurance assets	Net
Life policy reserves	4,823	-	4,823	5,101	-	5,101
Loss reserves and outstanding claims	2,143	(269)	1,874	1,883	(152)	1,731
Unearned premium reserve	5,468	(849)	4,619	4,336	(337)	3,999
Unpaid policy benefits	17	-	17	14	-	14
Other liabilities under insurance policies	92	-	92	80	-	80
Total	12,543	(1,118)	11,425	11,414	(489)	10,925



24.1 Life policy reserves for long-term insurance contracts

(Unit: Million Baht)

	Consolidated financial statements	
	2022	2021
Balance - beginning of the year	5,101	5,812
Insurance policy reserves increased from new policies and enforced policies (decreased)	154	(8)
Insurance policy reserves decreased from benefit paid, lapse, surrender and others	(436)	(699)
Assumptions changes	(202)	(162)
Experience adjustments	206	158
Balance - end of the year	4,823	5,101

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 affects 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 2022 and 2021 are summarised below:

(Unit: Million Baht)

Consolidated financial statements					
2022					
Insurance contract liabilities for long					
- term contracts					
		Gross	Net	Profit before tax	Equity increase
		reinsurance	reinsurance	increase	
		increase	increase	increase	
Change		(decrease)	(decrease)	(decrease)	(decrease)
Mortality rate	Increase 10%	17	17	(17)	(17)
Expenses rate	Increase 10%	9	9	(9)	(9)
Lapse and surrender rates	Increase 10%	(8)	(8)	8	8
Discount rate	Increase 0.10%	(25)	(25)	25	25
Mortality rate	Decrease 10%	(16)	(16)	16	16
Expenses rate	Decrease 10%	(9)	(9)	9	9
Lapse and surrender rates	Decrease 10%	8	8	(8)	(8)
Discount rate	Decrease 0.10%	25	25	(25)	(25)

(Unit: Million Baht)

Consolidated financial statements					
2021					
Insurance contract liabilities for long					
- term contracts					
		Gross	Net	Profit before tax	Equity increase
		reinsurance	reinsurance	increase	
		increase	increase	increase	
Change		(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)

24.2 Loss reserves and outstanding claims

(Unit: Million Baht)

	Consolidated financial statements	
	2022	2021
Balance - beginning of the year	1,883	1,839
Claim expenses for the year	4,805	4,035
Change in loss reserves and outstanding in claims and assumptions	315	629
Claim expenses paid during the year	(4,860)	(4,620)
Balance - end of the year	2,143	1,883

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 affects 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 2022 and 2021 are summarised below.

(Unit: Million Baht)

		Consolidated financial statements			
		2022			
		Insurance liabilities		Profit before tax increase	Equity increase
		Gross liabilities	Net liabilities		
Change in		increase	increase		
assumption		(decrease)	(decrease)	(decrease)	(decrease)
Ultimate loss ratio	Increase 2%	223	200	(200)	(161)
Loss adjustment expenses	Increase 2%	13	15	(15)	(12)
Ultimate loss ratio	Decrease 2%	(212)	(188)	188	151
Loss adjustment expenses	Decrease 2%	(17)	(17)	17	14

(Unit: Million Baht)

		Consolidated financial statements			
		2021			
		Insurance liabilities		Profit before tax increase	Equity increase
		Gross liabilities	Net liabilities		
Change in		increase	increase		
assumption		(decrease)	(decrease)	(decrease)	(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

24.3 Unearned premium reserves

(Unit: Million Baht)

		Consolidated financial statements	
		2022	2021
Balance - beginning of the year		4,336	4,483
Premium written for the year		10,473	8,496
Premium earned during the year		(9,341)	(8,643)
Balance - end of the year		5,468	4,336



24.4 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.

25. Other liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Other payables	341	391	5	16
Suspense cash received from accounts receivable	145	159	-	-
Income received in advance	18	11	-	-
Accrued interest expenses	272	220	121	82
Corporate income tax payable	373	447	-	-
Accrued personnel expenses	475	517	66	57
Accrued other expenses	554	453	21	9
Insurance premium received in advance	1,594	1,520	-	-
Due to reinsures	1,085	468	-	-
Payables from purchase and sale of securities	1,069	1,264	-	-
Lease liabilities	346	387	63	83
Payable to clearing house	740	-	-	-
Others	315	465	34	35
Total other liabilities	7,327	6,302	310	282

26. Share capital/Treasury stocks

During the year ended 31 December 2022, there is no conversion of preferred shares to the Company's common shares. Therefore, as at 31 December 2022, 13,006 preferred shares remained unconverted. Each preferred share can convert to 1 common share. The conversion right is unconditional and does not expire.

On 25 February 2022, the Board of Directors of the Company approved a decrease of share capital under the repurchase program of 19,467,000 shares, or Baht 1,000 million, from the Company's registered share capital which was over the 3 years from the repurchased date, but the Company did not sell it. So, the Company decreased its register share capital of Baht 195 million and registered the decrease in its share capital with the Ministry of Commerce on 8 March 2022 resulting in a decline in the issued and fully paid-up share capital from Baht 11,651 million to Baht 11,457 million. The difference between the treasury stock value and the par value, amounting to Baht 805 million, was recognised as a deduction against retained earnings. Moreover, the Company reversed the appropriation of retained earnings as a reserve for treasury shares amounting Baht 1,000 million to unappropriated retained earnings.

As at 31 December 2022, there are remaining of 97,045,970 treasury shares with a total value of Baht 4,863 million. The repurchase program requires that the treasury shares be sold out within 3 years from the repurchase date (within 2023). Moreover, the Company has allocated retained earnings amount equivalent to treasury shares as a treasury share reserve (2021: there are 116,512,970 treasury shares with a total value of Baht 5,863 million).

27. Other components of equity

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Surplus from the change in the ownership interests of investments in subsidiaries/ associated companies	(4,956)	(4,517)	(4,956)	(4,517)
Revaluation surplus on investments				
Debt instruments	167	2	1	4
Equity instruments	1,338	1,319	705	684
Total	1,505	1,321	706	688
Revaluation deficit on investments				
Debt instruments	(74)	-	-	-
Equity instruments	(193)	(206)	(29)	(34)
Total	(267)	(206)	(29)	(34)
Total revaluation surplus on investments	1,238	1,115	677	654
Less: Effect of deferred tax	(139)	(130)	(135)	(131)
Net revaluation surplus on investments	1,099	985	542	523
Revaluation surplus on assets	72	75	47	49
Less: Effect of deferred tax	(14)	(15)	(10)	(10)
Net revaluation surplus on assets	58	60	37	39
Share of other comprehensive income of subsidiaries companies	-	-	569	483
Share of other comprehensive income of associated companies and joint venture	(31)	167	(22)	167
Share of surplus from the change in the ownership interests in subsidiaries of an associated company	73	76	73	76
Total	(3,757)	(3,229)	(3,757)	(3,229)

28. 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 2022, the statutory reserve has fully been set aside.

29. Dividends

During the years ended 31 December 2022 and 2021, the Company has dividend payment as below.

Dividends	Approved by	Dividend payment Million Baht	Dividend per share Baht	Payment date
Interim dividend of 2022	The Company's Board of Director Meeting on 3 October 2022	1,258	1.20	28 October 2022
Dividend of second half-year 2021	The Company's Annual General Shareholders' Meeting on 8 April 2022	1,888	1.80	6 May 2022
		<u>3,146</u>	<u>3.00</u>	
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>	

30. Interest income

Interest income for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interbank and money market items				
- deposits at financial institutions	72	81	21	14
Financial assets measured at fair value through profit or loss	14	27	-	1
Investments in debt securities measured at amortised cost	12	1	-	-
Investments in debt securities measured at fair value through other comprehensive income	183	115	5	15
Loans to customers	779	372	286	138
Hire purchase and financial lease	3,503	3,430	-	-
Total interest income	4,563	4,026	312	168

31. Interest expenses

Interest expenses for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interbank and money market items				
- borrowings from financial institutions	248	255	-	-
Debts issued and borrowings				
- Unsubordinated debentures/short-term debentures	1,243	1,062	548	422
- Others	37	9	29	1
Borrowings cost	18	16	3	1
Others	13	13	2	2
Total interest expenses	1,559	1,355	582	426



32. Fees and service income

Fees and service income for the years ended 31 December 2022 and 2021 consisted of the following:

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Fees and service income				
Brokerage fee from securities/derivatives	933	1,269	-	-
Hire purchase fee income	214	178	-	-
Insurance brokerage fee income	190	194	-	-
Others	139	245	1	1
Total fees and service income	1,476	1,886	1	1
Fees and service expenses	(363)	(432)	(1)	(1)
Net fees and service income	1,113	1,454	-	-

33. Gain on financial instruments measured at fair value through profit or loss

Gain on financial instruments measured at fair value through profit or loss for the years ended 31 December 2022 and 2021 consisted of the following:

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Debt securities	(1)	(1)	-	(4)
Equity securities	(115)	63	2	8
Unit trusts	(10)	10	1	6
Others	587	455	397	362
Total	461	527	400	372

34. Gain (loss) on investments

Gain (loss) on investments for the years ended 31 December 2022 and 2021 consisted of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Gain on derecognition				
Investments in debt securities measured at fair value through other comprehensive income	(21)	(13)	1	-
Investments in debt securities measured at amortised cost	-	10	-	-
Total	(21)	(3)	1	-

35. Non-life insurance/Life insurance income

Non-life insurance/life insurance income for the years ended 31 December 2022 and 2021 consisted of the following:

	(Unit: Million Baht)	
	Consolidated financial statements	
	2022	2021
Gross premium written	11,008	8,795
Less : Premium ceded to reinsurers	(1,679)	(732)
Net insurance premium income	9,329	8,063
Add (less): Unearned premium reserve decreased (increased) from previous year	(620)	85
Total	8,709	8,148

36. Non-life insurance/Life insurance expenses

Non-life insurance expenses for the years ended 31 December 2022 and 2021 consisted of the following:

	(Unit: Million Baht)	
	Consolidated financial statements	
	2022	2021
Gross claim and loss adjustment expenses	4,651	4,293
Less: Claims recovery from reinsurers	(717)	(460)
Benefit payments under life policies and claims	601	813
Less: Benefit payment under life policies and claims refundable from reinsurers	(3)	(4)
Commissions and brokerages expenses	1,680	1,323
Less: Commissions and brokerages income from reinsurers	(491)	(209)
Long-term insurance policy reserves decrease	(278)	(711)
Other underwriting expense	886	692
Total	6,329	5,737

37. 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 48 million (separate financial statement: Baht 31 million), which were approved by the Annual General Meeting of Shareholders of the Company and its subsidiaries.

38. Expected credit loss

Expected credit loss for the years ended 31 December 2022 and 2021 are as follows:

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Expected credit loss (reversal)				
Interbank and money market items	(3)	-	-	-
Investments in debt securities measured at amortised cost	1	-	-	-
Investments in debt securities measured at fair value through other comprehensive income	(33)	(30)	27	30
Loans to customers and accrued interest	671	659	30	48
Other assets	(129)	(154)	-	(3)
Gain from changing conditions	(14)	-	-	-
Loss on disposal of loans to customers	-	8	-	-
Total	493	483	57	75

39. 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	
	2022	2021	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit attributable to the Company	5,219,840	5,287,180	1,048,604	1,048,604	4.98	5.04
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	5,219,840	5,287,180	1,048,617	1,048,617	4.98	5.04

40. 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 2022, the Company and its subsidiaries contributed Baht 68 million to the fund (separate financial statements: Baht 10 million) (2021: Baht 69 million in the consolidated financial statements and Baht 11 million in the separate financial statements).

41. 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 2022)
	financial statements		financial statements		
	2022	2021	2022	2021	
Transactions occurred during the years					
Subsidiary companies					
Purchase of equity securities	-	-	51	-	At the amount agreed under the contract
Purchase of debt securities	-	-	28	-	At the amount agreed under the contract
Investment in common share of subsidiary companies	-	-	4,115	883	At the amount agreed under the contract
Capital returned from subsidiary companies (No gain)	-	-	150	1,076	At cost
Interest income	-	-	241	101	At interest rate of 1.39 - MLR-1, MLR percent per annum
Rental and other service income	-	-	105	132	At the rate agreed under the contract
Associated companies					
Purchase of equity securities	101	-	101	-	At market price
Purchase of debt securities	5,826	5,409	-	670	At market price
Sales of debt securities	2,482	1,599	-	1,134	At market price
Investments in ordinary share of associated and joint venture	2,437	3,948	2,401	3,030	At the amount agreed under the contract
Interest income	25	4	21	4	At interest rate of 0.05 - 0.65 percent per annum
Non-life insurance premium/life insurance premium income	76	71	-	-	At the rate agreed under the contract
Other income	6	2	5	2	
Interest expenses	67	17	-	-	At interest rate of 1.00 - MLR-1 percent per annum
Dividend paid	479	390	404	390	As declared
Non-life insurance/life insurance expenses	944	864	-	-	At the rate agreed under the contract
Other expenses	84	81	21	23	

Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy (For the year 2022)
	financial statements		financial statements		
	2022	2021	2022	2021	
Transactions occurred during the years					
<u>(continued)</u>					
Related companies					
Purchase of debt securities	-	5,134	-	2,330	
Sales of debt securities	-	906	-	245	
Interest income	-	17	-	11	
Dividend income	7	57	2	50	As declared
Non-life insurance premium/life insurance premium income	6	27	-	-	At the rate agreed under the contract
Other income	-	90	-	3	
Interest expenses	-	3	-	-	
Dividend payment	163	803	-	-	As declared
Project management expenses	22	22	12	12	At the contract price calculated by reference to estimated usage time
Non-life insurance/life insurance expenses	387	284	-	-	At the rate agreed under the contract
Other expenses	55	133	2	3	

The outstanding balances of the above transactions during the years ended 31 December 2022 and 2021 have been shown at the average balance at the end of each month as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Subsidiary companies				
Loans to customers	-	-	4,744	2,159
Debts issued and borrowings	-	-	72	-
Associated companies				
Interbank and money market items (assets)	5,208	499	3,471	780
Investments in debt securities	-	145	-	-
Interbank and money market items (liabilities)	3,215	861	-	-
Debt issued and borrowings	107	172	-	-
Related companies				
Interbank and money market items (assets)	-	3,483	-	2,154
Investments in debt securities	21	23	-	-
Interbank and money market items (liabilities)	-	302	-	-

As at 31 December 2022 and 2021, the significant outstanding balances of the transactions with subsidiaries, associated companies, or related companies are as follows:

(Unit: Million Baht)

Consolidated financial statements						
2022						
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.	3,483	-	68	2,200	-	108
MBK Plc.	-	-	9	-	21	67
Related companies						
Other related companies	-	-	351	-	-	185
	3,483	-	428	2,200	21	360

(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	-	-	240
	2,687	-	188	2,700	150	336



(Unit: Million Baht)

Separate financial statements						
2022						
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.	-	214	6	-	-	-
Thanachart SPV 1 Co., Ltd.	-	673	-	-	-	-
T Broker Co., Ltd.	-	10	-	-	-	-
Thanachart Plus Co., Ltd.	-	3,813	-	-	-	-
TS Asset Management Co., Ltd.	-	113	-	-	-	-
Max Asset Management Co., Ltd.	-	104	-	-	-	-
Thanachart Securities Plc.	-	-	2	-	-	-
Thanachart Insurance Plc.	-	-	-	210	2	
TLife Assurance Plc.	-	-	-	300	1	
Associated companies						
TMBThanachart Bank Plc.	1,848	-	-	-	-	1
MBK Plc.	-	-	4	-	-	58
	1,848	4,927	12	-	510	62

(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	-	-	-	-
T 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

As at 31 December 2022 and 2021, the Company has loans to subsidiary companies as follows:

		(Unit: Million Baht)	
		Outstanding balances	
Company's name	Interest rate	2022	2021
	(For the year 2022)		
NFS Asset Management Co., Ltd.	MLR of TMBThanachart Bank Plc.	214	300
Thanachart SPV 1 Co., Ltd.	MLR of TMBThanachart Bank Plc.	673	1,087
T Broker Co., Ltd.	MLR of TMBThanachart Bank Plc.	10	3
Thanachart Plus Co., Ltd.	MLR of TMBThanachart Bank Plc.	3,813	1,724
TS Asset Management Co., Ltd.	MLR of TMBThanachart Bank Plc.	113	200
Max Asset Management Co., Ltd.	MLR of TMBThanachart Bank Plc. - 1%	104	160
Thanachart Securities Plc.	-	-	1,000
Total		4,927	4,474

As at 31 December 2022, 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 2,023 million (separate financial statements: Baht 1,793 million) (2021: Baht 1,850 million in the consolidated financial statements and Baht 1,616 million in the separate financial statements).

Directors and management's remuneration

During the years ended 31 December 2022 and 2021, 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
		2022	2021
Short-term employee benefits		478	315
Post-employment benefits		6	10
		484	325
		142	158
		1	2
		143	160



42. Financial information classified by operating segments

The Group is organised into business units based on its business. During the current year, there was no change in the composition of reporting segments.

Revenue and profit information regarding the Group's operating segments for the years ended 31 December 2022 and 2021 is as follows:

(Unit: Million Baht)

	2022								
	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	(270)	245	98	157	32	2,589	153	-	3,004
Other operating income	5,862	1,055	143	1,939	262	529	940	(2,766)	7,964
Other operating expenses	(317)	(745)	(139)	(1,381)	(123)	(529)	(174)	133	(3,275)
Expected credit loss	(57)	-	(1)	161	(9)	(469)	(6)	(112)	(493)
Profit before income tax	5,218	555	101	876	162	2,120	913	(2,745)	7,200
Income tax	2	(107)	-	(179)	(23)	(394)	(71)	-	(772)
Profit before non-controlling interests	5,220	448	101	697	139	1,726	842	(2,745)	6,428

(Unit: Million Baht)

	2021								
	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	(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 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 before non-controlling interests	5,287	661	110	768	164	1,679	709	(2,656)	6,722

The segment assets of the Company and its subsidiaries as at 31 December 2022 and 2021 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 2022	87,318	10,265	6,254	17,478	1,807	53,629	18,951	(38,613)	157,089
As at 31 December 2021	77,336	8,679	6,353	14,899	2,067	48,956	16,731	(32,286)	142,735

Information about major customers

For the years 2022 and 2021, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

43. Encumbrance of assets

As at 31 December 2022 and 2021, 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	
	2022	2021	2022	2021
Interbank and money market items (assets)				
Placed at insurance registrar	614	2,174	-	-
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	1,514	21	-	-
Property foreclosed				
Immovable assets subject to buyback options or first rights refusal	8	8	-	-
Immovable assets subject to purchase or sell agreements with clients but currently being settled in installments or through transfer of ownership	25	29	-	8
	2,167	2,238	-	8

44. Commitments and contingent liabilities

As at 31 December 2022 and 2021, significant commitments and contingent liabilities consisted of:

44.1 Guarantees

As at 31 December 2022, 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 9 million.

In addition, the subsidiaries have commitments in respect of derivative contracts as mentioned in Note 9 to the financial statements.

44.2 Operating lease commitments

As at 31 December 2022, 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
2023	100	3
2024	42	-
2025 onward	87	-

44.3 Contingent liabilities/litigation

As at 31 December 2022, the Company and its subsidiaries have contingent liabilities amounting to approximately Baht 176 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.

45. Financial instruments

45.1 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 before deducting allowance for expected credit loss.

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 1 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 2 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 3 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 its 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 2022 and 2021, 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	
	2022	2021	2022	2021
<u>Financial assets</u>				
Interbank and money market items (assets)	4,828	8,950	1,848	1,348
Investments in debt securities measured at amortised cost	1,320	-	-	-
Investments in debt securities measured at fair value through other comprehensive income	13,815	10,416	162	247
Loans to customers and accrued interest receivables	65,107	57,836	5,366	4,895
Receivables from purchase and sale of securities	2,001	843	1	-
Other assets	1,922	1,791	16	15
Total maximum exposure to credit risk	88,993	79,836	7,393	6,505

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 have 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						
2022						
Financial assets with credit risk						
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Simplified ⁽⁵⁾	Total
Interbank and money market items - deposits at financial institutions						
Investment grade	4,828	-	-	-	-	4,828
Allowance for expected credit loss	-	-	-	-	-	-
Investments in debt securities measured at amortised cost						
Investment grade	1,320	-	-	-	-	1,320
Allowance for expected credit loss	1	-	-	-	-	1
Investments in debt securities measured at fair value through other comprehensive income						
Investment grade	13,815	-	-	-	-	13,815
Allowance for expected credit loss	5	-	206	-	-	211
Loans to customers and accrued interest receivables						
Not overdue	50,195	-	-	22	-	50,217
Overdue 1 - 30 days	6,233	-	-	-	-	6,233
Overdue 31 - 60 days	-	4,162	-	-	-	4,162
Overdue 61 - 90 days	-	1,970	-	-	-	1,970
Overdue more than 90 days	-	-	1,369	1,156	-	2,525
Total	56,428	6,132	1,369	1,178	-	65,107
Allowance for expected credit loss	300	845	875	704	-	2,724
Receivables from purchase and sale of securities						
Receivables from purchase and sale of securities	2,001	-	-	-	-	2,001
Allowance for expected credit loss	-	-	-	-	-	-
Other assets						
Other assets	332	26	1,270	-	294	1,922
Allowance for expected credit loss	-	1	1,257	-	50	1,308

⁽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)

⁽⁵⁾ Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

Consolidated financial statements						
2021						
Financial assets with credit risk						
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Simplified ⁽⁵⁾	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)⁽⁵⁾ Financial assets for which simplified approach is applied (Simplified)

(Unit: Million Baht)

Separate financial statements					
2022					
Financial assets with credit risk					
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Total
Interbank and money market items -					
deposits at financial institutions					
Investment grade	1,848	-	-	-	1,848
Allowance for expected credit loss	-	-	-	-	-
Investments in debt securities measured at fair					
value through other comprehensive income					
Investment grade	162	-	-	-	162
Allowance for expected credit loss	-	-	58	-	58
Loans to customers and accrued interest					
receivables					
Not overdue	5,067	-	-	-	5,067
Overdue more than 90 days	-	-	22	277	299
Total	5,067	-	22	277	5,366
Allowance for expected credit loss	32	-	19	151	202
Receivables from purchase and sale of securities					
Receivables from purchase and sale of securities	1	-	-	-	1
Allowance for expected credit loss	-	-	-	-	-
Other assets					
Other assets	14	-	2	-	16
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					
2021					
Financial assets with credit risk					
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	POCI ⁽⁴⁾	Total
Interbank and money market items -					
deposits with 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)

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		Type of collateral
	2022	2021	
Loans to customers and accrued interest receivables	64,296	57,022	Cash, Lands, buildings, vehicles and securities

(Unit: Million Baht)

Separate financial statements			
	Exposure to credit risk with collateral		Type of collateral
	2022	2021	
Loans to customers and accrued interest receivables	353	328	Lands and buildings

45.2 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 Board of Executives.

Financial assets and financial liabilities as at 31 December 2022 and 2021, classified by types of interest rate are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements			
	2022			
	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
<u>Financial assets</u>				
Cash	-	-	5	5
Interbank and money market items	3,718	930	165	4,813
Financial instruments measured at fair value through profit or loss	-	254	2,236	2,490
Derivatives assets	-	-	132	132
Investments	-	15,134	3,489	18,623
Loans to customers	8,429	55,819	628	64,876
Receivables from purchase and sale of securities	-	-	2,001	2,001
Other assets	-	-	1,922	1,922
<u>Financial liabilities</u>				
Interbank and money market items	-	16,415	-	16,415
Derivatives liabilities	-	-	3	3
Debt issued and borrowings	21	47,709	-	47,730
Other liabilities - payables from purchase and sale of securities	-	-	1,069	1,069
Other liabilities	-	346	1,012	1,358

(Unit: Million Baht)

Consolidated financial statements				
Transactions	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 assets measured at fair value				
through profit or loss	-	324	2,457	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
Other liabilities - payables from purchase				
and sale of securities	-	-	1,264	1,264
Other liabilities	-	387	220	607

(Unit: Million Baht)

Separate financial statements				
2022				
Transactions	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
<u>Financial assets</u>				
Interbank and money market items	1,844	-	4	1,848
Financial assets measured at fair value through profit or loss	-	-	176	176
Derivatives assets	-	-	129	129
Investments	-	162	1,904	2,066
Loans to customers	4,941	216	135	5,292
Receivables from purchase and sale of securities	-	-	1	1
Other assets	-	-	16	16
<u>Financial liabilities</u>				
Debt issued and borrowings	-	20,016	-	20,016
Other liabilities	-	63	121	184

(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



As at 31 December 2022 and 2021, 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)

Consolidated financial statements							
2022							
Transactions	Repricing or maturity date					Total	Weighted average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
							Percent
<u>Financial assets</u>							
Interbank and money market items	-	902	28	-	-	930	0.10 - 0.73
Financial assets measured at fair value through profit or loss	-	1	230	23	-	254	3.50
Investments	-	-	230	10,335	4,569	15,134	0.75 - 43.24
Loans to customers	1,671	747	17,565	35,781	55	55,819	6.00 - 17.55
<u>Financial liabilities</u>							
Interbank and money market items	680	13,397	338	2,000	-	16,415	1.57 - 1.67
Debt issued and borrowings	-	3,555	6,373	29,211	8,570	47,709	2.88 - 6.27
Other liabilities - lease liabilities	-	3	27	316	-	346	2.38 - 5.13

(Unit: Million Baht)

Consolidated financial statements							
2021							
Transactions	Repricing or maturity date					Total	Weighted average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
							Percent
<u>Financial assets</u>							
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
<u>Financial liabilities</u>							
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)

Separate financial statements							
2022							
Transactions	Repricing or maturity date					Total	Weighted average interest rates
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Percent							
<u>Financial assets</u>							
Investments	-	-	-	102	60	162	3.64
Loans to customers	85	-	-	131	-	216	17.55
<u>Financial liabilities</u>							
Debt issued and borrowings	-	1,347	2,397	7,402	8,870	20,016	3.44
Other liabilities - lease liabilities	-	-	16	47	-	63	3.32

(Unit: Million Baht)

	Separate financial statements						
	2021						
	Repricing or maturity date						Weighted average interest rates Percent
Transactions	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 - lease liabilities	-	-	21	62	-	83	2.49



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.

45.3 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 2022 and 2021 are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements				
	2022				
	At call	Less than 1 year	Over 1 year	Unspecified	Total
<u>Financial assets</u>					
Cash	5	-	-	-	5
Interbank and money market items	3,883	930	-	-	4,813
Financial assets measured at fair value through profit or loss	-	231	23	2,236	2,490
Derivatives assets	129	-	-	3	132
Investments	-	230	14,904	3,489	18,623
Loans to customers ⁽¹⁾	1,920	19,166	37,806	5,984	64,876
Receivables from purchase and sale of securities	-	2,001	-	-	2,001
Other assets	1,498	407	1	16	1,922
<u>Insurance assets</u>					
Premium receivables	-	717	-	-	717
Reinsurance assets - claims reserves	-	159	110	-	269
Reinsurance receivables	-	112	-	-	112
<u>Financial liabilities</u>					
Interbank and money market items	680	13,735	2,000	-	16,415
Derivatives liabilities	-	3	-	-	3
Debt issued and borrowings	-	9,949	37,781	-	47,730
Other liabilities - payables from purchase and sale of securities	-	1,069	-	-	1,069
Other liabilities	-	1,088	270	-	1,358
<u>Insurance liabilities</u>					
Insurance contract liabilities					
- long-term insurance policy reserves ⁽²⁾	-	251	4,720	-	4,971
- loss reserves and outstanding claims	-	1,379	764	-	2,143
Due to reinsurers	-	1,085	-	-	1,085
<u>Commitments</u>					
Other commitments	1	-	-	-	1

(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)

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
Other liabilities - 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)

Transactions	Separate financial statements				
	2022				
	At call	Less than 1 year	Over 1 year	Unspecified	Total
<u>Financial assets</u>					
Interbank and money market items	1,848	-	-	-	1,848
Financial assets measured at fair value through profit or loss	-	-	-	176	176
Derivatives assets	129	-	-	-	129
Investments	-	-	162	1,904	2,066
Loans to customers ⁽¹⁾	16	143	4,937	196	5,292
Receivables from purchase and sale of securities	1	-	-	-	1
Other assets	15	1	-	-	16
<u>Financial liabilities</u>					
Debt issued and borrowings	-	3,744	16,272	-	20,016
Other liabilities	-	137	47	-	184
<u>Commitments</u>					
Other commitments	1	-	-	-	1

(1) The outstanding balances of loans to customers at call included credit impaired loans

(Unit: Million Baht)

Transactions	Separate financial statements				
	2021				
	At call	Less than 1 year	Over 1 year	Unspecified	Total
<u>Financial assets</u>					
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
<u>Financial liabilities</u>					
Debt issued and borrowings	-	3,996	7,700	-	11,696
Other liabilities	-	103	62	-	165
<u>Commitments</u>					
Other commitments	1	-	-	-	1

(1) The outstanding balances of loans to customers at call included credit impaired loans



45.4 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.

45.5 Fair value of financial instruments

As at 31 December 2022 and 2021, 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					
2022					
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					
- Financial assets designated to be measured at fair value through profit or loss	254	254	-	254	-
- Others	2,236	2,236	1,830	49	357
Derivatives assets	132	132	132	-	-
Investments in debt securities measured at fair value through other comprehensive income	13,815	13,815	-	13,815	-
Investments in equity securities designated to be measured at fair value through other comprehensive income	3,489	3,489	2,805	407	277
<u>Financial liabilities measured at fair value</u>					
Derivatives liabilities	3	3	3	-	-
<u>Non-financial assets measured at fair value</u>					
Land, premises and equipment - land and buildings	157	157	-	-	157

(Unit: Million Baht)

Consolidated financial statements					
2022					
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets and liabilities non-measured at fair value</u>					
Cash	5	5	-	-	5
Interbank and money market items (assets)	4,828	4,828	3,883	945	-
Investments in debt securities measured at mortised cost	1,319	1,319	-	1,319	-
Loan to customers and accrued interest receivables - net	62,383	61,866	-	8,488	53,378
Receivables from purchase and sale securities	2,001	2,001	-	2,001	-
Other assets	614	614	-	614	-
Interbank and money market item (liabilities)	16,415	16,394	-	-	16,394
Debts issued and borrowings	47,730	47,783	-	47,783	-
Other liabilities - payables from purchase and sale of securities	1,069	1,069	-	1,069	-
Other liabilities - accrued interest payable	272	272	-	272	-

(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					
- Financial assets measured at fair value through profit or loss	324	324	-	324	-
- Others	2,457	2,457	1,778	329	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 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



(Unit: Million Baht)

	Consolidated financial statements				
	2021				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets and liabilities non-measured at fair value</u>					
Cash	4	4	4	-	-
Interbank and money market items (assets)	8,947	8,947	3,153	5,794	-
Loan to customers and accrued interest receivables - net	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	-
Other liabilities - payables from purchase and sale of securities	1,264	1,264	-	1,264	-
Other liabilities - accrued interest payable	220	220	-	220	-

(Unit: Million Baht)

		Separate financial statements			
		2022			
	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					
- Others	176	176	-	49	127
Derivatives assets	129	129	129	-	-
Investments in debt securities measured at fair value through other comprehensive income	162	162	-	162	-
Investments in equity securities designated to be measured at fair value through other comprehensive income	1,904	1,904	1,621	52	231
<u>Non-financial assets measured at fair value</u>					
Land, premises and equipment - land and buildings	58	58	-	-	58
<u>Financial assets and liabilities non-measured at fair value</u>					
Interbank and money market items (assets)	1,848	1,848	1,848	-	-
Loan to customers and accrued interest receivables - net	5,164	5,164	-	5,035	129
Receivables from purchase and sale of securities	1	1	-	1	-
Other assets	14	14	-	14	-
Debt issued and borrowings	20,016	20,052	-	20,052	-
Other liabilities - accrued interest payable	121	121	-	121	-

(Unit: Million Baht)

Separate financial statements					
2021					
	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					
- Others	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 - net	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 payable	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 and perpetual subordinated bond 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 effective interest rate, 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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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.

46. Events after the reporting period

On 20 February 2023, 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 1.90 per share, or a total of Baht 1,992 million.

47. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2023.

ABBREVIATIONS

Thanachart Capital Public Company Limited	the Company
Thanachart Securities Public Company Limited	TNS
Thanachart Insurance Public Company Limited	TNI
T Life Assurance Public Company Limited	T 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
T Broker Company Limited	T Broker
MT Service 2016 Company Limited	MTS
Thanachart SPV1 Company Limited	SPV1
Thanachart SPV2 Company Limited	SPV2
Thanachart Bank Public Company Limited	TBANK
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

Attachment (Website)



Attachment 1

Details of the Board of Directors, Executives,
Controlling Persons, and Company Secretary

Attachment 2

Details Related to Directors of Subsidiary Companies

Attachment 3

Details of the Head of Internal Control
and the Head of Compliance of the Company

Attachment 4

Assets Used for Business Operations
and 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

The Board of Directors

(As at 31 December 2022)

Mr. Banterng Tantivit	Chairman (Non-executive Director)	
Date of Appointment	30 October 1980	
Age	78 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 of the Corporate Governance and Sustainability Committee● Chairman	2015 - Present 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	• Director	1987 - Present
Thai Farming Company Limited	• Director	1987 - Present
Experience in the Past 5 Years		
Dusit Thani Public Company Limited	• Director	2015 - 2017
Thanachart Bank Public Company Limited	• Chairman	2002 - 2019
MBK Public Company Limited	• 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	72 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 <p><u>TMB Bank Public Company Limited</u></p> <ul style="list-style-type: none"> • 2020 Cyber Security Awareness for BoD, Personal Data Protection Act, Economic and Sectoral Outlook: A High-Frequency Data Perspective <p><u>TMBThanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> • Security Awareness Training: Cybersecurity and Cyber Resilience • Decentralized Finance (DeFi), Digital Marketing Strategy, Open Banking and Virtual Banking and ESG - Environmental, Social, Governance

Position in Other Listed Company

TMBThanachart Bank Public Company Limited	• Vice Chairman and Vice Chairman of the Executive Committee	2019 - Present
MBK Public Company Limited	• Chairman of the Executive Committee	2018 - Present
	• Chairman of the Nomination and Compensation Committee	2015 - Present
	• Member of the Corporate Governance and Sustainability Committee	2015 - Present
	• Vice Chairman	2006 - Present
PRG Corporation Public Company Limited	• Chairman of the Good Corporate Governance Committee	2016 - Present
	• Chairman	2012 - Present

Position in Other Non-listed Company

Thanachart Insurance Public Company Limited	• Vice Chairman	2019 - Present
	• Chairman of the Executive Committee	2005 - Present
T Life Assurance Public Company Limited (Formerly known as “MBK Life Assurance Public Company Limited” changed the name of the company since July 2022)	• Chairman	2014 - Present
Siam Piwat Holding Company Limited	• Director	2006 - Present
MBK Resort Public Company Limited	• Director	2005 - Present
Siam Piwat Company Limited	• Director	2003 - Present

Experience in the Past 5 Years

Thanachart Bank Public Company Limited	• Vice Chairman of the Executive Committee	2019 - 2021
	• Member of the Succession Committee	2016 - 2019
	• Vice Chairman	2005 - 2021
	• Chairman of the Executive Committee	2005 - 2019
DMS Property Investment Private Company Limited	• Chairman	2015 - 2019
Thanachart Insurance Public Company Limited	• Chairman	2014 - 2019
Thanachart Capital Public Company Limited	• Chairman of the Risk Management Committee	2010 - 2018
	• Chief Executive Officer	2010 - 2018

Patum Ricemill and Granary Public Company Limited	● Chairman of the Executive Committee	2011 - 2017
Royal Orchid Hotel (Thailand) Public Company Limited	● Director	2007 - 2018
Thai Royal Orchid Real Estate Company Limited	● Director	2007 - 2018
MBK Public Company Limited	● 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	74 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	<div>2015 - Present</div> <div>2013 - Present</div>	
Frasers Property Company Limited - Singapore	<ul style="list-style-type: none">● Member of the Audit Committee and Member of the Information Technology & Cybersecurity Committee	<div>2022 - Present</div>	

Position in Other Non-listed Company	None	
Experience in the Past 5 Years		
Fraser and Neave, Limited (Singapore)	● Chairperson of the Audit Committee and Member of the Nomination Committee	2014 - 2022
	● Member of the Remuneration Committee	2013 - 2022
Thai Solar Energy Public Company Limited	● Chairperson of the Audit Committee	2013 - 2021
Solaris Asset Management Company Limited	● Chairperson	2008 - 2017
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	69 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	• Director and 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	68 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		
Auto X Company Limited	<ul style="list-style-type: none">● Chairperson of the Audit and Risk Management Committee and Member of the Nomination Committee	2022 - Present
Siam Paragon Retail Company Limited	<ul style="list-style-type: none">● Director	2021 - Present
Siam Paragon Development Company Limited	<ul style="list-style-type: none">● Director	2021 - Present
Green Earth Power (Thailand) Company Limited	<ul style="list-style-type: none">● Chairperson	2020 - Present
SCB Asset Management Company Limited	<ul style="list-style-type: none">● Chairperson of the Audit Committee	2018 - Present
Experience in the Past 5 Years		
Nation Multimedia Group Public Company Limited	<ul style="list-style-type: none">● Director	2018 - 2020
The Office of Small and Medium Enterprise Promotion	<ul style="list-style-type: none">● Director	2015 - 2017
MBK Life Assurance Public Company Limited	<ul style="list-style-type: none">● Chairperson of the Audit Committee	2014 - 2019
Public Warehouse Organization Ministry of Commerce Thailand	<ul style="list-style-type: none">● Chairperson of the Executive Committee	2014 - 2018
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	57 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 (AAPC), 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• Certificate, Ethical Leadership Program (ELP), Class 25/2022 <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		
<hr/>			
Position in Other Listed Company			
Humanica Public Company Limited	• Member of the Nomination and Remuneration Committee	2020 - Present	
	• Member of the Audit Committee	2015 - Present	
Vintcom Technology Public Company Limited	• Chairman of the Risk Management Committee and Member of the Nomination and Remuneration Committee	2019 - Present	
	• Member of the Audit Committee	2015 - Present	

SiamEast Solutions Public Company Limited	● 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 KCU 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	76 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	<u>Thai Institute of Directors Association</u> <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● Certificate, Successful Formulation and Execution of Strategy (SFE), Class 38/2022 <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 <u>The Stock Exchange of Thailand</u> <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● Member of the Risk Management Committee● Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee● Director	<ul style="list-style-type: none">2020 - Present2019 - Present2018 - Present2002 - Present	
Netbay Public Company Limited	<ul style="list-style-type: none">● Member of the Nomination and Remuneration Committee● Member of the Audit Committee	<ul style="list-style-type: none">2015 - Present2014 - Present	
MBK Public Company Limited	<ul style="list-style-type: none">● Information Technology Advisor	<ul style="list-style-type: none">2012 - Present	

Position in Other Non-listed Company

USC International Group Company Limited	● Director	2022 - Present
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

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	77 Years	
Education	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">• Chairperson	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	66 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, 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 <p><u>Digital Business Consult</u></p> <ul style="list-style-type: none"> • PDPA Enforcement Action Board of Directors Responsibility <p><u>TMB Bank Public Company Limited</u></p> <ul style="list-style-type: none"> • 2020 Cyber Security Awareness for BoD, Personal Data Protection Act, Economic and Sectoral Outlook: A High-Frequency Data Perspective <p><u>TMBThanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> • Security Awareness Training: Cybersecurity and Cyber Resilience • Decentralized Finance (DeFi), Digital Marketing Strategy, Open Banking and Virtual Banking and ESG - Environmental, Social, Governanc

Position in Other Listed Company

TMBThanachart Bank Public Company Limited	● Member of the Credit Committee	2021 - Present
	● Member of the Executive Committee and Member of the Nomination, Remuneration, and Corporate Governance Committee	2019 - Present
Ratchthani Leasing Public Company Limited	● 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	● Liquidation Advisor	2021 - Present
Thanachart Plus Company Limited	● Director	2021 - Present
Phahonyothin Asset Management Company Limited	● Advisor	2021 - Present
Thanachart SPV1 Company Limited	● Chairman	2020 - Present
	● Director	2019 - Present
Thanachart SPV2 Company Limited	● Chairman	2020 - Present
	● Director	2019 - Present
TS Asset Management Company Limited	● Chairman	2019 - Present
Thanachart Securities Public Company Limited	● Chairman of the Executive Committee	2013 - Present
	● Chairman	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, Remuneration, and Corporate Governance Committee	2019 - 2021
	● Chairman of the Risk Management Committee	2012 - 2018
	● Chief Executive Officer and President	2011 - 2018
	● Member of the Executive Committee	2009 - 2018
The Thai Bankers' Association	● Director	2018
	● Advisor	2016 - 2018

Thai Listed Company Association	• Vice Chairmar	2017 - 2021
	• Vice Chairman Advisor	2015 - 2017
Thanachart Insurance Public Company Limited	• Vice Chairman	2014 - 2018
	• Vice Chairman of the Executive Committee	2013 - 2018
Thanachart Fund Management Company Limited	• Chairman	2013 - 2020
	• Chairman of the Executive Committee	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	

Mr. Kamtorn Tantisirivat	Member of the Risk Oversight Committee, Secretary to the Risk Oversight Committee, and Executive Vice President, Financial Division
Age	60 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 • Certificate, Director Certification Program (DCP), Class 323/2022 <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 Company 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 • TFRS 2023 <p><u>The Bank of Thailand</u></p> <ul style="list-style-type: none"> • Thailand Sustainable Banking 2018 <p><u>Dharmniti Seminar and Training Company Limited</u></p> <ul style="list-style-type: none"> • Financial Analysis for analyzing the business situation and improving the performance

The Securities and Exchange Commission, Thailand,
Sustainalytics, and Morningstar Research (Thailand)
Company Limited

- ESG Risk & Investment for Asset Managers and Market Participant

Digital Business Consult

- PDPA Enforcement Action Board of Directors Responsibility Team Excellence Consulting Company Limited
- Over all TFRS17 for management

Position in Other Listed Company

Ratchthani Leasing Public Company Limited	● Member of the Executive Committee, Member of the Risk Management Committee, and Member of the Corporate Governance Committee	2020 - Present
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Position in Other Non-listed Company

TM Communications and Brand Management Company Limited	● Director	2020 - Present
TS Asset Management Company Limited	● Director	2019 - Present
Thanachart SPV1 Company Limited	● Director	2019 - Present
Thanachart SPV2 Company Limited	● Director	2019 - Present
MAX Asset Management Company Limited	● Vice Chairman ● Director	2018 - Present 2016 - Present
NFS Asset Management Company Limited	● Vice Chairman ● Director	2018 - Present 2016 - Present
MT Service 2016 Company Limited	● Director	2016 - Present
T Life Assurance Public Company Limited (Formerly known as “MBK Life Assurance Public Company Limited” changed the name of the company since July 2022)	● Member of the Risk Management Committee	2014 - Present

Experience in the Past 5 Years

MAX Asset Management Company Limited	● Chairman	2016 - 2018
NFS Asset Management Company Limited	● Chairman and Chairman of the Executive Committee	2016 - 2018
MBK Life Assurance Public Company Limited	● 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	61 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	• Vice Chairman	2016 - 2018
	• Vice Chairman of the Executive Committee	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	60 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 Management● 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	60 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		
Security Scib Services Company Limited	● Liquidator	2022 - Present
Thanachart Management and Services Company Limited	● Director	2020 - Present
Bangkok Home Company Limited	● Director and Liquidator	2000 - Present
Experience in the Past 5 Years		
Security Scib Services Company Limited	● Chairperson	2016 - 2022
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	57 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			
MBK Public Company Limited	● Advisor, Accounting and Finance	2022 - Present	
Position in Other Non-listed Company			
Thanachart Plus Company Limited	● Director	2022 - Present	
Thanachart Group Leasing Company Limited	● Liquidator	2022 - Present	
Security SCIB Services Company Limited	● Liquidator	2022 - Present	
H T R Corporation Limited	● Director	2020 - Present	
Thanachart Insurance Public Company Limited	● Director	2020 - Present	
T Life Assurance Public Company Limited (Formerly known as “MBK Life Assurance Public Company Limited” changed the name of the company since July 2022)	● Member of the Executive Committee	2020 - Present	
	● Director	2010 - Present	
TM Communications and Brand Management 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

Security Scib Services Company Limited	• Director	2020 - 2022
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	

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	59 Years
Education	<ul style="list-style-type: none"> • Bachelor of Law, Thammasat University
Directorship and Executive Training Program	<p><u>Thai Institute of Directors Association</u></p> <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 <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>The Bank of Thailand</u></p> <ul style="list-style-type: none"> • Thailand Sustainable Banking 2018 <p><u>Board of Trade of Thailand</u></p> <ul style="list-style-type: none"> • Personal Data Protection Act - PDPA <p><u>Thai Law Training</u></p> <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

Report on Changes in Shareholding of the Company's Directors and Executives in 2021 to 2022

No.	Name	Position	Number of Share(s) held as at 31 December 2022	Number of Share(s) held as at 31 December 2021	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. Suvarnapha Suvarnaprathip	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
9	Mr. Somjate Moosirilert	Director and Chief Executive Officer	-	-	-	-
	Spouse and minor children		-	-	-	-
10	Mr. Kamtom 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		-	-	-	-

The Information of the Director, Executive, and Authorized Persons' Position in Subsidiary, Associated, and Related Companies

(As at 31 December 2022)

[illegible]

List of Subsidiary, Associated, and Related Companies

Subsidiary Companies

- | | |
|---|---|
| 1. Thanachart Securities Public Company Limited | 8. MAX Asset Management Company Limited |
| 2. Thanachart Insurance Public Company Limited | 9. NFS Asset Management Company Limited |
| 3. T Life Assurance Public Company Limited | 10. MT Service 2016 Company Limited |
| 4. Ratchthani Leasing Public Company Limited | 11. Thanachart Management and Services
Company Limited |
| 5. TS Asset Management Company Limited | 12. Thanachart Plus Company Limited |
| 6. Thanachart SPV1 Company Limited | |
| 7. Thanachart SPV2 Company Limited | |

Associated Company

- 13. MBK Public Company Limited
- 14. TMBThanachart Bank Public Company Limited
- 15. TM Communications and Brand Management Company Limited

Related Companies

- | | |
|--|--|
| 16. MBK Resort Public Company Limited | 31. Siam Paragon Retail Company Limited |
| 17. Siam Piwat Company Limited | 32. Siam Paragon Development Company Limited |
| 18. Siam Piwat Holding Company Limited | 33. Auto X Company Limited |
| 19. Thai Farming Company Limited | 34. Vintcom Technology Public Company Limited |
| 20. Deebuk Company Limited | 35. Humanica Public Company Limited |
| 21. B.V. Holding Company Limited | 36. SiamEast Solutions Public Company Limited |
| 22. Laem Sai Village Company Limited | 37. IMC Outsourcing (Thailand) Company Limited |
| 23. 911 Streetball Company Limited | 38. Netbay Public Company Limited |
| 24. PRG Corporation Public Company Limited | 39. IT City Public Company Limited |
| 25. Frasers Property Company Limited - Singapore | 40. Amornchewin Company Limited |
| 26. Sermsuk Public Company Limited | 41. The Grand UB Company Limited |
| 27. U.S.P.N. Company Limited | 42. USC International Group Company Limited |
| 28. T.V.V. Enterprise Company Limited | 43. Seacon Development Public Company Limited |
| 29. SCB Asset Management Company Limited | 44. Bangkok Home Company Limited |
| 30. Green Earth Power (Thailand) Company Limited | 45. 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 2022

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 and 2) THANI.

Name		TNI	THANI
1.	Mr. Banterng Tantivit	XXX	
2.	Mr. Suphadej Poonpipat	XX ///	
3.	Mr. Praphan Anupongongarch	X //	
4.	Mr. Wichian Mektrakarn	X	
5.	Mr. Pirus Pradithavanij	X	
6.	Mr. Surapant Meknavin	X	
7.	Mrs. Thanawan Chaisithikarnkha	X	
8.	Mr. Perapart Meksingvee	X / A	
9.	Mr. Virat Chinrapinporn		XXX /
10.	Mr. Kovit Rongwattanasophon		X /// A
11.	Mr. Somjate Moosirilert		X /
12.	Ms. Suvarnapha Suvarnaprathip		X
13.	Mr. Kamtorn Tantisirivat		X /
14.	Mr. Sorasak Chayarak		X
15.	Mr. Pichai Kititti		X
16.	Dr. Thakol Nunthirapakorn		X
17.	Mr. Suvit Arunanondchai		X
18.	Mr. Varavudh Varaporn		X
19.	Dr. Naree Boontherawara		X
20.	Mr. Surapon Satimanont		X

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

Profiles of the Head of Compliance of the Company are the same as profiles of the Company Secretary which is disclosed in the Form 56-1 One Report under Attachment 1 on the Company's website.

The Company's Head of Internal Audit

(As at 31 December 2022)

Mr. Wichai Sathiarujikanon		Vice President, Audit Division and Secretary to the Audit Committee	
Age	58 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	● Vice President, Audit Division	2014 - 2019	
Family Relationship with Director and Management	None		
No. of TCAP Share Held	None		



Attachment 4

Assets Used for Business Operations and Details Related to Assets Appraisal

Assets Used for Business Operations

The Company has disclosed the information in Form 56-1 One Report in 1.1.2 Nature of Business Operation.

Details Related to Assets Appraisal

- None -



Attachment 5

Corporate Governance Policies and Code of Ethics

Good Corporate Governance Policies Thanachart Capital Public Company Limited (Revised 2022)

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. 10/2022 held on 31 October 2022 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. The set goals are appropriate to the business environment and potential of the Company by 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-term 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 and other companies that the Company has significant investments 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 executive in TMBThanachart Bank Public Company (Limited). 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% of outstanding shares to not more than 50%, 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.

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.
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.

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 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 and provide opportunities for 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 head office of the Company shall be deemed as the meeting place. 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 2022)

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. 10/2022 held on 31 October 2022 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. Strictly comply with contracts and obligations made with creditors, especially terms of guarantees, capital management, and the case of default on debt payment

in terms of the purpose of using money, payment of principal and interest, terms of interest guarantee, or any other matters agreed upon with creditors. The Company will regularly report financial status and information to creditors in accordance with the agreed terms and conditions with accuracy and transparency manners.

For capital management, the Company places importance on stability and strength as well as sufficient liquidity management for repaying debts to creditors on time.

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, hospitality services, facilitation fees 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:

1. Mrs. Siripen Sitasuwan Chairperson
2. Mr. Tiraphot Vajrabhaya Member
3. Mrs. Salinee Wangtal Member

In this regard, Mr. Wichai Sathianrujikanon, Vice President, Audit Division, to serve as the secretary of the Audit Committee.

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 2022, 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.

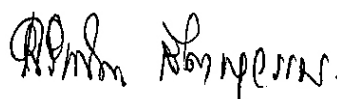
- **Related Party Transaction and Conflict of Interest**

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:

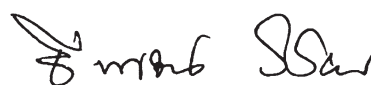
- Recruiting and selecting candidates with a diverse range of knowledge, ability, experience, and expertise, who meet all eligibility requirements of the law and possess no prohibited characteristics established by the law or stipulated in the official announcements. Also, proposing them for appointment 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 2022, the Nomination, Remuneration, and Corporate Governance Committee held six 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 2022 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 2022. 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 and Executive Vice President in 2023.
 - Considering the succession plan for Chief Executive Officer and high-ranking executives.
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 2022 and the allocation of performance allowances for Members of the Board of Directors in 2021, proposing the remuneration and performance allowance to the Board of Directors and the 2022 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 2022.
 - Considering the performance of the Board of Directors as well as the Nomination, Remuneration, and Corporate Governance Committee for 2021 and reviewing the 2022 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 2022.
 - Reviewing the 2021 performance appraisal form for the Chief Executive Officer, the performance appraisal results for 2021 and considering adjustments to the salary and special remuneration of the Chief Executive Officer as well as considering the salary adjustment and special remuneration of the Executive Vice President.
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 2021 in line with the principles of good corporate governance, which was given in 56-1 One Report and Annual Report 2021 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 2022 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 2023 Annual General Meeting of Shareholders.
- Reviewing Thanachart Group's Good Corporate Governance Policy and Handbook of the Code of Ethics for the Year 2022, reviewing the Nomination and Remuneration Policy, considering the Charter of the Board of Directors, the Charter of the Nomination, Remuneration, and Corporate Governance Committee, reviewing the policy on information disclosure and use of insider information, reviewing the Anti-corruption Policy and Anti-corruption measures, and considering the policy for hiring public officials, 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 and the Corporate Governance Report for Thai Listed Companies (CGR) of 2023 as well as the related laws. The objective was to propose the charters to the Board of Directors for consideration.
- Acknowledging the assessment results of the 2022 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.
- Considering the Company's sustainability approach.

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



Risk Oversight Committee

The Company's Risk Oversight Committee is composed of five members, including two Independent Directors, one Non-executive Director, one Executive Director, and one senior executives of the Company, who possess not only qualifications in accounting, finance, and information technology but also work experiences in financial institutions and large organizations. Their names are as follows:

- | | | |
|-------------------|--------------|----------------------|
| 1. Dr. Thanachart | Numnonda | Chairman |
| 2. Mr. Vichit | Yanamorn | Member |
| 3. Mrs. Salinee | Wangtal | Member |
| 4. Mr. Somjate | Moosirilert | Member |
| 5. Mr. Kamtorn | Tantisirivat | Member and Secretary |

In the course of the past year 2022, the Risk Oversight Committee held 12 meetings in total to perform the duties specified in the Charter of the Risk Oversight Committee. In this connection, the report of each meeting was submitted to the Company's Board of Directors for information. The key contents of the reports could be summarized as follows:

1. The Committee proposed to the Company's Board of Directors the overall risk management policy of the Company as well as the risk management policy of Thanachart Group for approval. Emphasis was placed on establishment of the standards for monitoring, verifying, and ensuring the strict adherence to the risk management policies.
2. The Committee developed risk management strategies, ensuring that they were aligned with the Company's risk management policy. In this connection, the Committee was able to not only assess, monitor and maintain the Company's risks at appropriate levels, but also ensure that the strategies for managing capital funds and liquidity for accommodating the Company's various risks were aligned with the acceptable risk levels which were approved.
3. The Committee reconsidered and reviewed the adequacy of the policies and the effectiveness of the overall risk management strategies as well as the acceptable risk levels at least once a year or whenever there was a significant change. The objectives were to assess whether the Company's risk management policies and strategies covered all types of risks as well as the emerging risks and to ensure that the policies and strategies were implemented in an efficient and effective manner.
4. The Committee put in place measures for managing the Company's risks in terms of preventing potential losses and solving problems that might arise.

5. The Committee analyzed both internal and external factors that might have significant impacts on the financial position. The analysis results would be used for changing the Company's overall risk management policies.
6. The Committee administered, monitored, verified, and ensured that all member companies under Thanachart Group operated in compliance with the established policies on risk management.

The Risk Oversight Committee has performed its duties and responsibilities assigned by the Company's Board of Directors, in a prudent and cautious manner, for the benefits of the risk management of all member companies under Thanachart Group.



(Dr. Thanachart Numnonda)

Chairman of the Risk Oversight Committee



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