



WHY HOW

What we believe and How we do

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**At Ngern Tid Lor,
in everything
we do,**

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

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CORE VALUES

1. Sustainable Impact by
Creating Opportunities
2. Sense of Ownership with Gratitude
3. Candid Teamwork
4. Serve with Integrity, Informality,
and Authenticity
5. Thirst for Wisdom and
Self-Development
6. Experiment to Lead Change
7. Work Smart, Party Hard

Contents

Message from Chairman	4
Message from Managing Director	8
Message from Audit Committee	32
Board of Directors	36
Senior Management Team	38
Financial Highlights	40
Activity Highlights 2022	42
Opportunities to Customers and Society	46
Product Highlights	48
Awards of Pride	50
Business Operation and Performance	54
Shareholding Structure of the Company Group	81



Risk Management	88
Driving Business for Sustainability	98
Details of Directors	132
Detail of Senior Management Team	140
Corporate Governance	146
Internal Control and Related-Party Transactions	178
Report of The Board of Directors' Responsibility for	190
Financial Reporting	
Management Discussion and Analysis (MD&A)	191
Report of the Independent Certified Public Accountants	202
Financial Statements	207
General Information	271
Report from the Remuneration and Nomination Committee (RNC)	272
Risk Management Committee's Performance Report	273



Message from Chairman

The year 2022 has been another very tough year. Another really tough year, 2022 has been. We have steered the company carefully and have emerged stronger than 2021. Our key financial ratios on safety and soundness is strong and have shown a strong earning capacity despite the headwinds. The pandemic has been unrelenting with Thailand opening up only in Q4 2022. The ongoing Ukraine war and the geo politics has led to an unprecedented inflation. To negotiate this tough economy, the company focused on strong risk management discipline and also helping our vulnerable customers with timely and appropriate debt restructure measures.

While negotiating through this phase the company has generated very strong earnings with an ROE of 15.2%. Also, TIDLOR has maintained a very strong portfolio quality and have adequate funding to support the growth plans 2023 and also start with some strategic partnerships like Somjai 2559 Company Limited which we announced in October, 2022. TIDLOR will also look at inorganic acquisitions in relevant adjacencies to ensure the growth trajectory apart from strong BAU growth.

I am grateful once again to our clients, partners, team members, and other stakeholders for their steadfast focus to make this happen. Despite the economy slowing down and world economic recession, the management has very carefully steered the company very safely.

The financial performance of both lending and insurance top line has been very robust. However, the cost-to-income rises from the company provision supports the increasing company portfolio performance and economic uncertainty. The company met all the listing estimates and record profits and achieved this with growth momentum your company, with respect to capital adequacy, liquidity position, asset quality, and earning capacity.

The performance of TIDLOR for the year 2022 was good, generated revenue of 15,274 million Baht and making a net profit of 3,640 million Baht, growing 15 percent. Our focus in technology and digital innovation for driving the organization forward fast. For instance, the innovative TIDLOR Card increases convenience for customers to withdraw cash from approved credit lines through nearly 50,000 ATMs of leading commercial banks nationwide 24 hours a day.

We have been constantly expanding our branch network to expand our service channels. We currently have 1,628 branches nationwide and focus on efficient management of operating expenses as reflected in the continuously decreasing cost to income, which is in line with lower financial costs. TRIS rating has promoted the company credit rating to be “outstanding senior unsecured debentures ratings at level A or stable” after being listed in the Stock Exchange of Thailand.

While the global economy was persistently sluggish over 2022, TIDLOR is fully committed to conducting business with Sustainability principles under good corporate governance and appropriate risk management. Along with supporting the development of economic, social, and environmental balance while setting the company's sustainable development goals in line with the UN's Sustainable Development Goals (SDGs). These reflect TIDLOR's achievement to generate long-term growth and sustainable returns for the maximum benefit of all stakeholders and the creation of benefits for society and the nation.

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



Mr. Chandrashekar Subramanian Krishoolndmangalam
Chairman of the Board



Message from Managing Director

I am pleased to report in our second annual letter to share owners that 2022 was a record-setting year for your company's performance. Over the past 12 months, we have grown Ngern Tid Lor's (NTL) balance sheet by over 30% to 81.3 billion THB, increased non-life insurance premium sales by almost 35% to 7.0 billion THB, and achieved a double-digit increase of 15% in our net income, reaching a new high at 3.6 billion THB. Remarkably, this growth in earnings was accomplished after we added 588 million THB to our industry-high loan loss reserve balance.

Financial profits aside, it is critical to remember that your company is focused on financial inclusion. Behind the loans outstanding and insurance premiums sold is a customer or family that is almost certainly in a worse financial situation than you. Due to the nature of our product, the underbanked are typically living in rural areas, self-employed, and have low or irregular cash flows, low savings, and low degrees of financial literacy and sophistication. Often, they are found struggling to make ends meet, living on a day-to-day, week-to-week, or month-to-month basis. As we discuss performance and the industry, we must never forget to consider that our clients are among the most financially vulnerable earners in the country and that besides profits, we aim to contribute to the broader mission of poverty alleviation.

Our team delivered the above industry-leading results by ensuring that our resources were directed toward the following priorities: raising financial inclusion standards, maintaining high-quality growth, enhancing productivity, improving customer experience, ensuring digital transformation and product innovation, and taking care of our people. We operated upon these themes while continuing to invest in our accessibility both offline and online. On the product and communication side, we rolled out successful campaigns for both our lending and insurance brokerage business units, launched the Tidlor Broker brand, and introduced the Tidlor Card product to our four-wheeler title loan clients.

Even though we encountered several unanticipated headwinds in our journey, our growth was unhindered. One at a time, these adverse events started to befall since the first quarter, beginning with the troubles of three and the subsequent bankruptcy of two non-life insurance partners. This was followed by the war between Russia and Ukraine, which triggered a steep rise in gasoline prices, caused global supply chain disruptions, and accelerated inflation. We then experienced a steeper-than-expected rise in interest rates. This series of external events led to fluctuations in the supply/demand balance for motorcycles, cars, and trucks and impacted both the demand for title loans and the underlying value of assets against which we lend. Furthermore, these events also resulted in a deterioration in clients' ability to service loans, an increase in operating expenses, a rise in borrowing costs, and a downward rerating of stocks in the nonbank financial services sector. It is important to note that these recent macro headwinds did not only affect us but also elevated risks and costs to virtually all companies in the title loan and adjacent industries. We believe that this turbulent business environment will extend into 2023 and potentially beyond.

Despite a less-rosy short- and mid-term outlook for the business environment, we remain confident of our company's long-term outlook, and we believe that over time, NTL's share owners will come to see that, thanks to our disciplined and prudent approach to risk management, we were one of the better-prepared nonbanks to face these challenges.

While my letter last year was intended to introduce you to our company, this year I will attempt to share more of our thoughts about various components of our business. The rest of this letter will touch upon a variety of topics, specifically the following:

1. Observed trends and how they impact our industry and business
2. The performance of our lending operations
3. The performance of our insurance operations
4. Our views on risk management, technology, and data in a rapidly changing environment
5. Thoughts on the future

OBSERVED TRENDS AND IMPACT ON OUR INDUSTRY AND BUSINESS

The era of cheap and easy money and low inflation appears to be over.

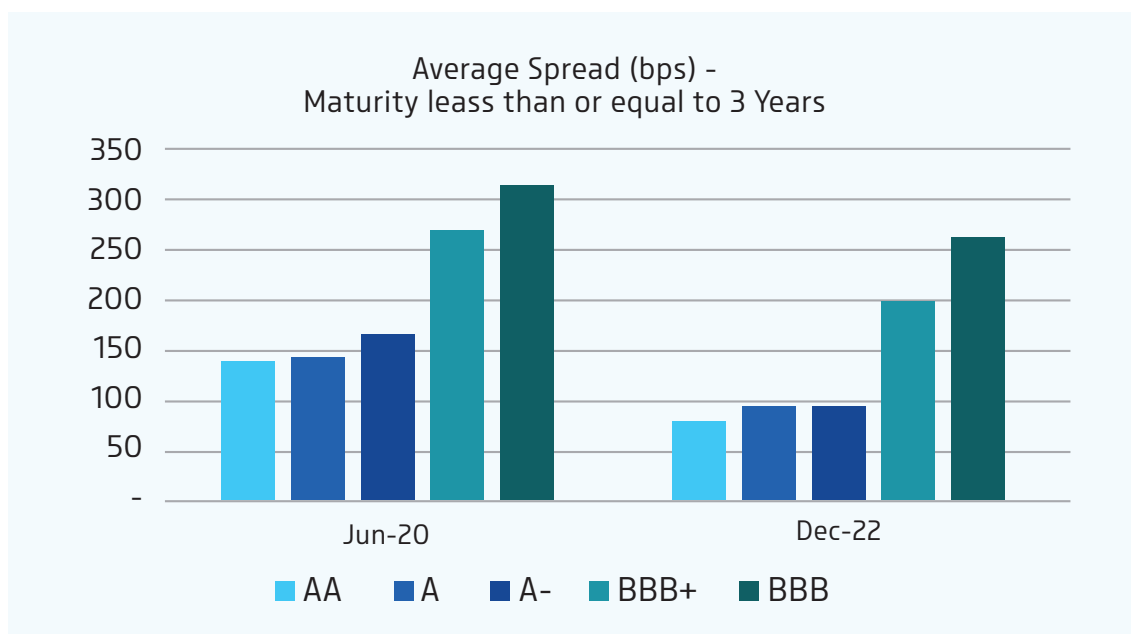
The past decade has been good for consumer-lending businesses globally. With access to an abundance of low-cost funding, nonbanks have played a proportionately larger role in providing consumer credit worldwide.

Thailand was no exception. With a lesser degree of regulatory scrutiny, fewer legacy systems, and no institutional memory of the 1997 Tom Yum Kung financial crisis, which left deep scar tissues within Thai banks, alternative lenders drove consumer credit growth in Thailand and increased their penetration from 47% in 2012 to 62% in 2022 with an annual growth rate of 16%.

During this period of relative stability and abundant capital, in 2014, title loan operators emerged from the darker corners of the shadow banking system and began listing on the Stock Exchange of Thailand. With greater visibility and stronger balance sheets, title loan lenders were able to access even greater capital through Thailand's relatively deep debt capital markets. This somewhat short observation window means that creditors, investors, and regulators have only witnessed the performance of title loan operators during stable economic conditions, in which the interest rate spreads between the investment grade and junk bonds were relatively narrow, and risk premiums extracted from weaker players have been relatively undemanding.

Just as a rising tide lifts all boats, this widespread availability of low-cost funding has contributed to the past profitability of all title loan players.

However, the recent global trend of central banks raising interest rates has resulted in investors demanding higher risk premiums from lower-grade debt issuers.



For a number of reasons, your company is likely to fare better than some peers during this period of interest rate tightening, reduced market liquidity, and expected economic downturn:

1. Our policy has always been to avoid what the financial community calls maturity transformation or duration mismatches between assets and liabilities. In principle, this means that if our average loan contract to consumers has a 24-month duration, we will issue a 24-month duration debenture with fixed interest rates to match our lending, thus “locking in” the net interest margins (NIMs) of the loan over its entire life at the time of the loan origination. This discipline of duration matching, while viewed as disadvantageous during times of highly liquid capital markets, reduces NTL’s exposure to market risk and is practiced by leading global financial institutions. We are not in the business of speculating on interest rate movements and therefore do not try to benefit from maturity transformation, which has been identified as a major contributor to both the 1997 and 2007-2008 financial crises.
2. With our single “A” rating, we have earned the highest standing amongst peers from the TRIS Rating Agency. We are told that this rating includes a one-notch “uplift” due to NTL having a strong shareholder in the Bank of Ayudhya. Even without this uplift, however, our standalone rating of “A-” would still be the highest among peers. This is directly the result of a combination of how we implement policies related to accounting, capital, and risk management, which I will discuss later. With this investment-grade rating, we can expect our rising funding costs to increase at a slower pace than lower-rated, non-investment-grade peers.
3. As of the end of 2022, we have over 20 billion THB in unused credit facilities with various domestic and international lenders. With 40% of our borrowings financed by debentures, the remaining 60% comes from relationships with banks, of which only half is contributed by our major shareholder, Bank of Ayudhya.

After staying below 2% for the better part of the last decade, Thailand’s nominal inflation rate jumped to nearly 6% in the second half of 2022. The implication here is that title loan borrowers, comprised of some of the most financially vulnerable segments of the population, have experienced a decline in their ability to service loans, causing the performance of title loan portfolios to deteriorate.

The competitive landscape is colliding with adjacent industries.

For a consumer finance sector that is comparatively mature relative to most ASEAN countries, the Thai consumer finance space has witnessed a lot of activity.

Banks are moving into title loans. Over the past 18 to 24 months, we have seen private and state-owned banks announce initiatives to participate in the title loan space. This activity has included forming joint-ventures, establishing title-loan-focused subsidiaries launching new products, and investing in existing players. I believe their heightened interest is partly attributable to our successful Initial Public Offering (IPO) in May 2021. During our IPO roadshows, we showcased our technology-driven approach to lending to the underbanked and demonstrated to the banking community that it is possible to generate a healthy profit while serving the rural and self-employed. I mentioned in last year's shareholder letter about the downside of excessive telegraphing to the outside world and the need to balance transparency and visibility for investors and shareholders with our ability to maintain secrecy for new products and services.

New players entering our market is not a new phenomenon to us. This has occurred many times in the past, and on each of such occasions we have maintained our market leadership through our consistent commitment to adding value to our clients, prudent risk management, and continuous innovation.

In their early days, well-capitalized market followers can move impressively quickly because they are unburdened by legacy issues and benefit from the path established by pioneers who did the heavy lifting to create the market and educate investors, consumers, and regulators. Along the way, however, these new entrants inevitably exhaust the advantages of "starting from behind" and must make the transition to become an industry pioneer if they wish to avoid the fate of becoming just a "me too" player once the speed of cut-and-copy growth slows.

As veterans of the title loan industry, we have observed countless players making a big splash upon market entry. We have learned not to overreact to big public announcements and instead pay close attention to on-the-ground execution.

Our acquired view is that for any new market entrant to steal meaningful market share from dominant incumbent players, they must introduce products and services that are substantially superior to the ones already available in the market. This can be observed in other industries, and relevant examples include the Kindle, which Amazon introduced to steal market share from traditional book publishers, the Apple iPhone relative to the popular flip phones of the time, and in today's world, Tesla's electric cars relative to market-dominant traditional internal combustion vehicles. Without a unique strategy based on superior capabilities built around some combination of infrastructure, insights, and/or capital, most new players fall short of establishing a dominant market position and end up as "me too" operators.

Besides banks, purchase financing companies (hire purchase lenders) have also expressed an interest in moving into the title loan space. This is likely a reaction to the interest rate ceilings introduced by the Office of the Consumer Protection Board ("OCPB") for the hire purchase activity, set to take effect in January 2023. This is a significant development in an adjacent industry that we will monitor.

Our opinion on this is that dealers are likely to increase vehicle prices to compensate for lost commissions they previously earned from lenders, or lenders themselves will demand higher down payments from borrowers to reduce the cost of risk and maintain profits lost due to the lower interest rate ceiling. Either of these options or a combination of both will ultimately result in reduced affordability for consumers.

Unfortunately, we believe, more Thais will be worse off rather than benefit from this well-intentioned policy announcement. We reason that because our public transportation infrastructure outside of Bangkok is relatively poor, the need to purchase a motorcycle for daily use will not abate, and many consumers who can't afford the higher prices or down payments are likely to be pushed into the waiting arms of loan sharks and informal money lenders.

You can rest assured that your management team remains vigilant in monitoring the offerings of new entrants closely. We have yet to see an innovative product or model offered by any of the new players that we believe will sustainably disrupt the title loan market.

Title loan players are diversifying and weaker players are exiting.

For a number of years now, a close examination of other major title loan players' balance sheets has yielded observations that the proportion of non-title loan assets such as land-for-cash and varying forms of unsecured loans such as nano finance has been on the rise. This includes the recently fashionable Buy-Now-Pay-Later (BNPL) product. The latest development along these lines is that the established title loan players have started moving upstream into vehicle purchase financing. As logical as it is for those upstream players to move downward into title loans, it makes just as much sense, if not more, for title loan players with greater scale, larger customer bases, and arguably more access to capital to move upstream to try to establish a relationship with future potential title loan borrowers or, in other words, current buyers of new and used motorcycles, cars, and trucks.

However, our experience has taught us that logic alone does not translate into good execution. Our belief is that each industry has unique characteristics, mechanics, and economics that the incumbents undoubtedly understand better than newer players who are lured into new businesses by the promise of and potential for rewards.

While we are always seeking avenues of exciting growth, we are committed to remaining disciplined, cautious, and calculating in evaluating new opportunities. Not only does the math need to work but we also need to have the conviction that we understand and have a degree of visibility as well as an ability to prevent or mitigate the relevant risks. We must also be confident in our ability to execute before we invade a market that is new to NTL. We develop both confidence and insights into new businesses by incubating pilot programs and testing them until we are satisfied that the risks we plan to take are affordable and fall within our acceptable parameters for risk-adjusted returns.

We are unlikely to move as quickly as our peers who are stewarded by owner-operators-in this regard, just as we do not aim to be the largest nonbank, we also don't necessarily need to be the fastest either. Our aim is for NTL to be the best financial inclusion services provider in the long run.

Interestingly, through a methodical test-and-learn approach, we have maintained our ability to innovate and grow our core business profitability without taking on the associated risks of moving too far beyond our core capabilities and into new, higher-risk verticals.

We prefer this boringly consistent approach to start small by testing and learning, believing that frequent controlled experimentation will help us discover the next product innovation. It is this process that has led your company to deliver differentiated customer experiences with continuous improvements in risk management, technology, and operational excellence. Our preference is to avoid the stop-and-go approach of diving into "flavor-of-the-month" products that often excite the investor community but seldom stand the test of time.

We believe that the development of operational excellence, insight into new innovations, and expertise for any new business vertical in which we want to establish and sustain leadership require time and patience, and we are highly committed to mastering our craft.

On the opposite end of the spectrum, we have occasionally seen smaller title loan lenders go out of business and wind down their operations. Broadly speaking, we have observed regional and local players playing an increasingly lesser role in the title loan space. This is likely due to their inability to keep up with increased regulations, competition from branch density, marketing spending, investments in digital, and lower margins. This trend of consolidation is likely to continue. These weaker operators are often subscale, are established in more remote geographies, and have failed to adapt their business practices over time.

These early casualties of increased competition are unlikely to be the last players to exit our industry as we expect consolidation to continue.

Title loan industry standards and business practices still vary widely and will continue to develop for the benefit of consumers.

Today, when investors and analysts look at the financial statements of Thai banks, it is easy to compare various performance indicators, such as loans outstanding, loan loss provisions, and loan-to-deposit ratio, and assess risk and growth prospects. That is because the banking industry in Thailand is mature, the business model is well understood, and the industry is highly regulated. The same exercise is more difficult when attempting to compare title loan players against one another.

This is partly because the Vehicle Title Loan Trade Association of Thailand (“VTLA”) was only established in 2018, and the title loan license was issued only the following year in 2019.

You should be proud to know that your company initiated the establishment of and is a founding member of the VTLA. Your management has also supported this industry body by holding the positions of president, and secretary for this organization, which has become a conduit for dialogue between industry players and regulators.

Since its establishment in 2018, the VTLA membership has grown from only four founding members to thirteen last year.

Thus far, the VTLA has made efforts to provide regulators with industry information, secured soft loan funding for operators during periods of volatile capital markets caused by COVID-19, and established the industry standard for returning borrowers’ vehicle titles within 15 days of their accounts being closed. Prior to this last initiative, title loan operators were known to engage in pseudo-predatory lending practices of delaying the return of vehicle titles for months or years, eliminating customers’ ability to switch to a newer, better operator with better products and services.

In our view, what distinguishes a financial inclusion practitioner from just another licensed moneylender is intent. We believe that being focused on financial inclusion doesn’t require a natural trade-off between purpose and profits. We also believe that our accountability as a corporate citizen extends beyond share owners, employees, and clients to include public service. Our organization’s purpose has fueled our committed employees to work harder to find solutions that are profitable while helping our clients sustainably solve their financial problems. In fact, it is this type of thinking and obsession with helping our clients that led us down the path to discover the Tidlor Card innovation and the invention of insurance installment financing, two products that have had material positive impacts on our client’s financial lives, our performance, and the future of the industry.

In September, we launched a TV ad promoting NTL’s policy to approve loans to clients who had a blemished borrowing record, suggesting that choosing NTL as a creditor could actually help them rebuild their damaged credit profiles. The substantial increase in inbound calls and website traffic we experienced is a testimony that our campaign was successful. This commercial was inspired by our observation relating to business practices of title loan lenders that we felt were counter-productive to our mission of promoting financial inclusion.

Increasingly, we have been seeing title loan and “fintech” lenders promote the fact that they will approve loans quickly with “no blacklist or/NCB check” as a product feature. Alarmingly (and somewhat disappointingly), even players with bank shareholders actively promote this message. This type of communication is intended to attract borrowers by appealing to the fear felt by those in need of loans who mistakenly believe that the National Credit Bureau (“NCB”) process will slow the loan approval time and that a so-called “blacklist” exists to prevent borrowers with blemished credit histories from obtaining new loans at all.

While we do not deny this type of messaging as an effective marketing tactic, we reject that this is a good way to do business. The mission and values I discussed in last year’s letter to share owners prevent us from taking the easy route of exploiting borrowers’ unfounded fears for commercial gain. Doing so demonstrates disrespect for the client and, taken to the extreme, can be interpreted as borderline predatory lending.

The reality is that with today’s technology, NCB is not a process that slows down the loan approval process and does not have any impact on the approval decision. There is also no such thing as an “NCB blacklist.” It is entirely up to lenders how much weighting to assign the results of the check; that weighting can be zero.

In truth, while many players claim to avoid membership in the NCB because they want to avoid investments and reduce costs, some players’ hidden agenda is really to avoid sharing borrower payment information. This second rationale has the effect of limiting customer mobility and choice and guarantees that only their current loan provider will know that they are good borrowers. In our opinion, this approach, although cost-effective in the near term, is short-sighted and a disservice to borrowers and the future health of Thailand’s financial landscape.

On a macro level, we believe that a robust and large database should be treated as national infrastructure that can be used by regulators and market participants to more effectively measure risk, monitor household debt, reduce friction in lending, encourage competition, and optimize risk-based pricing. Our conviction on this stems from our understanding that fundamentally, lenders are intermediaries that use information and delivery channels to connect borrowers with savers. As such, it is obvious that a database of the payment histories of the most marginalized borrowers in the country combined with today’s technology will serve as a backbone to support Thailand’s financial inclusion and economic growth objectives.

Our views on this topic are also shaped by observing how credit bureaus serve as data infrastructure to promote financial literacy in more mature markets. With data available, lenders can develop products designed to help young adults and thin-file borrowers build financial profiles and experienced borrowers repair damaged profiles. Over time, people learn to manage their credit scores and lead healthier financial lives.

We have been transparent and vocal in our minority opinion among title loan operators that information contributions to the NCB or some other national database should be mandated. Companies can have a choice to manage their risks however they choose. They can choose to ignore past customer behavior in underwriting if they wish. However, they should not have a choice on whether or not to help Thailand establish a database on consumer creditworthiness that, in the long term, will serve as a foundation for encouraging widespread financial education and reducing the cost to approve loans through the availability of individual payment history.

We envision a future where Thais are more financially literate and hope that current business practices will change in such a way that borrower information sharing becomes the rule rather than the exception.

From our research, in this regard, Thai regulations are lagging behind those of regional peers such as the Philippines and Cambodia where licensed operators are required to send the borrower payment information to local credit bureaus. While this is not to say that supervision of compliance or reporting standards in those countries is as high as that of Thailand's own NCB, without a mandate, it is unlikely that all lenders will "do the right thing" for their clients and society at the expense of profits.

Regulatory and accounting changes before, during, and after COVID-19 impact competitive dynamics and performance transparency.

Until we made the conversion to become a public company, we didn't realize the magnitude of discrepancies between NTL and other players in the title loan industry in the interpretation and implementation of regulations and accounting standards. These differences in applied judgment can lead to challenges when trying to compare performance across companies because while all companies generally employ the same reporting formats, the substance behind the numbers can vary.

In our subsequent discussion on risk management, we will highlight some of the key policies your company has institutionalized and our treatment of the tools made available by regulators that should assist you in evaluating your company's performance.

We are confident that our interpretations and practices are relatively conservative and offer a long-term benefit to our share owners. Just as customer surveys consistently suggest that the NTL franchise has the most visible and strongest brand and reputation for quality among consumers, over time, we aim to extend that standing to the relationship we have with our valued share owners.

It is our view that the debt relief measures implemented by the Bank of Thailand (BOT), Ministry of Finance, and other government agencies as a response to COVID-19 should be recognized for their effectiveness in helping the country navigate an unprecedented period of economic uncertainty and avoid a catastrophic outcome. While regulators took many steps to ensure economic stability, we will focus here only on those policy initiatives that affected us and continue to play a role.

In 2020, shortly after the first COVID-19 cases were reported in Thailand, the BOT quickly coordinated with financial institutions and subsequently announced to the public that anyone borrowing from a licensed financial institution would be eligible for temporary debt relief on their loans. The relief packages launched by lenders came in many forms for all loan types, such as the reduction in monthly minimum payments, loan tenor extensions, skip-payment programs, and reduced interest rates.

To ensure a functioning financial system, the BOT also helped secure "soft loans" to help with financial sector liquidity and also coordinated with the Thai Federation of Accounting Professions to allow for loans that entered into the Debt Relief Program to be reclassified as "performing" so that lenders' performance would not deteriorate to the point of breaching debt covenants and impacting capital.

Furthermore, regulators also worked with the NCB so that clients who participated in these widespread Debt Relief Programs would not be flagged as "restructured" loans. This is to help ensure that the impact of COVID-19 did not unnecessarily penalize the over three million Thais whose incomes were impacted by the health crisis and sought temporary debt relief.

These measures helped borrowers stay home to avoid spreading COVID-19 while also ensuring that lenders were able to absorb the impact of diminished cash flows from the temporary suspension of loan repayments.

During that period of extreme uncertainty and volatility, the BOT's measures were helpful to consumers as well as the banking and finance industry operators.

Now that the health crisis seems to be behind us, however, many features of the Debt Relief Programs remain intact and continue to have a lingering impact economically.

It is impossible to discuss the impact of the regulatory relief measures on our business and industry without mentioning the International Financial Reporting Standards (IFRS) applicable to our business, specifically IFRS9. The principle of this accounting standard is to promote transparency by attempting to ensure that financial instruments are reported at fair value. This revised approach was intended to address perceived flaws in previous accounting rules that seemingly contributed to the 2007-2008 Global Financial Crisis by being too pro-cyclical, resulting in inflated profits during good times but compounding capital depletion during economic downturns.

Adopted locally by listed companies in 2020 under the Thai Financial Reporting Standard (TFRS), lenders are tasked with developing an impairment model to predict the expected credit losses (ECL) from defaults over the next 12 months for new loans and over the remainder of the loan's life for loans that have demonstrated significant increases in risk or have been already classified as delinquent. Historical loan default and loss data are the main inputs into the ECL model, with some weighting assigned to external factors that may impact losses in the future. These factors are called forward-looking indicators (FLI) and rely on judgment and reasonably obtainable economic data.

Logically, loans in which borrowers are making payments on time are expected to result in relatively low credit losses, and loans in which borrowers have a pattern of missing payments are anticipated to contribute to higher losses. These expectations based on payment patterns and a database of payment histories are used to assign an ECL value to each active loan account.

Mechanically, once we determine how much the ECL value will be, we set aside a reserve that counts against the outstanding loan principal on our balance sheet in the form of a loan loss reserve (LLR). This reserve balance is effectively the amount of money that we are owed by borrowers but that we expect to be uncollectable. The change in this expectation of future losses, or the change in reserve balance, materializes on our income statement in the provision line.

Fundamentally, because we are using historical data to assign a default probability to loans currently in our portfolio, the ECL formula sustains a weakness. Past data alone cannot accurately predict the future. Moreover, because many title loan businesses have only really grown and scaled over the last half-decade during times of cheap money and relatively stable economic growth, the data available for title loan lenders does not cover any periods of real economic stress.

Therefore, it is in ECL-related financial reporting items that COVID-19-related regulatory measures have had the biggest impact on financial performance. This is because the BOT and Thai Federation of Accounting Professions have temporarily allowed lenders to reclassify formerly non-performing and delinquent loans (that were charged with a higher ECL value) as performing loans (with a lower ECL value) if they enter into the debt forbearance programs. Without any limit to the number of times a borrower can enter the debt forbearance program and without clear limitations on which type of customer can join the scheme, the potential for distorted ECL reporting is high, and it is nearly impossible for external investors and analysts to evaluate a company's performance based on reported financial statements unless they possess a deep understanding of that company's debt relief policies, business practices, and assumptions behind the subjective FLIs.

Even before COVID-19 and the impact of regulatory forbearance, IFRS9 was difficult for investors to comprehend. Due to its complexity and embedded room for subjectivity, we believe that there is room for interpretation and manipulation of these accounting standards. For example, a lender can issue a new loan to a delinquent borrower for the purpose of paying off their existing loan (often called a "top-up" loan) so that the lender can reclassify the borrower as performing and minimize the ECL. If done regularly over time, the profits, portfolio balance, and return metrics for this lender would be inflated, and the equity and assets overstated.

The other area of management discretion in the ECL formula is embedded in the FLIs. In addition to being sensitive to the availability of high-quality relevant economic data, FLIs are subject to management outlook and judgment. Thus, even if the Thai government published statistics on the same economic variables as, say, the United States, companies can choose to take an overly optimistic view on the outlook for the economy, unemployment, and so on, and they can effectively influence the output of the ECL formula. This could potentially allow them to under-reserve and inflate performance.

Generally, while the underlying concepts and principles behind IFRS9 are logical and sensible, they are complex and often difficult for management teams to implement, potentially resulting in errors, misconception, misinformation, and potentially less transparency rather than more.

In summary, due to the current interest rate environment, competitive dynamics, regulatory situation, and economic environment, Thailand's financial services sector, including the title loan industry, is expected to experience a period of high volatility in the short- to mid-term that will inevitably impact growth and returns. During this period of low visibility, we believe that the best way for your company to face the expected uncertainty, which is characterized by many moving parts and a high degree of complexity, is to ensure that we maintain a strong balance sheet and a risk-aware and adaptable management team.

To borrow a term from Jamie Dimon, the CEO of JP Morgan, the bank that arguably navigated the 2007-2008 Global Financial Crisis better than most, we need our balance sheet to be a "fortress." Besides ensuring the protection of shareowners' equity during times of volatility and uncertainty, a strong balance sheet during times of market turbulence has the added benefit of preserving our option to deploy capital if a suitable investment opportunity should present itself.

OUR LENDING BUSINESS PERFORMANCE

Our omnichannel and innovation-led approach continued to deliver outstanding value to borrowers and accelerated our growth.

In 2022, our lending business experienced exceptional growth of 32%, or 20 billion THB for our overall loan portfolio, ending the year at 81.3 billion THB. In total, we extended 28% more credit than we did in 2021. Out of this, 286,500 borrowers are new to NTL. We ended the year with a total active borrower base of 882,000.

In terms of distribution, we continue our omnichannel expansion. Last year our branch network was extended by 342 outlets, and by the year's end, we were operating 1,628 full-service NTL branches. Remarkably, the average outstanding loans per branch remained high at 50 million THB. This is an industry-leading figure by a wide margin.

After having nearly doubled our branch network over the span of four years, around the second half of last year, we started to observe signs of strain among our mid-level branch leaders. Turnover had ticked up, average staff tenure had declined, and alignment between our head office and field staff had somewhat deteriorated. These are signs telling us to temporarily decelerate.

Despite our branch network's continued growth and status as our primary channel to acquire and service borrowers, non-branch channel growth has been even faster. This is directly related to our increased investments into channels such as digital, telesales, and agent partners, as well as shifting consumer behavior. We maintain our view that a branded, multi-channel, and technology-enabled approach maximizes our ability to retain industry leadership.

On the product side, Tidlur Card adoption nearly doubled from 285,000 in 2021 to 498,000 in 2022. We have seen both an increase in the penetration of Tidlur Card for two-wheeler customers and a healthy take-up rate from our four-wheeler customers, to whom the revolving credit product was introduced toward the end of the first quarter. This product continues to deliver on its promise to facilitate micro-transactions and 24-hour access to credit. In the last quarter of 2022 alone, we witnessed hundreds of thousands of transactions where customers withdrew the minimum 500 THB during off-office hours.

As predicted, within less than two years of launch, our innovative card-based title loan product was copied, and a similar product was introduced by a new player in the title loan market. If you look at our history in terms of branding, product, and business model design, you will quickly realize that we are no strangers to followers. Being imitated in business is a compliment and the hallmark of being original and successful. This development is in no way surprising to us and a reminder that we must never take our position for granted. We take comfort in the belief that our sustained leadership in the financial inclusion space is embedded in our company's motivation to innovate to improve customers' lives.

In practice, we accomplish this by allocating capital toward trying out new technologies and launching pilot product programs that we identify as having strong potential to enhance our services to the underbanked.

This regular experimentation of lending criteria has led us to a number of product innovations in the past, and the process has been institutionalized to increase our odds of identifying new product features that add value to our clients. As of the end of 2022, over 10% of our portfolio was being closely monitored under our testing conditions. These included some non-title loan products.

Like the rest of the industry, due to macro headwinds, our portfolio quality deteriorated more than anticipated. We will remain disciplined in our lending and provisioning.

As mentioned in the earlier section of this letter, the global economic situation toward the end of 2022 was less accommodating than conditions at the start of the year. This is reflected in a 33% increase in our NPLs from 1.19% at the end of 2021 to 1.58% at the end of 2022. Despite this increase, your company continued to report the lowest NPLs level among title loan operators, ranking also below that of banks, which reported average NPLs of 2.9%

Our initial projections estimated costs associated with customer delinquency, or "credit costs" (defined by written-off loans, minus recoveries, plus the change in loan loss reserve balance), to be below 1.5% of our average loan portfolio balance. In the end, this figure was closer to 2.2%.

In absolute terms, credit costs exceeded our plan by approximately 530 million THB. The component that deviated the most from the plan was the additional provisions we set aside in anticipation of future write-offs. Our loan loss reserves at the end of 2022 were 3.2 billion THB compared to 2.6 billion THB at the start of the year.

Specifically, this miss was attributable to several factors, including the following:

1. The deterioration in the performance of our core loan portfolio led us to set aside approximately 330 million THB in reserves above our plan.
2. Recoveries were lower than planned by nearly 80 million THB. Toward the second half of the year, we experienced lower recovery rates.

3. Higher losses upon selling repossessed vehicles. Historically, the losses incurred from selling repossessed vehicles would range between 24-38%. Last year, this figure would reach as high as 40% in some months due to fluctuating demand and supply dynamics in the used vehicle market.
4. Faster-than-expected growth. Over the course of the year, we revised upward our loan portfolio growth. To support this, we set aside approximately 130 million THB in additional provisions.

In retrospect, your management team could have probably done a better job in managing the loan loss reserve balance by not releasing reserves in the first quarter. Although the amount we released was insubstantial, it may have unintentionally sent the wrong signal about economic conditions and portfolio quality. The reason for the release was mechanically driven by the ECL model, which, as I mentioned earlier, is biased toward on historical data that is naturally an imprecise predictor of the future. We should have perhaps held on to the reserves after having seen the news of Russia's invasion of Ukraine, just to err on the side of caution.

At the time, we knew that logically, due to ongoing debt forbearance measures, 2020 and 2021 were not adequate baselines for what the credit costs should look like; they were unnaturally low and would rise quickly once the debt relief policies expired and the economic situation returned to normal. We believe that if the unwinding of debt forbearance was the only event to occur, our projections would have been more accurate.

Fortunately for share owners, we stuck to our convictions and resisted pressure from some analysts and investors to release "excess" reserves in order to optically boost short-term profits. This helped us deliver double-digit earnings growth last year while minimizing volatility in our earnings.

At the end of last year, our loan loss reserve balance was 3.94% of outstanding loans, down from the 4.25% recorded in the previous year but still an industry high. Overall, our loan loss reserve balance grew 23% from 2.6 billion THB to 3.2 billion THB, slower than our loan portfolio growth rate of 32%.

Nevertheless, even our cautious approach failed to compensate for the war in Ukraine, hyperinflation, and the steepest rise in central bank interest rates since the 1980s.

During a period of heightened uncertainty, such as now, share owners should expect volatility in our performance, specifically in the line items related to credit cost and risk. We believe that the prudent approach during this period is to maintain a margin of safety via higher rather than lower reserve levels.

THE PERFORMANCE OF OUR INSURANCE BROKERAGE BUSINESS

Insurance is growing in relative importance and is helping diversify our earnings.

Accounting for roughly 10% of total revenues last year, our non-life insurance brokerage business ranks second in terms of market share. Commissions earned from the insurance we distribute continue to be a nice source of fee income for our business. Importantly, this income is risk-free for us, and 90% of our insurance customers are non-borrowers. This will partly mitigate the drag on our company's growth and earnings from the macro factors affecting our lending business in the near term.

In 2022, we continued to break records and reach new highs, selling almost 7 billion THB in premiums worth of non-life insurance. The number of policies sold through the NTL broker exceeded one million, a transaction figure that is even higher than the number of outstanding borrowers in our loan business. Our insurance organic growth rate exceeded 33%, proving to be industry-leading and outperforming the market, which saw only a 4% overall premium growth.

We believe your company's outperformance as an insurance broker is significantly tied to our financial inclusion mission. Our model was designed to provide insurance transparency, accessibility, choice, and affordability to the underserved. For the majority of our clients, our free installment plan is the only way they can afford Type 1 coverage for their cars, which oftentimes serves as a tool to support their livelihoods.

Internally, we view this fast-growing part of NTL as a hotbed of innovation and technology application, in some ways operating like an internal start-up, one that's just graduated and has reached the scale-up phase of development.

Accordingly, last year, we took another step toward making our Tidlor Broker more accessible as a brand by giving Tidlor Broker its own icon. We hope that separating the insurance brokerage identity from our core Ngern Tid Lor brand will increase our visibility and broaden our appeal beyond NTL's core borrower segment. Going forward, we want our icon to be associated with Thailand's leading technology-enabled insurance distributor that is known for professional service, affordability, accessibility, and transparency.

We will distinguish ourselves as an insurance broker by raising standards as we help customers reduce risk.

Creating the above Tidlor Broker icon associations against the backdrop of a fragmented and nascent insurance industry is about walking the talk, not advertising. Allow me to explain with an example.

Earlier in the year, our country saw some insurance companies struggle to meet their claims obligations to their customers, and they eventually filed for bankruptcy. Through no fault of their own, our clients were at risk of losing the protection they had purchased for their vehicles. While other brokers took a bystander approach during this period of confusion and watched the situation unravel to the detriment of their customers, NTL's insurance leaders leaped to action and worked tirelessly to find solutions for clients who had purchased policies from those troubled insurers through our channels.

Eventually, we found an insurance partner that was willing to work with us to take on the active policies without additional cost to NTL or the customers. In the end, we successfully migrated one-third of the over 50,000 NTL clients who had active policies with these struggling insurance companies. The rest voluntarily chose to stay with their existing insurer. The lesson here is that our commitment to our insurance clients doesn't stop with the sales completion and NTL earning a commission; it ends when the policies are no longer active, and there are no pending claims. Our motivation for doing this is simple: we feel accountable for our clients' financial well-being.

What makes me proud of our insurance team's accomplishments is not restricted to the premium growth number, although building a leading insurance business from scratch is absolutely a point of pride! Rather, we measure our success by the impact we create as we solve customers' problems. In my opinion, how your company handled this incident is insurance brokerage professionalism at its best on display and should be the standard for the industry. Today, we are an outlier in our customer-centric approach to insurance brokerage, and we hope that one day, our business principles will become the standard.

We want our partnerships with insurance companies to be successful and sustainable.

As a broker that aims to provide our customers with easy access to the best policy available for their needs, we work with many insurance companies. In the spirit of partnership, our goal is to identify opportunities where our customers, our partners, and our company all receive value. This is in contrast to traditional brokers who often try to extract both the lowest premiums and highest commissions possible by pressuring insurance partners to abandon their risk management discipline in exchange for premium volume. While this approach appears to be beneficial to customers and brokers in the short term, eventually, the relationship with the insurance partner will sour. If the insurance company loses more money than it can afford, it will look for creative ways to cut costs, possibly by rejecting customers' claims. In the extreme case, a large enough mismatch between risk and pricing will lead to bankruptcy.

One clear example of how we execute upon this principle is to monitor the premiums sold, commissions paid, and claims paid by our insurance partners. We help them flag campaigns where we think their promotional pricing is too low and will cause them to incur substantial losses. As Tidlor Broker is designed to be an open-architecture insurance broker, having high-quality insurers for customers to choose from will ensure the sustainability of our business model.

A BIT MORE ON HOW WE APPROACH RISK MANAGEMENT AND THINK ABOUT TECHNOLOGY AND DATA IN THIS RAPIDLY CHANGING ENVIRONMENT

Financial Reporting & Risk Management

Our principal aim here is straightforward. We want you to have an accurate account of the assets you own through your share ownership of TIDLOR stock. While, in principle, accounting rules are designed to ensure that financial statements are accurate, as mentioned above, there is room for judgment in some line items. I will attempt to provide some clarity on how your management team applies judgment to risk management:

1. NTL's policy is to strictly and automatically write off loans that are over 180 days past due. This policy ensures that the net receivables (outstanding balance minus loan loss reserve balance) you see as assets are an accurate representation of what you own. We sometimes allow deviations by prematurely writing off those accounts that have not yet reached 180 days past due but have given us sufficient reason to believe that they are no longer collectible. We do not allow deviations to retain loans on our balance sheet for accounts with status over 180 days past due. Once these accounts disappear from our balance sheet, any collections against these accounts will be reported as income from recoveries. This write-off policy is conservative from the standpoints of risk management and financial reporting. As we write off fairly quickly, the derivative "NPL coverage ratio" for your company (calculated by dividing the loan loss reserve balance by the outstanding NPL balance) will be higher than that of peers who write off at 360 days.
2. Clients whose accounts have reached 60 days overdue become ineligible for a "top-up" loan. This policy is implemented to ensure that your company is not hiding delinquency and underrepresenting NPLs through re-aging the loans of weak customers by offering them new loans. Doing so would artificially inflate profits in the short run by allowing companies to accrue income they couldn't collect, understate ECL and provision expenses, and, in the long run, inflate the book value of equity and return metrics.

3. Some companies require delinquency amounts to exceed certain thresholds- 500 THB, for example-before classifying customers into the next delinquency status. NTL's threshold for delinquency is zero THB.
4. For those clients who were delinquent and entered into the Debt Relief Program, although their accounts were reset to new loans, we did not release the ECL we had applied to those accounts. Effectively, this kept our loan loss reserve balance and the NPL coverage ratios optically high.
5. It is industry practice for branch staff to approve loans. We monitor approval quality by individual approvers and assign approval limits based on their performance. Branch staff compensation is also tied to their portfolio quality.
6. We assign an additional "ECL buffer" to loans in our test programs. This buffer is based on our judgment, and is intended to compensate for the lack of data available needed to support a statistically significant estimate of ECL on these portfolios. Share owners should never see significant loan portfolio growth coming from untested products without a correspondingly steep increase in our loan loss reserves.

These relatively conservative risk management policies are designed to keep our balance sheet strong and transparent. Importantly, they also enable us to secure funding and capture new growth opportunities.

You should expect our investments in technology to continue-besides being a source for operating leverage, technology also acts as a hedge against disruption and a source of leadership.

From shareholders, directors, and investors, I often get the question, "NTL has invested so much in technology already and is clearly far ahead of the competition-when will you stop investing?"

Before I answer this question, allow me to explain how we think about spending on technology. Our IT-related costs are mainly driven by software licenses, hardware, and the cost of the software engineers. Beyond these more familiar expense items are associated costs of related tech staff, including project managers, IT security, business and systems analysts, designers, and infrastructure teams.

Our focus should be on developers as they will produce the most tangible outputs or features from our IT spending. What we develop and how we develop it will drive the associated cost above. In any given month, NTL's software developers program somewhere between 65,000 - 80,000 lines of code. Generally, I categorize our coding into three types:

1. IT assets. We assign the most value to code that we qualify as an "IT asset." This is software that is highly valuable to our business: it is typically designed to be modular, can be used and reused by different parts of our business, and helps reduce cost and/or generate income. Essentially this type of code permanently reduces manual work and subsequently headcount. Although it is recognized in our profit-and-loss statement as an expense per accounting standards, the manpower invested into writing this code should be probably more accurately viewed as an investment.
2. Automation that is not classified as an IT asset is what I consider "get-the-job-done" code. Nowadays, we use this approach to solve temporary, one-off problems. As this single-use code is unlikely to be ever used again, we do not qualify this code as a valuable asset. The time and resources spent writing this type of code are appropriately treated as an expense. For example, this type of development occurs when there is a job to be done that cannot or should not be performed by people due to cost, timing, or accuracy requirements.

3. Last, there is code written to maintain, tune, or upgrade existing software that may have deteriorated in usefulness. An example is when we want to increase the bandwidth of a specific feature that is seeing higher traffic than when the code was originally written. Without this, you run into bottlenecks and system errors.

Ideally, we would only have developers creating IT assets that replace manual processes with automation. However, in running a business that is reliant on systems while simultaneously under competitive pressure or pressure to deliver earnings growth, writing low-value code to “get the job done” is unavoidable, and building only what is needed today with the expectation of fine-tuning tomorrow is a necessary tradeoff.

Admittedly, in the past, we were inexperienced and less intentional about our IT resources. In last year’s letter to you, I mentioned that we had amassed significant technical debt that we needed to service. This was due to our past failure in distinguishing between the first two types of software code mentioned above. As a result, our business suffered greatly from the lack of flexibility and slowness, all of which were due to poor design and allocation of resources. We have been moving away from what IT jargon calls a “monolithic” approach to software development, which featured core systems that were large and complex and included many components, each built with a single purpose in mind. Instead, we have allocated significant resources to rebuild our core to be more dynamic and flexible. Essentially, our resources are primarily allocated to the task of converting non-IT assets into IT assets that will restore our nimbleness and help us realize operating leverage.

With more customers, accounts, channels, products, and self-service transactions driving our growth and delivering a superior customer experience, the chances of disruptions to our business due to system errors, network downtime, counterparty downtime, and cyber security breaches also increase. We do not believe it is wise to spend less on IT if we expect our growth and consumer digital adoption trends to continue. What share owners should aim for, realistically, is an ever-increasing proportion of our developer resources being deployed to building IT assets that are reusable and modular, rather than one-off and maintenance projects. This transformation and increase in the efficient allocation of our developer resources are ongoing.

Given the above, the answer to the question posed above is, “Not any time soon, and probably never.” History has shown that technology adoption only increases over time. Technology deniers who have run businesses nearly always regretted the decision to underinvest and ignore technological progress. We can’t imagine a future in which people are less digitally engaged, rather than more.

Successful investments in IT will transform variable costs into fixed costs.

The learning curve is steep. The capital outlays are high. However, we believe that if done right, the payoff is worthwhile. Financially, technology converts variable costs associated with retail such as branches and personnel costs to fixed IT costs. This reduces marginal costs exponentially. Applied correctly, a digitized process also reduces friction and improves the customer experience.

For example, a top-up loan in the past used to cost us an estimated 470 THB per transaction. To facilitate this activity for our clients, we needed to establish a minimum incremental top-up threshold of at least 2,000 THB; otherwise, the cost was uneconomical for us to serve. Today, a customer can withdraw cash using their Tidlor Card at a fraction of the cost to us and in increments of a few hundred baht. Small withdrawal amounts occurring at all hours of the day and night across Thailand’s nationwide network of 50,000 ATMs prove that our clients only withdraw as much as they need when they need it. This product is the next evolution in title loans and allows disciplined clients to better regulate their own cash flows and reduce their interest burden; additionally, it helps us reduce risk by avoiding over-lending.

The adoption of self-service transactions by our clients has also allowed us to streamline our headcount and gain operating leverage in many functions. Between 2019 and 2022, NTL's total company headcount divided by the number of branches declined by nearly 20%. This is a function of realizing the benefits from our scalable business model that is head-office-centric. It is also the result of our investments in automation. The direct benefit impact of technology is very clear if we isolate the direct impact to our branch network. Whereas in 2019 we required a minimum of three employees to operate an NTL branch, that number has declined by one-third to two.

Beyond the headcount-per-branch figure, it is critical to note that NTL's branches are all full-service and offer more products and services than any other title loan operator's branches. Make no mistake, this is almost entirely enabled by technology designed in-house to assist branch staff productivity.

The edge we gain from deploying technology often enables a superior customer experience, which may not materialize directly in the form of cost savings, but the value to customers is evident.

Sometimes when technology transforms or disrupts existing processes, we only look at the benefits and increases in productivity. It is critical that we also appreciate the incremental investments that are required to deliver a good experience for those products and services. Again, the Tidlor Card is a good example of this. While offering 24-hour access to customers' credit lines through the ATM network leads to clear benefits and saves costs for NTL on a transactional level, we must add headcount and infrastructure to support 24-hour customer service, a card-issuing team, and capabilities to manage card PINs. Overall, however, despite these additional costs, the product is superior, and the economic impact on our performance is undeniably positive.

To cease investing in technology is akin to running a lifetime long-distance race and slowing down when you have a 10-year lead. Doing so would be a disservice to both customers and share owners.

Our leadership in using technology to add value to the underbanked is driving the title loan industry evolution.

Once again, our belief is that NTL is a catalyst to transform and upgrade the title loan industry with regard to technology. Our stakeholders only have to watch a series of media and investor interviews given by our competitors in the past and notice how their messages have changed over time. Whereas many incumbents used to claim that grassroots Thai borrowers overwhelmingly preferred face-to-face and cash-based experiences, their tone has shifted, and now every player is talking about credit scoring capabilities, apps, and technology upgrades.

In a way, we no longer think that asset size is the relevant benchmark when trying to identify threats to our future success. More relevant for us is to view players with better customer service and superior capabilities as a greater threat. As such, if we apply that lens to the competitive field, we like our chances to sustain our leadership position. We believe our service levels are already among the highest in the industry, and we continue to improve upon them. However, we are mindful that the technology gap between NTL and some of the new market entrants is potentially less wide than the distance between NTL and traditional operators.

Despite its ability to transform the nature of unit costs, viewing technology investments solely as a source for operating leverage is too limited. In our view, investments in technology should be viewed also as a hedge against disruption and an enabler for us to maintain our market leadership.

Our operations must continue to support both online and offline experiences if we want to serve the full spectrum of underbanked customers.

Although technology, machine learning, artificial intelligence, and straight-through processing are exciting topics and naturally encourage us to dream of a frictionless, error-free, and people-free process, the reality is that the degree of digital literacy, fluency, and adoption varies widely depending on the customer segment. In today's world, it is hard to imagine anyone under the age of 40 who doesn't use a smartphone. However, we can all probably think of people who are older and infrequent users of digital devices, and we can likely identify some people who are still afraid to transact using those devices.

Simply put, there are degrees of digital adoption, and there is a correlation to customer age. This simple fact is the reason why purely digital business models have difficulty in scaling, and it is also why digitally-literal companies such as ours are unable to eliminate paper processes and brick-and-mortar branches completely, despite our investments in technology. It is your management's view that to retain market leadership, NTL must invest to build the capabilities to service the entire spectrum of segments, and our operations must support face-to-face and digital interfaces with a high degree of quality.

The real impact of digital transformation is occurring within our core and is invisible to the casual observer.

In the meantime, our expectation for digital transformation is that it will play a critical role in delivering a superior experience for clients and help minimize specific operational costs. The savings we derive from these automated activities will be reinvested to continue our transformation.

We have seen important business processes replaced by code that our developers write, and large divisions across the organization were enabled significantly by digital transformation. These results are mostly not visible or apparent to outsiders, but we can directly link them to digital transformation. Here are a few examples of how we deploy technology to achieve the dual-objectives of raising service standards while reducing costs:

1. Our current commitment is to address customers' online inquiries within 15 minutes. Our 23 customer agents handle over 100,000 inquiries per month. Only four years ago, in 2018, these numbers were 5,000 inquiries per month serviced by eight customer service agents. We estimate that the deployment of chatbots to assist in handling online inquiries has already saved us from hiring 27 employees as of December 2022.
2. I mentioned above that we opened 342 branches last year. The incremental headcount in our branch management team was 2.9 per branch. In 2018, this figure was 3.8 per branch due to the Tidlor Card replacing the top-up activity in branches. Since we partnered with banks to launch cross-bank online bill payments in March 2020, our customers have shifted their payment behavior. The proportion of clients who prefer the convenience of online payment channels has increased substantially, from 5% to 62% in only two years. On a monthly basis, 600,000 transactions are completed via self-service channels. Migrating these processes to self-service not only improves the customer experience but also lowers the cost per transaction. Online payment also contributed to reducing the branch staff's workload and the branch headcount. Share owners can expect the next 1,000 branches to continue to drive down the average headcount and unit costs. We did not fire any employees; rather, we reallocated them to new branches and redirected their time to sales activities to drive further productivity.

3. NTL is probably the #1 seller of compulsory motorcycle insurance in Thailand. This is enabled by straight-through processing on our NTL App. Since 2018, when the feature was launched, we have processed over 15,000 transactions without any people involved. The manual processes to sell compulsory motorcycle insurance are uneconomical.
4. In 2022, we plugged our telesales platform into the back-end module that supports withdrawals against their Tidlor Card credit lines. Our telesales staff is now able to transfer cash into customers' bank accounts, thus saving the customer a trip to the branch and freeing up our branch staff to engage in higher-productivity activities. This was implemented in June 2022, and we have since eliminated 16,000 transactions from our branches.

It is important to realize that your company distinguishes between what customers expect from a moneylender and what they demand from a financial service provider. In this regard, we aim to ensure a higher service level than peers. Similar to how we think about ensuring that risk management also doubles as a source of transparency in our balance sheet, technology is also about dual objectives: lower transaction cost and higher quality.

Our ability to collect and interpret data and act upon the derived insights will sustain our growth and transformation.

The foundation enabling our methodical approach to innovation is data. Among title loan players, your company has invested more than others in the infrastructure required to collect and clean borrower data needed to develop acquisition scores for underwriting and behavior scores for portfolio monitoring. Your company's industry-leading data-centric approach is a natural extension of our technology investments, and it is impossible to build the capabilities we have today without a supportive technology infrastructure. We employ over 50 data-related professionals in our MIS, analytics and development, and risk management departments, in addition to the analysts embedded in every large function within the organization. This data-driven continuous improvement approach is what gives us the confidence that we will be able to develop insights while balancing and rebalancing risks and resources as we grow.

Since risk management is an area of key concern against the current economic backdrop, I will share a bit more about how data supports our approach to risk management.

Our ability to make use of data has supported our growth by helping us maintain relatively low NPLs despite offering borrowers loan amounts that exceed the value of their pledged vehicle. In fact, we monitor more than the one-dimensional credit cost as the process we installed evaluates new products' marginal bottom-line contribution.

Years ago, we recognized that in their original form, title loans were purely an asset-based lending product based on the concept of a pawn shop. In fact, the Thai word for title loan actually translates into "vehicle title pawn loan." This label is very telling-traditional pawn shops do not manage very much risk beyond collateral risk. Because they lend low amounts against the value of the collateral and take physical possession of the collateral, they have no need to invest in data, risk management, or collections infrastructure needed by more developed lenders. Accordingly, title loan lenders that evolved from this pawnshop concept keep loan amounts low, ignore the data collection process, and are limited by collateral value in how much they dare to lend.

Years ago, your company came to realize that although collateral is a useful tool to minimize risk and maximize loan recovery, the pledged asset tells us nothing about the borrower's occupation, capacity, and willingness to service the loan, which are factors that often serve as stronger predictors of delinquency than the information that can be obtained purely from the asset they own.

Data must be combined with curiosity. In our search to understand customer behavior and improve our products and services, our analytics and development team conducts deep-dive analysis on seemingly random patterns that we observe in the physical world and through our data. This is the process that led us to postulate on the need for Tidlor Card and installment insurance. Both products introduced to the market by NTL have transformed their respective industries, and both started with a bit of curiosity.

And while lending and insurance brokerage generate more than enough data for us to keep mining for insights within their respective domains, what's exciting for us is finding the opportunities where these two business units intersect. For example, we dream of a scenario where we can improve insurance premium pricing based on loan repayment patterns, or vice versa. This future is still somewhat distant, but I believe your company possesses the business engines, data infrastructure, analytical muscle, curiosity, and willingness to try new things to eventually make it happen.

Our organization has been unimaginably transformed by the continuing virtuous cycle of digitization, data-driven insights, and innovation.

We have never been clearer on the value that technology adds to our business in terms of automation, cost-cutting, insight generation, and customer satisfaction. Furthermore, more IT assets are being built and coming online every day.

Internally, we have concluded that successful digital transformation is less about capital (although admittedly, it is costly) and primarily about people. For the better part of the last decade, we have been on a journey of enabling a traditional organization to speak the language of technology, learn the acronyms, and understand the role of design and the importance of modularity in reducing friction, figuring out the appropriate operating rigor, putting the right framework in place, and finding the right people. And we are still making mistakes, learning, and pivoting to become more efficient.

Essentially, all of the above has slowly altered our corporate DNA and evolved our culture. One benefit that we are beginning to realize from our consistency in using technology as a means of solving the social problem of inequality is that, as an employer, NTL is now somewhat of a magnet among local technology, digital, and data professionals, known for our working environment and a relatively high degree of technological literacy. This type of reputation cannot be bought. It must be established and earned over time. If we can maintain these intangible elements in our business, we can envision a future where a high degree of technology literacy permeates every function within our organization.

Our honest assessment is that while we have traveled further than most along this digital transformation journey, we still have a long way to go. We have seen enough progress to be confident that we are on the right track, and we believe that technology and consumer behavior are intertwined and endlessly changing and that your company stands as good a chance as any to benefit from these trends.

TODAY'S THOUGHTS ON THE FUTURE

We face the future with optimism and from a position of relative strength.

It cannot be overstated how excited I am about your company's long-term prospects. We truly believe that NTL represents a distinctive combination of assets that will help ensure the retention of our leadership positions in our current verticals while we seek to capture unique opportunities in newer growth areas.

Our past conservatism puts us in a position to continue investing in our future and growing our business the right way. We have higher reserves, relatively insulated borrowing costs, available credit lines, unused balance sheet capacity, an operating platform that is becoming more automated and scalable by the day, the most skilled employees among peers, one of the strongest and most valuable brands in consumer finance, and a dedicated professional management team that continues to grow, adapt, and learn.

Unwinding pandemic distortions will continue to impact your company's earnings in 2023 and beyond.

Needless to say, given the trends that began in 2022, I am less optimistic when thinking about the upcoming year when it comes to net interest margins, inflation, and credit costs. These are significant headwinds that will naturally impact earnings.

In addition to the macro factors thoroughly discussed, local regulatory debt forbearance measures in adjacent industries are also set to expire in phases and will likely have a negative impact on clients' ability to service loans. Write-offs from our debt forbearance portfolio were around 300 million THB in 2022, and we expect that amount to increase in 2023 before declining in 2024.

The return of tourism from China appears to be the most significant source of optimism for Thailand and a potential tailwind for your company.

We will need to rely upon our entire toolbox of strengths and assets as we apply judgment to navigate the upcoming variable conditions that we expect to encounter. As we consider how our future will be impacted by the movements of interest rates, inflation, client affordability, regulations, asset prices, and the competitive landscape, we are keenly aware of the shortcomings of our predictive powers and exercise a strong bias toward strengthening our balance sheet to prepare for the unexpected. What we know entering 2023 is that there are still many moving variables and visibility is low.

Essentially, our internal forecasts and plans are based on a set of estimates we make regarding a broad range of factors including competition, regulations, and the economy. Last year, for the most part our projections regarding loan growth, interest rates, and credit costs were directionally correct, but imprecise in terms of magnitude. For 2023, we expect the turbulence to continue and for our views, assumptions and projections to be frequently updated and adjusted.

Instead of focusing on how accurate or inaccurate we will be in predicting events, we believe that what matters more is how we collect and process information and apply our judgment once things don't go according to plan. In NTL, this is how we apply the concept of trust; we recognize that someone trustworthy is not someone who won't mistakes but rather someone who troubleshoots, learns, and solves problems appropriately once mistakes are (inevitably) made.

Hopefully, throughout this letter, you will have developed some appreciation for how your management team thinks about critical components of our collection of business assets and how we would likely prepare to face economic challenges. We hope you think we are worthy of your trust.

Our core lending and insurance brokerage revenue engines remain healthy sources of increasingly productive growth.

Share owners can expect us to continue to grow our business organically with a similar degree of quality that we have installed in the past.

Going forward we intend to expand our branch network significantly, albeit at a slower pace than in 2022, to ensure proper quality. This activity will likely resume in the second half of 2023 after we've given our branch leaders a bit of time to realign our infrastructure to support a larger branch network. The good news is that we have already identified hundreds of locations where we believe an NTL branch would thrive. As long as we can pace our growth using the appropriate span of control, our branch network will continue to grow productively.

As we have institutionalized the testing of product features, we will continue to introduce incremental improvements in our product offerings once they are ready. Every once in a while, we should have a new product feature worthwhile to support with a TV commercial.

As we grow our offline and online channels and add products to our branch and app shelves, we will continue to harvest the benefits of our ongoing investments in technology.

Interestingly, if we separate our core lending business from the insurance brokerage and separate the basket of investments we set aside to incubate new revenue engines, we believe our cost to revenue is trending downward and relatively on par with our branch-based mono-liner peers. Our operating expenses as a percentage of revenues have been trending downward at a healthy rate for both our loan and insurance businesses. We expect this trend to continue at a slower pace, however, due to inflationary pressures.

Your company keeps investing in and exploring new growth engines.

Our two strong core revenue engines combined with our capabilities in operations, network management, technology, and risk management have led us to incubate new and exciting initiatives. Allow me to highlight three such initiatives that have already been disclosed to the public:

1. Areegator is a software-as-a-service (SaaS) brokerage solution that enables traditional mom-and-pop insurance brokers to leverage the core insurance platform that we developed for our own branches. The premiums processed via Areegator last year place it fourth in insurance sub-broker rankings. This business is being incubated to help SMEs reduce operating costs, improve margins, and make insurance more transparent, affordable, and accessible.
2. In October, we announced a pilot program with Som Jai, a local motorcycle financing company based in the Roi Et province. Under this partnership, NTL would provide Som Jai with IT supports, allowing this Hire Purchase operator to access our core loan system for a fee. While its impact on our revenues is negligible, we consider this a significant step in our journey to monetize our technology.
3. As promised during our IPO, your management team has allocated resources to pursue inorganic growth. Although we have screened domestic and international opportunities, we were unable to conclude any sizable transactions that fell within our investment parameters.

For now, these endeavors are extensions of our core. In the future, however, one or all of them could be transformative to NTL and emerge as a third core. The value of these endeavors is not confined to their potential contribution to revenue and earnings; more importantly, incubating these business ideas enables us to develop additional skills and capabilities that will inevitably find their way back to strengthening our core businesses.

Naturally, these opportunities would not exist today had we not built our core businesses with a high degree of quality over these past years.

Your management team

Among listed title loan market players, NTL is the only operator with a fully professional management team. We have successfully guided your company through the following significant milestones and corporate achievements:

1. Transformed a local family business into one that is professionally managed using international standards
2. Evolved our mindset from a profit-driven moneylender to becoming a purpose-driven financial inclusion service provider
3. Elevated business practices of an unlicensed industry in the darker corners of the shadow banking sector until it became licensed, mainstream, and prominent
4. Upgraded from a bricks-and-mortar branch-based lender to an omnichannel financial inclusion leader
5. Diversified a mono-product organization by building a second core revenue engine
6. Grew from a parent-reliant, wholly-owned bank subsidiary to become an independently managed affiliate
7. Converted from a private company to a public company on the SET50

With each transformation, we are confronted with new challenges, and our perspective and capabilities must expand accordingly to continue growing your company.

As stewards of capital for tens of thousands of share owners, we prioritize security and preservation of capital over growth. We manage the organization with a strong bias toward long-term leadership and sustainability. Furthermore, even during times of low visibility and turbulence, we are prepared to continue to invest and take calculated risks to expand when we believe the math works.

It continues to be my privilege and pleasure to work alongside extremely conscientious, committed, and experienced colleagues whom I admire and to be part of your management team. We realize you have a lot of choices when choosing who to trust with your hard-earned capital, and we are honored that you placed your trust in us.

Last, we hope our approach to growing your company and capital is consistent with your values and objectives and that you are as proud as we are to be called an NTLer.



Piyasak Ukritnukun
Managing Director



Message from Audit Committee

The Audit Committee of Ngern Tid Lor Public Company Limited consists of 3 independent directors who are experts in a wide variety of fields and have sufficient knowledge and experiences to review the reliability of the financial statements. The Audit Committee includes (1) Mrs. Kesara Manchusree; Chairman of Audit Committee, (2) Mr. Supawat Likittanawong and (3) Mr. Patara Yongvanich, members of the Audit Committee. Mr. Rattanasak Srichumsin, Head of the Internal Audit Department, serves as the secretary of the Audit Committee.

The Audit Committee performs its duties independently in accordance with the scope of responsibilities prescribed in the Audit Committee Charter as assigned by the Board of Directors. In 2022, the Audit Committee convened 4 meetings in total, whereas key points of operation could be summarized as follows:

1. Reviewing compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand, and other applicable laws. Based on its review of the Company's compliance with the laws and regulations of the Stock Exchange of Thailand and other relevant agencies, the Audit Committee was of the opinion that there were no material issues regarding non-compliance with the laws and regulations of the Stock Exchange of Thailand and relevant regulatory bodies.

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

3. Auditing financial statements for the year 2022. The Audit Committee reviewed the Company's financial reports, including the consolidated financial statements. It regularly held meetings with the auditor and senior finance and accounting executives to consider material matters, such as the accuracy and completeness of the financial reports, the adjustment of important entries, accounting estimates, the appropriateness of accounting policies and auditing scope, key audit matters, the accurate and complete disclosure of information, and the independence of auditors. The Audit

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

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

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

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

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

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



Mrs. Kesara Manchusree
Chairman of the Audit Committee

Board of Directors

Mr. Chandrashekar Subramanian Krishoolndmangalam

- Chairman
- Authorized Director
- Chairman of Risk Management Committee



Mrs. Kesara Manchusree

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



Mr. Piyasak Ukritnukun

- Managing Director
Authorized Director
- Member of Investment Committee
- Chairman of Senior Management Team



Mr. Elcid Vergara

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



Mr. Xuan Wang

- Director
- Authorized Director



Mr. Nathapol Luepromchai

- Director
- Member of Investment Committee

Mr. Minki Brian HONG

- Director
- Chairman of Remuneration and Nomination Committee

Mr. Phonganant Thanattrai

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

Mr. Vasin Udomratchatavanich

- Director
- Member of Remuneration and Nomination Committee



Mr. Supawat Likittanawong

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

Mr. Patara Yongvanich

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

Dr. Santitarn Sathirathai

- Independent Director

Senior Management Team



1 Mr. Piyasak Ukritnukun

Managing Director
Chief of Senior
Management Team

2 Mr. Veerapat Viriyakovitya

Head of Financial
Accounting Department
and Secretary of Investment Committee

3 Miss Nipa Vanichavat

Head of Business Support
Central Service Department

4 Miss Piano Watcharapolmek

Head of Operations
Operational Risk Management
Department

05

07

09



5 Mrs. Athitaya Phoonwathu

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

7 Mr. Siu Bong Tso

Head of Marketing and Business Development; and Information Technology Department

6 Mr.Thanya Kitchainukul

Head of Credit Department

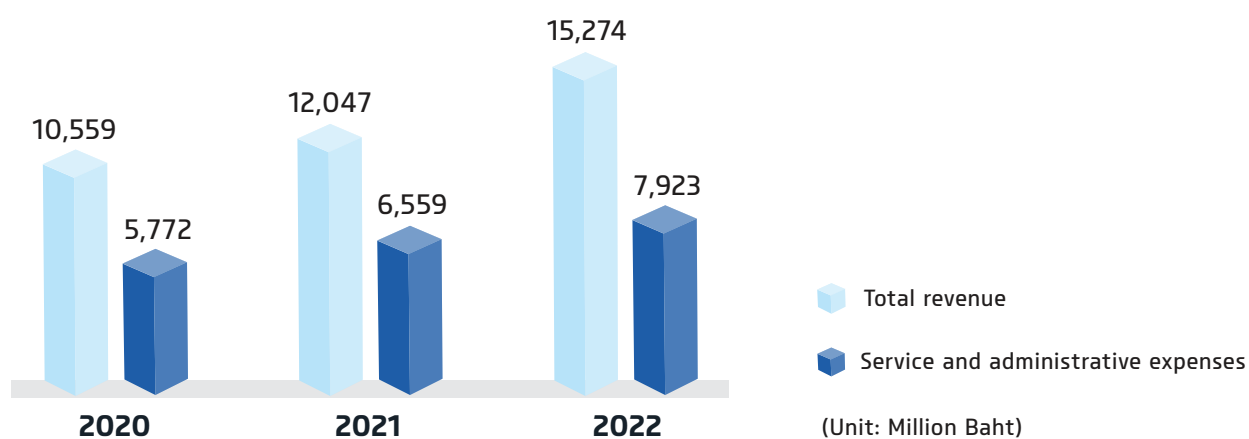
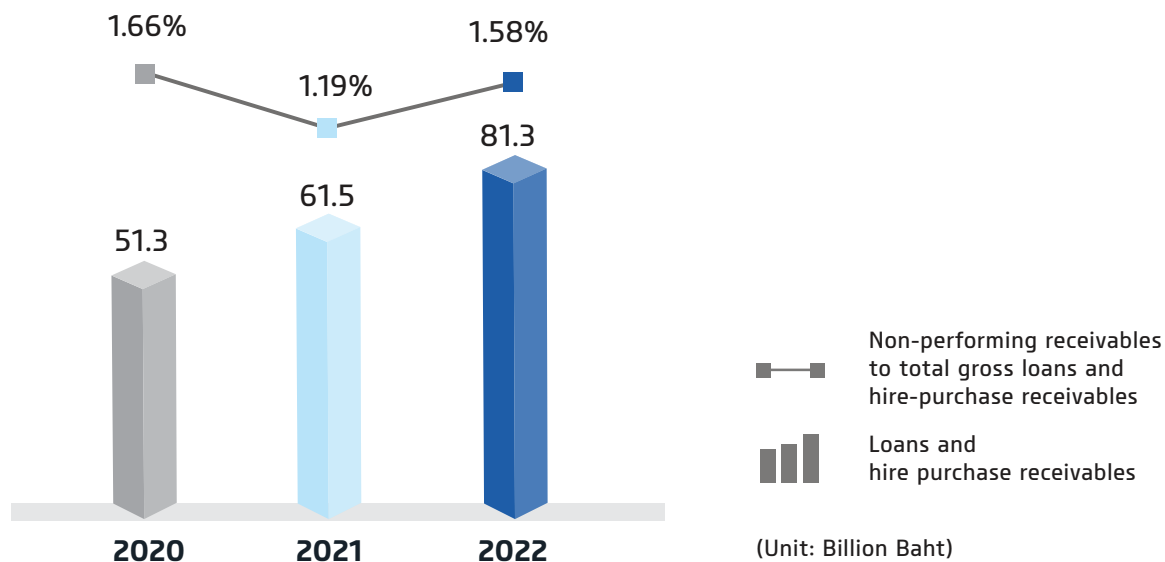
8 Miss Chaweemas Yamyim

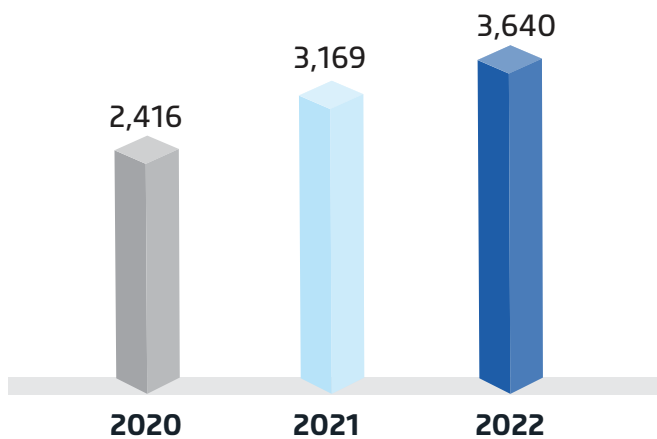
Head of Branch Development Sales Management and Collections Department

9 Mrs. Duangporn Utaipat

Head of Compliance Department

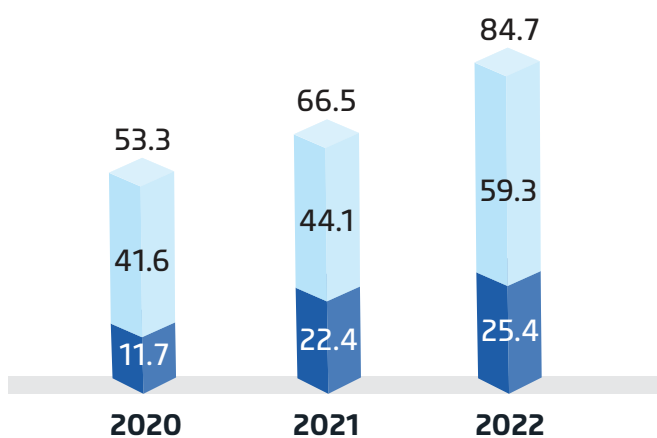
Financial Highlights





Net profit

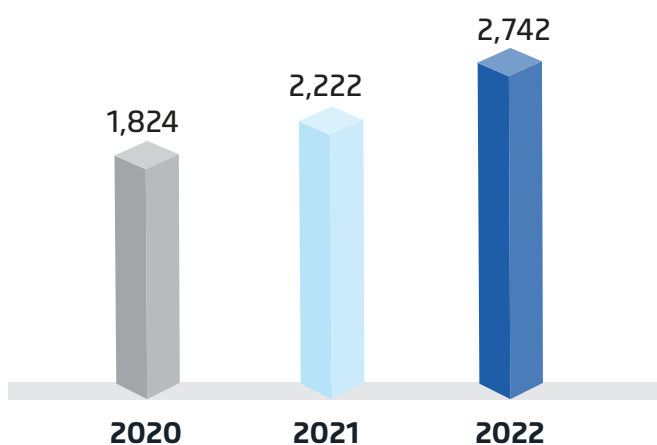
(Unit: Million Baht)



Total liabilities

Total shareholder's equity

(Unit: Billion Baht)



Non-interest income

(Unit: Million Baht)

Activity Highlights 2022



March 1, 2022

Launched a commercial ad “**four-wheeler title loan with TIDLOR Card**”. It comes with a special interest rate of 0.79% per month and a revolving cash card for convenient ATM withdrawals at leading banks nationwide.

เงินติดล้อ ดอกเบี้ย 0.79%/เดือน
1 มี.ค. 65 - 31 พ.ค. 65

June 1, 2022

Officially launched “**TIDLOR Insurance Broker**” to dominantly make a brand recognition as an insurance broker and differentiate its brand from the vehicle title loans.



June 6, 2022

Supported **500 sets** of pharmaceutical products, totaling **252,787 Baht** to the Disease Control Project for Thai Muslim citizens travelling to join the Hajj pilgrimage in Saudi Arabia.



นายหน้าประกันภัย มุ่งส่งเสริมความคุ้มครองด้านประกันภัย



ประกันชั้น 1 เบี้ยหาร 10

June 21, 2022

Launched a commercial ad “First Class TIDLOR Insurance Broker 10 Months Interest-Free”, to emphasize the brand’s unique selling point and build brand awareness of TIDLOR Insurance Broker. As Thailand’s top insurance company for retail customers, TIDLOR Insurance Broker is known for offering premium payment instalments with cash - no credit card required.

July 15, 2022

Donated **405 doses** of the Moderna vaccine, worth **688,197 Baht**, to Bangrak Vaccination and Health Center to support the national Covid-19 vaccination mission and encourage people to get booster shots to build better immunity for people of all nationalities living in Thailand.

Bangrak Vaccination & Health Center



August 2, 2022

Celebrated the opening of **1,500 branches** nationwide, offering customers convenient service options through branches at leading gas stations, department stores, and community malls, catering to the needs of today's customers seeking convenience.



August 25, 2022

Donated **1,000,000 Baht** to "Teach for Thailand Foundation" to nurture and support educational equality which is seen as being fundamental to reducing social inequality and promoting a better and sustainable life for Thai people and society.

September 26, 2022

Launched a campaign **"Fix Bad Credit Score and Build Good Credit"** to raise awareness about credit building, educate people on the benefits of using credit bureaus, and provide guidance on how to fix bad credit and establish a good credit history, leading to a sustainable financial life.



October 27, 2022

Launched a service platform for motorcycle hire-purchase businesses to enhance operational efficiency. This marks the company's first step towards becoming a technology company and forming technology alliances with partners in credit and insurance brokerage.





November 23, 2022

Honored by CIIP- Center for Impact Investing and Practice by Temasek Trust as a case study for its contributions to business operations and social sustainability in accordance with the Sustainable Development Goals (SDGs).

November 25, 2022

Supported the Mae Fah Luang Foundation under the Royal Patronage in building check dams at Doi Tung to restore natural abundance, and donated **500,000 Baht** to promote sustainable education and career opportunities for people in society.



December 6, 2022

Organized the "Financial Knowledge to Communities for Life Rolling Forward" activity in the Ban Sai Ngam, Prachin Buri. The activity was observed by Bank of Thailand executive board members and the financial knowledge promotion team, who exchanged insights and ideas to further financial enhancements for the public.

Opportunities to Customers and Society



For 15 years,

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

For a total of

607,703 customers.

(As of December 31, 2022)



For 9 years,

We have organized

201

financial education activities.

For a total of

5,501 participants.

(Total number as of 2013-December 2022)



For 7 years,

We have provided free personal
accident insurance for

1,650,964

motorcycle loan customers.

With the claim amount of

212,688,791 Baht.

(As of December 31, 2022)



For 5 years,

We have welcomed

135

external organizations.

For a total of

1,539 participants,

to visit and learn about
building corporate culture
in our

TIDLOR Culture Wow
program.

(As of December 31, 2022)

Product Highlights

Ngern Tid Lor offers services via

1,628
branches
across
74 provinces

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



"TIDLOR Card"

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



AUTO RENEW

NTL Mobile Application

Enhance the NTL Mobile Application to a higher level by adding the Auto Insurance Renewal feature. As the first brand in the industry to offer this feature, Ngeru Tid Lor enables customers to complete their insurance renewal through Straight Through Processing (STP), resulting in a better customer experience.



Awards of Pride

1. **Best Employer Brand Award 2022**
by World HRD Congress
2. **The Finance Company
of the Year-Thailand 2022**
by The Asian Banking & Finance
3. **Insurance Product Innovation
of the Year-Thailand 2022**
by The Asian Banking & Finance
4. **Thailand's Most Admired Brand 2022**
by BrandAge
5. **Thailand Technology Excellence
Award for API - Financial Services 2022**
by Asian Technology Excellence Awards
6. **Excellence in Innovation - Insurance
Broker Thailand 2022**
by Global Banking and Finance Review 2022



7. **Best Brand Performance Social Media**
by Thailand's Zocial Award

8. **Product Innovation Awards 2022**
by Business Plus Magazine

9. **Best Insurance Broker of the year 2022**
by International Finance Awards

10. **Best Customer Centric Business**
Model - B2B2C 2022
by Global Retail Banking Innovation
by The Digital Banker

11. **HR Asia Best Companies To Work For**
In Asia Award 2022
by HR Asia



A cluster of overlapping squares in white, light blue, and red in the top right corner.

Business Operation and Performance

A large red square containing a white number 1.

1



We urgently needed money to keep our business running. Ngern Tid Lor quickly approved our loan request and the funds were deposited in just one day. This prompt help was greatly appreciated and solved our financial problems.

Mr. Ruangsak Roteruangsak

Ngern Tidlor's customer, Bueng (Si Racha) Branch



Business Operation and Performance



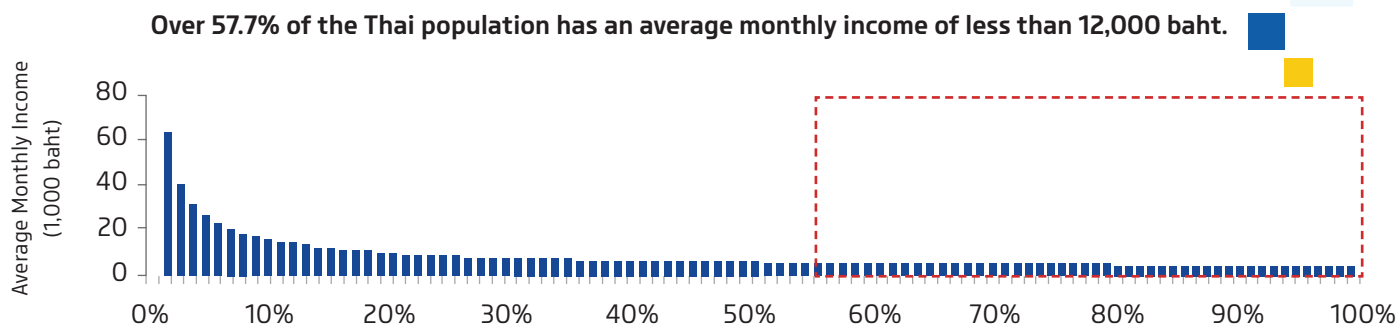
Company Structure and Operation

Business Overview

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

We have created a scalable and flexible distribution and financial service platform that combines an innovative digital infrastructure with omnichannel customer experiences. With more than three decades of experience, we are growing quickly to become a market leader in the vehicle title loans market, with approximately 29% market share as of December 2022. Leveraging on this vehicle title loans business, we made the strategic decision to begin operating an insurance brokerage business in 2017, and we currently provide distribution services for motor and other insurance products from 19 insurers in Thailand on a purpose-built InsurTech platform.

The Thai financial services market, where we operate, is fragmented and rapidly developing. Our customer base is a large, long-tail segment of the Thai population with an average monthly income of less than 12,000 baht. The customers are mostly sole proprietors, micro-entrepreneurs and blue- and white-collar workers with limited credit history and variable income and cash flows. They are underserved by traditional financial institutions and often turn to unlicensed lenders, particularly in urgent need.



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

To meet the needs of these customers, we offer our group of clients speedy and simple products and services through an extensive distribution network of more than 1,628 branches across 74 provinces. The network is supported by a wide referral network (including tele-sales, used truck dealers and referrals from the branches of Bank of Ayudhya), online customer engagement channels (including our website, mobile application, Facebook and Tidlor Connect on Line business connect, our own automation system throughout our business driven by proprietary technology systems, and a high working standard and professionalism in operations. All of this contributes to our ability to meet the demands of our growing customer base.

We believe that we possess a distinct philosophy and approach to our business from our peers in Thailand. Our approach is focused upon forward-looking investments in our (i) Ngern Tid Lor brand, (ii) technology platform, and (iii) customer experience, all of which are critical factors to foster longer-term success, directly impacting shareholder returns.

In order to capture the benefits of digitization in our industry, we have focused our investment on information technology. We believe that this investment and our emphasis on digitization will differentiate us from other service providers in the same industry. This investment would also provide us with the opportunity to benefit from the expected changes in demographics, customer behaviors and the Thai economy over the coming years, along with the shift from a largely paper-based vehicle title loan and insurance brokerage market to a more sophisticated digital industry. Due to the foregoing factors, we project that more than half of our customer acquisitions will occur online through digital channels within the next ten years. As such, in addition to leveraging the increasing digitization and latest technologies for our own operations (including risk management), we also focus on bringing the benefits of these technologies to our customer base. For example, our in-house data analytics capabilities contribute better data-based insights and intelligence to improve our customers' experience. By analyzing the available data for all aspects of our customers' experience from lead acquisition through product servicing and collections, we can better assess our practices and streamline our operations. This, in turn, allows us to improve our ability to design and offer easily accessible, transparent, and affordable financial products and services, as well as insurance coverage, which our customers may find difficult to obtain at reasonable costs from commercial banks and other licensed financial institutions with the same conditions.

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

Vision, Mission, and Goals

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



Business Strategy



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

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



Continuously improve operational efficiency through digital transformation.

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



Continue to strengthen our insurance brokerage platform

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



Pursue strategic acquisitions and other opportunities for business diversification:

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

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

We believe an optimized branch presence will remain the primary channel for our product and service offerings. Significant opportunities exist to acquire and service more customers by opening branches near them. We plan to continue expanding our branch network to broaden the geographic footprint. At the end of year 2022, we have a total of 1,628 branches in selective areas leveraging our GIS score model. Moreover, to further outreach customers, we will expand distribution channels to malls and gas stations.

Simultaneously, we intend to continue to expand our digital and referral network distribution channels, including both offline and online, to further drive customer traffic resulting in revenue growth. We will further leverage our data advantage and enhance our risk management capabilities by continuing to develop our predictive scoring models and targeted products and service offerings with the help of our decision-making engine. We will also continue broadening credit, behavioral, and alternative data collection and rigorous product testing of all our new products and services. We also plan to maintain our leading position in the vehicle title loan business market.

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

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

Furthermore, we are focusing on enriching our data collection and application. As part of our data-driven decision-making framework, we are continuing to enhance data infrastructure, connect with new external datasets, and strengthen analytic capacities and capabilities through various ML and AI projects. We are continuously expanding our data analytics and business intelligence tools to include new functions, with the goal of reducing processing time and enhancing customer experience. We believe that this will benefit both our customers and business by saving costs, boosting revenue and increasing outreach to customers. Our financial services digital transformation strategy also empowers our front office and branch staff by automating various operations, thus enabling our branch staff to handle more transactions with a higher level of complexity.

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

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

We plan to further enhance Ngern Tid Lor's brand awareness for insurance distribution, expand product offerings on the shelf, increase lead acquisition from online channels, and enable end-to-end transactions through online and mobile applications for renewals and new purchases. For example, the development of our "plug-and-play" platform enables insurers to distribute across third-party platforms that are plugged into our network. Leveraging on the substantial amount of data that we have gathered during our operation, we also plan to offer customized insurance products in collaboration with our insurance partners. Our Areegator platform will continue to drive our growth by increasing our network of independent

brokers who can benefit from our continued investment in insurance platform. We have a medium-term plan to increase the percentage of our total revenue contributed by our non-life insurance brokerage business to over 15% of our total operating revenue.

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

In addition to continuing to organically grow our vehicle title loan and insurance brokerage businesses in the domestic market, we may seek mergers, acquisitions, strategic alliances, and partnerships to expand our products and services, augment our distribution channels, and upgrade our technology capabilities.

We may also selectively expand into other market in the ASEAN region as a strategic investor in similar consumer finance operators where we can transfer our experiences and capabilities in risk management, operations, and technology.

Significant Changes and Progresses

Characteristics of Business Operations over the Past Years

As of December 31, 2022, the Company possessed a total of 1,628 branches nationwide, including 471 branches in Bangkok and perimeter and 1,157 branches in provincial areas, to cover the Company's target clients in Bangkok and upcountry. Significant milestones related to the Company's business are as follows:

Year	Milestone
2020	<ul style="list-style-type: none"> We launched our Areegator platform and Ngern Tid Lor mobile application. We changed our organizational status to become a public company limited, enhanced our par value from 37 baht per share to 3.70 baht per share, and increased our registered capital by 780,021,790 baht from the prior registered capital of 7,800,221,119 baht to 8,580,242,909 baht. This was done by way of the issuance of up to 210,816,700 shares at a par value of 3.70 baht per share as part of the initial public offering of our ordinary shares.
2021	<ul style="list-style-type: none"> Listed on the Stock Exchange of Thailand (SET) under the ticker symbol "TIDLOR", the company's first trading day was on May 10, 2021. Counted as "IPO shares in the finance and securities sector with the highest offering value and being in the fifth largest IPO in the history of SET. (1) TIDLOR also attracted the attention of 32 leading institutional investors around the world to sign up and become Cornerstone Investors and retail investors". The credit rating has been upgraded from "A-" to "A" by TRIS Rating, the credit rating agency. This confirms the company's strength under uncertain circumstances during the COVID-19 epidemic as an emerging disease. <p>Remark: ⁽¹⁾ An initial offering date (May 10, 2021)</p>

Year	Milestone
2022	<ul style="list-style-type: none"> AGM 2022 had the resolution to pay dividends by issuing the Company's ordinary shares with a total of new ordinary shares not exceeding 178,383,428 shares at a par value of 3.70 baht per share for the existing shareholders in the ratio of 13 of current shares for one dividend share with the total amount not exceeding approximately Baht 660 million which is equivalent to the amount of dividend per share at 0.285 baht per share. If any shareholder held the indivisible share remaining after such allocation, the dividend was paid in cash at the rate of Baht 0.285 per share. It helped the Company pay up shares equal to 2,497,336,063 shares. The board of director meeting approved the Employee Joint Investment Program ("EJIP"). From October 1, 2022, to September 30, 2028 (the total program is six years), apply for all permanent employees and executives of the Company with a year of service not less than two years until the date of applying for the program on a voluntary basis. This program includes the managing director, who is considered the Company's Executive. We launched the Revolving Cash Card for all sedan/pickup customers. We introduced a straight-through motor insurance policy renewal service for our customers via our mobile application, a first in the country. We launched our first technology platform-as-a-service (PaaS) for a local motorcycle hire purchase company to improve their operational efficiency and controllership as the first step in the direction of becoming a tech company.
Award and Recognition	
2020	<ul style="list-style-type: none"> Most Innovative Digital Innovation in Financial Inclusion 2020 from The Digital Banker Outstanding Leadership in Customer Experience - Team 2020 from The Digital Banker Dream Employer of the Year 2020 from World HRD Congress Dream Company To Work For 2020 from World HRD Congress Thailand's Most Admired Brand 2020 from BrandAge
2021	<ul style="list-style-type: none"> Best Digital Business Model Initiative/Application in Thailand 2021 from The Asian Banker Outstanding CX in Digital Sales Strategy 2021 from Digital CX Awards by The Digital Banker Best Use of Data and Analytics for CX 2021 (Highly Acclaimed) from Digital CX Awards by The Digital Banker Best in Future of Intelligence Thailand 2021 from IDC Future Enterprise Finance Company of the Year - Thailand 2021 from The Asian Banking & Finance Best Retail Bank Thailand 2021 (Highly Commended) from Retail Banker International Best App for Customer Experience 2021 (Highly Commended) from Retail Banker International Best Application of Data Analytics 2021 (Highly Commended) from Retail Banker International Best Use of Machine Learning 2021 (Highly Commended) from Retail Banker International Best Marketing Campaign 2021 (Highly Commended) from Retail Banker International Best Employer Brand Award 2021 from World HRD Congress Dream Employer of The Year 2021 from World HRD Congress Thailand's Most Admired Brand 2021 from BrandAge Best Equity/IPO Deal of the Year in Southeast Asia 2021 from Alpha Southeast Asia

Year	Milestone
2022	<ul style="list-style-type: none"> • Excellence in Innovation - Insurance Broker Thailand 2022 from Global Banking and Finance Review 2022 • The Finance Company of the Year-Thailand 2022 from The Asian Banking & Finance • Insurance Product Innovation of the Year-Thailand 2022 from The Asian Banking & Finance • Thailand Technology Excellence Award for API - Financial Services 2022 from Asian Technology Excellence • Excellence in Innovation - Insurance Broker Thailand 2022 from Global Banking and Finance Review • Best Customer Centric Business Model - B2B2C 2022 from Global Retail Banking Innovation by The Digital Banker • HR Asia Best Companies To Work For In Asia Award 2022 from HR Asia • Best Employer Brand Award 2022 from World HRD Congress • Thailand's Most Admired Brand 2022 from BrandAge • Best Brand Performance on Social Media (Financial Service) 2022 from THAILAND ZOCIAL AWARDS • Product Innovation Awards 2022 from Business Plus

The Utilization of Proceeds from the Initial Public Offering

The Company received proceeds from its initial public offering ("IPO") of 210,816,700 shares, at the selling price of 36.50 baht per share. The Company received the net proceeds after the deduction of expenses relating to IPO at the amount of 7,496 million baht. The Company's objectives of the use of proceeds are as follows:

(Unit: Million baht)

Objectives of the Use of Proceeds	Approximate Usage of Net Proceeds	Accumulated Usage of Net Proceeds as of December 31, 2022
1. For expanding our lending and insurance brokerage businesses		
1.1 Renovate our existing branches and expand our branch network	340	320
1.2 Improve and develop projects regarding information technology and digital transformation	810	467
2. For capital restructuring by repayment of existing indebtedness	5,500 - 6,000	6,000
3. For working capital	518 - 545	545
Total	7,168 - 7,695	7,332
Balance		363

Nature of Business

1. Revenue Structure Divided by Product Line

Based in Bangkok, we are a non-bank financial services provider and an operator of technology-enabled, inclusive financial services. We offer a full suite of vehicle title loans (motorcycles, cars, pickup trucks and tractors), hire-purchase financing for used trucks, and insurance brokerage services, using the brand name of Ngern Tid Lor which is well known throughout the entire nation. The Company's performance demonstrates continuous growth and profitability. As of December 31, 2022, the Company had total assets of 84,727.0 million baht, and the revenues for the year at the end of 2021 and 2022 were 12,047.1 million baht and 15,274.4 million baht, respectively. In addition, as of December 31, 2022, the Company had a total loan amount of 81,265.4 million baht, an increase of 32.2% since December 31, 2021. For the year 2022, the insurance premiums collected by the Company was 6,977 million baht compared to 5,219 million baht for the year 2021, and the average return on equity was 18.6% compared to 15.2% as of December 31, 2021 and 2022.

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

(Unit: Million baht)

	For the year ended December 31					
	2020	%	2021	%	2022	%
Revenues						
Interest income from hire- purchase receivables	1,204.8	11.4	1,111.6	9.2	1,474.5	9.7
Interest income from loans receivables	7,530.5	71.3	8,713.1	72.3	11,057.8	72.4
Fee and service income	1,792.0	17.0	2,197.1	18.3	2,710.5	17.7
Other income	31.6	0.3	25.3	0.2	31.6	0.2
Total Revenues	10,558.9	100.0	12,047.1	100.0	15,274.4	100.0

2. Product Information

Products and Services

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

2.1 Lending

We are committed to becoming a leading lender to the long tail segment in Thailand, focusing on offering fast, convenient and simple financing products to customers. We believe that our strength lies in an extensive distribution network. As of December 31, 2022, we possessed 1,628 branches across 74 provinces in Thailand, supported by a wide referral network including over 6,831 retail agents nationwide, more than 510 tele-sales representatives (130 of which were our employees and over 380 of which were outsourced personnel), over 510 used truck dealers, and 588 Krungsri branches and online customer engagement channels (including our website, Ngern Tid Lor application, Facebook and “Tidlор Connect” on Line application). Hence, this network provides us with quick, on-site and online access to potential clients.

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

Vehicle Title Loans

Car and motorcycle title loans typically have a term of 12 to 60 months. We usually physically evaluate the vehicles at our branches with the title registration book that is delivered as security, assessing the brand, model, condition and age. We benchmark these factors against market prices stored in our centralized system as established by reputable third-party valuation experts and our internal valuation experts.

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

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

Truck Loans

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

While other major market participants focus their business on new trucks, we do not offer hire-purchase financing for new trucks. Currently, we are the top-ranked lender in terms of portfolio size in the used truck hire purchase segment. Our customers for truck lending are generally self-employed entrepreneurs, as well as operators with truck fleets. The extensive branch network owned by the Company with more than 1,628 branches nationwide allow us to provide services to clients on the spot without charge before loan approval. We offer a credit line up to 20 million baht.

Revolving Cash Card

We observed that vehicle title loan borrowers, particularly those pledging the title of motorcycles and cars as security, frequently re-apply for new loans on or prior to the completion of their initial borrowing. Therefore, we launched our Revolving Cash (Tidlor Card) in 2019, which provides our existing vehicle title loan customers with an additional channel to access their loans other than receiving cash at our branches or via wire transfer to such customers' bank account. Customers receive open credit lines in reference to the value of the asset provided as security and can easily access such lines of credit directly from over than 50,000 ATMs of commercial bank partners across Thailand, 24 hours a day and seven days a week. We had issued more than 500,000 Revolving Cash Cards to our customers as of December 31, 2022.

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

2.2 Non-Life and Life Insurance Brokerage

We are Thailand's leading technology-enabled, omnichannel insurance broker with an advanced InsurTech platform that provides consumers with a convenient way to compare and purchase an automobile, personal accident, loan payment protection, and cancer insurance policies from 19, leading insurance companies in Thailand. The Company holds both life and non-life insurance broker licenses granted by the Office of Insurance Commission. These licenses enable us to offer various motor and non-motor insurance policies, including motor insurance, personal accident insurance, loan payment protection insurance and health insurance (e.g., cancer coverage).

We are focused on developing a unique, tech-based insurance brokerage business, which differentiates us from other service providers in the same industry. As insurance brokers, we earn commissions from our insurance partners as we sell policies on their behalf. We originally established our non-life insurance brokerage business by offering insurance products to our loan customers. However, we have recently developed a diverse set of online and offline customer acquisition channels for our insurance brokerage business. Our primary sources of leads include branch walk-ins, search engine marketing, television advertising, and third-party marketing partners. Our insurance brokerage business benefits from decades of investment into our brand and branch network. For the year that ended on December 31, 2022, our voluntary motor insurance premiums for insurance renewals increased continuously, and they continue to be a growing source of income without requiring any additional acquisition costs. This demonstrates a strong and sustainable business model, as such patterns reflect the recurring nature of our market share. Additionally, in 2022, the proportion of voluntary motor insurance premiums from channels other than our branch network, such as digital platform channels and partners, increased from 27% in 2021 to 35% of total voluntary motor insurance premiums sold to customers who are not renewal customers. This depicts that our insurance brokerage business continues to grow and is accessible to new customers.

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

We believe that our digital distribution and data analytics capabilities will allow us to better serve our customers by providing better pricing algorithms, cross-selling other financial products and improving loss for our insurance partners. We are a critical part of the insurance distribution value chain, and we trust that our insurance partners can benefit from our data analytics capabilities in the future. Simultaneously, we strive to become trusted advisors to our customers in their insurance purchase and renewal decisions, which will result in continuity of our income. Although we do not bear any underwriting risk, we believe our data collected from of insurance distribution and claims would benefit our provision of services around underwriting and risk management in the future.

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

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

In 2017, we began offering an innovative 0% interest cash installment financing option to motor insurance customers for a maximum of 6 installments, extended to a maximum of 10 installments in 2021, in order to ease our customers' burden. While most operators in our industry typically only offer this option if the relevant customer has designated credit cards, this financing option has given us a significant advantage in acquiring customers who cannot afford motor insurance, as customers find the insurance products offered by us more accessible and are able to better manage their own cash flows.

As a technology-enabled insurance broker in Thailand, we believe that we are well-positioned to capitalize on utilizing digital technology across the insurance offering or distribution value chain. Under the traditional insurance distribution model that features numerous physical, retail shop house insurance brokers across the country, consumers are often unaware of their full range of coverage options available to them. Moreover, brokers typically collect customer information on paper, check a rate card or spend time placing calls to their carriers to receive quotes. The shop house-based brokers are usually required to submit a substantial security deposit with each insurer to be entitled to act as a broker of such insurance companies, which inevitably limits the number of carriers a broker can carry. Hence, the Company's insurance distribution platform offers customers more choices, transparency in pricing, as well as more affordable, transparent and fair financing along with a frictionless transaction experience.

In addition to the Company's direct to customer insurance distribution business, we have branded our platform under the brand of Areegator. Launched in March 2020, the Areegator platform is an online insurance marketplace platform that provides a customized solution for traditional work problems faced by licensed individual insurance brokers by allowing them to benefit from our InsurTech and expand their business with less cash required as security deposits. As of December 31, 2022, the Areegator platform was utilized by over 5,000 independent insurance brokers, and we anticipate that it would become another sustainable income generating channel for the Company in the long term.



Marketing and Competition

1. Marketing, Sales and Distribution Channels

1.1 Digital Marketing

While we have made a substantial investment in the expansion of our branch network over the last several years, we have also spared significant time and resources on increasing our digital brand awareness and presence by interacting with our customers through four primary digital channels: our website, Facebook, the Tidlor Connect on Line application and our Ngern Tid Lor application. We place a particular emphasis on digital marketing for our non-life insurance products, as the customers we target for this product are generally younger and more inclined to use technologies through online channels. In 2022, the number of visitors to our website reached over 10.5 million, according to Google Analytics 360 and Google Search Console, representing a 6% increase over year 2021. Estimated loan volume of 2022 generated through digital channels increased to approximately 1,388 million baht from total volume of 2021, an increase of 59% as compared to 2021 (data from the Company Database from January 1, 2022, to December 31, 2022).

We believe that our digital efforts contribute to our brand strength within Thailand. According to Google Analytics and the SEMRush SEO tool, as of December 2022, we were the most searched vehicle title loan provider brand in Thailand on Google. We believe that this emphasis on technology differentiates us from the other service providers in the same industry, some of whom have invested in thousands of new branches over the past several years. In contrast, we have maintained our belief that the strength of our digital platforms has contributed, and will continue to contribute, to our achievement of becoming the top market position in Thailand for vehicle title loans while also positioning us to capitalize on an inevitably evolving marketplace in a post COVID-19 world where engagement with an increasingly digitally literate customer base is crucial.

To increase engagement with our customers, we utilize Facebook as an important online communication channel to generate leads for both our loan and insurance products. We have developed our chatbot platform on Facebook, whereby customers can engage with us directly through the Facebook Messenger platform to make account enquiries, request information on loan product options, contact our branches or tele-sales teams, find information regarding insurance policies, make payments, and locate branches. In 2022, the number of interested applicants for loans and insurance through the chatbot channel increased by 67% as compared to 2021, and the number of customers being satisfied by the chatbot services reached 97.5% (data from Chatbot Satisfaction Report and the Company Database from January 1, 2022, to December 31, 2022).

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

In 2022, Ngern Tid Lor mobile application reached approximately 1.8 million downloads and 1.1 million registered users, reflecting its unique value to our customers. Moreover, the online repayment increased by 47% in 2022, as compared to 2021, and reached maximum transaction per months at 550,000 transactions.

1.2 Data Analytics

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

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

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

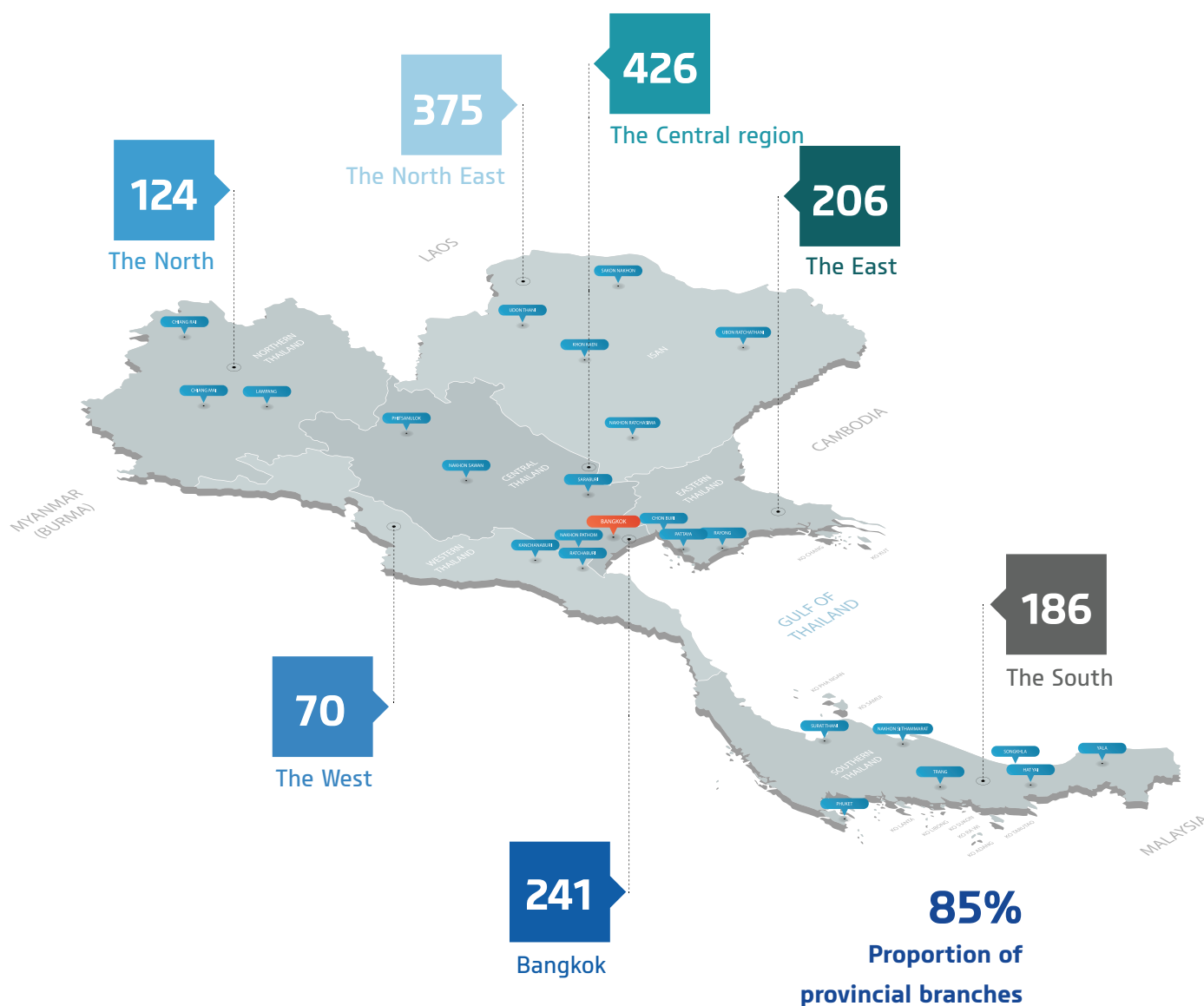
We also utilize the collected data through machine-learning dialing technology that optimizes phone communications with delinquent borrowers by improving the chance of contacting them by phone, as well with real-time communication technologies between branches and field agents to ensure up-to-date customer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

1.3 Distribution Channel

Our marketing is supported by our key distribution channels, which comprise our extensive branch network, online digital platforms, tele-sales teams, a network of agents including used truck dealers, and referrals from Krungsri. With our investment in marketing and our Ngern Tid Lor brand building over the last ten years, we have now achieved 100 percent brand recognition in the Thai market according to the research conducted by IPSOS in December 2022. In addition, we intend to continue growing and promoting our digital platforms in order to further leverage our technology capabilities to adapt to a post COVID-19 pandemic marketplace where customers have become more accustomed to digital service providers.

Branch

Our branches are the main distribution channel for both our lending and insurance brokerage businesses, and our physical branch network has continually increased in size. As of December 31, 2022, the Company had a total of 1,628 branches, covering 74 provinces across the country.



Branches are typically open from 8:30 a.m. until 4:30 p.m.; however, a few branches are open later to accommodate the needs of our customers in certain areas. Our branches are designed to offer trustworthy inviting environments for our customers and are equipped with free wireless internet. We train our branch employees to place particular emphasis on customer service to help ensure that customers feel comfortable in their interaction with a formal financial service provider. We have an extensive planning necessary to identify and secure a location, recruit staff and outfit the branch with necessary equipment and IT infrastructure. We hire and train branch staff with a view toward development, and wherever possible, we seek to promote high-performing customer service officers (CSOs) from nearby branches to become managers at the newly launched branches.

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

Agents

In addition to our branch network, we have worked with over 6,831 agents across Thailand as of December 31, 2022, to introduce our lending products to potential customers. Our agents include local businesses, such as vehicle inspection shops, local insurance brokers and car washes that refer potential clients to our local branches, which then handle the application and disbursement processes. If a prospective loan referred to us by an agent is approved, the agent receives a commission.

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

Telesales

We market our lending and insurance products through a team of more than 510 tele-sales employees as of December 31, 2022. In order to offer our loan products as well as distribution or referral of insurance products via telesales, our team reaches out to potential new loan customers provided by both internal (e.g., customers who buy non-life insurance from us) and external leads from digital marketing activities, project collaborations with partners such as online financial supermarkets, and telecommunications operators. The team also approaches existing customers who have good repayment records by offering loan renewals and other available loan products (e.g., the Revolving Cash Card, (Tidlor Card) Top-up Program). Each potential customer that expresses an interest in one or more of our offerings is thereafter referred to a local branch at the customers' convenience, which handles the loan application, approval and disbursement processes.

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

Used truck dealers

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

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

Bank of Ayudhya

In addition to our own marketing and distribution, we also gain new customers through referrals from our shareholder Bank of Ayudhya, which boasted 588 branches nationwide as of December 31, 2022. By referring prospective customers to nearby NTL branches, Bank of Ayudhya is a part of our distribution network. 5-7% of our total new loans in 2022 were based on referrals from Bank of Ayudhya.

2. Industry and Competition Overviews

Overall, there is high competition in the lending business market due to the presence of several operators within the same stream of business. This is similar to the insurance brokerage business, as the Company must compete with many small and large insurance brokerage operators since Thailand's insurance brokerage market is highly fragmented.

2.1 Industry Overview

Thai Economy Overview

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

In 2021, Informal employment comprises approximately 52% of the entire workforce according to the National Statistical Office. Workers in this segment typically earn lower wages than formally employed workers, receive income more intermittently, and are unable to access the social security system. As such, informally employed workers often face difficulty obtaining loans from commercial banks and may need to resort to other channels.

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

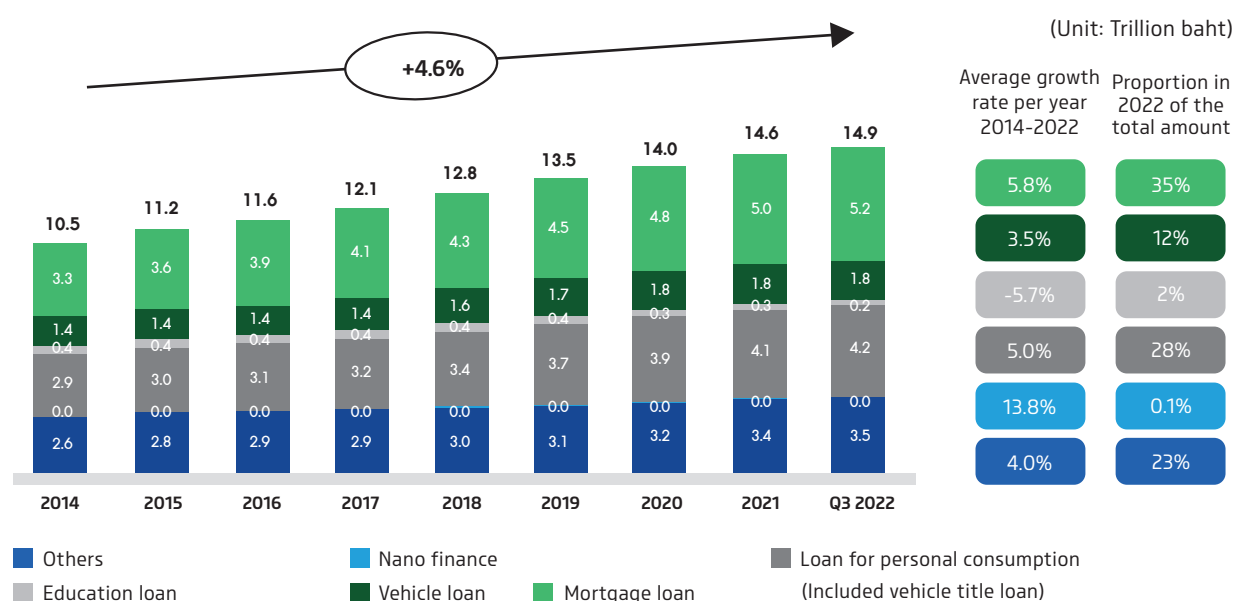
1) Consumer Credit

Market Overview

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

According to the Bank of Thailand, total outstanding loans (excluding pico loans) grew at a rate of 4.6% CAGR from 2014 to 2022 and reached approximately 4.9 trillion Baht in September 2022.

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



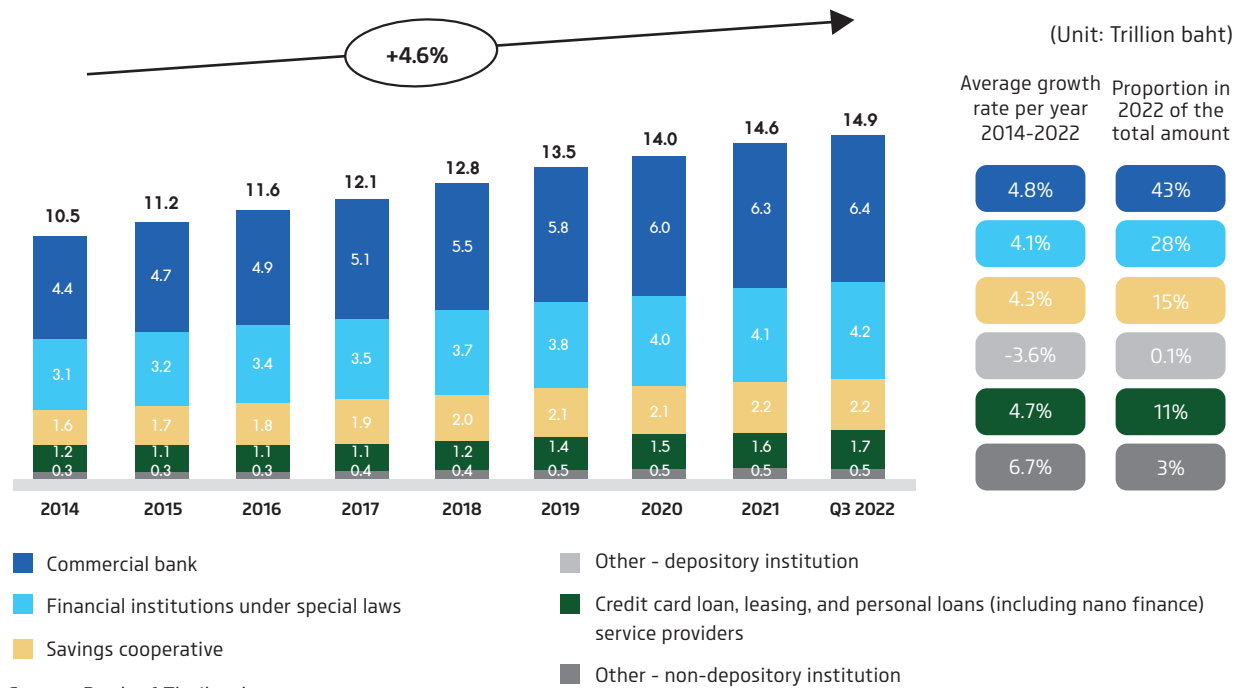
Source: Bank of Thailand

Other personal consumption loans, which include personal loans and vehicle title loans, account for 28% of the market and have been growing at a rate of 5% CAGR from 2014-2022. This growth has largely been in line with the overall consumer finance market, according to the Bank of Thailand, and is mainly driven by credit cards and personal loans (refer to Chart 1 for more details).

The consumer finance market has been predominantly served by commercial banks and specialized financial institutions, which represented 71% of the total outstanding loan volume in 2022. Saving cooperatives is the next largest category of providers, accounting for 15% of the consumer finance market. Credit card, leasing and personal loan companies accounted for 11% of the consumer finance market (refer to Chart 2 for further details).

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

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




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

2) Vehicle Title Loan

Market Overview

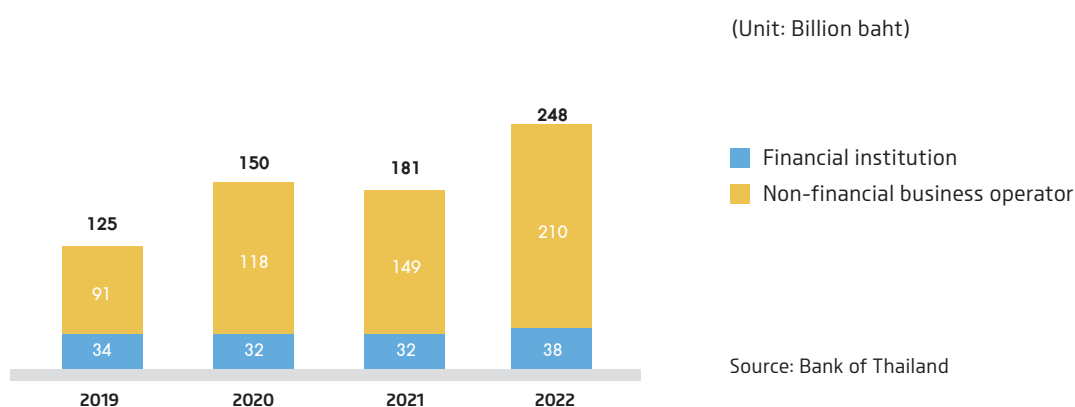
For vehicle title loans, the title registration book for a fully owned and paid-off vehicle is delivered as security. The loan can be used for any purpose, and the owner can continue to use the vehicle during the loan period. The lender will retain the title registration book for the vehicle.

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

According to the information from the Bank of Thailand, the value of vehicle title loans was 2.48 billion Baht as of December 2022, an average annual growth rate of 25-30%, depicting an increase from about 125 billion baht in 2019. The main growth emerged from non-bank operators (refer to Chart 3 for more details).

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

Chart 3: Outstanding loan of vehicle title loan



Competitive Conditions

According to the information regarding the market size from the Bank of Thailand together with the Company's internal information, it shows that the Company's market share of vehicle title loan was approximately 29% in December 2022. Meanwhile, the top three largest operators in the market, namely Maungthai Capital, Ngern Tid Lor, and Srisawad, are estimated to have a combined market share almost 70% based on an outstanding loan. Another 30% of the market share belongs to other small service providers. Over the past several years, the vehicle title loan growth of the top three operators has been found to be much higher than the growth of other operators in the same market, with an average annual growth rate of 25-30% compared to about 10% of other operators in the market.

In the past, the top three players have been involved in driving loan book growth primarily through scaling their vehicle title loans business via branch expansion, and increased diversification into adjacent businesses leveraging existing customer base and branch network. In recent years, a few major players have shifted their business focus to other types of loans, such as hire-purchase and unsecured loans, which are higher-risk products. However, our focus remains on vehicle title loans, and Revolving Cash Card (Tidlor card) is one of the crucial factors to generate the loan portfolio growth of the company.

Barriers to Market Entry

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

- **Regulatory and compliance** know-how to fulfill higher operating requirements, such as market conduct and capital requirements, which include controlling interest rate as the formalization of the vehicle title loan market is a key barrier for smaller entrants to this market.

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

Challenges and Threats

Based on the current market conditions, Oliver Wyman believes that the four key potential challenges and threats to the vehicle title loan market are:

- **Potential lowering of interest rate caps and other fees as well as tightening of regulations on market conduct (as seen in the credit card market)**, as the Bank of Thailand seeks to address and relieve the household debt level and consumer loan NPL concerns, which could limit vehicle title loan interest rate ceiling and regulation, leading to an impact on profitability.
- **Competing loan products**, such as new digital loans, pico and nano loans, reaching critical scale and undermining demand for vehicle title loans.
- **New entry of large financial institutions**, such as Government Saving Bank, Krungthai Card, Siam Commercial Bank including an investment of commercial bank in a small loan operator, to join the vehicle title loans market, may intensify market competition.
- **Macroeconomic uncertainty, rising inflation rate, and increasing interest rate** which could cause high chances of a breach of contract, potentially affecting and leading to higher operating expenses of all vehicle title loan providers.

Market Segmentation

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

Key Growth Drivers

Based on the historical growth of the vehicle title loan market, a strong relationship can be observed between the top three players' outstanding vehicle title loan growth and their branch expansion strategy. The average annual growth rate of the top three operators' total numbers of stores was approximately 25% from 2015 to September 2022.

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

Demand in the Vehicle Title Loan Market

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

- The value of the informal loan market is forecasted to be over 1 trillion Baht, representing a huge demand among people who are unbanked, which is approximately 4 times the size of the current vehicle title loan market.
- The change from an unsecured loan to a secured loan (vehicle title) is due to the Bank of Thailand's credit card control measures and household debt level control. In addition, loan lenders increase approval measures in unsecured loan approvals.
- Increased demand for emergency funds to operate the business, which resulted from the economic recovery in the post COVID-19 situation, the reopening of the border, and consumption during the inflation crisis.
- There is further room for penetration as theoretical maximum demand for vehicle title loans is constrained by the number of vehicles available. It is estimated that the market value is between 1.5 and 1.9 trillion baht.

Factors Driving Supply in the Vehicle Title Loan Market

Supply Expect continued growth from supply side

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

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

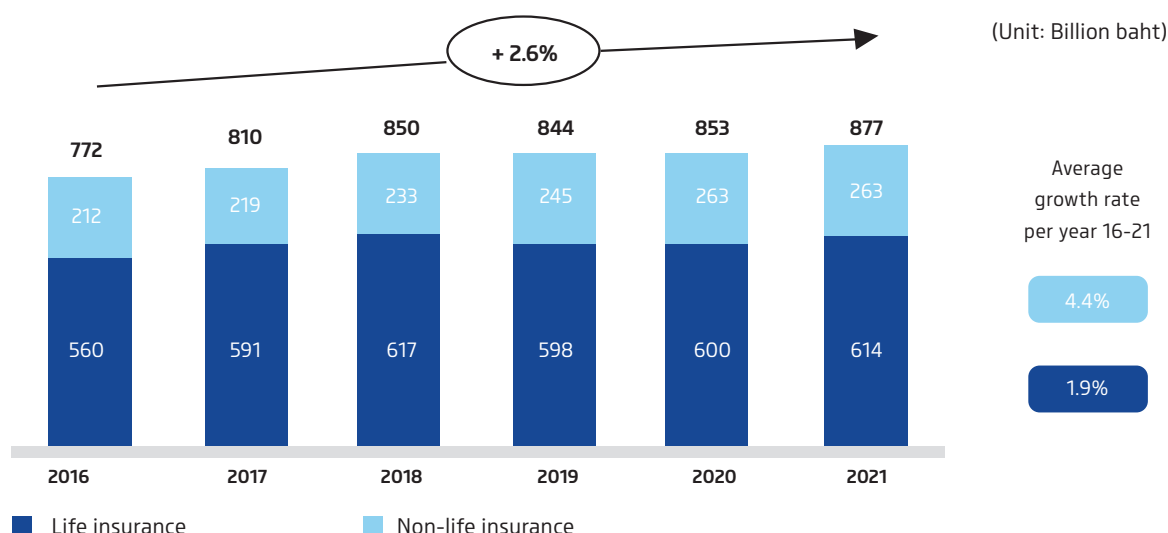
The situation after the COVID-19 pandemic

Thailand's economy has been recovering since the fourth quarter of last year, especially for the tourism industry following the ease in COVID-19 restrictions. However, the year 2022 was still a challenging year for economic recovery, and the economy has not reversed to the pre-COVID-19 situation. The asset quality of commercial banks and financial institutes still depict a negative sign, and the Bank of Thailand remains the ceiling of an interest rate for consumption loans at 24% which was announced on June 2020 to help debtors rise from the adverse impact of the economic conditions.

3) Insurance Business Market and Competition

According to the Office of Insurance Commission (OIC), Thailand's insurance market comprises life insurance and non-life insurance products with gross written premiums (GWP) of about 877 billion baht in 2021. For non-life insurance, it accounted for 30% of the market, with a GWP of about 263 billion baht in 2021 and an average annual growth rate of 4.4% since 2017 (refer to the chart below for more details).

Thailand's insurance market value based on GWP

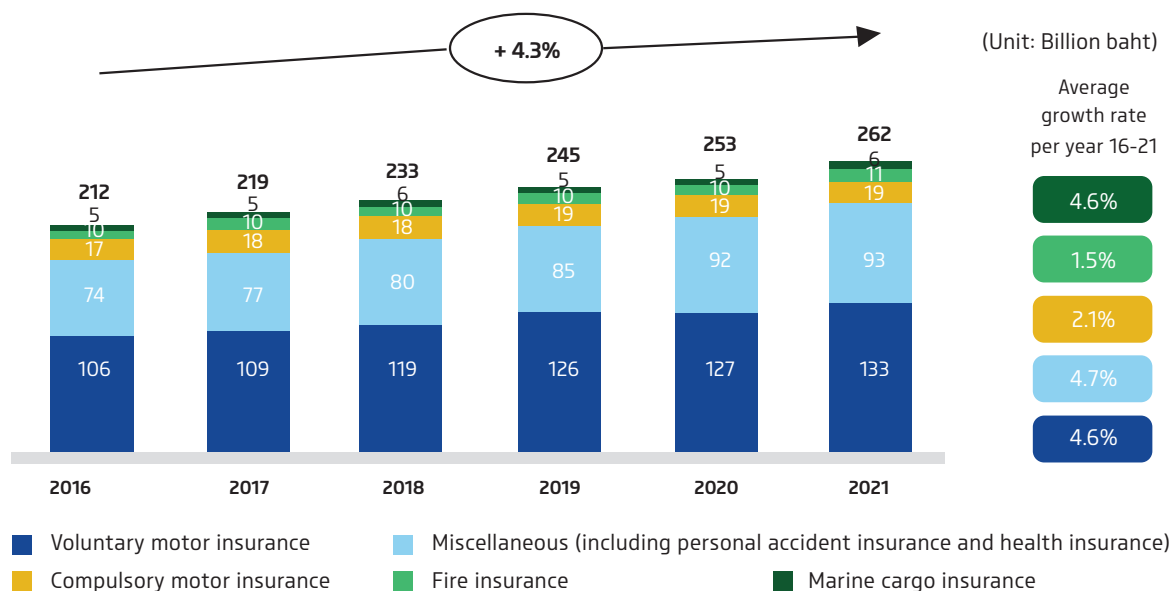


Source: Office of Insurance Commission (OIC)

Non-Life Insurance

The non-life insurance market consists of four major product categories: fire, marine and transport, auto insurance (consisting of compulsory and voluntary auto insurance) and others (inclusive of the personal accident and health insurance). According to the OIC, around 56% of non-life insurance premiums originate from auto insurance. There are approximately 54 insurers in the market with the top ten non-life issuers accounting for 65 percent of the market share.

Thailand Non-Life Insurance Breakdown by Product, GWP



Source: Office of Insurance Commission (OIC)

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

According to OIC, the non-life insurance market grew at the rate of 4.3% CAGR from 2016 to 2021 by GWP, with penetration rates (percentage of non-life insurance GWP over nominal GDP) of 1.62% in 2021 and increased 20bps. from 2017. Expected headwinds from the economic crisis due to COVID-19 are likely to result in slower growth in penetration rates than those seen from 2016-2021, resulting in forecast future GWP growth of approximately 3.0-4.0% per annum (refer to Non-life Insurance Market Forecasts chart below for more details).

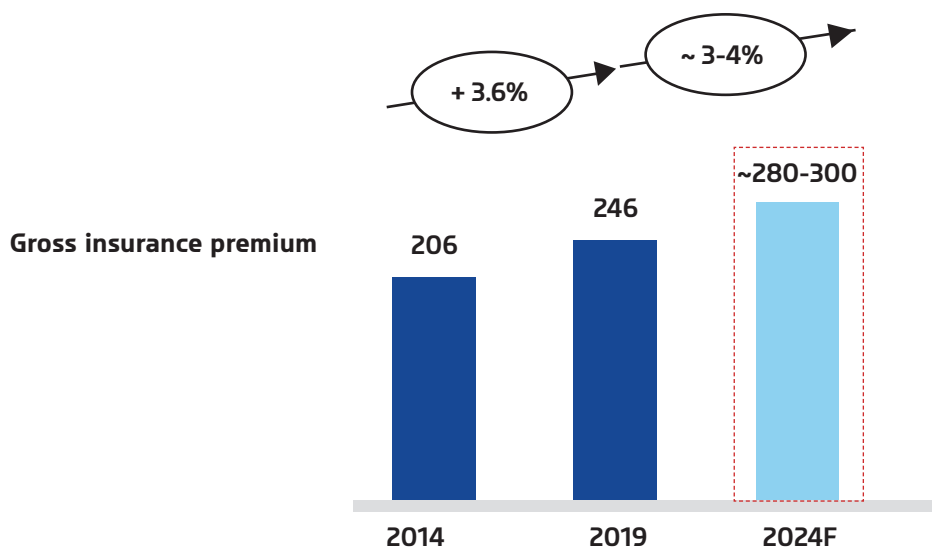
Non-life Insurance Market Forecasts

Forecast of Driving Factors of Non-Life Insurance Business

Driving Factors	Historical Data (2014-2019)	Forecast (2019-2024F)
Macroeconomic factors (Nominal GDP)	Average annual growth rate was	Average annual growthrate is about 3%.
Penetration rate (Non-life GWP as % of nominal GDP)	Approximately 1.45% (2019)	Approximately 1.45-1.5% (2024F)
Non-life insurance GWP growth	Average annual growth rate 3.6%	Average annual growth rate is about 3-4%

Non-Life Insurance Market Forecasts

(Unit: Billion baht)



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

Non-Life Insurance Distribution Channels

Non-life insurance is distributed via six main channels: agents, brokers, bancassurance, direct telemarketing, direct website and others (refer to Non-life Insurance Distribution Channels chart for more details). Brokers are a key distribution channel, with 71.5% of the total non-life insurance market share by Gross written premium in 2021.

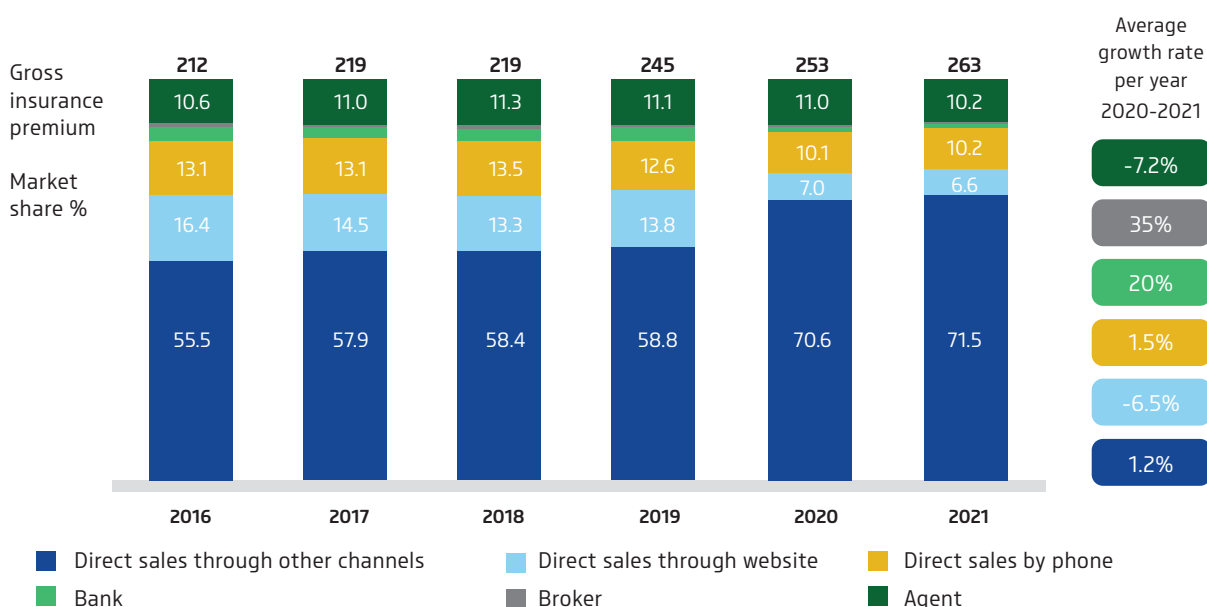
Non-Life Insurance Distribution Channels

Distribution Channel	Description	Size Indications
Agent	Individuals representing specific insurance companies	<ul style="list-style-type: none"> In 2021, there were over than 21,880 licensed agents (average annual growth rate of 1.6% since 2016).
Broker	Individuals or companies acting as an intermediary between the customer and insurer. A broker can distribute contracts of various insurance companies	<ul style="list-style-type: none"> In 2021, there were over 161,000 licensed individual brokers (average annual growth rate of 5.8% since 2016). In 2021, there were 614 licensed juristic person brokers (463 licenses for non-life insurance brokerage and 151 licenses for both life and non-life insurance brokerage), with an average annual growth rate of 3.1% since 2016.
Bancassurance	Banks with insurance company partnerships sell insurances contracts through their distribution network (requires a broker license)	<ul style="list-style-type: none"> There are 18 banks that have licenses for non-life and life insurance brokerage (18 of them since 2016).
Telemarketing	Insurance companies selling insurance contracts via calling customers	<ul style="list-style-type: none"> Popular means of direct selling - major insurance companies continue to engage telemarketers
Direct Website	Insurance companies selling insurance contracts via their own websites or apps	<ul style="list-style-type: none"> Major insurance and broker company begin to enable online purchase of insurance contracts. The premium interests has growth rate at 31.8% since 2016.
Direct sales through other channels	Includes direct mail, walk-in to branches and worksite sales	<ul style="list-style-type: none"> Approximately 10% of non-life insurance GWP is distributed by these channels

Source: Office of Insurance Commission (OIC)

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

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



Source: Office of Insurance Commission (OIC)

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

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

Non-Life Insurance Broker Landscape

The non-life broker market in Thailand is highly fragmented with 614 registered juristic broker licenses. These licenses can be categorized across seven types: independent brokers, captive car dealers/leasing companies, non-bank financial institutions, bank-related brokers, fully online brokers, store/hypermarkets, and individual brokers. All employees of a juristic brokerage company, who conduct intermediation activities, must hold an individual broker license. In 2021, over 161,000 registered individual broker licenses were reported.

The non-life insurance brokerage business is characterized by high fragmentation. In 2021, the largest service providers in the non-life insurance brokerage business possessed only 8.9% of the market share, according to the gross written premium. Ngern Tid Lor is one of the major service providers in the non-life insurance brokerage business with approximately 2.8% market share and is growing rapidly with an average annual growth rate of 64%. It is commendable compared to the total growth rate of the insurance broker channel with an average annual growth rate of 5.2%, considering the premium received from 2016 to 2021. The market has experienced consolidation during the past years with contributions by top traditional brokers and branch-based brokers under financial institutions.

3. Procurement of Products and Services

3.1 Financing

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

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

The table below shows the details of the Company's funding sources as of December 31, 2020, 2021 and 2022.

	As of December 31					
	2020		2021		2022	
	(Million baht)	%	(Million baht)	%	(Million baht)	%
Financial Institutions loans	27,928.4	71.5	24,569.7	59.7	29,987.5	53.8
Debentures	11,136.6	28.5	16,615.6	40.3	25,761.7	46.2
Total	39,065.0	100.0	41,185.3	100.0	55,749.2	100.0

As of December 31, 2022, the Company had loan of more than 21,600 million baht.

3.2 Lending Policy and Credit Risk Management

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

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

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

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

3.3 Important Accounting Policies and Reserving Methods

According to the notes to the Company's financial statements, clause 4, page 222, Re: Important Accounting Policies.

3.4 The Company's Insurance Company Partners

The Company has good relationships with 19 leading Thai insurance partners, most of whom are reputable and well-known in the industry. These insurance partners have considered the Company as a key strategic partner. This can be seen from the fact that the Company has become one of the key insurance brokers of several insurance companies, and none of them ever terminated contracts made with the Company. The Company believes that the insurance partners have noted our potential and rapid growth rate of insurance premiums that the Company had presented and passed on to customers, including the Company's customer base resulting from the application of advanced technology, which can be effectively expanded, causing the Company to gain a cost advantage as compared to the existing distribution model. As of December 31, 2022, the Company possessed 19 insurance business partners, divided into 18 non-life insurance companies and one life insurance company.

4. Main Fixed Assets Used in Business Operations

As of December 31, 2022, the main fixed assets used in the Company's business consisted of leasehold improvements and equipment, goodwill and intangible assets other than goodwill as shown in the Company's financial statements. The details are as follows.

Item	Net book value as of December 31, 2022 (Million baht)	Holder	Obligation
1. Leasehold improvements and equipment	1,685.7	The Company	None
2. Goodwill	294.0	The Company	None
3. Intangible assets other than goodwill	257.3	The Company	None
Net total	2,237.0		

Leasehold Improvements and Equipment

As of December 31, 2022, the Company's leasehold improvements and equipment consisted of the leasehold improvements, license assets, decoration and equipment installations, and vehicles, with a total net value of 1,685.7 million baht.

Goodwill

As of December 31, 2022, the Company's goodwill had a total net value of 294.0 million baht.

Intangible Assets Other Than Goodwill

As of December 31, 2022, the Company's intangible assets other than goodwill consisted of software, customer lists, and trademarks, with a total net value of 257.3 million baht.

Trademark	Date of Application	Expiration Date	Registration / Application Number	Remark
	March 2, 2021	March 1, 2031	210107892 / 221114930	-
	November 16, 2017	November 15, 2027	170140209 / 191108338	-
	November 16, 2017	November 15, 2027	170140207 / 191108363	-
	November 23, 2021	November 22, 2031	210142785 / 221129570	-
	November 23, 2021	November 22, 2031	210142786 / 221129571	-
	September 27, 2021	September 26, 2029	190137325 / 211104176	-
	September 27, 2021	September 26, 2029	190137327 / 211104178	-
	April 9, 2021	April 8, 2031	210113485 / 221129567	-
	August 23, 2022	-	220128518 / -	Pending registration application
	August 30, 2022	-	220129434 / -	Pending registration application
	August 30, 2022	-	220129435 / -	Pending registration application

Insurance

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

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

-None-



Shareholding Structure of the Company Group

1. Shareholding structure of the Company Group

The Company has not yet invested in other companies.

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

-None-

3. Relationships with the major shareholder's business group

As of December 31, 2022, Bank of Ayudhya was the Company's major shareholder, holding 30% of the total shares. Details of juristic persons in the Bank of Ayudhya Group (other than Bank of Ayudhya) that operate lending services are as shown in the table below.

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

Company Name	Business Type	Important License Obtained	Shares Held by Bank of Ayudhya and Its Affiliates (%)
General Card Services Limited	Credit Card and Personal Loan	<ul style="list-style-type: none"> • Letter of authorization for operating personal loan under supervision business • Letter of authorization for operating credit card business • License for operating credit card, debit card or ATM card services license • License for operating payment service under supervision business 	100
Ayudhya Capital Services Company Limited	Providing services on installment credit, personal loans credit card loans, and loans for occupation under supervision (Nano Finance)	<ul style="list-style-type: none"> • Letter of authorization for operating personal loan under supervision business • Letter of authorization for operating nano finance under supervision business • Letter of authorization for operating credit card business • License for operating credit card, debit card or ATM card services license • License for operating payment service under supervision business 	100
Krungsriayudhya Card Company Limited	Credit Card and Personal Loan	<ul style="list-style-type: none"> • Letter of authorization for operating personal loan under supervision business • Letter of authorization for operating nano finance under supervision business • Letter of authorization for operating credit card business • License for operating credit card, debit card or ATM card services license • License for operating payment service under supervision business 	100

Company Name	Business Type	Important License Obtained	Shares Held by Bank of Ayudhya and Its Affiliates (%)
Lotus's Money Services Limited	Credit Card and Personal Loan	<ul style="list-style-type: none"> Letter of authorization for operating personal loan under supervision business Letter of authorization for operating credit card business License for operating credit card, debit card or ATM card services License for operating payment service under supervision business 	50
Krungsri Leasing Services Company Limited ⁽¹⁾	Leasing/Hire Purchase/Sales Finance	<ul style="list-style-type: none"> Hire purchase, leasing and personal loan businesses 	100
Hattha Bank Plc. ⁽²⁾	Microfinance institutions that can raise deposits	<ul style="list-style-type: none"> Commercial banking business 	100
SB Finance, Inc. ⁽³⁾	Personal Loan	<ul style="list-style-type: none"> Retail loan business 	50

Remarks:

⁽¹⁾ Doing business in Laos.

⁽²⁾ Doing business in Cambodia.

⁽³⁾ Doing business in the Republic of the Philippines.

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

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

4. Shareholder

4.1 List of the Company's Top 10 Shareholders as of December 30, 2022

List of Shareholders	Number of Shares	% of Shares
1. Bank of Ayudhya ¹	749,210,570	30.000%
2. SIAM ASIA CREDIT ACCESS PTE. LTD. ²	624,342,093	25.000%
3. STATE STREET EUROPE LIMITED	95,314,949	3.817%
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	77,315,250	3.096%
5. BNY MELLON NOMINEES LIMITED	31,061,846	1.244%
6. CITI (NOMINEES) LIMITED-CITIBANK LONDON RE FUND 208	25,447,153	1.019%
7. N.C.B. TRUST LIMITED-NORGES BANK	23,253,213	0.931%
8. STATE STREET BANK AND TRUST COMPANY	23,131,076	0.926%
9. Krungsri Dividend Stock Fund	14,568,900	0.583%
10. นายสุทิศ เหลืองด่านสกุล	14,201,300	0.569%
Total	1,677,846,350	67.185%
Thai shareholders	776,584,110	31.097%
Foreign shareholders	1,720,751,953	68.903%

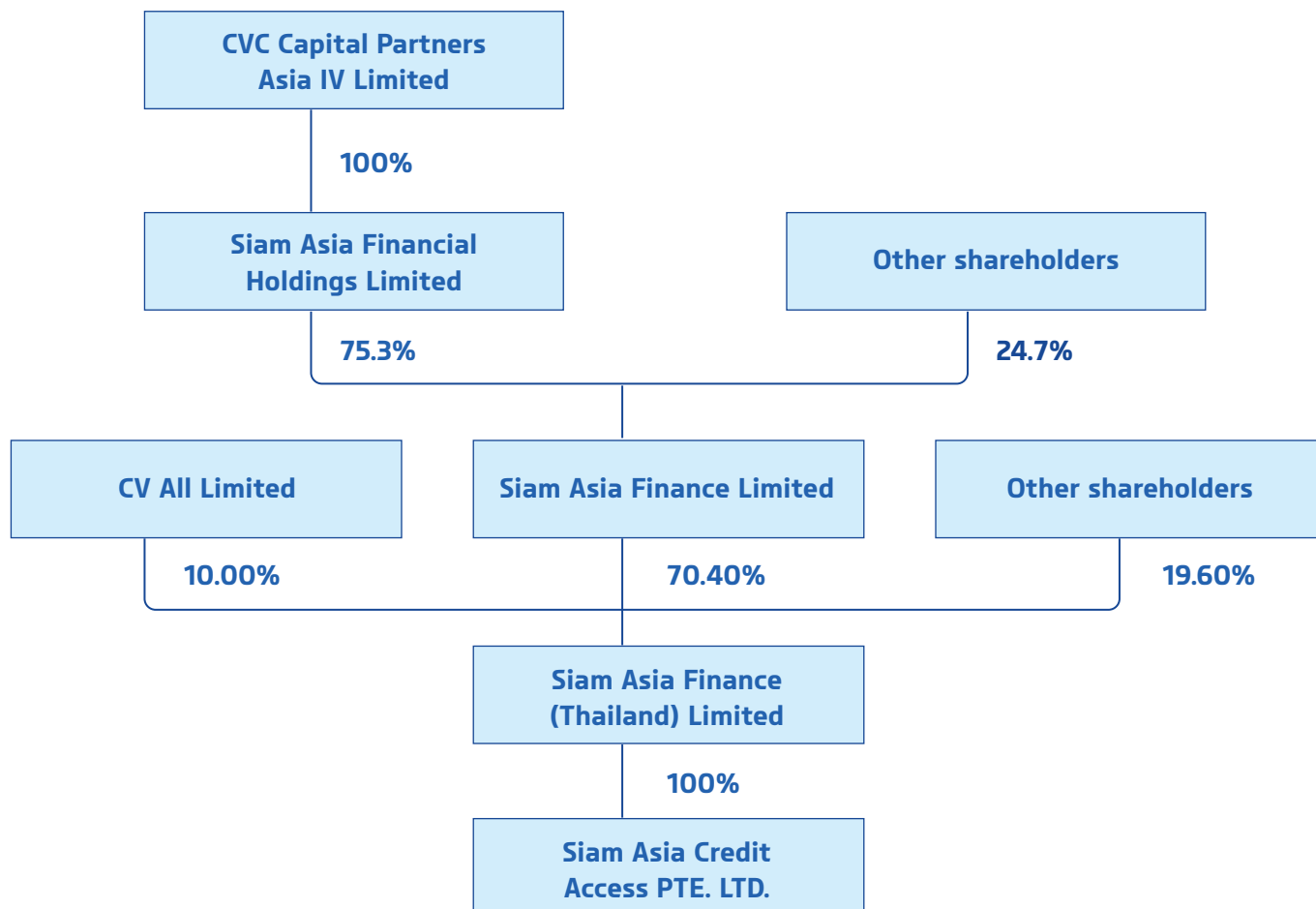
Remark

¹ Bank of Ayudhya is a public limited company established under Thai law, whose shares are listed on the Stock Exchange of Thailand. It operates a financial institution business in the category of commercial bank, providing various financial services directly and through companies in the group. As of December 8, 2022, Bank of Ayudhya's top ten shareholders were as follows:

List of Shareholders	Number of Shares	% of Shares
MUFG BANK, LTD.	5,655,332,146	76.88
Stronghold Assets Co., Ltd.	166,536,980	2.26
Tun Mahachoke Co., Ltd.	166,478,940	2.26
GL Assets Co., Ltd.	166,414,640	2.26
BBTV Satelvision Co., Ltd.	166,151,114	2.26
BBTV Asset Management Co., Ltd.	163,112,900	2.22
Bangkok Broadcasting & T.V. Co., Ltd.	160,789,220	2.19
Mahakij Holdings Co., Ltd.	158,726,810	2.16
Tun Rung Rueng Co., Ltd.	157,889,440	2.15
Super Assets Co., Ltd.	51,421,714	0.70
CKR. Co., Ltd.	48,528,834	0.66
Others	294,379,035	4.00
Krungsri Asset Management (KFSDIV)	7,355,761,733	100

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

As of December 31, 2022 shareholding structure of SACA was as follows:



4.2 Agreement between Major Shareholders

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

5. Securities and Shareholder Information

5.1 Current Registered and Paid-up Capital

At present, the Company has the registered capital of Baht 9,240,261,592.60, the registered capital and paid-up capital of Baht 9,240,143,433.10 with a par value of 3.70 Baht per share, divided into 2,497,367,998 ordinary shares and ordinary shares and paid up 2,497,336,063 shares.

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

6.1 Debenture

The Company has debt securities in the form of debentures offered to institutional investors and/or high-net-worth investors, which the Company has already issued and offered for sale. As of December 31, 2022, the total amount of debentures that had not yet matured was 25,900 million baht, all of which were unsecured debentures that had received a credit rating as A-level debentures from TRIS Rating Co., Ltd. Details are as follows:

Number	Type of Debenture	Date of Issue	Redemption Maturity Date	Offering Value (Million baht) ⁽¹⁾	Interest Rate	Holder's Representative
4/2022	Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate	13 September 2022	13 September 2025	6,500	3.14%	Kiatnakin Phatra Bank Public Company Limited
3/2022	Unsubordinated and Unsecured Debentures in the Name-Registered Certificate	27 July 2022	27 July 2024	3,000	No interest payment throughout the term of the debenture.	None
2/2022	Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate	2 June 2022	2 June 2023	300	1.75%	The Siam Commercial Bank Public Company Limited
1/2022 Set 1	Unsubordinated and Unsecured Debentures in the Name-Registered Certificated	28 April 2022	28 April 2023	5,450	1.20%	None
1/2022 Set 2	Unsubordinated and Unsecured Debentures in the Name-Registered Certificated	28 April 2022	28 April 2024	2,850	1.88%	None
3/2021 Set 2	Unsubordinated and Unsecured Debentures in the Name-Registered Certificated	19 August 2021	19 August 2023	4,000	1.17%	None
2/2021	Unsubordinated and Unsecured Debentures in the Name-Registered Certificated	7 April 2021	21 April 2023	300	2.45%	None
1/2021 Set 1	Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate	2 April 2021	2 April 2023	1,000	2.65%	The Siam Commercial Bank Public Company Limited
1/2021 Set 2	Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate	2 April 2021	2 April 2024	2,500	3.00%	The Siam Commercial Bank Public Company Limited

Remarks:

- ¹⁾ The values of the debentures issued by the Company and have not yet reached the maturity date as shown in the above table are the offering prices which are different from the values as shown in the Company's statement of financial position, which are adjusted according to the deduction of expenses related to the issuance of each set of the debentures.
- ²⁾ As of December 31, 2022, the Company did not violate the terms and conditions governing the rights and obligations of the debenture issuers and debentureholders, and never received a letter from the debentureholder or the bondholder representative that the Company violated the terms and conditions of rights and obligations of the debenture issuer and debentureholders.

6.2 Bills of Exchange

-None-

7. The Company's Dividend Policy

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

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



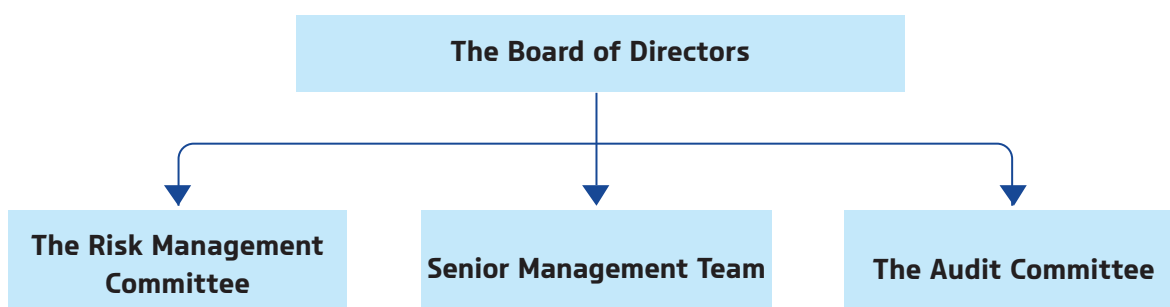


Risk Management

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

Risk Management Structure

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



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

1. Credit Risk Management

Most of the Company's loan clients are those who are unable to access to commercial banks' loan services. Therefore, the Company may have a higher risk of bad debt or default than loans provided to clients who have good credit history, including impacts caused by changes in economic conditions, laws, policies and/or regulatory requirements.

In 2022, the credit risk rating was placed on watch. Although the effects of the COVID-19 pandemic began to subside, inflation has risen significantly since the end of 2021. In addition, surging oil prices pushed the cost of living and business, causing the default rate to remain unchanged or increase. In order to maintain the credit risk at an acceptable level, the Company has improved the credit approval process, policy, and debt collection practices to reflect changing circumstances and trends.

1.1 The Effective Loan Approval

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

1.2 The Debt Collection or Disposal of Asset for Debt Repayment

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

2. Operational Risk Management

The Company is aware of and gives importance to crisis management and business continuity management by an established crisis management plan for each scenario, such as identifying workforce and backup persons to execute critical tasks and diversifying operational workplaces to reduce the chance of infection among critical staff. Moreover, the Company also distributes required resources, such as computers, phones and network connection devices to employee accommodations in order to support them in working from home. The aforementioned plans shall reduce business disruption especially critical business functions (CBFs). It also promotes smooth service to support customers during critical situations.

2.1 Operational Risk Management

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

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

2.2 Crisis Management

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

1. Prepare a “business continuity plan (BCP)”, which determines the plan of action and systems that are necessary for continuous operations or restoring the organization’s operations in the event of a disruption. All departments that operate critical business tasks shall prepare and review their business continuity plans (BCP) to ensure up-to-date procedures at least once a year or at the time of significant change.

2. Prepare a “disaster recovery plan (DRP)” to cope with crisis events that may cause disruption of the Company’s information technology and reduce potential impacts, including restoring the technology system to its normal condition in a timely manner. The plan consists of four main steps: 1) preparation before the incident, 2) announcement of information technology contingency plan, 3) performing the system recovery, and 4) returning to normal and the announcement of IT contingency plan cancellation.
3. Conduct business continuity plan testing and IT contingency plan testing on a yearly basis, as well as summaries of test results and problems that occur during testing in order to find the preventive action for such problems and report to the management accordingly.
4. Prepare ready-to-use “alternate sites” in case of any disruption arise at the Head Office. The departments execute critical business tasks and perform activities to service customers. Furthermore, existing company alternate sites can support 100% of the employees performing critical business tasks.

3. Financial Risk Management

3.1 Liquidity Risk Management

The Company requires a large sum of capital to run the business and maintain its growth. Over the past years, the Company has been dependent on financial institutions, and therefore, it shall continue to depend on them in the future. This mainly includes the major shareholders, Bank of Ayudhya, and issuances of debentures and bills of exchange in the domestic bond market for funding operations to operate and expand the Company’s business. Therefore, relationships between the Company and Bank of Ayudhya or other current lenders may change negatively due to various reasons, such as an inability to provide continuous loans, or additional loans for the Company’s business, along with changes in risk levels in case Thai or foreign bond markets become tight by any reason. All of these scenarios may cause the Company to be unable to acquire necessary funds. In case any- of the above negative events occur, or the Company is unable to raise funds under acceptable conditions, it may result in the Company’s funding liquidity risk.

In addition, if the Company continually incurs financial obligations, additional liabilities may impact the Company’s access to additional funding sources in the future. Therefore, the Company shall have increased risk if it fails to comply with financial obligations determined in the loan agreements that the Company have entered with the financial institutions, and cross-default risk, including limitation on planning flexibility or operational change or responding to changes in the business and industry, as well as negative impacts on business expansion plans and business growth.

In addition, as the Company is regarded as a foreign juristic person registered in Thailand under the Foreign Business Act, B.E. 2542 (1999) (“Foreign Business Act”), the Company is obliged to maintain a debt-to-equity ratio. This may also limit the Company’s ability to incur debt to acquire additional funds. However, on September 18, 2020, the Ministry of Commerce proclaimed temporary relaxation of the requirement on maintaining the debt-to-capital ratio until June 30, 2023, for foreign non-bank financial services providers, and receive loans from financial institutions (as defined in the Financial Institution Business Act, B.E. 2551 (2008) and the amendment) and business operators of certain types of financial services including personal loans, hire purchase and vehicle title loans. This temporary relaxation aims to improve non-bank financial services providers’ liquidities and mitigate the impact of COVID-19 on small consumers. Nonetheless, as of December 31, 2022 the Company’s debt-to capital ratio was in accordance with the requirements under the Foreign Business Act.

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

3.2 Interest Rate Risk Management

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

In order to reduce impacts on financial costs due to changes in market interest rates, the Company has obtained both short-term and long-term loans, wherein most are fixed-rate loans, while a few are floating-rate loans. Moreover, the Company has adjusted the proportion of each type of loan to suit its asset status, as well as considered the liquidity risk, to enable the Company on choosing loans with appropriate interest rates. The Company has also entered an Cross Currency Interest Rate Swap Contract to reduce the foreign and interest rate risk.

Business Operations Risk Factors

1. Risk from Rising Inflation and Household Debt

Inflation began to climb at the end of 2021, driven by soaring food prices. In 2022, inflation surged rapidly following the Russia-Ukraine War, which generated a sharp increase in energy prices. Oil prices continued to rise and remained high throughout the year. These factors also negatively influenced the repayment ability of debtors, causing a rise in default rates. To alleviate the suffering of customers and control the risk to be at an appropriate level, the Company continued to offer debt restructuring measures to affected customers, such as debt deferment, reduction of minimum payment rate, and payment period extension, as well as streamlined operational processes and technologies. As a result of these measures, the Company managed debt quality to an acceptable level. However, due to the prolonged economic slowdown, recovery is slow, and the risk will be placed under close watch.

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

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

Therefore, non-compliance may significantly impact the reputation or business operations of the Company.

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

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

In the past year, the Personal Data Protection Act came into force, and compliance guidelines were published by the Office of the Personal Data Protection Committee. As the Company has put measures in place beforehand to support compliance with the Personal Data Protection Act, there were no material impacts. However, the Company has monitored changes in applicable laws to ensure that the Company complies with legal requirements in the correct manner. Additionally, the Company has taken steps to comply with the Notification of the Committee on Contracts Prescribing Car and Motorcycle Hire-Purchase Business as a Contract-Controlled Business B.E. 2565.

Legal dispute resolution process in the normal course of business may incur liabilities to the Company from time to time. Since the Company operates a financial service business in Thailand, which is subject to constant regulatory and operational changes, it may be complained against by customers or investigated by regulators, putting the Company at higher risk. Although the Company is unable guarantee favorable judgments in legal or other proceedings or that no lawsuits will be filed against the Company in the future, the Legal Department will try its utmost to manage legal proceedings and disputes in business operations to reduce the loss or damage to the reputation of the Company.

3. Cybersecurity and Technology Risks

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

The Company has an Enterprise Information Security Policy (Cyber Security Policy) in place to safeguard the confidentiality, integrity, and availability of its information, resources, and infrastructure. This policy is intended to prevent, detect, and respond to cyberattacks. In addition, the Company continues to make significant investments in enhancing our cyber-defense capabilities and strengthen partnerships with relevant agencies and other businesses to understand the full range of cybersecurity risks, strengthen defenses, and increase cybersecurity resilience against threats.

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

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

The Company has a Cyber Security Incident Response plan that enables it to respond to attempted cybersecurity incidents, coordinate such responses with agencies, and notify customers and partners, wherever applicable.

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

4. Risks from Data Retention and Compliance

The Company complies with the Anti-Money Laundering Act B.E. 2542 (1999) and its amendments, which require the Company to retain a large amount of client data such as personal information, details of client transactions and results of client's risk assessment for a period of ten years from closing date of client account or date of client relationship termination. Therefore, the Company has information access and storage, and undergoes processing, and in some cases, reporting to the Anti-Money Laundering Office. Reporting of the personal information of the borrower or insurance customer according to the customer's consent makes the Company a vulnerable target of cyber attackers, computer virus, physical and electronic hacks or similar system interventions. In this regard, the system security measures may fail or be unable to prevent attacks. Moreover, there may be design flaws in the Company's technological infrastructure, which can lead to information system-related risks and attacks, all of which may cause the Company to be subject to regulatory penalties or prosecution including proceedings under the Personal Data Protection Act B.E. 2562 (2019).

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

5. Risks from High Competition in a Highly Competitive Industry

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

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

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

In addition, the Company's main income is derived from interest charged on client loans. Such loans carry interest, which is determined by various factors, such as the market interest rates at the time of loan approval and according to the borrower's risk and credit history. However, if the reference interest rate increases, the Company will have a higher financial cost, implying that the Company would need to adjust its loan interest rates accordingly. Due to this reason, clients may decide not to apply for loans with the Company, especially if other lenders do not adjust their loan interest rates according to the market rate. Moreover, the Company's ability to retain current clients and seeking or attracting new clients, as well as the Company's competitiveness, may be severely affected. On the other hand, in case the reference interest rate decreases, resulting in lower financial costs, the Company's clients may choose to apply for loans with other lenders that provide lower interest rates since the Company does not reduce its loan interest rates within a reasonable time.

In any case, if the Company does not appropriately adjust the interest rates for offering to its clients, or other service providers in the same business have reduced their interest rates to attract clients, the Company's clients may decide to borrow from them instead, which may reduce the Company's market share. The Company is determined to build strong relationships with business partners in the insurance industry in order to ensure that the partners would choose to conduct business with the Company than other service providers in the same business. Thus, the Company shall always set compensation at a rate that is competitive in the market. In case other service providers in the same business are able to set much lower compensation levels, the Company's business, financial position, performance and business opportunities may be significantly impacted.

6. Shareholders' Investment Risk

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



Driving Business for Sustainability

2





I thought about borrowing from informal lenders, but the interest rates were too high. I even tried to apply for bank loans, but was rejected due to not having a formal office setup or payment slips. The financial assistance from Ngern Tid Lor helped me bridge cash flow shortages during a difficult time in my life.

Ms. Lampan Tabjan

Ngern Tid Lor's customer,
Pratarnporn community (Rangsit) Branch



Driving Business for Sustainability



The Company is committed to becoming a leader in the vehicle title loan and insurance brokerage business. At Ngern Tid Lor, we do everything to empower people and enrich lives, believing that access to fair and transparent financial services is everyone's right. Through our committed employees, we deliver financial betterment by offering simple, easy-to-use, and fast products and services and operate a business in alignment with the Company's principles of sustainable development. We believe that ethical and responsible business conduct will enable us to manage risks effectively and gain new business opportunities to grow continuously while creating long-term value for all stakeholders.

The Company strives to manage its value chain to adhere to local rules and regulations and comply with global sustainability standards, such as the United Nations Sustainable Development Goals (UNSDGs). We align our business strategies and practices with the principles of corporate governance to engage with all groups of stakeholders, drive business performance excellence, manage environmental impacts, promote our employees' and communities' health and wellbeing, operate with respect for human rights, and treat all stakeholders fairly without discrimination.

In 2022, the Company underwent an assessment by the internationally recognized EcoVadis to measure the quality of its holistic social and environmental responsibility management. The assessment methodology was built on the Global Reporting Initiative (GRI) Standards developed by the GRI to measure management quality on four themes: environment, labor and human rights, ethics, and sustainable procurement. Based on the results of the assessment, the Company was awarded the EcoVadis Bronze Medal.



2023 Ecovadis Sustainability Rating: Bronze



Objective

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



Vision and Mission

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

Scope of This Report

The information disclosed in this report covers sustainability performance achieved between January 1, 2022, to December 31, 2022. The report has been prepared in accordance with the Core option of the GRI Standards and GRI G4 Financial Service Sector Disclosure, which reflects the nature of the Company's business and sustainability aspects that are material to the Company and the stakeholders.

Sustainability Management Policies and Goals




In 2022, the Company operated its business with honesty, transparency, and fairness and also implemented social responsibility. The Board of Directors has formulated the Company's policies so that it aligns with sustainable development guidelines and goals and is appropriately and fairly focused on looking after all groups of stakeholders, including determining 12 sustainability to cover economic, social, and environmental dimensions.

Sustainable Development Goals



In 2022, the Company set its sustainable development goals in line with the UN's Sustainable Development Goals (SDGs), namely, to be the leader in the vehicle title loan and insurance brokerage business by adhering to the principles of good corporate governance and placing importance on all stakeholders.

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

Sustainable Development Policy Framework	 Governance and Economic	 Social	 Environmental
Goal	To be an organization that helps reduce inequality by enabling Thai people to access fair and transparent financial services and appropriate and inclusive insurance products.	To eradicate poverty by providing money management education to Thai people, especially low-income or self-employed people.	To educate employees and raise their awareness of the importance of environmental protection, efficient use of water and electricity, and plastic waste reduction as part of the efforts to reduce greenhouse gas emissions.
Commitment	We strive to lead in financial innovation with good corporate governance to create a social and environmental equilibrium while driving sustainable growth.	We believe that continuously creating financial literacy opportunities will help people roll life forward sustainably.	We are determined to promote environmental activities to engage employees and stakeholders to produce measurable outcomes.
Sustainable Development Policy	<ul style="list-style-type: none"> • Enterprise risk management • Cybersecurity • Corporate governance • Market conduct • Anti-bribery and Corruption 	<ul style="list-style-type: none"> • Sustainable development • Personal data protection • Fair treatment of labor • Respect for human rights • Fair procurement 	<ul style="list-style-type: none"> • Reducing resource consumption • Providing knowledge and information on efficient use of energy and water and waste reduction

Business Chain and Stakeholder Management

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

1. Value Chain

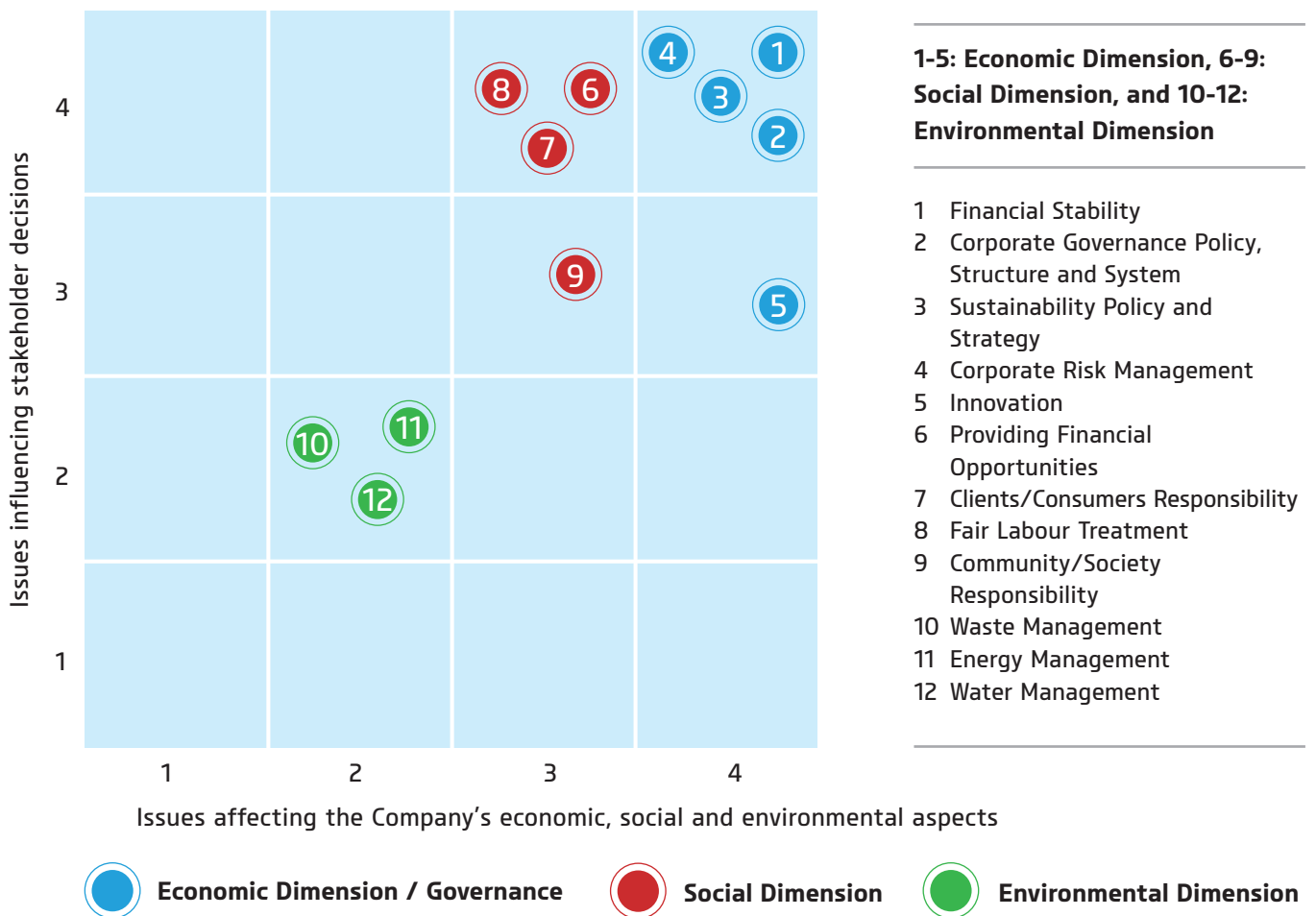
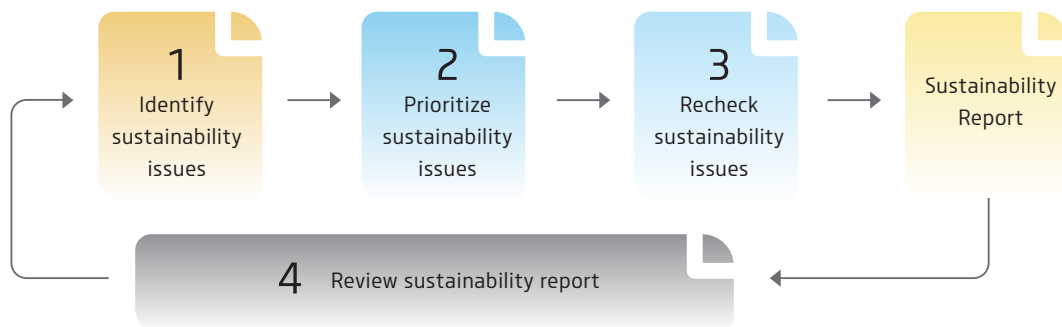
The Company engages with stakeholders throughout the value chain, from upstream to downstream, to create sustainable value, manage impacts from business activities, and respond to stakeholder expectations in line with international guidelines and practices.



2. Changes in Material Sustainability Aspects in 2022

A review of the material sustainability aspects conducted in 2022 suggested that the existing material aspects remain relevant and significant to the organization and stakeholders and in line with the expectations of regulators, as well as national and regional sustainability organizations. Responding to stakeholder opinions, the Sustainability Report Working Team also disclosed information on supply chain management. Moreover, environmental management and resource efficiency were added because of their relevance to sustainability. Changes in the materiality priorities in the materiality matrix also reflect the integration of the Environmental, Social, and Governance (ESG) factors into the strategies, directions, and urgent agendas of the Company's business, as described below:

Sustainability Reporting Process



Stakeholders Management

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



Stakeholders and Investors

Participation channels

- General and extraordinary meetings of shareholders
- Disclosure of information via the SETLink system of the Stock Exchange of Thailand (SET)
- The Company's website and internal and external publications
- Individual and group meetings to inform domestic and foreign shareholders, investors and guests, and both domestic and foreign investors
- Provision of channels for inquiries via website and e-mail

Stakeholder expectations and key issues

- Rewards for returns and sustainable organizational growth
- Consistently good performance
- Accurate, complete, transparent, and timely information
- Risk management and good corporate governance
- Ethical business operations and consideration of environmental issues

The Company's response guidelines

- Sustainable and balanced income
- Disclosure of information to shareholders and the SET through activities or other communication channels with transparency and accountability.
- Provision of opportunities for shareholders to propose meeting agendas and persons to be appointed as the Company's directors at the Company's annual general meeting
- Provision of opportunities for shareholders to ask questions and express opinions at the shareholders' meetings and through the Company's various communication channels



Customers

Participation channels

- Client relationship officers to facilitate clients to meet their requirements
- Public relations materials to provide accurate, complete, clear, and transparent information about products and services
- Channels for receiving client feedback, suggestions, and complaints
- Regular client satisfaction surveys
- Various flexible digital channels to quickly communicate with clients, for instance, LINE Group, Facebook, and mobile application

Stakeholder expectations and key issues

- Being served transparently and fairly
- Obtaining complete and accurate information
- Being offered the right products that suit clients
- Collecting interest and fees correctly
- Solving problems on time

The Company's response guidelines

- Determination of operating principles according to the Market Conduct
- Increased access to products convenient for clients
- Implementation of the personal data protection policy
- Transparent announcements of interest rates and fees
- Establishment of a client service and complaint-receiving unit

Customer Feedback

The Company regularly conducts a customer survey and creates testimonial videos. In 2022, the Company achieved a customer satisfaction score of 97% and continued monitoring customer comments online to improve services (data from the Social Listening Report and Company Database from January 1 to December 31, 2022).





Board of Directors

Participation channels

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

Stakeholder expectations and key issues

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

The Company's response guidelines

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



Employees

Participation channels

- Electronic channels such as Facebook, Line, and YouTube
- Whistleblowing channel on the Company's website
- Annual assessment
- E-mail communication and Intranet/TIDLOR portal
- Provision of an ombudsperson
- Annual townhall meeting for executives and employees

Stakeholder expectations and key issues

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

The Company's response guidelines

- Adhering to equitable treatment of employees and non-discrimination, determining payment standards, and establishing the Nomination and Remuneration Committee to nominate and consider the remunerations of directors and senior executives
- Arranging individual employee development plans to suit each career path and providing scholarships for employee development
- Arranging clear annual performance measurements
- Providing appropriate welfare benefits to employees to improve their and their families' wellbeing and/or help reduce their financial burdens and worries, which will in turn improve their work performance. These welfare benefits include the provident fund, Employee Joint Investment Program (EJIP), special rate loans, vaccination, and health insurance for employees and their families.
- Recognizing that respect for human rights is key to sustainable growth, the Company has integrated human rights into its corporate governance and sustainable development policies to ensure equitable treatment of all employees, regardless of race, religion, gender, skin color, language, ethnicity, and other forms of social status, and fair and competitive employee compensation. In the past year, there were no violations of human rights in the organization.



Employees

- Formulating a whistleblowing policy that sets forth guidelines for employees to report suspected violations of laws, policies, work regulations, and business ethics in the workplace. This should also assure whistleblowers and all stakeholders that they will be treated fairly by ombudspersons, such as the Compliance and Internal Audit Departments. In the past year, there were no significant complaints.
- Setting up a human resources policy to serve as a basic framework and guideline for managing and developing the human resources of the Company.
- Setting fair recruitment and employment procedures that cover full-time, short-term, and outsourced employees.
- Organizing employee engagement activities, such as an event to celebrate and honor retiring coworkers.
- Holding the NTL Open Box to inform employees at the manager level and above about the Company's management approaches so that they understand the organization's role in sustainably improving lives.
- Organizing the NTL Culture Boot Camp twice a year to build team working and bonds between employees through corporate culture and core value activities.
- Holding the NTL CV Award and Culture Day events on every 7th day of the 7th month of every year to search for and award role models who best represent the traits of each core value, as well as promoting corporate culture and taking pride in being NTLers.
- Providing annual mandatory training to help executives and employees understand the Company's rules and regulations. Courses include Nine Iron Rules (Credit Analysis and Approval), Debt Collection, Personal Data Protection, Anti-Money Laundering, Credit Bureau Data, and Fair Customer Service Management.
- Improving the quality of life of employees by delivering basic financial literacy to help them manage their financial life, creating a safe and healthy working environment with sufficient lighting and workspace, providing welfare programs to improve employees' mental health and develop skills needed to perform their jobs, ensuring that employees at all levels receive essential training from leading national and international institutions, and promoting gender equality in the workplace by equitably and fairly recruiting male and female employees. As recruitment is highly competitive in this industry, the Company's employee turnover rate is at 12.3%.
- Offering employment opportunities for the disabled and underprivileged. At present, the company employs 64 persons with special needs.

Employee Feedback

Recognizing that employees are a crucial asset, the Company regularly conducts surveys to measure the level of employee satisfaction and obtain suggestions for improvement. In 2022, of the total number of employees at Ngern Tid Lor, 98% were happy at work, 98% agreed that the Company took good care of them, and 99% were proud to be an NTLer (data from the Company Database from January 1 to December 31, 2022).





Creditors

Participation channels

- Making agreements and contracts
- Company website and print media
- Meetings providing information to financial institutions

Stakeholder expectations and key issues

- On-time repayments and interest payments
- Compliance with requirements and contracts
- Continuous communication and disclosure

The Company's response guidelines

- On-time repayments and interest payments
- Strict compliance with requirements and contracts
- Continuous communication and disclosure of accurate and complete information



Local and Government Regulators

Participation channels

- Submitting reports as required by regulatory authorities
- Attending meetings and hearings of supervisory policies and guidelines
- Liaising and coordinating with regulatory authorities
- Attending meetings with entrepreneurs in the same business (Vehicle Title Loan Trade association) to coordinate with regulatory authorities

Stakeholder expectations and key issues

- Operating business based on good governance and in accordance with laws
- Conducting continuous and effective audit and governance
- Reporting accurate and complete information within the specified time

The Company's response guidelines

- Compliance with laws, rules, and regulations relevant to the proper conduct of business
- Development of the Company's work processes according to the requirements, recommendations, and observations of regulators



Suppliers and Service Providers

- The Company is aware of the importance of procurement in sustainable business practices and has published its Supplier Code of Conduct and ESG Assessment Form on the company website to help suppliers develop an effective corporate governance framework and achieve ethical conduct standards in line with the Company's values.
- The Supplier Code of Conduct covers four aspects: business ethics; human rights; treatment of labor; and occupational health, safety, and working environment.
- The Supplier ESG Assessment Form consists of five aspects: products and services, business conduct, social, environmental, and social responsibility. The Company divides suppliers and service providers into two groups.

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

E (Environment): Green Procurement. The Company's procurement focuses on the selection of environment-friendly products and services to reduce greenhouse gas emissions and promote a network of green suppliers throughout the supply chain. We use services from companies that meet the ISO 27001 standard, install solar flood lights, and switch to LED bulbs to reduce electricity consumption. The electrical appliances in our head office and branches across the country are all energy-efficient. The Company also supports green suppliers, such as providing document storage services to suppliers certified for the ISO 9001:2008 standard.

S (Social): Labor Practices and Human Rights. This aspect includes complying with the labor law, not discriminating, respecting human and labor rights, and promoting safety and health in the supply chain. To ensure that the practices are in line with the Company, we have communicated our Supplier Code of Conduct to all suppliers and required their strict compliance.

G (Governance & Economic): Business Ethics, Anti-Corruption and Efficiency. The Company attaches importance to business integrity, anti-corruption, efficiency, transparency, and efficient procurement processes in e-auctions. Besides adhering to the Supplier Code of Conduct, we also perform the Know Your Customer check on every supplier and service provider before transacting as part of our anti-money laundering efforts. We have also set a procedure for related-party transactions and communicated the No Gift Policy.



Suppliers and Service Providers

Group 2: Critical suppliers and service providers, such as those involved in the value proposition or touchpoint-like debt collection and payment services and non-life insurance companies.

This Group is subject to the same protocols as Group 1. Additional actions are taken as follows:

- The Company recognizes the importance of the Group 2 suppliers and service providers in helping it achieve responsible business conduct and sustainable growth and build the confidence of shareholders, investors, and stakeholders. It has thus taken steps to ensure its compliance with the principles of corporate governance and applicable laws, such as personal data protection, debt collection, and consumer protection laws.
- A business continuity plan has been developed together with suppliers and service providers involved in critical services to respond to force majeure events and emergencies that may disrupt business.
- The Company has reviewed cyber security guidelines together with service providers with cyber security risks, such as non-life insurance and debt collection service companies, to ensure that they can manage cyber security risks to an acceptable level.
- The Company has developed additional policies and procedures for reviewing activities at risk of bribery and corruption and conflicts of interest of third-party intermediaries to ensure effective management of bribery and corruption risks and conflicts of interest to an acceptable level.



Suppliers and Service Providers

Summary of Supply Chain Performance in 2022

- The Company conducted a risk assessment for suppliers to government organizations to promote good corporate governance and prevent corruption. In 2022, no complaints relating to giving or accepting gifts and entertainment and no complaints from suppliers were reported through the Company's complaint channels.
- In 2022, no material complaints were received through the company website, email, evaluation form letter (G&E), and whistleblowing channel.
- In 2022, the Company improved the oracle system and developed the smart contract system to make the procurement process more efficient to support business growth.



Community

Participation channels

- Organizing community relations activities through employee volunteer projects and the Company's social projects

Stakeholder expectations and key issues

- Providing financial knowledge and having products, services, and channels for accessing financial services that match community lifestyles
- Organizing community promotion activities
- Helping community members suffering from COVID-19
- Preserving resources and the environment

The Company's response guidelines

- Providing financial knowledge to communities through channels, public relations media, and training seminars as well as employee volunteer activities
- Educating, promoting, helping, and supporting local communities to develop a wide range of occupational skills, as well as conserving natural resources and the environment



Society

Participation channels

- Electronic channels such as the Company's website and Facebook
- Volunteer activities
- Social activities

Stakeholder expectations and key issues

- Providing financial knowledge
- Having products, services, and channels for accessing financial services that match community lifestyles
- Organizing community promotion activities
- Helping community members suffering from COVID-19
- Preserving resources and the environment

The Company's response guidelines

- Providing COVID-19 and natural disaster relief to affected people through donations and support channels in the form of funds and necessities, including rehabilitation after disasters.

Guidelines for Managing Key Sustainability Issues

Environmental

As Ngern Tid Lor is engaged in the vehicle title loan and insurance brokerage business, it is not directly exposed to natural disaster risks. However, it may suffer from indirect effects, for example, when customers fail to meet their repayment due dates due to natural disasters such as earthquakes, floods, and storms.

Social

Employees are the most important asset of any organization. Their shortage or failure to perform to the required standards may directly affect the Company's image and service quality. To prevent such shortage, the Company has implemented various engagement activities and offered sufficient welfare benefits to make the existing employees feel more connected and committed to the organization. At the same time, the Company regularly trains employees to improve their skills and performance quality.

To control supplier management risks, the Company has developed the Supplier Code of Conduct to encourage and support all suppliers to practice corporate governance and ethical standards in line with the Company. The code consists of four aspects: 1) Business Integrity; 2) Human Rights and Labor Practices; 3) Occupational Health, Safety, and Working Environment; and 4) the Environment. In 2022, the Company requested 312 ongoing suppliers and service providers, representing 100% of the total number of ongoing suppliers and service providers, to sign an acknowledgment of the Code of Conduct. Only 244 suppliers and service providers completed an ESG self-assessment, representing 78% of ongoing suppliers and service providers.

Governance

Currently, many organizations supervise and regulate the Company. As a result, the Company needs to monitor changes in laws and regulations to ensure proper and timely compliance. Non-compliance may significantly affect the Company's reputation or business operations.

Sustainability Report

1. Sustainability Management: Business Development and Economic Dimension

Sustainable Development

The Company is aware of its roles, duties, and responsibilities in ensuring good corporate governance and understands that corporate governance determines the relationship structure and process between shareholders, the Board of Directors, senior executives, and stakeholders. Its sustainable development framework integrates ESG factors, intending to enhance our competitiveness and create sustainable value for shareholders while also considering the interests of stakeholders. It is believed that this will allow the Company to achieve continuous and stable business growth. (page 168)



Sustainable Finance

In 2022, the COVID-19 pandemic worsened household debt problems in Thailand. Faced with economic difficulties, many people could not meet their financial obligations. In response, the Company undertook various measures to assist customers and alleviate the impact of the COVID-19 crisis, including deferring principal and interest payments, lowering installment amounts by at least 30%, and discounting interest for returning cars to write off debts.

Financial figures	2022
Outstanding loan (million baht)	81,265
Number of loan agreements (agreement)	881,679
Total revenue (million baht)	15,274
Net profit (million baht)	3,640
Return on assets (%)	4.8
Bad debt ratio (%)	1.58
Provisions to non-performing loans (%)	249

In 2022, the Company launched the “Easy Loan, No Guarantor Required” campaign to encourage borrowers with poor credit scores to rebuild their credit history. The campaign aims to provide knowledge and understanding of the credit bureau and the way to “Repair and Rebuild Credit” by starting to make debt repayment history on time to minimize scars in financial records. Borrowers can also derive the most out of using the loan services from Ngern Tid Lor, which is a member of the credit bureau. Over the years, the Company has helped customers rebuild their credit history, as shown below:



2. Sustainability Management: Environmental Dimension

Environmental Policies and Practices

The Company is committed to operating a sustainable business based on environmental responsibility by recognizing and placing importance on the mitigation of environmental impacts arising from business and service operations, as well as focusing on building pro-environmental behavior and environmental awareness through various projects/activities and promoting operational processes that reduce environmental impacts. Therefore, the Company has established guidelines on efficient resource utilization to promote environmental protection. In this regard, the Company has promoted an appreciative use of natural resources and reduced use of energy that is limited in nature, which includes the use of electricity, water, renewable resources, and the release and management of waste arising from business operations and greenhouse gas emissions, as well as preparing measures to cope with environmental challenges. Although greenhouse gas emissions data has not yet been collated, the Company is committed to taking actions to prevent, reduce, and manage the negative impact on the environment or ensure that the damage is as little as possible, particularly regarding greenhouse gas emissions.

The Company has reduced the use of paper and other unnecessary resources to reduce waste, along with emphasizing contact and payment through digital channels and promoting reuse and used-product segregation to have them recycled.

Recognizing its responsibility for environmental problems, the Company has promoted various activities in line with the sustainability guidelines by building employee understanding of a wide range of impacts. As the Company is committed to achieve sustainable growth, as well as taking care of communities and providing social support, the Company has also established policies on the implementation of corporate social responsibility. The aforementioned has also been publicized as an article disclosed to the public through the company's website.



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

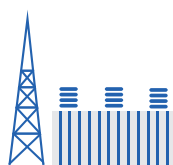
1. Energy Management



The Company has efficiently managed energy-covering lighting and air-conditioning systems by implementing an electricity-saving campaign, along with installing and maintaining electrical control systems such as solar cells and LED lighting, reducing electricity consumption at the head office and the branches by 235,829 Kilowatt-Hours.

Within five years, the Company aims to reduce its total electricity consumption by 10%.

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



**Amount
of Electricit
Consumption**

	2020	2021	2022
	44,000,852	6,989,410	8,913,025



**Oil and
Fuel Consumption**

	2020	2021	2022
Diesel (liters)	754,108	697,272	764,025
Gasoline (liters)	239,151	183,136	234,425



**Oil and
Fuel Expenses
(Unit: baht)**

	2020	2021	2022
	18,955,118	21,190,337	32,043,053

2. Water Management



The Company uses raw water and tap water together, accounting for 100% of the total water used. Therefore, it has continually maintained and inspected the condition of the water distribution system to meet the standards. For the Head Office building, water flow rates to sanitary wares are adjusted, along with effective wastewater management, as 100% of the effluent volume is passed through the building's treatment system.

The Company aims to save as much water as possible in the future.



Water Consumption
(Unit: Cubic Meters)

2020	2021	2022
6,586	16,586	20,677



Municipal Water Expenses
(Unit: baht)




2020	2021	2022
131,722	331,729	413,542


3. Waste and Pollution Management



The Company has systematically managed waste generated by its business processes in accordance with the 3R (Reduce, Reuse, and Recycle) principle. It has used an efficient waste sorting system coupled with creating awareness and stakeholder involvement to reduce waste disposal by landfill. In 2022, its head office had 73,392 kilograms of landfill waste. Of these, 21,150 kilograms of paper waste were exchanged for paper furniture sets for office use; 748 kilograms of plastic waste were used to produce 924 monk robes and 310 PPE; 26 kilograms of aluminum waste, 99 kilograms of hazardous waste, and 446 kilograms of infectious waste were delivered to authorized persons for proper disposal. Additionally, the Company measures environmental quality in its offices and around the business establishments at least once a year. In 2022, the air, smell, noise, and light quality standards were in normal ranges as required by laws, and no chemicals were used in the business operations.

The Company aims to increase waste recycling by 10% within five years.

		2020	2021	2022
 Amount of Waste (Unit: Kilograms)	 Total amount of non-hazardous waste	-	21,123	73,392
	 Total amount of hazardous waste	-	10	99

 Amount of Reused and Recycled Waste (Unit: Kilograms)	2020	2021	2022
	-	17,051	22,479

Total amount of the non-hazardous waste to be reused and recycled.

4. Greenhouse Gas Management



In 2022, the Company produced direct and indirect greenhouse gas emissions of 1,962 and 5,346 tons of carbon dioxide equivalent, respectively, which totaled 7,308 tons of carbon dioxide equivalents. The Company has implemented projects to reduce direct and indirect greenhouse gas emissions, such as the use of biodiesel and gasohol to replace conventional diesel and gasoline. In 2022, the Company used a total of 998,450 liters of alternative fuels, including 7,128 kilograms of recycling paper.

Moreover, two services and products offered by the Company contributed to environmental sustainability.

1. The TIDLOR Card (Revolving Cash Card) reduced paper consumption by 198,082 kilograms and carbon dioxide emissions by 225,813 kilograms of carbon dioxide equivalent.
2. E-billing reduced paper consumption by 1,851 kilograms and carbon dioxide emissions by 2,110 kilograms of carbon dioxide equivalent.

As for future directions, the Company* plans to reduce its greenhouse gas emission activities by 10% within the next five years.



Greenhouse Gas Emissions by the Company (Unit: tCO₂e)

	2020	2021	2022
Scope 1 greenhouse gas emissions	2,337	2,324	1,962
Scope 2 greenhouse gas emissions	4,269	4,069	5,188
Scope 3 greenhouse gas emissions	218	411	529

Note: The target set by the Company is in accordance with the GRI Standards.

NTLers Help save energy TO CREATE A "GREENER WORLD"



WASTE SEPARATION

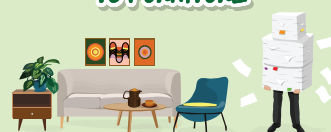
For Reuse and Recycle
via campaigns



GAS CONSUMPTION REDUCTION

- Replace benzene with gasohol totaled 257,377 Liter
- Replace diesel with diesel B10 and B7 totaled 630,527 Liter

USED PAPER TRANSFORMATION TO FURNITURE



Total weight: 18,750 kg.

SWITCHING TO LED LIGHT BULBS

From fluorescents
to LED light bulbs for 952 bulbs

Equals to CO2 emission reduction:
111,747 kgCO2e/year

PAPER USE REDUCTION



E-Billing System

Helps reduce paper for 1,851 kg.
which equals to CO2
emission reduction=2,110 kgCO2e



TIDLOR Card

Helps reduce paper for 198,082 kg.
which equals to CO2
emission reduction=225,813 kgCO2e

ALUMINUM CAN LID TRANSFORMATION

To be Prosthetics for disabled

Total weight:
37 kilograms



JOIN UP E-WASTE GROUP

For electronic
waste separation properly



PLASTIC WASTE TRANSFORMATION

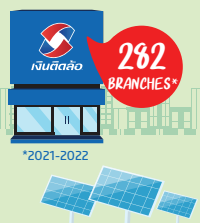
To be monk robes



Total weight of plastic bottles: 666 kilograms
Total amount of robes: 865 pieces
Total PPE overalls: 536 pieces

REPLACE FLUORESCENT LIGHT BULBS WITH SOLAR CELLS

Equals to CO2 emission reduction:
25,528 kgCO2e/year



JOIN UP "GREEN PAHOLYOTHIN" GROUP

To help clean the air.

By planting more than
800 trees



3. Sustainability Management: Social Dimension

The Company has aligned the ESG and CSR strategies with its sustainability policy, regulators' expectations, and the UNSDGs.

- Setting the "Donation and CSR Policy" to be used as a basic framework for supporting, donating, and organizing CSR activities.
- Establishing the "ESG Working Team" within the Environmental, Social, and Governance Department to be responsible for setting CSR strategies and developing plans, projects, and campaigns that create a positive impact on society, as well as drive progress toward Sustainable Development Goals.

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

1. Creating Sustainable Value

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

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

The Company realizes that the customers who have motorcycle title loans are at high risk from road accidents. Therefore, the Company provides one-year personal accident insurance without charges with immediate protections to new clients having motorcycle title loans after loan approval. As of December 31, 2022, the Company has provided personal accident insurance without charges to 1,650,964 customers.

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

As the leader of the vehicle title loan business and insurance brokerage services with branches across the country, the Company operates businesses to create financial opportunities for low-income earners and self-employed people, to enable them to access a funding source through a fair and transparent system. The Company initiated a financial literacy program for merchant groups in 2013, before expanding the program to various communities under the "Financial Knowledge to Communities for Life Rolls Forward" Project. We aim to impart knowledge on basic finance, income and expenditure management, and savings for investment, as well as using technology for financial transactions to facilitate and reduce costs for low-income earners and self-employed people living in various communities, including merchants, employees, and industrial workers across the country. The Company has provided opportunities to volunteer groups of Ngern Tid Lor employees to participate in the activities to understand the importance of creating financial opportunities for our clients. As of December 31, 2022, we have organized 201 events with more than 5,501 participants and over 919 volunteers from the Company.

In 2022, due to the COVID-19 pandemic, we carried out the Financial Knowledge to Communities for Life Rolls Forward project in one community to develop it into a model community in the future. The Company made two visits to Ban Sai Ngam in Prachantakham District, Prachinburi Province to provide financial literacy on the topic of “Debt Free, Happy Life” and “Savings Made Easy” to 55 community members. From a 4-month follow-up, the participants were found to be able to lower their debts and become more financially disciplined. Moreover, the Company was invited by the Bank of Thailand’s management and financial literacy promotion team to participate in knowledge sharing to upgrade the financial literacy courses for the public.



- **Train the Financial Mentors Project**

The Company pays attention to the financial health of its employees. Every year, the Financial Education Team surveys the employees’ financial health to find ways to help them improve their financial health. In 2022, 3,150 employees completed the survey, and 1,355 requested financial advice. As the number of participants grows every year, the Company initiated a project supported by the SET to train financial mentors to advise employees. Of the 34 trainees from two batches, 20 volunteered to be mentors to financially advise other employees. To date, 14 employees have been assisted. From a 4-month follow-up, employees have been noted to improve their financial health. They could reduce debts by 717,437 Baht, lower the debt ratio by 14%, and save 68,636 Baht, compared to the base month.



2. Giving Back to Society

This project focuses on engaging communities surrounding the Company's establishments and across the country through social projects or activities such as providing financial knowledge and educational support for example financial education, educational facilities support, and encouragement project.

- **The Kamlangjai Project**

As the Company is committed to operating businesses under the concept of creating financial opportunities for people, we received a great chance as we became a part of “the Kamlangjai Project under the royal initiatives of HRH Princess Bajrakittiyabha” (“the Kamlangjai Project”) to jointly pass on positive energy and encourage and create opportunities through sharing knowledge on career capital management for those who took missteps. Later, the Company supported the Kamlangjai Project by organizing activities entitled “Financial Literacy and Careers” to provide knowledge on career capital management for those who took missteps and participated in the Kamlangjai Project. As of December 31, 2022, we have provided such knowledge to 989 p in 9 prisons, as well as 152 probation officers and prison guards.

In 2022, despite the effects of the COVID-19 pandemic, the Company continued to educate prison officers under the Kamlangjai Project at six prisons in each region to enable them to transmit knowledge and use VDO e-learning tools. A total of 17 officers participated in the training and passed on the knowledge to 254 prisoners. Additionally, the Company also taught prison officers from 30 prisons to use VDO e-learning tools via an online platform under the Sufficiency Economy Project to enable them to use the tools to educate prisoners in other prisons.



- **Overcoming Debts Project in Collaboration with the Stop Gambling Foundation**

The Company provided financial literacy on the topic of “Overcoming Debts” to 184 members of the Stop Gambling Foundation so that they could apply the knowledge to their everyday life and teach others in their communities. Two months after the training was completed, 100% of the project participants were found to have applied their knowledge to their lives and passed it on to community leaders, relatives, co-workers, and the elderly in elderly schools.



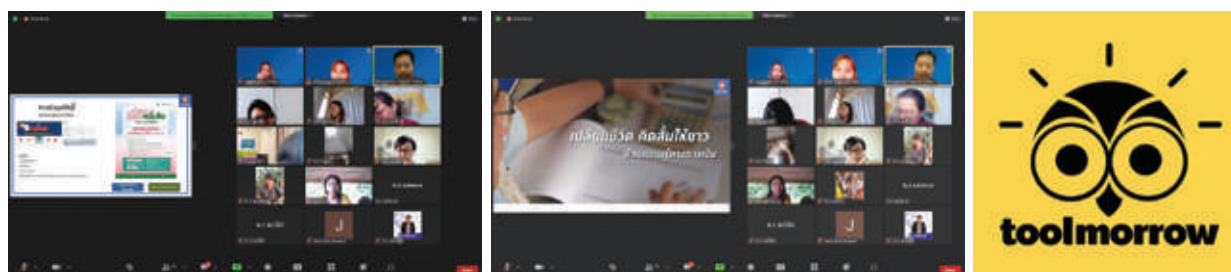
- **Money Planning for Salarymen Project**

The Company provided financial support of 1,000,000 baht for the second year in a row to help build a foundation for young students and develop their potential for a sustainable future. It also sponsored a financial literacy activity on the topic of “Money Planning for Salarymen” for 12 teachers from the Teach For Thailand Foundation to allow them to apply what they have learned to their lives and teach students in schools.



- **Overcoming Debts Project**

In response to a request for financial literacy support from Facebook toolmorrow, the Company provided online financial education on the topic of Overcoming Debts. It was also aware of how a lack of financial knowledge could cause family problems and thus organized an activity to provide financial knowledge to 12 volunteer parents in the Changing Your Children Starts with You Project to enable them to apply what they have learned to their lives and pass it on to interested single parents.



- **Financial Literacy for Employees with Special Needs (Hearing Impairment)**

Recognizing the learning challenges faced by employees with hearing impairment, in 2022, the Company organized a financial literacy activity on the topic of “Savings Made Easy” for 41 special needs employees to provide them with basic financial knowledge and help them understand the importance of savings and managing their finances. Moreover, many courses were implemented to help these employees to learn and develop themselves.

3. Community and Society Development

- **TIDLOR Culture Wow**

The Company has organized an open-house project to share knowledge and experiences in building a corporate culture, called the Culture WOW Program. The project was first implemented in 2018 for general organizations interested in exchanging experiences in driving business through Ngern Tid Lor's corporate culture building. Over the years, both domestic and international companies have shown interest in the project.



- **Carrying on Thai Culture and Important Buddhist Traditions**

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



Environmental Conservation

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

- **Doi Tung Check Dam Project**

More than 150 executives and employees of the Company participated in check dam construction in the area of the Doi Tung Development Project. This project aims to restore nature and water resources in Doi Tung, an important source of water for local communities and agriculture. The check dams will help slow down the water flow during flood seasons and increase groundwater volume for supplying the surrounding villages, as well as maintaining soil moisture in the forest. They also serve as a natural line of defense against wildfire. The Company additionally donated a fund of 500,000 baht to the Mae Fah Luang Foundation under Royal Patronage to promote education and create jobs for communities.



- **Care the Bear**

The Company is well aware that global warming and climate change are major challenges that everyone must work together to overcome. For this reason, in 2022, the Company joined the “Care the Bear” project initiated by the SET. The project aims to encourage all sectors to participate in reducing greenhouse gas emissions, a major cause of global warming, through the 6 cares: commuting on sky trains or public transport, reducing the use of paper and plastics, banning foam containers, reducing power consumption, choosing decorative items made from reusable materials for events, and ensuring no leftovers.



4. Financial Support

This program supports and assists in contributing to public goods, such as scholarships, relief for disaster victims, and donations to public interest organizations.

- Donated 500 sets of essential medicines and medical supplies worth 252,787 baht to the Communicable Disease Prevention Project for Thai Muslims Traveling to Perform the Hajj in the Kingdom of Saudi Arabia in 2022.
- Donated 405 doses of Moderna vaccine worth 688,917 baht to Bangrak Vaccination and Health Center to support its COVID-19 booster service to the general public of all nationalities in Thailand.




Besides these projects, the Company carried out in-house activities to encourage employees to care about the environment, including using cloth bags instead of plastic bags, designating one day a week as a Green Day, saving energy, and reusing waste to make office decorations or arts.



Guidelines for Managing Material Sustainability Issues

In 2022, the Company carried out three activities to drive progress toward sustainable development: Doi Tung Check Dam Project, Financial Education, and Insider Information and Conflicts of Interest Management.

 Environment	Doi Tung Check Dam Project
Strategy and Long-Term Goal	
Significance	This project was initiated to involve organizational leaders in an activity to restore the integrity of forest and water resources in the area of the Doi Tung Development Project by constructing check dams to supply water for local communities and agriculture. The executives and working team of the Doi Tung Development Project from the Mae Fah Luang Foundation also shared their understanding and experience of sustainability with the participants. In addition to environmental restoration, this activity helped build a good relationship between the management team and organizational leaders. In 2022, we built 10 check dams in Ban Mae Poen, Mae Fah Luang District, and Chiang Rai Province. About 150 employees participated in the project.
Long-term goal	To prevent flood disasters and help improve the community's economy because check dams can increase agricultural productivity.
Material Issue Management	
Policy	Organize activities to promote community sustainability and engagement among organizational leaders.
Responsible department	Human Resource Department
Management process	<p>The Company encourages organizational leaders to participate in check dam construction activity, which is one of the leadership workshop activities. The process involves the following:</p> <ol style="list-style-type: none"> 1. Set up the working team: Schedule a meeting to determine the team's duties and plan a budget for the activities. 2. Research place: Discuss with the team from the Mae Fah Luang Foundation to identify the areas for check dam construction. 3. Plan activities: Set a date for a survey and activities and coordinate with stakeholders. 4. Communicate with leaders: Compile a list of organizational leaders, communicate schedules, and prepare. 5. Conduct surveys: Survey the readiness of organizational leaders to be organized into groups for check dam construction. 6. Perform activities: Organize activities to build check dams, followed by leadership workshops. Then, summarize the results of activities for further improvements. 7. Follow-up results: After the activities are completed, the working team follows up on the results and benefits received.



Environment

Doi Tung Check Dam Project

Monitoring Results toward Goals

Monitoring the system based on project metrics toward annual goals

The Company regularly monitors the results of the training of organizational leaders who participated in the activities and the benefits to be reported to the relevant executives.

Evaluation and Correction

Evaluation and corrective action (if necessary)

Prepare a report to be submitted to the relevant executives.



Social

Financial Education

Strategy and Long-Term Goal

Significance

For more than 10 years, the Company has been passing on financial knowledge to Thai people in hopes of protecting them from financial risks. Our goal is not to profit but rather to leverage our available resources and expertise to create a society of sustainable financial management.

Long-term goal

Within the next five years, the Company aims to help Thai people manage their finances and introduce financial knowledge to more communities.


Material Issue Management

Policy

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

Responsible department

Financial Education Team

 Social	Financial Education
Management process	<p>The Company provides the employees with the opportunity to participate in social contribution activities through the Ngern Tid Lor Volunteers program. The process involves the following:</p> <ol style="list-style-type: none"> 1. Research place: Allow employees from branches nationwide to nominate communities for financial literacy and coordinate with community leaders. 2. Plan activities: Coordinate with community leaders and set a date for a community survey and joint activities. 3. Communicate with volunteers: Compile a list of volunteers, schedule a meeting to determine duties, and plan a budget for activities. 4. Conduct surveys: The team and volunteers should make a field visit to survey community needs, covering financial behaviors and interests, to plan training courses that meet their needs. 5. Perform Activities: The team organizes training activities to provide financial knowledge and summarizes the results of activities for further improvements. 6. Follow-up results: After the activities are completed, the team contacts the trainees to follow up on the results and benefits received.
Work plans/support projects	<p>Project Objectives</p> <p>The Company, as a leader in the vehicle title loan and insurance broker business with branches nationwide, strives to deliver financial betterment to low-income individuals and the self-employed by helping them access fair and transparent financial services. In 2013, the Company initiated a financial education training project for wet market vendors, which was further developed into the “Financial Knowledge to Communities for Life Rolls Forward” project aiming to teach basic finance and savings for investment knowledge, as well as how to use technology to reduce the costs of financial transactions for low-income or self-employed individuals, market vendors, company employees, and industrial workers across the country. The Company allows volunteers from Ngern Tid Lor to participate in these activities so that they understand the importance of creating financial opportunities for customers.</p>
Monitoring Results toward Goals	
Monitoring system based on project metrics toward annual goals	<p>The Company regularly monitors the results of the training of the participants and the benefits to be reported to relevant executives.</p>
Evaluation and Correction	
Evaluation and corrective action (if necessary)	<p>Prepare a report to be submitted to relevant executives.</p>



Governance

Insider Information and Conflicts of Interest Management

Strategy and Long-Term Goal

Significance	Assess the risks and impacts on stakeholders and set management guidelines to control the risks that may arise.
Long-term goal	Align management strategies with corporate governance practices to ensure that the Company conducts business with integrity, transparency, and fair treatment of all stakeholders. The approach will be integrated into the corporate culture to create sustainable returns for all stakeholders.

Material Issue Management

Policy	Set an appropriate framework for managing the risks related to insider information and conflicts of interest considering the impact on all stakeholders and review this framework regularly.
Responsible department	<ul style="list-style-type: none">• Board of Directors• Risk Management Committee• Management team• Human Resources Department, Compliance Department, and Corporate Secretary
Management process	<ul style="list-style-type: none">- The Risk Management Committee assesses risks and impacts, develops policies and regulations, and determines management practices to be submitted to the Board of Directors for approval.- Communicate policies and regulations to employees and provide information on relevant topics from time to time to ensure strict compliance.- Monitor activities more actively and frequently and report violations to relevant executives and the Audit Committee in time, including following up on improvements.- Incorporate management results into a policy review, improve regulations to reflect ongoing risk levels, and achieve management objectives with integrity and transparency in the best interest of stakeholders.



Governance

Insider Information and Conflicts of Interest Management

Work plans/support projects

Project Objectives

Managing the use of insider information and conflicts of interest with honesty and transparency in the best interest of stakeholders.

Work Plans

- Improve policies and regulations to reflect the Company's risk level, taking into account the best interest of stakeholders.
- Communicate to raise employee awareness and develop tools to record transactions and report activities.
- Develop a plan for reviewing activities regularly, reporting violations to relevant executives, and following up to ensure improvement.
- Report management results to executives and improve the management plan to reflect ongoing risks.

Evaluation

- The number of transactions that do not comply with the policies and regulations.
- Performance evaluation by a third party.

Monitoring Results toward Goals

Monitoring system based on project metrics toward annual goals

Continuously monitor and report violations to management in time and follow up to ensure improvements.

Evaluation and Correction

Evaluation and corrective action (if necessary)

Prepare a report to be submitted to relevant executives, including improving risk assessment and management guidelines that are up to date.

Quantitative Information for Sustainable Practices

The Company has a policy of promoting basic human rights, social equality, and diversity in the workplace and providing employment opportunities to the disabled and the disadvantaged. Our employees are diverse in terms of gender and age, as detailed in the Table below.

Number of Classified by gender	2022	2021	2020
Male	1,759	1,632	1,629
Female	4,895	4,269	3,790

Number of Classified by age	2022	2021	2020
Less than 30	3,517	3,236	3,001
31-40	2,586	2,242	2,076
41-50	501	375	306
Over than 50	50	48	36

Number of employees Classified by position level	2022	2021	2020
Senior management	9	9	9
Middle managemen	45	34	27
Upper level manager	246	229	206
Operation level	6,354	5,629	5,177

The Company's employees are its important stakeholders. The Company provides compulsory training courses for all of them and encourages them to receive further training to improve their knowledge and performance. The number of training hours and employee satisfaction are shown below.

	2022	2021	2020
Number of disabled and/or underprivileged employees (person)	64	57	51
Number of training hours per employee (hour/person)	47.04	37.16	52.53
Number of training hours per total employee (hour)	309,979	597,320	281,997
Employee satisfaction assessment results (%)	92	82.69	95.18

Examples of Important Social Operations: Treatment of Employees and Labor



Number of employees in special needs*
64



Number of employees pass the annual compulsory course
98.8



Number of training hours per employee
47.04
hour/person



Employee satisfaction assessment results
92%

Remark

*Employees with disabilities and/or underprivileged.

Details of Directors

Mr. Chandrashekar Subramanian Krishoolndmangalam

Position Chairman, Authorized Director and
Chairman of Risk Management Committee

Age 60 years

Nationality Indian

Education

- Master in Commerce, Bombay University

Training

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

Other Position in Listed Company

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

Other Position

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

Experience (in last 5 years)

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

Date of taking the position of director 18 August 2015

Chairman 28 January 2021

Attendance for year 2022

Board of Director meeting 13/13

Risk Management Committee 4/4

Number of shareholding (as of 31 December 2022)

None ⁽¹⁾

Relationship among other management None

Mr. Piyasak Ukritnukun

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

Age 41 years

Nationality Thai

Education

- Bachelor of Business Administration,
International program, Thammasat University

Training

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

Other Position in Listed Company

- None

Other Position

- 2022- Present LEARN CORPORATION PUBLIC
COMPANY LIMITED

Experience (in last 5 years)

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

Date of taking the position of director

1 November 2013

Attendance for year 2022

Board of Director meeting 12/13

Investment Committee 10/11

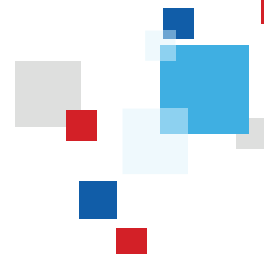
Number of shareholding (as of 31 December 2022)

455,769 shares or 0.0172% ⁽²⁾

Relationship among other management None

Remark : ⁽¹⁾ The number of Shares includes shares held by spouse and minor children.

⁽²⁾ The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)



Mrs. Kesara Manchusree

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

Age 62 years

Nationality Thai

Education

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

Training

- ASEP "Advanced Senior Executive Program" Evanston, Illinois, USA Sasin and Kellogg School of Management, Senior Executive Program, Chulalongkorn University
- Certificate, Capital Market Academy Leadership Program, The Stock Exchange of Thailand, Class 4
- Certificate from Thai Institute of Directors (IOD)
- Advanced Audit Committee Program Class No. 45/2022
- Director Certification Program Class No. 82/2006
- Role of Chairman Program Class No. 46/2020

Other Position in Listed Company

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

Other Position

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

Experience (in last 5 years)

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

Date of taking the position of director 6 March 2020

Attendance for year 2022

Board of Director meeting 13/13

Audit Committee 4/4

Remuneration and Nomination Committee 6/6

Number of shareholding (as of 31 December 2022)

1,076,923 shares* or 0.0431%⁽¹⁾

Relationship among other management None

Remark : ⁽¹⁾ The number of Shares includes shares held by spouse and minor children.

Mr. Phonganant Thanattrai

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

Age 58 years

Nationality Thai

Education

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

Training

- Strategic IT Governance (for non-IT), Year 2017 Certificate from Thai Institute of Directors Association (IOD)
- Role of the Chairman Program (RCP) no.47/2021
- Director Certification Program (DCP), Class no.289/2020
- Corporate Governance for Capital Market Intermediaries (CGI - English), no.3/2015
- Board Nomination and Compensation Program (BNCP) no. 11/2021
- Board's Role in Mergers and Acquisitions (BMA) 1/2022

Other Position in Listed Company

Bank of Ayudhya PLC

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

Other Position

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

Experience (in last 5 years)

Bank of Ayudhya PLC.

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

Date of taking the position of director

28 February 2022

Attendance for year 2022

Board of Director meeting 10/13

Remuneration and Nomination Committee 6/7

Number of shareholding (as of 31 December 2022)

None ⁽¹⁾

Relationship among other management None

Remark : ⁽¹⁾ The number of Shares includes shares held by spouse and minor children.

Mr. Vasin Udomratchatavanich

Position Director and Member of Remuneration and Nomination Committee

Age 49 years

Nationality Thai

Education

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

Training

- Bangkok Sustainable Banking Forum 2019 “An Industry Wake-up Call”, Year 2019
- Certificate from Thai Institute of Directors (IOD)
- Director Certification Program Class No. 306/2021
- Certificate of Director Accreditation Program Class No. 176/2020
- Board’s Role in Mergers and Acquisitions (BMA) 1/2022

Other Position in Listed Company

Bank of Ayudhya PLC.

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

Other Position

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

Experience (in last 5 years)

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

Date of taking the position of director 15 June 2020

Attendance for year 2022

Board of Director meeting 10/13

Remuneration and Nomination Committee 7/7

Number of shareholding (as of 31 December 2022)

None ⁽¹⁾

Relationship among other management None

Mr. Nathapol Luepromchai

Position Director/
Member of Investment Committee

Age 48 years

Nationality Thai

Education

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

Training

- Certificate from Thai Institute of Directors (IOD),
- Director Accreditation Program Class No. 180/2021
- Board’s Role in Mergers and Acquisitions (BMA) 1/2022

Other Position in Listed Company

- 2014 - Present Executive Vice President, Division Head, Mortgage Loan Division and Acting Head of Personal Loan Division, Bank of Ayudhya PLC.

Other Position

- None

Experience (in last 5 years)

- None

Date of taking the position of director

28 January 2021

Attendance for year 2022

Board of Director meeting 13/13

Investment Committee 11/11

Number of shareholding (as of 31 December 2022)

None

Relationship among other management None

Remark : ⁽¹⁾ The number of Shares includes shares held by spouse and minor children.

Mr. Minki Brian Hong

Position Director, Chairman of Remuneration and Nomination Committee

Age 50 years

Nationality American

Education

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

Training

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

Other Position in Listed Company

- None

Other Position

- 2022 - Present Director, Professional Services, Inc. (Philippines)
- 2022 - Present Director, Phuong Chau Investment and Commercial Joint Stock Company (Vietnam)
- 2022 - Present Director, Universal Healthcare Holding Inc. (Philippines)
- 2022 - Present Director, Starlight TopCo Limited (Hong Kong)
- 2022 - Present Director, Starlight Universe Limited (Hong Kong)
- 2021 - Present Director, Southeastasia Retail Inc. (Philippines)
- 2021 - Present Managing Partner, South East Asia, CVC Capital Partners (Hong Kong)
- 2020 - Present Director, CVC Asia Pacific Limited (Hong Kong)
- 2015 - Present Director, Asia Link Dewa Pte. Ltd. (Singapore)
- 2013 - Present Director, Asia Outsourcing Singapore Pte. Ltd. (Singapore)

Experience (in last 5 years)

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

Date of taking the position of director

28 February 2019

Attendance for year 2022

Board of Director meeting 12/13

Remuneration and Nomination Committee 7/7

Number of shareholding (as of 31 December 2022)

None ⁽¹⁾

Relationship among other management None

Remark : ⁽¹⁾ The number of Shares includes shares held by spouse and minor children.

Mr. Elcid Vergara

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

Age 44 years

Nationality Thai

Education

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

Training

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

Other Position in Listed Company

- None

Other Position

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

Experience (in last 5 years) -

Date of taking the position of director

28 February 2019

Attendance for year 2022

Board of Director meeting 13/13

Remuneration and Nomination Committee 7/7

Risk Management Committee 4/4

Investment Committee 10/11

Number of shareholding (as of 31 December 2022)

None ⁽¹⁾

Relationship among other management None

Mr. Xuan Wang

Position Director, Authorized Director

Age 36 years

Nationality Chinese

Education

- Bachelor of Arts (Honors) in Political Economy with Minor in Mathematics Georgetown University

Training

- Waiting to attend the Director Certification Program for foreign in May 2023

Other Position in Listed Company

- None

Other Position

2012 - Present Director, South East Asia, CVC Capital Partners (Hong Kong)

- Evaluated investment opportunities for targets in Southeast Asia as well as additional responsibility to lead investment in financial services
- Prepare business plans, drafted term sheets and offer letters, prepared investment committee memos and negotiated SPAs
- Serve as investor director on portfolio company boards to work with management teams to monitor investment performance and review strategic directions
- Led due diligence projects on 30+ potential transactions in business process outsourcing, banking, insurance, asset management, gaming, retail and logistics sectors across Asia

Experience (in last 5 years)

- Aug 2009 - Aug 2012 UBS Investment Bank, Investment Banking Department Associate Director, Financial Institutions Group (Hong Kong)

Date of taking the position of director

23 September 2022

Attendance for year 2022

Board of Director meeting 2/3 ⁽²⁾

Number of shareholding (as of 31 December 2022)

None ⁽¹⁾

Relationship among other management None

Remark: ⁽¹⁾ The number of Shares includes shares held by spouse and minor children.

⁽²⁾ Regarding 9/2022 Board of Directors's meeting resolution

Mr. Supawat Likittanawong

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

Age 49 years

Nationality Thai

Education

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

Training

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

Other Position in Listed Company

- None

Other Position

- 2022 - Present Director, DVK Healthcare Co., Ltd.
- 2020 - Present Director, Devakam Apothecary Hall Co., Ltd.
- 2020 - Present Director, BCL Property Co., Ltd.
- 2008 - Present Partner, Lakeshore Capital Thailand

Experience (in last 5 years) -

Date of taking the position of director 6 March 2020

Attendance for year 2022

Board of Director Meeting 13/13

Audit Committee Meeting 4/4

Investment Committee Meeting 11/11

Number of shareholding (as of 31 December 2022)
1,076,923 shares or 0.0431% ⁽¹⁾

Relationship among other management None

Mr. Patara Yongvanich

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

Age 48 years

Nationality Thai

Education

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

Training

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

Other Position in Listed Company

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

Other Position

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

Experience (in last 5 years)

- None

Date of taking the position of director 6 March 2020

Attendance for year 2022

Board of Director Meeting 13/13

Audit Committee Meeting 4/4

Investment Committee Meeting 11/11

Number of shareholding (as of 31 December 2022)
861,538 shares or 0.0345% ⁽¹⁾

Relationship among other management None

Remark : ⁽¹⁾ The number of Shares includes shares held by spouse and minor children.

Dr. Santitarn Sathirathai

Position Independent Director

Age 41 years

Nationality Thai

Education

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

Training

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

Other Position in Listed Company

- None

Other Position

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

Experience (in last 5 years)

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

Date of taking the position of director

14 December 2021

Attendance for year 2022

Board of Director Meeting 11/13

Number of shareholding (as of 31 December 2022)

807,692 shares* or 0.0323%⁽¹⁾

Relationship among other management None

Remark : ⁽¹⁾ The number of Shares includes shares held by spouse and minor children.

Detail of Senior Management Team

Mr. Veerapat Viriyakovitya

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

Age 45 years

Nationality Thai

Education

- Master of Business Administration (Finance), Indiana University

Training

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

Other Position in Listed Company

- None

Other Position

- None

Experience (in last 5 years)

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

Number of shareholding (as of 31 December 2022)
1,082,315 Shares/ 0.0431%⁽¹⁾

Relationship among other management None

Mr. Siu Bong Tso

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

Age 47 years

Nationality Thai

Education

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

Training

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

Other Position in Listed Company

- None

Other Position

- None

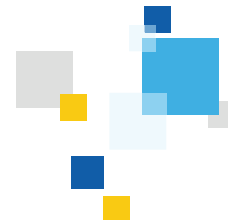
Experience (in last 5 years)

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

Number of shareholding (as of 31 December 2022)
1,551,770 shares or 0.0621%⁽¹⁾

Relationship among other management None

Remark: ⁽¹⁾ The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)



Mrs. Athitaya Phoonwathu

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

Age 47 years

Nationality Thai

Education

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

Training

- Insure Tech Connect Asia 2021: The Future of Insurance is here, institute at Clarion Events PTE. LTD., Batch 1/2021
- Insurance policy offering for insurance brokers based on revised criteria Batch 1/2021 institute at Bank of Ayudhya Public Company Limited, Batch 1/20
- Corporate Governance for Executives (CGE 11/2018) Thai Institute of Directors Association

Other Position in Listed Company

- None

Other Position

- None

Experience (in last 5 years)

Ngern Tidlor Public Company Limited

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

Number of shareholding (As of 31 December, 2022)

1,083,668 shares or 0.0433% ⁽¹⁾

Relationship among other management None

Mr. Thanya Kitchainukul

Position Head of Credit Department and Secretary of Risk management Committee

Age 63 years

Nationality Thai

Education

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

Training

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

Other Position in Listed Company

- None

Other Position

- None

Experience (in last 5 years)

- 2018 - Present Head of Credit Department/ Ngern Tidlor Public Company Limited

Number of shareholding (As of 31 December, 2022)

1,083,305 Shares (0.0434%)

Relationship among other management None

Remark: ⁽¹⁾ The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)

Miss Chaweemas Yamyim

Position Head of Branch Development & Sales Management and Collections Department

Age 51 years

Nationality Thai

Education

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

Training

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

Other Position in Listed Company

- None

Other Position

- None

Experience (in last 5 years)

Ngern Tidlor Public Company Limited

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

Number of shareholding (As of December 31, 2022)

1082412 shares/ 0.0433%⁽¹⁾

Relationship among other management None

Miss Piano Watcharapolmek

Position Head of Operations & Operational Risk Management Department

Age 46 years

Nationality Thai

Education

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

Training

- Risk Management Program for Corporate Leader (RCL 23/2021) Thai Institute of Directors Association
- Microsoft Teams Batch 2/2021 Institute at Metro Systems Corporation Plc.
- Credit Lab Core Training Batch 1/2021 Institute at SM Tech
- Corporate Governance for Executives (CGE 2018) Thai Institute of Directors Association

Other Position in Listed Company

- None

Other Position

- None

Experience (in last 5 years)

Ngern Tidlor Public Company Limited

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

Number of shareholding (As of December 31, 2022)

544,712 Shares/ 0.022%⁽¹⁾

Relationship among other management None

Remark: ⁽¹⁾ The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)

Mrs. Duangporn Utaipat

Position Head of Compliance Department

Age 65 years

Nationality Thai

Education

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

Training

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

Other Position in Listed Company

- None

Other Position

- None

Experience (in last 5 years)

- Head of Compliance Department
- Advisor, Ngern Tidlor Public Company Limited
- SVP Operations & Operational Risks

Number of shareholding (As of December 31, 2022)

724,593 shares or 0.0029% ⁽¹⁾

Relationship among other management None

Miss Nipa Vanichavat

Position Head of Business Support and Central Service Department

Age 51 years

Nationality Thai

Education

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

Training

- Microsoft Teams Batch 2/2021 Institute at Metro Systems Corporation Plc.
- How to Develop a Risk Management Plan (HRP 20/2018) Thai Institute of Directors Association
- Corporate Governance for Executives (CGE 7/2016) Thai Institute of Directors Association
- Certificate in ESG Management (C-ESG/2022) The Stock Exchange of Thailand

Other Position in Listed Company

- None

Other Position

- None

Experience (in last 5 years)

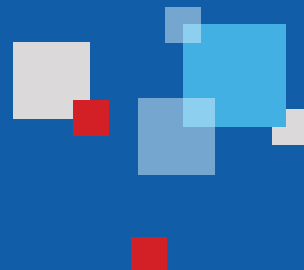
- 2015 - Present Head of Business Support and Central Service Department Ngern Tidlor Public Company Limited.

Number of shareholding (As of December 31, 2022)

601,812 shares or 0.0024% ⁽¹⁾

Relationship among other management None

Remark: ⁽¹⁾ The number of Shares includes shares held by spouse and minor children and shares received from the Employee Joint Investment Program (EJIP)



Corporate Governance

3





I applied for auto insurance from TIDLOR Insurance Broker. They offer the option to pay in installments instead of a lump sum. The payment process is easy and convenient through the NTL mobile application. I can even make payments when I'm traveling to other provinces without having to visit a branch.

Ms. Prakong Ngamwilai

TIDLOR Insurance Broker's customer, Siranya 4 Branch



Corporate Governance

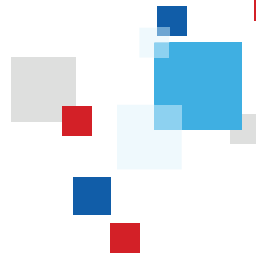


Corporate Governance Policy and Practice Overview

The Company is aware of our duty, role and responsibility for Good Corporate Governance. We believe Good Corporate Governance would determine the relationship structure and process among shareholders, the Board of Directors, Senior Management Team and all stakeholders. Following the Sustainable Development Framework: SD, we are integral of Good Corporate Governance, Social and Environment (ESG) concern by targeting on the sustainable competitive advantage and continuous business value growth for shareholders as well as awarding of all stakeholder's benefits, and consequently reflect the continuing and stability of business growth.

Our Good Corporate Governance Principles are aligned with our corporate vision, mission, core values, and code of conduct, covering the structure, composition, roles, duties, qualifications, and responsibilities of the Board of Directors, sub-committees, senior Management Team and managing director; internal control and internal audit; business philosophy; core values; code of conduct; handling of material non-public information; conflicts of interest; anti-bribery and corruption; rights of shareholders; and preventing of Insider trading. For more information on the Good Corporate Governance Principles please visit our website at www.tidlorinvestor.com.

The Company has adopted the Corporate Governance Code for Listed Companies, published by the Securities and Exchange Commission and Corporate Governance Practice of Thai Listed Companies, published by the Thai Institute of Directors as a basis for developing our corporate governance principles and related practices.



We have established a management structure with a system of checks and balances and implemented the “Three Lines of Defense” model, consisting of Business unit, supervisory unit, and internal audit functions. Whom are independent of management and responsible for ensuring compliance with laws and regulations. Each of these three lines plays a distinct role, as follows:

1. First Line of Defense: Business unit are responsible for managing the day-to-day operational risks to ensure effective risk control and compliance with laws and corporate rules.
2. Second Line of Defense: Supervisory unit include risk management units responsible for overseeing, monitoring, and controlling the risk management process and compliance units responsible for supervising business functions to operate in compliance with the applicable laws.
3. Third Line of Defense: The internal audit functions are responsible for assessing the adequacy and appropriateness of internal control systems and processes to ensure that corporate governance, risk management, and internal control systems can effectively achieve the objectives and goals of the Company.

The Company encourages internal stakeholders to gain knowledge and understanding of the relevant laws and regulations and to actively apply them to their areas of work. Each function is required to appoint a representative to act as its compliance champion. Compliance champions are responsible for communicating information about the legislation applicable to the Company and its operations to colleagues for strict compliance and reporting suspected violations of policies and laws. The Compliance Department will hold a compliance champion meeting every two months to explain new legislations and regulations to them who will then communicate this information to their colleagues within their functions.

In addition to providing compliance training to employees, the Compliance Department has produced media materials to provide compliance guidance to all employees via the Compliance Message. Such communications would ascertain that they have sufficient knowledge and understanding of relevant legislation and can properly apply them within their jobs, which will help foster a culture of compliance in the organization.

In 2022, we improved training content to cover the rules and policies employees needed to comply with, particularly in the areas of market conduct, financial service charges, management of conflict of interest, the policy for handling MNPI and preventing insider trading, and the policy and program for anti-bribery and corruption. Compliance with the Personal Data Protection Act B.E. 2562 was also emphasized, which came into force on June 1, 2022.

Moreover, the Compliance Department reviewed operational processes and their associated risks as identified by a compliance risk assessment to ascertain their adherence to regulatory requirements. A range of tools and methods such as a compliance checklist, off-site testing, and on-site testing was used to ensure a rigorous and comprehensive compliance review. The review results were reported to the relevant executives.

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

1. Prevention of Conflicts of Interest

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

1. Directors shall strictly comply with the Policy for Conflict of Interest.
2. Directors shall avoid any potential or expected conflict of interest. If a conflict of interest arises, they must resolve it fairly and promptly.
3. Directors shall inform the Company without delay when they have a material interest, either directly or indirectly, in any contract or agreement entered into by the Company or when they suspect a conflict of interest.
4. Directors shall report their interests to the Company on a regular basis or when there is any change of circumstances.
5. Employees shall report any violation of the Conflict of Interest Policy to their executive-level superiors and the Compliance Department in a timely manner.
6. Directors nominated by the Bank of Ayudhya shall not use or disclose any confidential information of the Company to the Bank of Ayudhya and/or other parties in a manner that may cause a conflict of interest with the Company, including non-public financial information.
7. Directors nominated by the Bank of Ayudhya shall not vote in the Board of Directors' meeting on any agenda related to the Company's business, which may conflict with a subsidiary of the Bank of Ayudhya or any other future subsidiaries of the Bank, which operate a business similar to that of the Company.
8. Related-party transactions shall be transparent as is the normal course of business under the conditions prescribed by the laws and regulations, and in the best interest of the Company. Such transactions shall be made on an arm's length basis without any transfer of the Company's benefits to related persons. Related-party transactions must be reviewed and approved by an authorized person and/or the Board of Directors, depending on the transaction type and value. Moreover, the Audit Committee shall express its opinions on the necessity and appropriateness of the transaction.

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

2. Governing the Use of Inside Information

The Company has established the Policy for Handling MNPI and Preventing Insider Trading, which prohibits the directors, executives, employees, and workers of the Company, as well as their related persons, from using or disclosing information that may affect the price of the Company's stock or that, if disclosed, will damage the Company or its reputation. This policy has been continuously revised to keep it up to date.

Directors, executives, and designated employees are required to comply with the following:

1. They are required to report if they buy, sell, or transfer the TIDLOR stock. The Compliance Department is responsible for reviewing insider trading reports within the specified period.
2. They are prohibited from buying, selling, or transferring the TIDLOR stock during blackout periods, which are not less than 30 calendar days before and three business days after the announcement of the Company's operating results or financial statements.
3. They are required to hold TIDLOR stock for at least 90 days from the date of acquisition.

We are confident that the measures we have put in place and the knowledge we provide to our directors, executives, and employees along with compliance reviews will help foster awareness in the organization. We have also adopted a sustainable growth model to reduce compliance, with more efficiency controls and reputational risks. These efforts will ultimately help build the Company's credibility, reputation, and satisfaction among customers and stakeholders.

3. Anti-Bribery and Corruption

The Company is committed to conducting business with transparency and honesty in compliance with the law and good corporate governance principles, by not commit any forms of bribery and corruption, we have implemented the following activities:

1. We have joined the Thai Private Sector Collective Action Against Corruption (CAC) to declare our intention to join forces with other members in fighting against corruption. The Company was certified as a CAC member by the CAC Committee for the first time in 2014. Our certified membership has been renewed continually, with the latest in 2022.

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

2. We have set guidelines for anti-bribery and corruption of all forms. Additionally, the prohibition of bribes and inducements, whether offered or received, is included in the Good Corporate Governance Principles, which directors, executives, and employees must strictly comply with. The Board of Directors has also approved the Policy and Measurement for Anti- Bribery and Corruption, covering high-risk activities, such as gift giving, entertainment, charitable donations, event funding, political contributions/support, and facilitation payment. These policies and measures are reviewed every two years.
3. We emphasize communicating the anti-bribery and corruption policies and measures through internal channels to ensure that the operational controls have been executing both inside and outside the organization. We have also set up whistleblowing and complaint channels for employees and encourage stakeholders to file complaints or report through the company website.

4. Personal Data Protection

The Company put an important on the personal data protection as the key policy which are regular updates. We have also carried out various activities to raise awareness of the policy and encourage employees at all levels to fully adopted it, as follows:

1. Assigning the Data Protection Office (DPO) under the Compliance Department to be responsible for providing advice to ensure that business operations comply with personal data protection laws and best practices, as well as monitoring changes in regulations/practices to ensure that the Company stays compliant.
2. Implementing activities and producing public relations materials to promote and raise awareness of compliance with personal data protection laws among employees. Before the Personal Data Protection Act came into effect on June 1, 2022, the Data Privacy Office communicated personal data protection guidelines to branch employees via FB Live to help them understand and correctly comply with the Act, as well as enable them to answer the basis questions to service the customers related to personal data protection.
3. The Data Protection Office has coordinated with other functions to review the understanding and awareness of personal data protection compliance to assess compliance with personal data protection laws. Additionally, PDPA regulatory compliance review has been conducted by the Compliance and Internal Audit Departments.

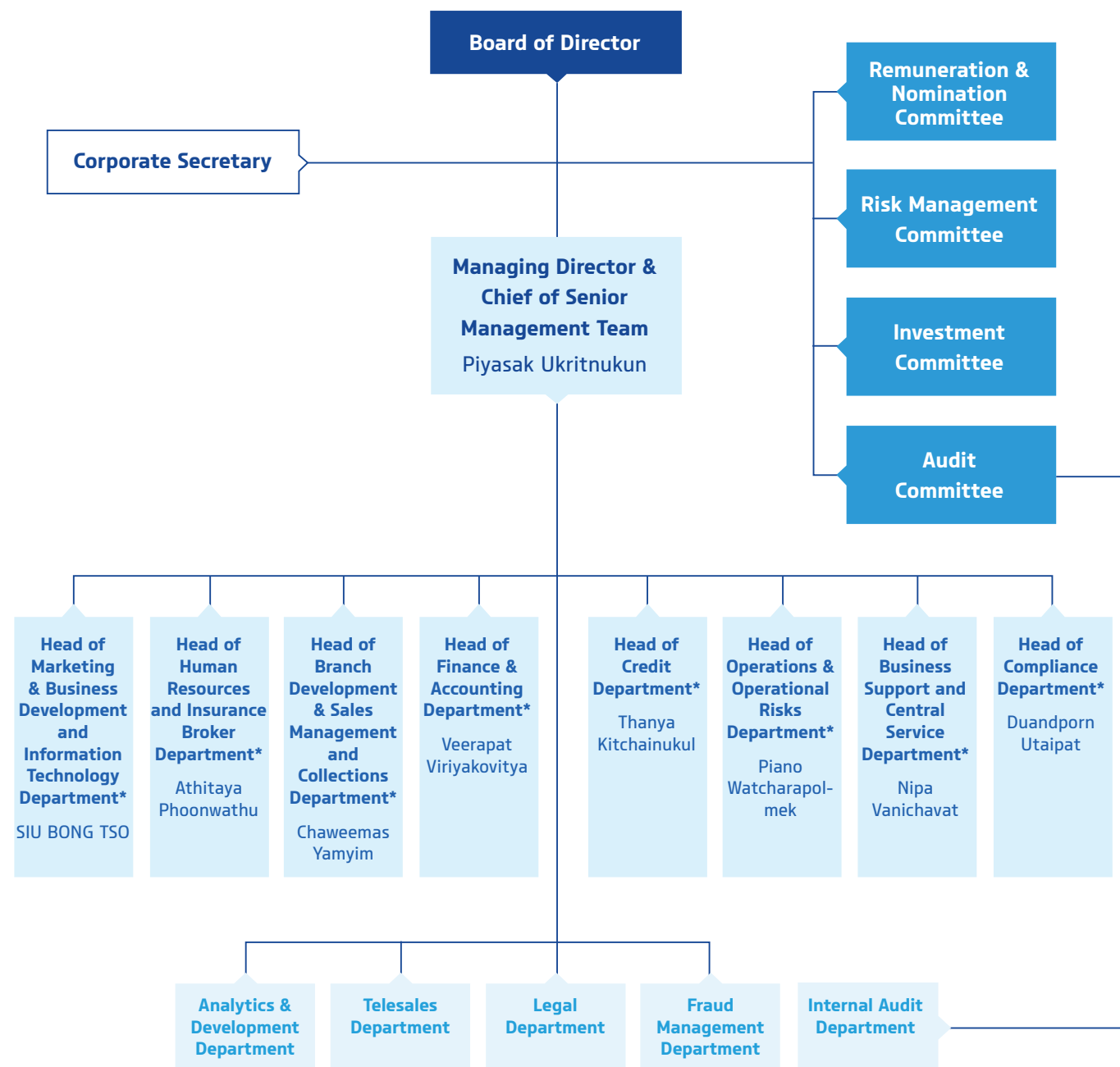
Code of Conduct

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

We have established various procedures and guidelines in line with the Code for employees and disseminated them to all employees and workers via the Company's web portal. In addition to communicating the Code of Conduct to directors, executives, and employees, we regularly assess their understanding of the Code of Conduct and implement compliance monitoring.

Corporate Governance Structure

Organization Chart



Remark :

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

 Senior Management Team

Board of Directors

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

Composition

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

Information about the Board of Directors

As of December 31, 2022, the Board of Directors consists of 12 directors, as follows:

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

Notes

^(a) Director nominated by Bank of Ayudhya.

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

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

^(d) Appointed as per the Resolution of the Board of Directors' Meeting No. 9/2565 to replace Mr. Schwin Chearavanont, who resigned from the position, effective September 23, 2022. He will retain his office for the remaining term of the resigned director.

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

Information on the Company's directors is provided on page 132 under the topic of "Profiles of Directors and Executives".

Authorized Signatories

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

Duties and Responsibilities of the Chairman

1. To ensure the proper structure of the Board of Directors, as well as monitoring and overseeing the performance of the Board in balancing between governance, efficiency, and achievement of the objectives and goals of the organization.
2. To encourage all directors to effectively implement the Board’s policies and decisions.
3. To call the Board of Directors’ meetings and set the meeting agenda in cooperation with the Managing Director and other directors, including independent directors.
4. To act as the chairman of the Board of Directors’ meetings and allocate sufficient time for the management to present its agenda and offer an opportunity for the directors to ask questions, express opinions, and provide suggestions to ensure due consideration before casting their votes.
5. To encourage non-executive directors to meet without the presence of executive directors.
6. To act as the chairman for shareholder meetings and ensure their compliance with the Articles of Association and the order of agenda items provided in the meeting invitation notice, unless the meeting resolves otherwise.
7. To encourage directors to attend seminars and training courses related to their duties and good corporate governance to improve their knowledge.
8. To promote and act as a role model for compliance with the corporate governance principles and encourage directors to comply with those principles.
9. To support corporate governance and CSR activities to raise awareness among directors, executives, and employees.
10. To act as a role model in fostering a good relationship between the executive and non-executive directors and between the Board of Directors and the management.

Duties and Responsibilities of the Board of Directors

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

1. The Duty of Care requires directors to manage the Company’s affairs with due care.
2. The Duty of Loyalty requires directors to carry out their duties in good faith and not place personal interests before the interests of the Company.
3. The Duty of Obedience requires directors’ compliance with the law, the Company’s objectives, the Articles of Association, resolutions of the board and shareholder meetings, and the principles of corporate governance.
4. The Duty of Disclosure requires directors to disclose information in a proper, sufficient, transparent, and timely manner.

Additionally, the Board of Directors has the following duties:

1. To make an effort to understand the scope of duties and responsibilities of the Board of Directors, to serve as a link between shareholders and management, to set policies related to business conduct and operational directions, to ensure that good corporate governance is in place, and to supervise executives and management and ensure they comply with policies.
2. To set objectives, goals, strategies, and operational policies, to allocate key resources needed to achieve objectives and goals, to monitor, evaluate, and oversee performance reporting, to consider and set the operational frameworks and strategic goals of the Company, and to ensure that the mechanisms for policy and operational governance are in place.
3. To ensure the following policies are in place and put into practice:
 - Good Corporate Governance Principles and the Policy for Sustainability Development, which should be communicated to directors, executives, and employees, and subject to regular review.
 - Policy for Handling MNPI and Preventing Insider Trading and Conflict of Interest and Related-Party Transaction Policies, as well as monitoring to ensure compliance with these policies.
 - Policies and processes related to risk management, which are subject to regular review, as well as supporting the Risk Management Committee in performing its duties efficiently and professionally, independent of business functions.
 - Policy and Program for Anti-Bribery and Corruption, ensuring that they are communicated to all employees.
4. To consider and approve the annual business plan and budget proposed by management and important matters of the Company as required by laws, the Company's Articles of Association, and directives.
5. To ensure that effective internal controls and audit systems are in place and comply with applicable laws and standards.
6. To ensure that systems and processes are in place to support the Board of Directors' performance. The Board should be able to access the necessary information and be furnished with sufficient and timely information by management to effectively perform their roles, duties, and responsibilities.
7. To monitor financial liquidity adequacy and solvency, and set a recovery plan to respond to potential financial difficulties.
8. To support the development of innovations that create value for the business and benefit customers, other stakeholders, society, and the environment. It should also monitor to ensure that management efficiently and effectively allocates and manages resources.
9. To ensure that governance and information technology management frameworks are aligned with the Company's needs and that information technology is used to increase business opportunities and improve operations and risk management to enable the Company to achieve its key objectives and goals.
10. To oversee the implementation of a clear and transparent nomination process, a procedure for determining the remuneration of directors approved by a shareholder meeting, and the performance evaluation. It should also encourage directors to attend training and development programs to support their understanding of their roles and responsibilities, the nature of business and related laws, and shareholder structure and relationship, as well as improve the skills and knowledge needed to perform their duties as directors.
11. To ensure that procedures for the nomination and remuneration of the Managing Director and senior executives are in place, as well as supporting them to attend training and development programs, conduct performance evaluations, and create a succession plan and an implementation report.

12. To define the scope of the duties and responsibilities of the Managing Director and management, as well as monitor their performance.
13. To establish committees that report to the Board of Directors and assist it in carrying out specific tasks as necessary and appropriate, as well as overseeing the performance evaluation of committees and disclosing the evaluation results.
14. To appoint a corporate secretary who possesses the necessary and appropriate knowledge and experience to support the Board in performing its functions efficiently and in compliance with the law.
15. To ensure that business is conducted with social and environmental responsibility, that the Company's accountability to stakeholders is well defined, communicated, and upheld, and that the Codes of Conduct for the Board of Directors, Executives, and Employees, as well as Company Code of Conduct, are complied with.
16. To ensure sufficient, accurate, transparent, and timely disclosure of material information, both financial and non-financial, to government agencies, shareholders, investors, and the general public in compliance with the applicable rules, standards, and practices, which will help create sustainable value within the Company.
17. To encourage shareholders to participate in decision-making on material matters and ensure that shareholder meetings proceed smoothly, transparently, and efficiently. They should also facilitate shareholders to exercise their rights, as well as oversee accurate and full disclosure of meeting resolutions and the minutes of a shareholder meeting.
18. To ensure that a function or person is responsible for investor relations to communicate with shareholders and other stakeholders, such as investors and analysts, in an appropriate, equitable, and timely manner, as well as promoting the use of information technology to facilitate efficient communication.
19. To ensure that a mechanism is in place for receiving and handling complaints and whistleblowing reports.

Information about Sub-Committees

Sub-Committees

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

Audit Committee

The Board of Directors has established the Audit Committee, consisting of at least three independent directors who possess the qualifications required by the Securities and Exchange Commission.

Composition and Qualifications

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

Term of Office and Election of Audit Committee Members

Members of the Audit Committee shall have a term of office equivalent to their director's. Members who retire by rotation may be re-appointed for another term. If a member vacates office, which affects the committee quorum, the Board of Directors shall appoint a qualified director with no prohibited characteristics to fill the vacancy within three months from the date on which the quorum becomes insufficient. During the nomination and appointment of a new member to replace the vacated member, the remaining committee members shall perform their duties as usual.

As of December 31, 2022, the Audit Committee consists of three independent directors as follows:

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

Notes:

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

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

The Audit Committee shall hold a meeting every quarter. In 2022, four meetings were held and the results were reported to the Board of Directors.

Risk Management Committee

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

Composition and Qualifications

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

Term of Office and Election of Risk Management Committee

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

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

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

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

The Committee shall hold a meeting every quarter. In 2022, four meetings were held and the results were reported to the Board of Directors.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for identifying, selecting, and nominating suitable candidates to serve as directors and/or senior executives, including determining the structure, format, and criteria of remuneration of directors and/or senior executives. They then propose appointments to the Board of Directors and/or shareholder meetings for consideration and approval. The composition and qualifications of the Remuneration and Nominating Committee are set out in its Charter, which can be summarized as follows:

Composition and Qualifications

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

Term of Office and Election of the Remuneration and Nomination Committee

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

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

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

Mrs. Athitaya Phoonwathu, Head of the Human Resources Department, serves as the secretary of the Committee as prescribed in the Charter of the Committee.

The Committee shall hold at least two meetings a year. In 2022, 7 meetings were held and the results were reported to the Board of Directors.

Investment Committee

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

Composition and Qualifications

1. The Board of Directors shall appoint the members of the Investment Committee.
2. The Committee shall consist of at least three members, which will be appointed by the Board of Directors every year. Committee members shall hold the position until they resign or are removed. The Chairman of the Committee shall also be appointed by the Board of Directors.
3. Members of the Committee shall be knowledgeable and experienced, as well as have an understanding of their duties and responsibilities.
4. An executive from the Finance and Accounting Department shall serve as a secretary of the Committee.

Term of Office and Election of Investment Committee

Members of the Committee shall have a term of office equivalent to their director's and will hold the position until they resign or are removed. Members who retire by rotation may be re-appointed for another term.

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

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

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

The Committee shall hold at least one meeting a year. In 2022, 11 meetings were held and the results were reported to the Board of Directors.

Nomination of Directors

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

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

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

New Director Orientation

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

Qualifications of Directors

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

8. Directors shall not serve as a director in a subsidiary of a major shareholder, whether now or hereafter, which operates a business similar to the Company.

Appointment, Removal, and Term of Office of Directors

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

Qualifications of Independent Directors

1. Hold shares of not more than 1% of the total voting shares of the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person, which shall include shares held by persons related to the independent director.
2. Have never been a non-independent director, manager, person with power of management, employee, officer, consultant with a monthly salary, or controlling person within the Company or its parent company, subsidiary, associated company, same-level subsidiary, major shareholder, or controlling person, in the two years prior to their appointment as an independent director.
3. Have no blood relation with or legal status as a father, mother, spouse, sibling, or child, including a spouse of that child, to another director, executive, major shareholder, controlling person, or person who will be nominated as a director, executive, or controlling person of the Company or its subsidiary or associated company.
4. Never had any business relationship with the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person in a way that may affect their use of independent discretion, as well as never having been a significant shareholder or controlling person of an entity with business relations with the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person in the two years prior to their appointment as an independent director.
5. Have never been an auditor of the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person, and have never been a significant shareholder, controlling person, or partner of the auditing firm providing services to the Company or its parent company, subsidiary, associated company, major shareholder, or controlling person within the two years prior to their appointment as an independent director.
6. Have never been a provider of professional services, including legal or financial consulting, receiving a fee of more than two million baht per year from the Company or its parent company, subsidiary, associated company,

major shareholder, or controlling person. They have never been a significant shareholder, controlling person, or partner of a provider of such professional services within the two years prior to their appointment as an independent director.

7. Are not directors appointed to represent the Company's Board of Directors, major shareholder, or a shareholder related to a major shareholder.
8. Do not operate a business similar to and in significant competition with the Company, its subsidiaries, or an associated company, or are not a significant partner in a partnership or an executive director, employee, officer, or consultant with a monthly salary or holding more than 0.5% of the total voting shares of another company operating a business similar to and in significant competition with the Company, its subsidiaries, or an associated company.
9. Do not exist under any conditions that may impede their ability to express independent views about the Company's operations. The duration of the relationships mentioned above shall comply with the Notification of the Capital Market Supervisory Board.
10. Shall not hold office for more than nine consecutive years, without exception, if they are Independent directors.

Information about the Management Team

Scope of Duties and Responsibilities of Managing Director

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

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

Management Team Members

As of December 31, 2022, the Company has nine executives, as defined in the Notification of the Securities and Exchange Commission, who are members of the management team.

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

Nomination and Appointment of Senior Executives

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

Executive Development and Succession Plan

We have developed a succession plan for the management level and positions in the main functions, which considers employee performance, potential, and readiness. Successors will be supported to develop the knowledge, competency, and skills needed for the planned positions and to drive the Company toward sustainable growth.

Self-Development of Directors and Development of Executives

The Company recognizes the importance of improving and developing the knowledge and potential of directors and executives. We encourage them to attend training courses, activities, and seminars offered by credible institutions involved in the continuous development of knowledge and skills, such as the Securities and Exchange Commission (SEC), SET, Thai Institute of Directors, and public and private educational institutions both in Thailand and abroad. All directors and the Head of the Finance and Accounting Department have completed training programs related to their duties. In 2022, directors received training to develop their potential and knowledge, including

Name	IOD Course
Mr. Phongsanant Thanattrai	BMA 1/2022
Mrs. Kesara Manchusee	AACP 45/2022
Mr. Vasin Udomratchatavanich	BMA 1/2022
Mr. Nathapol Luepromchai	SBM 10/2022, BMA 1/2022, RFP 8/2022

In September 2022, the Company held an online workshop to set strategies and foster relationships between the Board of Directors and senior executives after the COVID-19 pandemic. The workshop aimed to identify the goals and strategic directions for sustainable business and get the participants on the same page with regard to the overall picture of the business.

Holding of Company Shares by Directors and Executives

	December 30, 2022			December 30, 2021			Total Number of Shares change during the year (Common share)
	Number of Shares (Common share)		Percentage of holding (%)	Number of Shares (Common share)		Percentage of holding (%)	
	Directors/ Executive	Spouse and Minor Children		Directors/ Executive	Spouse and Minor Children		
Independent Director ⁽²⁾							
1. Ms.Kesara Manchusree	1,076,923	-	0.0431	1,000,000	-	0.0431	76,923
2. Mr.Supawat Likittanawong	1,076,923	-	0.0431	1,000,000	-	0.0431	76,923
3. Mr.Patara Yongvanich	861,538	-	0.0345	1,000,000	-	0.0431	(138,462)
4. Mr.Santitarn Sathirathai	807,692	-	0.0323	750,000	-	0.0323	57,692
Non-Executive Director							
5. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-	-
6. Mr. Phonganant Thanattrai	-	-	-	-	-	-	-
7. Dr Vasin Udomratchatavanich	-	-	-	-	-	-	-
8. Mr. Nathapol Luepromchai	-	-	-	-	-	-	-
9. Mr. Minki Brian Hong	-	-	-	-	-	-	-
10. Mr. Elcid Vergara	-	-	-	-	-	-	-
11. Mr. Xuan Wang	-	-	-	-	-	-	-
Executive Director ⁽¹⁾⁽²⁾							
12. Mr. Piyasak Ukritnukun	455,769	-	0.0172	400,000	-	0.0172	55,769
Senior Management ⁽¹⁾⁽²⁾							
13. Mr. Veerapat Viriyakovitya	1,082,315	-	0.0431	1,000,000	-	0.0431	82,315
14. Mr. Thanya Kitchainukul	1,083,305	-	0.0433	1,000,000	-	0.0431	83,305
15. Mr. Bernard Tso	1,551,770	-	0.0621	1,430,000	-	0.0617	121,770
16. Ms. Athitaya Phoonwathu	1,083,668	-	0.0433	1,000,000	-	0.0431	83,668
17. Ms. Chaweemas Yamyim	1,082,412	-	0.0433	1,000,000	-	0.0431	82,412
18. Ms. Piano Watcharapolmek	544,712	-	0.0022	500,000	-	0.0216	44,712
19. Ms. Duangporn Utaipat	724,593	-	0.0029	670,000	-	0.0290	54,593
20. Ms. Nipa Vanichavat	601,812	-	0.0024	555,000	-	0.0239	46,812

Notes:

1. Including shares held by spouse and minor child. As of December 31, 2021, the number of paid-up shares is 2,318,984,570, and by December 31, 2022, the number of paid-up shares is 2,497,336,063.
2. Number of share increased from, e-AGM 2022 has the resolution to pay stock dividends at 13-shares to-1 dividend share and increase the number of paid-up shares. An Employee Joint Investment Program (EJIP) was approved by the Board of Directors meeting no 6/2022, allowing the Senior Management to participate in the project.

Information about Employees

Number of Employees

As of December 31, 2022, the Company has a total of 6,590 permanent employees and 64 contract employees. A breakdown of the number of employees by the department is shown in the table below:

Department	For the year ended December 31, 2022 (person)		For the year ended December 31, 2021 (person)	
	Permanent Employee	Contract Employee	Permanent Employee	Contract Employee
Branch Development and Sales Management	4,890	2	4,259	4
Marketing and Business Development	78	2	77	1
Credit	157	2	149	2
Collections	456	4	418	4
Operations and Operational Risk Management	292	5	266	3
Telesales	155	-	150	-
Business Support and Central Service	56	7	63	7
Information Technology	192	-	171	-
Finance and Accounting	60	3	54	2
Human Resources	79	36	77	29
Compliance	11	-	14	-
Legal	9	-	10	-
Fraud Management	11	-	11	-
Office of the Managing Director	5	-	5	1
Insurance Broker	112	3	93	4
Analytics and Development	16	-	16	-
Internal Audit	11	-	11	-
Total	6,590	64	5,844	57

The table below shows the number of branches and employees, as of 31 December 2022.

	As of 31 December (person)		
	2022	2021	2020
Number of branches	1,628	1,286	1,076
Number of branch employees	4,892	4,263	3,885
Number of head office employees	1,762	1,638	1,534

Significant Change in Employee Headcount over the Past Three Years

-None-

Employee Compensation

For the year ended December 31, 2022, the Company paid a total compensation of 3,622.6 million baht to employees (excluding executives but including contract employees) in the form of salaries, wages, bonuses, and other compensations, such as performance-based incentives and contributions to the Provident Fund, EJIP, and Social Security Fund.

Provident Fund

At present, the Company has a provident fund registered under the name “Ngern Tid Lor Master Fund”, managed by MFC Asset Management Public Company Limited.

Employee Joint Investment Program

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

Labor Dispute

The Company has had no labor disputes that are material to its business operations over the past three years and does not have a labor union.

Human Resource Development Policy

The Company is committed to sustainable business growth and responsibility to society and stakeholders while promoting national and community security. Through the understanding that employees are valuable resources and key to driving the Company toward success, we emphasize the continuous development of our directors, executives, officers, and employees to equip them with the knowledge, skills, experiences, and qualities needed to drive the organization towards its goals in compliance with the best practices for listed companies. Moreover, we strive to promote the well-being and welfare of employees. Even when facing the COVID-19 outbreak, the Company has implemented a plan in response to rapid changes in a timely manner. Our human resource development guidelines can be summarized as follows:

The Company has a policy of providing continuous and sufficient training and development programs for all employees of all jobs and levels, covering a range of topics including duties and responsibilities, business knowledge, and administration and management, as well as raising awareness of quality, accuracy, and safety among employees. Training sessions are facilitated by our knowledgeable and experienced staff members and reputable external institutions. The training curriculums are reviewed and updated regularly. In addition to fostering employee development based on their level of competence, we also provide career development programs for all branch and head office employees. Our training center at the head office and regional training centers aim to develop employees to their full potential in line with our business practices, using a range of learning tools and methods appropriate to the age of employees, such as brainstorming activities, board games, and simulation-based learning. Moreover, we promote self-learning through various channels, such as e-learning, which allows employees to learn at their own pace on their computers, tablets, and smartphones at any time. During the COVID-19 pandemic, which affected all sectors, we not only took steps to procure vaccines to protect employee health and support high-risk groups but also adapted quickly to ensure the continuous learning of employees. We offered virtual classroom training, utilizing various educational tools to make virtual learning more interactive and fun. We also encouraged employees to read and share knowledge with colleagues, creating and promoting a positive learning environment that will help employees improve their performance continuously. Additionally, the Company has educated employees about financial planning, such as for retirement, to help them manage and spend money wisely, as well as training them to be able to scale up the Happy Money Program both within and outside the workplace to promote sustainable knowledge sharing.

Due to the rapid changes brought about by digital disruption and the COVID-19 pandemic, digital technology has played an increasing role in our working lives, forcing businesses and customer services to adapt to keep pace with digital trends. At Ngern Tid Lor, we have embraced digital transformation and encouraged our employees to strive to develop themselves to become digital leaders. We have supported internal and external training courses to equip employees at all levels with the knowledge, abilities, and future skills needed to help the Company stay ahead of the competition. Over the past years, we have worked to improve employees' digital capabilities and operational excellence, including lean startup, lean six sigma yellow & green belts, agile mindset, python, RPA, and the re-skilling of programming fundamentals for non-programmers. Our training programs have enabled employees to practice the skills and knowledge they have learned to shorten the working time, simplify work processes, and improve efficiency, as well as help the Company meet its strategic goals.

Other Material Information

Head of Compliance Department

Mrs. Duangporn Utaipat is the Head of the Compliance Department, responsible for overseeing compliance with laws, regulations, and requirements. She also serves as Data Privacy Officer.

Person Supervising Accounting

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

Corporate Secretary

The Board of Directors' Meeting No. 11/2020 held on November 25, 2020, resolved to appoint Ms. Vantanee Teerakul as the Corporate Secretary. In compliance with Section 89/15 of the Securities and Exchange Act, the Corporate Secretary shall have the following duties and responsibilities: 1) preparing and safe-keeping a) register of directors, b) invitation notices for Board meetings and meeting minutes, c) invitation notices for shareholder meetings and minutes of shareholder meetings, and d) annual reports, 2) safe-keeping interest disclosure reports filed by directors or executives and submitting copies of the interest disclosure reports pursuant to Section 89/14 of the Securities and Exchange Act to the Chairman of the Board and of the Audit Committee within seven working days when the reports are received by the Company, 3) carrying out tasks related to the Board of Directors' meetings and shareholder meetings, 4) providing advice on the rules and regulations that the Board of Directors and executives should be aware of, 5) organizing training and orientation and providing information about duties and responsibilities to existing and newly-appointed directors, 6) overseeing and coordinating to ensure the Company complies with the laws, regulations, requirements, and resolutions of the Board of Directors' meetings and shareholder meetings, as well as Corporate Governance Policy and Code of Conduct, and 7) performing other tasks as assigned by the Board of Directors or required by relevant laws or notifications.

Investor Relations Department

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

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

Investor relations activities carried out in 2022 are as follows:

Activity	Number
Site visits by shareholders, investors, and analysts	9
One-on-one meetings	18
- Conference call meetings	
- Online virtual meetings	
Group meetings	13
- Conference call meetings	
- Online virtual meetings	
Analyst and fund manager meetings	8
SET Opportunity Day	1

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



Contact information for inquiries about the Company:

Heads of Investor Relations: Ms. Pimchanok Pongkalyakorn and Ms. Monsicha Siengchokyoo

Audit Fee

The Annual General Meeting of Shareholders held on April 20, 2022, resolved to appoint Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, which is an audit firm authorized by SEC, as its auditor for the year 2022. It also approved the payment of an audit fee of 2.605 million baht to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited.

Non-Audit Fee

For the fiscal year ending December 31, 2022, the Company did not pay non-audit fees to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited.

Key Corporate Governance Performance

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

In 2022, the Board of Directors reviewed the Company's vision statement and core values to ensure that they were up-to-date and in line with the long-term business direction. They also approved material matters regarding operational direction and policies, business plans, and annual budgets. It reviewed the adequacy of internal control and risk management processes and oversaw and monitored the performance of the management to ensure compliance with policies, strategies, and business plans set by the Company, the laws and regulations of relevant agencies, and the resolutions of the shareholder meeting. The management was required to report the operating results to the Board of Directors' meeting every month.

Board of Directors Performance Evaluation

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

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

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

Board of Directors' Meetings and Remuneration for Directors and Committee Members

1. The Board of Directors is required to hold a meeting at least once a month, except in unfavorable circumstances when the Chairman deems that the meeting cannot be held. The meeting dates and agenda items should be set in advance for the entire year, but special meetings may also be held as necessary. The Board may hold a meeting electronically in conformity with applicable laws, regulations, notifications, requirements, and rules. Electronic meetings shall have the same effect as physical ones as prescribed by the law.
2. Directors have a duty to attend every board meeting, unless they have important matters to tend to or reasonable necessity.
3. A meeting requires not less than one-half of the total number of board members in attendance to constitute a quorum, and the decision of the meeting shall be by majority votes. In the case of an equality of votes, the Chairman of the Meeting shall have an additional vote as a deciding vote. At least two-thirds of the total number of board members should be present at the time of voting.

4. The Chairman of the Board, Chairman of the Audit Committee, and Managing Directors shall jointly determine the matters to be included in the agenda of the Board of Directors' meeting. Other directors including independent directors should be provided the opportunity to review and express any opinions they may have on the matters before a meeting invitation notice is sent out. The matters should also be reviewed by relevant Committees, except for cases of confidential agendas or agendas approved by the Managing Director and Chairman of the Board, which shall be presented directly to the Board of Directors' meeting.
5. The Corporate Secretary appointed by the Board of Directors is responsible for sending a meeting invitation notice and supporting documents containing the necessary and sufficient information to board members at least seven days in advance of the meeting, except to protect the Company's interests when an additional agenda is urgent.
6. Directors with material interests in a particular matter to be considered, either directly or indirectly, shall inform the Board of Directors and shall not express their opinions or vote on that agenda. Such interests will also be recorded in the resolution of that agenda.
7. In addition to the Board of Directors' meeting, non-executive directors may hold a meeting among themselves as necessary or at least once a year to discuss issues or problems related to the management of interest and to find ways to improve or provide useful suggestions to management without the presence of executive directors. Opinions from these meetings shall be summarized and reported to the Managing Director.
8. In 2022, the Company held an e-meeting on Microsoft Teams for the Board of Directors to allow directors both in Thailand and abroad to attend the meeting and express their opinions. Directors were required to authenticate themselves electronically before attending the meeting. Audio and/or visual of the meeting session was recorded, and the electronic traffic data of all attendees was also stored as evidence. The meeting followed the procedures prescribed by law.
9. The meeting minutes shall include the meeting date, the time of commencement and adjournment, the names of directors present and absent, a summary of the matters, the discussion and opinions of the Board of Directors, any clarifications provided by management, the resolutions of the Board of Directors in sufficient detail, and the signatures of the Chairman of the Meeting and minutes recorder. Directors with material interests in a particular matter shall not participate in the consideration and abstain from voting on that matter. The Corporate Secretary will check this information in advance and inform all directors before the meeting and record it in the meeting minutes. When an e-meeting is held, the following information is included in the meeting minutes as required by law: attendee authentication method and the names of explanation providers and meeting system controllers. Additionally, a list of the directors in attendance at the meeting shall be divided into directors present physically and those attending via electronic means.
10. After the meeting has certified the minutes, the Corporate Secretary shall deliver copies of the minutes to related internal departments and external organizations within a specified period. The Board of Directors encourages non-executive directors to hold meetings among themselves to discuss problems and issues related to organizational culture, human resource management, and future business direction without the presence of management. Opinions from these meetings should also be reported to Managing Director. In 2022, one meeting of non-executive directors was held on December 22, 2022.

Attendance at the Board of Directors and Committees' Meetings

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

Notes:

- ^(a) Appointed as per the Resolution of the Board of Directors' Meeting No. 9/2022 to replace Mr. Schwin Chairavanont, who resigned from the position effective from 23 September 2022 onward. He will retain his office for the remaining term of the resigned director.

Monetary Compensation

1. Director Remuneration

The Resolution of the Annual General Meeting of Shareholders held on April 21, 2022, resolved to approve the remuneration for the Board of Directors and Committees for the year 2022 as follows:

(a) Meeting Allowance for Directors

None, to be in line with the policy of major shareholders, which prohibits directors nominated by themselves from receiving remuneration for their positions in the Company.

(b) Monthly Remuneration

The Company pays monthly remuneration to independent directors at the following rates:

Board of Directors and Committees	Chairman (Baht)	Director (Baht)
Board of Directors	140,000	80,000
Audit Committee	50,000	30,000
Risk Management Committee	50,000	30,000
Remuneration and Nomination Committee	50,000	30,000
Investment Committee*	50,000	30,000

The Company paid monthly remuneration for the year ended December 31, 2022, to directors to the amount of 6,610,000 baht as follows:

(c) Other Compensations

None

Remuneration for the year ended December 31, 2022

Name	Director Remuneration (Baht) from January 1 to December 31, 2022					
	The Board of Directors	The Audit Committee	The Remuneration and Nomination Committee	The Risk Management Committee	คณะกรรมการรางวัลคุณ	Total
1. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-
2. Ms. Kesara Manchusee	960,000	600,000	330,000	-	-	1,890,000
3. Mr. Piyasak Ukritnukun	-	-	-	-	-	-
4. Mr. Phonganant Thanatrai	-	-	-	-	-	-
5. Dr. Vasin Udomratchatavanich	-	-	-	-	-	-
6. Mr. Nathapol Luepromchai	-	-	-	-	-	-
7. Mr. Minke Brian Hong	-	-	-	-	-	-
8. Mr. Elcid Vergara	-	-	-	-	-	-
9. Mr. Xuan Wang ^(a)	-	-	-	-	-	-
10. Mr. Supawat Likittanawong	960,000	360,000	-	-	420,000	1,740,000
11. Mr. Patara Yongvanich	960,000	360,000	-	-	700,000	2,020,000
12. Mr. Santitarn Sathirathai	960,000	-	-	-	-	960,000
13. Mr. Schwin Chairavanont ^(a)	-	-	-	-	-	-
Total						6,610,000

Notes

^(a) Appointed as per the Resolution of the Board of Directors' Meeting No. 9/2022 to replace Mr. Schwin Chairavanont, who resigned from the position effective from 23 September 2022 onward. He will retain his office for the remaining term of the resigned director.

2. Executive Remuneration

For the year ended December 31, 2022, the Company paid a total remuneration of 94.02 million baht to executives (excluding the accounting manager as it is not paid at the same level as the fourth executive). These payments were in the form of salaries, bonuses, and other compensations such as contributions to the Provident Fund and Social Security Fund and accrued vacation days.

Other Compensations

None

Supervision of Subsidiaries and Associated Companies

The Company does not have a subsidiary or associated company.

Major Changes and Developments in Corporate Governance Policies, Procedures, and Systems in 2022

In 2022, the Company reviewed corporate governance policies, procedures, and systems to improve governance efficiency and to raise the standards of corporate governance to be aligned with the Principles of Good Corporate Governance for Listed Companies, published by the Securities and Exchange Commission. It also undertook the following actions:

- The Resolution of the Board of Directors' meeting resolved to approve the review of policies as follows:
 - 2022 Corporate Governance Principles to be aligned with the Principles of Good Corporate Governance for Listed Companies as published by the Securities and Exchange Commission, with an emphasis on the rights and equitable treatment of shareholders.
 - Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing Policy.
 - Cyber Security Policy
 - Fair Employment Policy.
 - Conflict of Interest Policy.
 - Whistleblowing Policy.
- Developed the Sustainable Development Policy to set the Company's ESG goals. Established a team to establish and implement sustainability direction and policy. Sent employees to training to understand the principles of sustainable business and identified stakeholders in all areas of the organization.
- Evaluated understanding of the Code of Conduct in executives and employees at all levels to promote sustainable business conduct.

Monitoring Compliance with Corporate Governance Policies and Practices

1. Prevention of Conflicts of Interest

The Company has communicated the Good Corporate Governance Principles and conflict of interest policy to its directors, executives, and employees, and the Compliance Department has also regularly reviewed compliance with the policy. When a violation of the policy/requirements is detected, the Compliance Department will prepare a non-compliance report and report it to the relevant executives within an appropriate timeframe.

In 2022, the Compliance Department have not found any material violations of the Conflict of Interest Policy.

2. Supervision of the Use of Insider Information

In addition to educating directors, executives, and employees, we believe that the preventive measures in place and raised awareness among them. We have also adopted sustainable growth principles to mitigate compliance and reputational risks, thus strengthening the credibility and reputation of the Company and increasing customer and stakeholder satisfaction.

In 2022, the Compliance Department discovered insignificant violations of material non-public information and insider trading prevention policies. However, the Compliance Department reported these violations to the management and monitored progress in improvement, as well as communicated the importance of compliance to prevent recurrent incidents.

3. Anti-Bribery and Corruption

In 2022, the Compliance Department improved the monitoring process for transactions at risk of bribery and corruption and ensured that employees were aware of the assessment of corruption risks in the Company's activities through a Compliance Message. It also facilitated compulsory training through e-learning courses and sought compliance with the No Gift Policy. Moreover, the Company recertified its membership of the Thai Private Sector Collective Action Against Corruption (CAC) for the third time. No violations of the Anti-Bribery and Corruption Policy and measures were detected by the Compliance Department.

We have also communicated our No Gift Policy to stakeholders through the company website and dispatched letters and emails to suppliers to request that they refrain from gifting and entertaining our executives and employees.



Ngern Tidlor

Ngern Tid Lor Public Company Limited
Supports anti-corruption
Ask for cooperation to comply with

“No Gift Policy”

To all executives, and employees during
festive occasions to create and strengthen
the corporate culture of transparency

**“Thank you for
your cooperations.”**

CAC
★ ★ ★
NO
Gift Policy

4. Personal Data Protection Act

The Company recognizes personal data protection as a core policy of the Company and updates it regularly. We have also communicated with employees at all levels to raise awareness of the policy and encouraged them to practice it. In 2022, the Compliance Department actively promoted adherence to the Personal Data Protection Act throughout the various activities of the Company before the Act was enforced on June 1, 2022. It also monitored relevant regulations that came into effect throughout the year and communicated them to executives and employees. However, the Data Protection Office and Compliance Department found no significant violations of the Personal Data Protection Policy in 2022.

5. Whistleblowing and Complaints

We have established the Whistleblowing Policy in writing, which has been approved by the Board of Directors. We have also developed procedures for handling complaints and set up internal whistleblowing and complaint channels, including trusted supervisors, internal audit executives, compliance executives, and ombudspersons appointed by the Managing Director and external channel for stakeholders at www.tidlor.com. Moreover, a working group has been established to consider complaints and respond to the whistleblower where contact information has been provided. The Company has also put measures in place to protect whistleblowers and employees who refuse to accept bribes or corruption from demotions, penalization, or negative effects, even if their actions may cause the organization to lose business opportunities.

In 2022, the Company received a total of 11 complaints or whistleblowing reports, most of which were related to non-compliance with the producer and rules of the Company. Each complaint or whistleblowing report has already been handled appropriately, in accordance with the established process.

Policies and Practices Relating to Shareholders and Stakeholders

The Company recognizes the importance of the rights of shareholders and will not engage in any acts that may violate or deprive the rights of shareholders or limit their access to the Company's information. Shareholders can obtain information about the Company through a disclosure channel of the Stock Exchange of Thailand and our "Investor Relations" website, which contains up-to-date information about our financial results, shareholders, investors, rights of shareholders, and activities carried out by the Company.

We encourage our shareholders to exercise their basic rights recognized by law, including but not limited to, buying or transferring shares, attending a shareholder meeting and voting, sharing in profits/dividends, stock repurchase (if any), and participating in decision-making on matters prescribed by the law or affecting the Company at a shareholder meeting, such as determination of remuneration for directors, amendment to Articles of Association or Memorandum of Association, capital increase or decrease, and approval of extraordinary transactions and mergers evaluated by independent valuers.

Equitable Treatment of Shareholders

As shareholders own of the business, we adhere to the corporate governance policy to ensure equitable treatment of shareholders, including minority, major, and foreign shareholders, to protect the rights of all shareholders regardless of gender, age, race, religion, political view, and physical disability.

Meeting of Shareholders

Due to the COVID-19 pandemic, we have paid more attention to the safety and health of shareholders and participants in the shareholder meeting. As such, we decided to hold the 2022 Annual General Meeting of Shareholders electronically (e-AGM) on April 21, 2022, at 13.00 hours through live streaming provided by Inventech System (Thailand) Company Limited, which has been certified by the Electronic Transactions Development Agency. The e-AGM met the standards as required by the Emergency Decree on Electronic Conferencing B.E. 2563, Notification of the Ministry of Digital Economy and Society on Security Standards for Electronic Conferencing B.E. 2563, and applicable laws and regulations. It is also in line with the AGM Checklist, good corporate governance standards set by regulators, and corporate governance report of Thai listed companies, which is part of the ASEAN CG Scorecard. Additionally, we have set policies and guidelines related to shareholders as follows:

- The minority shareholders were allowed to propose matters to be included in the agenda of the meeting and nominate qualified candidates to be elected as directors 45 days in advance before the end of the fiscal year (November 15 - December 31, 2021). Published the rules, procedures, and methods for exercising this right on the company website and informed the shareholder meeting that no shareholder had proposed a meeting agenda or nominated candidates to be elected as directors.
- The meeting invitation notice was sent out in both Thai and English by postal mail to shareholders together with a QR Code linking to Form 56-1 One Report 21 days before the meeting and was also published on the company website 30 days before the meeting to allow sufficient time for shareholders to study the information.
- The e-AGM registration form and the form for requesting a hard copy of Form 56-1 One Report was sent out to allow shareholders to register to attend the meeting and submit questions about the Company or meeting agenda in advance to be answered at the meeting, as well as requesting a hard copy of Form 56-1 One Report. These forms were attached to the meeting invitation notice and were available for download at the company website.
- The meeting was publicized in a newspaper for more than three consecutive days before the meeting date.
- The meeting invitation notice contained the meeting date, time, format, broadcast venue, and agenda items for acknowledgment or approval, as well as facts, reasons, and opinions of the Board or concerned Committees. It also included other information, such as a registration form to attend the e-AGM, proxy form, authentication form for attending the meeting in person and by proxy, part of the Articles of Association related to the meeting, voting rules and methods, and contact information for inquiries. This information was also published on the company website.

- No agenda items were added, and no information in the meeting invitation notice was changed without informing shareholders in advance.
- A proxy form was attached, following the format prescribed by the Ministry of Commerce, with the meeting invitation notice to allow shareholders to appoint a proxy to attend and vote on their behalf as per voting intentions specified by shareholders. The proxy form was pre-affixed with duty stamps and contained a list of required documents and instructions for appointing a proxy. In compliance with the guidelines of relevant regulatory bodies, the form also included a list of independent directors together with their brief profiles, from which shareholders may choose a proxy.
- If shareholders appoint a director with a material interest in any agenda as a proxy and do not specify their voting intention, the proxy director will abstain from voting on that agenda. If shareholders grant a proxy to any other person, that person will possess the same rights as the shareholder to attend the meeting and vote.
- The Company started a system to allow shareholders to register and log in one hour prior to the e-AGM so that they could prepare and familiarize themselves with the system before the meeting commenced at 11.00 hours. Efforts were made to ensure that shareholders attended the e-AGM conveniently and safely and that there were no obstacles or difficulties in communicating with each other. The electronic traffic data of all attendees were recorded.
- A total of six directors, including the Chairmen and members of the Board and Audit Committee and the Managing Director, attended the meeting in person. Five directors attended the meeting via electronic means. The remaining directors, executives, auditors, and inspectors attended the meeting in person.
- For the election of individual directors, the Company furnished shareholders with a brief profile of candidates nominated to be re-elected as directors, including first and last name, age, educational background, work history, and positions in other listed and general companies, as well as nomination criteria and methods, types of directors nominated for election, shareholding in the Company, terms of office, and other relevant information.
- For the remuneration of directors, the Company furnished information about the policy, criteria, amount, and types of remuneration received by each director, including monthly remuneration and other benefits (if any).
- For the appointment of auditors and audit fees, the information furnished included names of the auditors proposed for appointment/re-appointment, work experience, expertise, auditor independence, number of years serving as the Company's auditor, audit and other service fees, and other relevant information as required by regulators.
- All directors who served as committee chairmen reporting to the Board of Directors, including the Chairmen of the Audit Committee, Remuneration and Nomination Committee, Risk and Compliance Committee, and Senior Management Team, were present at the meeting.

- The Chairman of the Board acted as the Chairman of the Meeting to ensure that the meeting complied with the applicable laws and regulations and the Company's Articles of Association, and to allocate sufficient time for each agenda item as specified in the meeting invitation notice. The Chairman of the Board introduced the individual directors and auditors to the shareholder meeting, as well as the inspector who ensured that the meeting complied with the laws and regulations and who oversaw the vote count. He also introduced the representative from the Thai Investors Association invited by the Company to observe the meeting.
- The Company arranged for all senior executives to attend the meeting via a video conferencing system to answer questions from shareholders.
- Before the meeting commenced, the Chairman assigned the meeting moderator to report the number and percentage of shareholders attending the meeting both in person and by proxy and explain the meeting, voting, and vote counting rules and procedures. All shareholders and proxies had the right to freely express their opinions or raise questions about each agenda or the Company before casting their votes by typing questions in the system. The meeting moderator read the questions, and the Chairman of the Board answered or assigned other persons to answer the questions.
- After the vote counting was completed, the voting results, including approve, disapprove, abstain, ineligible to vote (except for the agenda that requires approval by the majority vote of shareholders present at the meeting and eligible to vote), and voided ballots, were announced.
- The Company has only ordinary shares and adopts the one share-one vote principle and the majority vote rule, unless otherwise specified by law. Shareholders having a material interest in a matter to be considered by the meeting are prohibited from voting in that matter, except for the election of directors, in which the nominated directors who hold shares in the Company shall have the right to vote in accordance with the Articles of Association.
- None of the directors held more than 25% of the aggregate issued and paid-up ordinary shares.
- The Company published the meeting resolutions and voting results of each agenda through the disclosure channel of the Stock Exchange of Thailand on the same day of the meeting adjournment and the company website on the next working day. It also informed the shareholders, who granted a proxy to directors to attend the meeting on their behalf, of the voting results in writing and sent them a letter from the proxy directors to thank them for exercising their rights and entrusting the directors to be their proxies.

The Company prepared the minutes of the shareholder meeting, which contained the names and positions of directors and senior executives present and absent at the meeting, percentage of directors attending the meeting, name of the inspector overseeing the vote counting, explanation of voting methods and counting, opinions of the Board in each agenda, summary of questions, answers, and remarks, suggestions from shareholders, and resolutions and number of votes for each agenda.

Internal Control and Related-Party Transactions



1. Opinions of the Board of Directors on Internal Control and Risk Management

The Board of Directors recognizes the importance of an effective internal control system and considers it its duty to ensure that the Company has an appropriate and adequate internal control system to enable it to effectively achieve its goals and objectives in compliance with applicable laws and regulations and protect its assets from fraud. The Board also understands that it is vital to ensure accurate and reliable accounting and financial reporting and disclosure of sufficient and timely information. To achieve these, the Internal Audit Department was established to be in charge of auditing internal functions, related-party transactions, and implementation to prevent conflicts of interest. The Internal Audit Department reports directly to the Audit Committee to ensure independent, efficient, and effective internal audit functions.

The Board of Directors' Meeting No. 1/2566 held on February 17, 2023, with the presence of independent directors and members of the Audit Committee, considered and acknowledged the internal control assessment results reported by the Head of the Internal Audit Department. The assessment considered the following five components of the Company's internal control system according to the guidelines of the Committee of Sponsoring Organizations of Treadway Commission (COSO).

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Board of Directors was of the opinion that the Company's internal control system was adequate and appropriate for the size of the business and the current situation of the Company. However, the internal control system should be improved and monitored continuously to accommodate changes due to the changing risk factors in accordance with the internal audit and corporate governance procedures set by the Company.

Head of the Internal Audit Department

The Audit Committee's Meeting No. 4/2564 held on November 12, 2021, resolved to approve the appointment of Mr. Rattanasak Srichumsin as the Head of the Internal Audit Department because he had the qualifications, educational background, experience, and appropriate and sufficient training to take on the position.

2. Persons or Juristic Persons who may have Conflicts of Interest

The persons or juristic persons who may have conflicts of interest and enter into transactions with the Company for the year ended December 31, 2021 and 2022 were as follows:

Persons or juristic persons that may have conflicts of interest	Nature of Business	Relationship with the Company
1. Bank of Ayudhya Public Company Limited ("BAY")	Commercial Banking Business	<ul style="list-style-type: none"> Major shareholder of the Company which directly holds 30%.
2. Siam Realty and Services Security Company Limited ("SRS")	Car rental business and personnel services	<ul style="list-style-type: none"> The Company's major shareholder is Bank of Ayudhya Public Company Limited, directly holding 100%.
3. Krungsri Ayudhya Card Company Limited	Personal loan business and credit card	<ul style="list-style-type: none"> The Company's major shareholder is Bank of Ayudhya Public Company Limited, directly holding 100%. There is 1 common director with the Company, namely: Mr. Phonganant Thanattrai Mr. Phonganant Thanattrai which is the director of the Company served as Director of Krungsri Ayudhya Card Company Limited
4. Krungsri Securities Public Company Limited ("KSS")	Securities	<ul style="list-style-type: none"> The Company's major shareholder is Bank of Ayudhya Public Company Limited, directly holding 99.84%.
5. Mr. Patara Yongvanich	-	<ul style="list-style-type: none"> Independent Director

3. Related party transactions of the Company with persons or juristic persons that may have conflicts of interest

Related party transactions of the Company with persons or juristic persons that may have conflicts of interest for the year ended December 31, 2021 and 2022 were as follows:

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

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2021	2022		
1. Bank of Ayudhya Public Company Limited ("BAY")	Liabilities transactions				
	BAY acquired vaccine Sinopharm and Moderna to the Company			<ul style="list-style-type: none"> BAY acquired vaccine for BAY group companies. The Company will pay for vaccine with market price. The price is comparable to the market. It is only payment via BAY. 	This transaction supported normal business operations. It occurred with necessity, reasonableness and without causing any disadvantage to the Company. This price was comparable to the market price (Arm's Length Basis).
	<u>Amounts due to related parties</u>	1,293	-		

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

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2021	2022		
1. Bank of Ayudhya Public Company Limited ("BAY")	Revenue transactions				
	Interest income from deposit with BAY			<ul style="list-style-type: none"> The Company had deposited money in savings accounts and fixed deposit accounts with BAY. The Company received the normal interest rate at BAY for general juristic persons. 	The aforementioned transaction supported the normal business of the Company. They occurred with necessity, reasonableness and did not cause the Company to lose benefits. The interest rate received was comparable to the interest rate offered by other commercial banks to the general juristic person (Arm's Length Basis))
	<u>Interest income</u>	7,652	1,911		
	<u>Cash and Cash equivalents</u>	3,957,596	1,885,583		
	<u>Current contract assets</u>	49	16		
	<u>Other non-current assets</u>	3,145	3,150		

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2021	2022		
	<p>The Company sublease 1 branch offices in order to offer products and services to BAY's customers with a contract term of 3 years.</p> <p><u>Other income</u> 255 230</p> <p><u>Other current liabilities</u> 201 201</p> <p><u>Other non-current liabilities</u> 67 67</p> <p><u>Other current asset</u> 230 -</p>			<ul style="list-style-type: none"> The sub-rental rate that BAY paid to the Company was the same rate as the rent that the Company rent from outsiders by calculating according to the proportion of the area that BAY sublease from the Company 	The transaction was a sublease transaction. The rental rate was comparable to the rental rate that the Company rent from third parties. Therefore, it was considered that such transaction did not cause the Company to be disadvantaged and was reasonable.
	<p>The Company sublease 1 branch office to install Auto Lobby, which has a contract term of 3 years.</p> <p><u>Other income</u> 145 153</p> <p><u>Other current assets</u> 12 -</p>			<ul style="list-style-type: none"> The sub-rental rate that BAY paid to the Company was the same rate as the rent that the Company rent from outsiders by calculating according to the proportion of the area that BAY sublease from the Company 	The transaction was a sublease transaction. The rental rate was comparable to the rental rate that the Company rent from third parties. Therefore, it was considered that such transaction did not cause the Company to be disadvantaged and was reasonable.
	<p>The Company sublease the 4 branch offices in order for BAY to install an automatic teller machine (ATM).</p> <p><u>Other income</u> 180 180</p> <p><u>Other current assets</u> 15 -</p>			<ul style="list-style-type: none"> The contract had conditions and rental rate which was comparable to the rental rate that BAY leases the space from a third party for the installation of an automatic teller machine (ATM) nearby areas. 	Such transactions were normal business operations based on the market price and used the same principle as transactions with third parties (Arm's Length Basis).
	<p>The Company provide service for BAY'S customers to make E-KYC transactions at Krungsri-i CONFIRM service points which is at the Company's Branches</p> <p><u>Fee and other service income</u> 2 3</p> <p><u>Other receivable</u> - 1</p>			<ul style="list-style-type: none"> The contract had conditions and fee rate which was comparable to the fee rate that third parties provided this service to BAY 	Such transactions were normal business operations based on the market price and used the same principle as transactions with third parties (Arm's Length Basis).

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2021	2022		
	Expense transactions				
	The Company had leased or sub-leased some areas of BAY's branch office to open the Company's branch.			<ul style="list-style-type: none">The Company had leased or sub-leased the area of BAY's branches for operate as the Company's branch. Because the area had a good location, convenient and well known to customers. The space areas owned by third parties and by the Company be a sub-lessee, total of 7 locations where the rental rate was the same as the rent that BAY rented from a third party by calculating according to the proportion of the area that the Company sublease from BAY or from the utilization ratio and rental rate from the market appraisal of BAY's collateral appraisal department. The contract had an average term of agreement approximately 3 years	The transaction was a sublease transaction. The rental rate was comparable to the rental rate that the Company rent from third parties and/or market price, therefore considered that the said transaction did not cause the Company to be disadvantaged and was reasonable
	<u>Service and administrative expenses</u>	1,268	884		
	<u>Finance costs</u>	55	20		
	<u>Right-of-use of assets -net</u>	1,172	294		
	<u>Other non-current assets</u>	404	216		
	<u>Lease liabilities -net</u>	1,572	661		
	For working capital of the Company's business operations, the Company have borrowing from BAY in the form of short-term and long-term borrowings and from the issuance of company debentures			<ul style="list-style-type: none">The Company used credit services from BAY, which consisted of short-term and long-term borrowings which had interest rates and fees that were comparable to interest rates and fees from other financial institutionsIn addition to using credit services from BAY, The Company also issued debentures for business operations, with BAY being the underwriter of the bonds. However, the bond underwriting fee was comparable to the market price and had the same principle as for transactions with third parties.In addition, BAY's granting of credits and services to persons who may have conflicts of interest was also subject to BAY's policy, which stated that transactions with each other within BAY's financial group were subject to terms and conditions including the interest rate or service charge as which were the same principle other customers with has the same level of risk.	To increase liquidity in business operations, such transactions were normal business operations, which was based on the market price and had the same principle as transactions with third parties (Arm's Length Basis).
	<u>Finance costs</u>	387,413	319,293		
	<u>Service and administrative expenses</u>	6,174	8,276		
	<u>Accrued expenses</u>	6,048	830		
	<u>Short-term borrowings</u>	3,300,000	-		
	<u>Long-term borrowings</u>	8,820,000	3,440,000		
	<u>Long-term debentures</u>	295,200	-		
	<u>Deferred transaction costs of debentures</u>	3,648	6,248		

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2021	2022		
	<p>To manage the risk from foreign exchange rate and interest rate fluctuations from borrowings, the Company uses the cross currency interest rate swap (CCIRS) and the interest rate swap (IRS) from BAY.</p> <p><u>Service and administrative expenses</u></p> <p><u>Gains (losses) on cash flow hedge</u></p> <p><u>Other non-current financial asset</u></p> <p><u>Other current financial liabilities</u></p>	<p>(3)</p> <p>(104)</p> <p>-</p> <p>441</p>	<p>71</p> <p>4,193</p> <p>130,767</p> <p>-</p>	<ul style="list-style-type: none"> The Company uses the cross currency interest rate swap (CCIRS) and the interest rate swap (IRS) from BAY to manage the risk from the fluctuation of foreign exchange rate and interest rate from the borrowings. The foreign exchange rate and interest rate of the contract was comparable to foreign exchange rate and interest rate from other financial institutions In addition, BAY's granting of credits and providing services to persons who may have conflicts of interest was also subject to BAY's policy, which states that transactions with each other within BAY's financial group were subject to terms and conditions including The interest rate or service charge which were the same principle as other customers with has the same level of risk. 	<p>In order to increase the liquidity of the business, the transaction was a normal business practice which was the market price and has the same principle as the transaction with a third party (Arm's Length Basis).</p>
	<p>The Company has used information technology services. in information technology infrastructure from BAY</p> <p><u>Service and administrative expenses</u></p> <p><u>Amounts due to related parties</u></p>	<p>2,335</p> <p>148</p>	<p>1,670</p> <p>149</p>	<ul style="list-style-type: none"> These transactions were the service for supporting normal business of the Company. Service charges were cost plus margin (Cost Plus) or average market price. This service fee was comparable to the service fee that BAY provided to other companies in the banking group. Service fees were cost plus margin (Cost Plus) because BAY can manage costs better than the Company especially in terms of economy of scale. 	<p>This transaction supported normal, business operations were reasonable and did not cause the Company to be disadvantaged. These service fees calculated from costs plus margin (Cost Plus)</p>

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2021	2022		
	<p>The Company paid a referral fee to BAY when a customer is referred to the Company and that customer used credit service with the Company</p> <p><u>Service and administrative expenses</u></p> <p><u>Deferred commissions</u></p> <p><u>Amounts due to related parties</u></p>	<p>8,916</p> <p>6,337</p> <p>1,372</p>	<p>10,233</p> <p>6,894</p> <p>1,623</p>	<ul style="list-style-type: none"> Fees can be divided into 2 types: (1) Individual referral fees, such as referral fees for motorcycle and car loans; (2) promotional fees. 1. Fees for referring customers for motorcycle and car loans This fee was comparable to the fee NTL paid to other referrals. 2. Fee of the promotional program was the fee given to the branch or persons in BAY's branches where BAY was not a beneficiary. It was a payment via BAY. 	<p>To motivate employees to sell products and services, such transactions were normal business operations which was the market price and had the same principle as transactions with third parties (Arm's Length Basis). It was also intended to be provided to third parties. It was only a payment via BAY. Therefore, it was considered that the said transaction did not cause the Company to be disadvantaged and was reasonable.</p>
	<p>The Company has used staff training services from BAY, which has a contract term of 3 years.</p> <p><u>Service and administrative expenses</u></p> <p><u>Amounts due to related parties</u></p>	<p>22</p> <p>556</p>	<p>23</p> <p>-</p>	<ul style="list-style-type: none"> The Company has paid service fees as specified in the contract. The service fee rate was the cost rate plus the marginal margin (Cost Plus) and/or was the market price, this service fee was comparable to the service fee rate that BAY provided to other companies in the banking group. Using BAY's services to train employees, it made maximum benefit to the Company because BAY has experienced staff and can manage costs better than the Company especially in terms of economy of scale relating to staff training. 	<p>This transaction supported normal business operations. It occurred with necessity, reasonableness and without causing any disadvantage to the Company. These service fees calculated from costs plus margin (Cost Plus) and/or market prices and with the same principles as transactions with third parties (Arm's Length Basis).</p>

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2021	2022		
2. Mr. Patara Yongvanich	Revenue transactions				
	The Company provided lending service to Mr. Patara Yongvanich			<ul style="list-style-type: none">The use of lending services of the Company is subject to normal trading conditions. The interest rate is comparable to transactions with third parties	This transaction supported normal business operations. It occurred with necessity, reasonableness and without causing disadvantage to the Company. The interest rate was based on the Company's interest rate announcement given to third parties. (Arm's Length Basis)
	<u>Loans</u>	25	21		
<u>Interest income on loans</u>	1	1			
3. Siam Realty and Services Security Company Limited ("SRS")	Expense transactions				
	The Company has used the car rental service from SRS.			<ul style="list-style-type: none">The transaction was the use of services to support normal business of the Company.The Company has paid the service fees as stipulated in the contract which is the service rate per vehicle and based on cost plus margin (Cost plus)	This transaction supported normal business operations. It occurred with necessity, reasonableness and without causing disadvantage to the Company. The service fee was calculated from cost plus margin (Cost Plus) and was also the market price and had the same principle as for transactions with third parties (Arm's Length Basis)
	<u>Service and administrative expenses</u>	39,285	24,219		
	<u>Finance costs</u>	1,377	620		
	<u>Right-of-use of assets-net</u>	36,865	12,111		
	<u>Amounts due to related parties</u>	-	(5)		
	<u>Lease liabilities-net</u>	76,149	46,927		
4. Krungsri Ayudhya Card Company Limited	Liabilities transactions				
	The Company has used corporate credit card services for expenses that require quick disbursement			<ul style="list-style-type: none">The Company has used credit card services from Krungsri Ayudhya Card Co., Ltd. for employees of the Company can have quick disbursement.The use of credit card services Krungsri Ayudhya Card Co., Ltd. is subject to normal trading conditions. The service fee rates were comparable to transactions with third parties (Arm's Length Basis). The Company has never paid more than the end of the specified period, thus causing no interest burden from the use of such credit card limit	For quick disbursement of some expense items, this transaction supported the Company's normal business. It occurred with necessity, reasonableness and did not cause the Company to lose benefits. This service fee was comparable to transactions with third parties (Arm's Length Basis).
	<u>Amounts due to related parties</u>	1,052	1,642		

Persons / Juristic persons that may have conflicts of interest	Description of related party transactions	Amount (Thousand Baht)		Necessity and Reasonableness of related party transaction	Opinion of the Audit Committee
		2021	2022		
5. Krungsri Securities Public Company Limited ("KSS")	Liabilities transactions				
	<p>KSS acts as a broker agent for NTL to buy NTL share in stock market for EJIP program.</p> <p><u>Amounts due to related parties</u></p>	-	5,625	<ul style="list-style-type: none"> The contract had conditions and fee rate which was comparable to the fee rate that KSS provide this service to the third parties. 	Such transactions supported normal business operations based on the market price and use the same principle as transactions with third parties (Arm's Length Basis).

3.3 Necessity and Rationale for Related Party Transactions

The Audit Committee's Meeting No. 1/2566 held on February 17, 2023 considered the Company's related party transactions for the fiscal year ended December 31, 2022, which involved inquiring information from management and reviewing documents and information specified in the notes to the financial statements audited by the auditor of the Company. The Committee was of opinion that the related party transactions made by the Company in the fiscal year ended December 31, 2022 were normal business transactions or were for normal business support. These transactions were made on an arm's length basis as those executed by a prudent person with a general counterparty in the same situation and with the bargaining power free from the influence of the counterparty as a person with potential conflicts of interest.

Measures and Procedures for Approval of Related Party Transactions

In entering into a related party transaction with the Company, the Company will comply with the rules prescribed in the Securities and Exchange Act B.E. 2535 (and amendments) and regulations, notifications, directives, or requirements of the Securities and Exchange Commission, Capital Market Supervisory Board, and Stock Exchange of Thailand, as well as regulations relating to related party transaction disclosure and other applicable rules. Persons with material interest in a particular transaction shall not take part in the consideration of that transaction.

(a) Arm's length transactions

Related party transactions for normal business or normal business support shall be made on an arm's length basis in the best interest of the Company. In case of entering into a related party transaction that is under the management's approval authorities. The department requesting for such a transaction shall determine related entities, such as the Financial Planning and Analysis Department (FP&A), Tax Department, or the Compliance Department in accordance with the approval procedures and scope of authority. Management has the power to approve related party transactions, provided that those transactions are under the same trade terms and conditions as those executed by prudent persons with general counterparties in the same situation and the bargaining power thereof is free from their influence in their capacity as directors, executives, or related persons. Management shall prepare a transaction report and submit it to the Audit Committee's Meeting and Board of Directors' Meeting on a quarterly basis.

General commercial terms and conditions refer to transactions under fair pricing and conditions, which do not lead to benefit transfer, including:

- Prices and conditions received or offered by the Company to the general public,
- Prices and conditions received or offered by related persons to the general public, and
- Prices and conditions that the Company can prove that similar business operators have offered to the general public.

(b) Non-arm's length transactions

Non-arm's length transactions will be considered and commented on the necessity and reasonableness of entering into that transaction by the Audit Committee before proposing them to the Executive Committee and/or Board of Directors and/or shareholder meeting (as the case may be) for approval. The Company shall comply with the law governing securities and exchange; regulations, notifications, directives, or requirements of the Capital Market Supervisory Board and Securities and Exchange Commission; regulations relating to connected or related party transaction disclosure, acquisition or disposition of significant assets (if any), and other relevant rules; and accounting standards set by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King. The Company is also required to disclose related party transactions in the notes to financial statements that have been audited or reviewed by the Company's auditor.

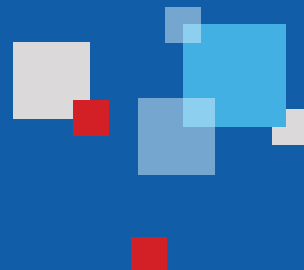
If the Audit Committee has no expertise in the consideration of related party transactions that may arise, the Company shall appoint a person with knowledge and expertise, such as an auditor, property appraiser and specialist in related fields who is independent of the Company and persons with potential conflicts of interest, to render opinions on such transactions to support decision making by the Audit Committee and/or Board of Directors and/or shareholder meeting (as the case may be). This is to ensure that such transactions are necessary and reasonable and made in the best interest of the Company and shareholders.

3.4 Policy on Future Related Party Transactions

In entering into connected or related party transactions in the future, the Company will comply with the Securities and Exchange Act and regulations, notifications, directives, or requirements by reference Capital Market Supervisory Board, Securities and Exchange Commission, and Stock Exchange of Thailand. However, such transactions shall not be removal or transfer of benefits between the Company and its shareholders and shall be made in the best interest of the Company and shareholders.

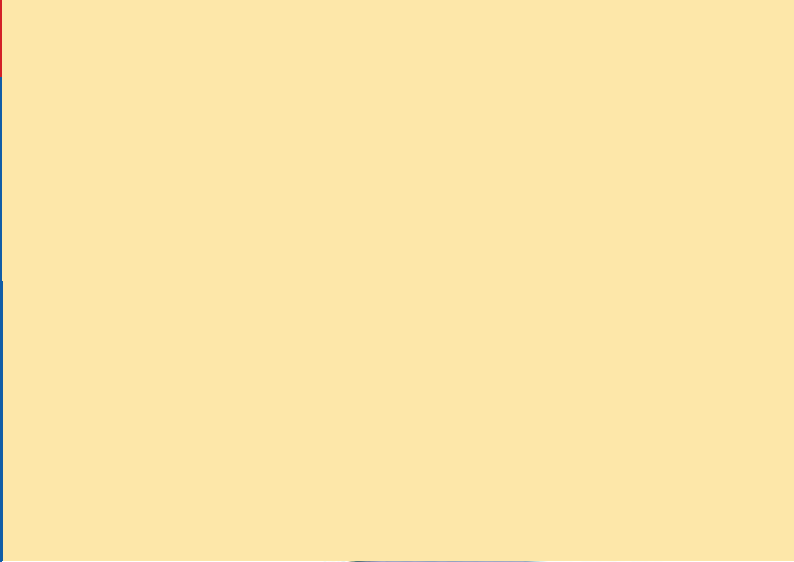
In the case of normal business or normal business support transactions expected to continue to take place in the future, the Company shall comply with the general commercial rules and practices by reference prices and conditions that are appropriate, fair, reasonable, and verifiable. These transactions shall be made on an arm's length basis and subject to approval by the Board of Directors' Meeting. Management shall prepare a transaction report and submit to the Audit Committee's Meeting on a yearly basis to be included in Form 56-1 One Report.

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



Financial Statements

4



Thank you TIDLOR Insurance Broker for offering a 10-month payment plan with 0% interest. This has not only protected us but also given us the opportunity to use some of our money to build our home

Ms. Chayanid Chaothonglang

TIDLOR Insurance Broker's customer, Story from Facebook's comment.



Report of The Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for the Company's financial statements and all financial information appearing in the One-report 2022. These financial statements have been prepared in accordance with Thai Financial Reporting Standards. The Company has chosen appropriate accounting policies applied on a consistent basis, including careful consideration together with prudent and the best estimations where necessary and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unmodified opinions. The financial statements reflect the true and fair financial position and operating results of the Company and its subsidiaries, thus being useful to all shareholders and investors.

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

The Board of Directors is of the opinion that the Company's internal controls are satisfactory and allow for reasonable confidence in the reliability of the Company's financial statements for the year ended December 31, 2022.



Mr. Chandrashekar Subramanian
Krishoolndmangalam
Chairman of the Board



Mr. Piyasak Ukritnukun
Managing Director

Management Discussion and Analysis (MD&A)



The following is the description of the Company's management relating to financial position and performance prepared in accordance with Thai Financial Reporting Standards.

Overview Performance

In regard to the overall performance of the year ended December 31, 2022, the Company had total revenue of Baht 15,274.4 million, increased by Baht 3,227.3 million or 26.8% from the previous year, as a result of loans growth and growth in fee and service income. The Company's main sources of income included interest income from loans and hire-purchase receivables which accounted for 82.0% of total revenues, and fee and service income as well as other incomes which accounted for 18.0% of total revenue. The growth in fee and service incomes was driven by growth in non-life insurance and life insurance products. The Company's main expenses were service and administrative expenses which accounted for 73.8% of the total expenses, increased by Baht 1,364.3 million or an increase of 20.8% when compared to the previous year, as a result of the Company's investment in staff and branch expansion to be in line with growing customer base and business expansion continuously, as well as an increased cost of information technology and digital transformation. The Company had a profit for the year 2022 of Baht 3,640.2 million, an increase of Baht 471.3 million or 14.9% from the previous year.

As of December 31, 2022, the Company had total assets of Baht 84,727.0 million, an increase of Baht 18,201.6 million or 27.4% from the end of 2021. The main assets of the Company were loans and hire-purchase receivables. The receivables increased by Baht 19,807.2 million or 32.2%. An increase in receivables was a result of an aggressive marketing campaign, growth of Tidlor card, and continuous branch expansion as well as an increase in loan demand due to the economic recovery after the COVID-19 outbreak has eased.

As of December 31, 2022, the Company had total liabilities of Baht 59,305.1 million, increased by Baht 15,184.7 million or 34.4% from the end of 2021. Most of the Company's liabilities were long-term borrowings from financial institutions and long-term debentures which aligned with portfolio expansion while maintaining interest rate spread at an appropriate level that the Company can generate profit continuously.

As of December 31, 2022, the Company had total shareholders' equity of Baht 25,421.9 million, an increase of Baht 3,016.9 million or 13.5% from the end of 2021, mainly due to an increase in registered capital to support the stock dividend payment in May 2022 and an increase in net profit in 2022 deducted by dividend payment in the second quarter of 2022.

1. Summary of Annual Operating Results and Analysis of Operating Performance and Financial Position

1.1 Statement of Profit or Loss and Other Comprehensive Income

The following table presents the net profit for the year 2022. The details are as follows:

1.1.1 Revenue

Unit: Million Baht	2020	2021	2022	Growth Rate	
				Increase/ (Decrease)	%
Interest income on hire-purchase receivables	1,204.8	1,111.6	1,474.5	362.9	32.6
Interest income on loans	7,530.5	8,713.1	11,057.8	2,344.7	26.9
Fees and service income	1,792.0	2,197.1	2,710.5	513.4	23.4
Other income	31.6	25.3	31.6	6.3	24.9
Total Revenues	10,558.9	12,047.1	15,274.4	3,227.3	26.8

Interest income on hire-purchase receivables for the year 2022 at Baht 1,474.5 million, an increase of Baht 362.9 million or 32.6% from the previous year, mainly due to the economic recovery after the COVID-19 outbreak has eased resulting in higher loan demand on the truck hire purchase segment to be used as working capital in their businesses.

Interest income on loans for the year 2022 was Baht 11,057.8 million, increased by Baht 2,344.7 million or 26.9% from the previous year. This was mainly due to continuous loan expansion and the opening of new branches to thoroughly support customers, including the success of "TIDLOR card" which increases convenience for customers and allows customers access to cash 24 hours a day. The Company continues to deliver superior services through all channels, including online, offline, and mobile application. The Company has been serving around 498,000 cards by the end of December 2022.

Fees and service income increased from the previous year by Baht 513.4 million or 23.4%, mainly due to the expansion of non-life insurance and life insurance brokerage businesses through various channels such as branches, telesales, and online channels as well as Areegator platform. For other fees and service income, there was a slight decrease due to a decrease in fee collection such as debt collection fees and late fees on overdue repayment.

Other income of the Company for the year ended December 31, 2022 amounted to Baht 31.6 million, a slight increase from the previous year at 24.9% from Baht 25.3 million for the year ended December 31, 2021. This was mainly due to gain on sale of fixed assets.

1.1.2 Operating expenses

The following table presents operating expenses for the year 2022. The details are as follows:

Unit: Million Baht	2020	2021	2022	Growth Rate	
				Increase/ (Decrease)	%
Service and administrative expenses	5,772.0	6,558.9	7,923.2	1,364.3	20.8
Loss arising from de-recognition of financial assets measured at amortized cost	583.3	624.8	943.6	318.8	51.0
Finance costs	1,178.0	1,121.1	1,235.1	114.0	10.2
Impairment loss (reversal of impairment loss) determined in accordance with TFRS 9	(1.7)	(210.7)	639.1	849.8	(403.3)
Total operating expenses	7,531.6	8,094.1	10,741.0	2,646.9	32.7

Service and administrative expenses were Baht 7,923.2 million, an increase of 20.8% from Baht 6,558.9 million for the previous year, which was consistent with the branch expansion and the business expansion, the growth of insurance business, and Tidlor Card, including increasing costs of information technology and digital transformation that the Company has continued to invest over the past several years.

Loss arising from de-recognition of financial assets measured at amortized cost was Baht 943.6 million, an increase of 51.0% from Baht 624.8 million compared to the previous year, which aligned with overall portfolio expansions and reflected the asset quality after the end of the debt relief program.

Finance costs were Baht 1,235.1 million, an increase of Baht 114.0 million or 10.2%, mainly due to an increase in borrowing from financial institutions and debentures to support the continuous overall lending portfolio expansion. Moreover, the Company and its outstanding debentures still were affirmed at “A” and “Stable” outlook from TRIS Rating Company Limited in the year 2022.

Impairment loss (reversal of impairment loss) determined in accordance with TFRS 9 amounted to Baht 639.1 million, an increase from the previous year at Baht 849.8 million, which aligned with portfolio expansion and prudent reserve increasing in accordance with uncertain macroeconomic factors.

1.1.3 Profit before income tax

Profit before income tax for the year ended December 31, 2022 was Baht 4,533.4 million, an increase of 14.7% from Baht 3,953.0 million for the year ended December 31, 2021, mainly due to significant increases in interest income and fees and service income from both life and non-life insurance brokerage business.

1.1.4 Net profit for the year

According to the above reasons, the Company's net profit for the year ended December 31, 2022 was Baht 3,640.2 million, an increase of 14.9% from Baht 3,168.9 million as of December 31, 2021, as a result of lending portfolio growth as well as growth of life and non-life insurance businesses.

1.2 Statements of Financial Position

The following table presents the Company's statement of financial position as of December 31, 2022. The details are as follows:

Unit: Million Baht	2020	2021	2022	Growth Rate	
				Increase/ (Decrease)	%
Cash and cash equivalents	1,265.2	3,994.7	2,191.2	(1,803.5)	(45.1)
Loans and hire-purchase receivables	51,331.2	61,458.2	81,265.4	19,807.2	32.2
Allowance for expected credit losses	(2,763.2)	(2,610.9)	(3,198.9)	(588.0)	22.5
Other current assets	776.2	944.8	1,263.1	318.3	33.7
Other non-current assets	2,726.1	2,738.6	3,206.2	467.6	17.1
Total assets	53,335.5	66,525.4	84,727.0	18,201.6	27.4

Cash and cash equivalents as of December 31, 2022, the Company's cash and cash equivalents amounted to Baht 2,191.2 million, a decrease of Baht 1,803.5 million compared to Baht 3,994.7 million in the previous year due to efficiency in management resulting in the decline in cash and cash equivalents.

Loans and hire-purchase receivables as of December 31, 2022 were Baht 81,265.4 million, an increase of Baht 19,807.2 million or 32.2%, mainly due to the growth of the Company's lending business as a result of the expansion of branch network and other sales channels such as agents, telesales and digital channels, including the proportion of continuous growth of Tidlor Card loan portfolio that makes it convenient for customers to access funding sources continuously without having to rely solely on branches.

Other current assets as of December 31, 2022 increased from the previous year by Baht 318.3 million or 33.7%, mainly due to an increase in current contract assets and properties foreclosed which aligned with the total portfolio growth and life and non-life insurance brokerage business expansion.

Other non-current assets as of December 31, 2022, increased from the previous year by Baht 467.6 million or 17.1% due to an increase in leasehold improvement and equipment which aligned with the higher number of branches and normal business operations as well as the increase in derivative assets and deferred tax assets.

1.3 Quality of loans and hire-purchase receivables

The following table presents the quality of the Company's loan and hire-purchase receivables as of December 31, 2022. The details are as follows:

Unit: Million Baht	2021		2022		Growth rate	
	Amount	%	Amount	%	Increase/(Decrease)	%
Performing	47,769.0	77.7	65,700.2	80.8	17,931.2	37.5
Under-performing	12,957.0	21.1	14,280.0	17.6	1,323.0	10.2
Non-performing	732.2	1.2	1,285.2	1.6	553.0	75.5
Total loans and hire-purchase receivables	61,458.2	100.0	81,265.4	100.0	19,807.2	32.2
Less allowance for expected credit losses	(2,610.9)	(4.2)	(3,198.9)	(3.9)	(588.0)	22.5
Net loans and hire-purchase receivables	58,847.3	95.8	78,066.5	96.1	19,219.2	32.7

According to the table presents of loan and hire-purchase receivables, it can be seen that performing loans as of December 31, 2022 compared to December 31, 2021 increased by Baht 17,931.2 million or 37.5% due to loan portfolio growth. Non-performing loans increased by Baht 553.0 million or 75.5%, which aligned with portfolio expansion under risk management policy and reflected the asset quality after the expiration of the debt relief program.

1.4 Liabilities and Shareholders' Equity

The following table presents the liabilities and shareholders' equity of the Company as at December 31, 2022. The details are as follows:

Unit: Million Baht	2020	2021	2022	Growth Rate	
				Increase/(Decrease)	%
Borrowings from financial institutions and debentures	39,065.0	41,185.3	55,749.2	14,563.9	35.4
Other liabilities	2,522.0	2,935.1	3,555.9	620.8	21.2
Total liabilities	41,587.0	44,120.4	59,305.1	15,184.7	34.4
Total shareholder's equity	11,748.5	22,405.0	25,421.9	3,016.9	13.5
Total liabilities and shareholder's equity	53,335.5	66,525.4	84,727.0	18,201.6	27.4

Borrowings from financial institutions and debentures as of December 31, 2022 amounted to Baht 55,749.2 million, an increase of Baht 14,563.9 million or 35.4% compared to the previous year of Baht 41,185.3 million, mainly due to an increase in long-term borrowings and debentures.

Other liabilities as of December 31, 2022 increased of Baht 620.8 million or 21.2% from the previous year as a result of an increase in accrued expenses, other current payables, income tax payable, and lease liabilities in line with the increase in a number of branches and normal business operations.

Total Shareholders' equity as of December 31, 2022 was at Baht 25,421.9 million or an increase of 13.5% from Baht 22,405.0 million as of December 31, 2021.

The Company's issued and paid-up share capital and ordinary shares premium accounts as of December 31, 2022 was at Baht 16,675.9 million, an increase of Baht 16,016.0 million from the previous year, mainly due to an increase in registered capital to support the stock dividend payment in May 2022.

Retained earnings as of December 31, 2022 was Baht 8,737.8 million, an increase of Baht 6,393.1 million from the previous year, mainly due to an increase of net profit of 2022 at Baht 3,640.2 million

1.5 Liquidity and Funding Sources

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

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

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

The Company has liquidity management to be consistent according to the guideline for managing assets and liabilities (Duration Matching) by managing the amount of fixed-rate assets and liabilities corresponding to each life stage to ensure that the Company has the ability to meet payment obligations effectively, as well as maintains the net interest margin to ensure the Company on making consistent profits.

1.6 Cash Flow Analysis

The following table presents the Company's cash flow analysis as of December 31, 2022. The details are as follows:

Unit: Million Baht	2020	2021	2022	Growth Rate	
				Increase/ (Decrease)	%
Net cash from (used in) operating activities	(235.0)	(5,892.8)	(14,674.9)	(8,782.1)	149.0
Net cash from (used in) investing activities	(443.1)	(498.6)	(363.1)	135.5	(27.2)
Net cash from financing activities	1,496.9	9,120.9	13,234.4	4,113.5	45.1
Net increase (decrease) in cash and cash equivalents	818.8	2,729.5	(1,803.6)	(4,533.1)	(166.1)

Net cash from (used in) operating activities for the year ended December 31, 2022, net cash used in the operating activities of the Company amounted to Baht 14,674.9 million, increased by Baht 8,782.1 million or 149.0% from the previous year of Baht 5,892.8 million. These were in line with the growth in loans and hire-purchase receivables that grew as high as Baht 19,807.2 million in 2022 as a result of continued branch expansion, Tidlor Card for motorcycle loans, and also Tidlor Card for cars, all of which had well response from customers, as well as the economic recovery after the COVID-19 outbreak has eased, leading to portfolio expansion continuously.

Net cash from (used in) investing activities for the year ended December 31, 2022 and December 31, 2021, net cash used in investing activities of the Company amounted to Baht 363.1 million and Baht 498.6 million, respectively, mainly due to use for purchases of leasehold improvement and equipment for branch expansion and investing in information technology to support business expansion and digital transformation.

Net cash from financing activities for the year ended December 31, 2022 and December 31, 2021, net cash from the Company's financing activities amounted to Baht 13,234.4 million and Baht 9,120.9 million, respectively, increased by Baht 4,113.5 million from the year 2021, mainly due to an increase in new financing from both financial institutions and debenture issuances, which were in line with the expansion of loans and hire-purchase receivables and various debt repayment schedules.

1.7 Important Financial Ratios

	2020	2021	2022
Profitability ratio			
Interest Margin (%)	17.6	17.4	17.6
Funding Cost (%)	2.4	2.0	1.7
Net interest margin (%)	15.2	15.4	15.8
Net profit margin (%)	22.9	26.3	23.8
Return on equity (ROE) (%)	22.9	18.6	15.2
Return on asset (ROA) (%)	4.7	5.3	4.8
Operating efficiency ratio			
Current Ratio (times)	1.8	1.2	1.3
Net debt to EBITDA ratio (times) (Net debt to EBITDA ratio = interest bearing liabilities - cash and cash equivalents - short-term investments / EBITDA)	7.7	6.3	8.1
Interest Coverage ratio (times) (Interest Coverage Ratio: ICR = earnings before tax and finance costs / finance costs)	3.6	4.5	4.7
Debt service coverage ratio (times) (Debt Service Coverage Ratio: DSCR = EBITDA/ interest bearing short-term debt + current portions of interest bearing debts)	0.5	0.3	0.3
Debt-to-equity ratio (times) (Debt to Equity Ratio: D/E = total liabilities / total shareholders' equity)	3.5	2.0	2.3
Financial ratio			
Current portion of interest-bearing debts due within 1 year to total interest-bearing debt (times)	0.3	0.5	0.4
Borrowings from financial institutions to total liabilities (times)	0.7	0.6	0.5
Asset quality ratio			
Non-performing loans to total loans and hire-purchase receivables (%)	1.7	1.2	1.6
Expected credit losses to non-performing loans (%)	325.1	356.6	248.9
Credit cost (%)	1.2	0.7	2.2

Interest margin

Interest margin ratio for the year ended December 31, 2022, was 17.6%, increased from 17.4% for the year ended December 31, 2021, mainly due to an increase in the proportion of the loan portfolio for motorcycles, which has a higher interest rate than other types of loans, as a result of positive response to Tidlor card for both motorcycles and cars which increases convenience for customers to access the financial service and truly meets the needs of customers.

Funding cost

The decrease in funding cost ratio from 2.0% for the year ended 31 December 2021 to 1.7% for the year ended December 31, 2022 was mainly due to effectively managing the cost of borrowing. The Company has diversified funding sources appropriately by borrowings from financial institutions and debt instruments at the appropriate level in line with the average aging of debtors. Moreover, the Company and its outstanding debentures still were affirmed by TRIS Rating Company Limited at “A” and “Stable” outlook in the year 2022.

Net Interest Margin

For the year ended December 31, 2022 and December 31, 2021, the Company had net interest margin (NIM) of 15.8% and 15.4%, respectively. The change in net interest margin was a result of changes in interest margin ratio and funding cost ratio as detailed above as well as maintaining the net interest margin to ensure the Company making consistent profits.

Net Profit Margin

The net profit margin decreased from 26.3% for the year ended December 31, 2021 to 23.8% for the year ended December 31, 2022, mainly due to the increase in the cost of credit. This corresponds to total loan portfolio expansion and reserve increase in accordance with uncertain macroeconomic factors, inflation, and the end of the debt relief program.

Debt to Equity Ratio

As of December 31, 2022 and December 31, 2021, the Company's debt-to-equity ratio was 2.3 times and 2.0 times, respectively. The slight increase of debt to equity ratio was a result of portfolio expansions with effective managing liabilities.

Non-performing loans to total loans and hire-purchase receivables

An increase of non-performing loans to total loans and hire-purchase receivables from 1.2% for the year ended December 31, 2021 to 1.6% for the year ended December 31, 2022 aligned with portfolio expansion under the risk management policy of the Company and reflected the asset quality after the expiration of the debt relief program.

Expected credit losses to non-performing loans

Expected credit losses to non-performing loans decreased to 248.9% for the year ended December 31, 2022 from 356.6% for the year ended December 31, 2021 which was still at a high level reflecting risk management policy and prudent business operating.

1.8 Capital expenditures

1.8.1 Capital expenditure incurred

For the year ended December 31, 2022 and December 31, 2021, the Company had capital expenditures relating to leasehold improvement equal to Baht 163.2 million and Baht 122.7 million, respectively, to support branch expansions. In addition, the Company also had capital expenditures related to hardware and software equal to Baht 245.3 million and Baht 217.3 million for the year ended December 31, 2022 and December 31, 2021, respectively for the information technology investment.

1.8.2 Capital expenditure budget

From 2022 to 2025, the Company expects to invest in improving its existing branches and branch expansion, which will require an investment of approximately Baht 300 million. Moreover, the Company will continue to invest approximately Baht 270 million per year in information technology and digital systems to strengthen the businesses.

However, the above investment plans depend on many factors including the economy, politics and social conditions, and legal or regulatory changes, as well as the Company's business plans and strategies that still focus on delivering financial opportunities based on the good governance that were responsible for society and environment. These factors may affect the capital expenditure budget, either directly or indirectly. Therefore, the Company may revise the capital expenditure budget as appropriate.

1.8.3 Operating lease and service commitments

The following table presents the Company's commitments under the agreement for office space lease and service, and future rental payments as of December 31, 2022. The details were as follows:

Unit: Million Baht	2020	2021	2022	Growth Rate	
				Increase/ (Decrease)	%
Less than 1 year	117.8	109.3	112.3	3.0	2.8
1-5 years	142.0	87.7	35.5	(52.2)	(59.5)
Total	259.8	197.0	147.8	(49.2)	(25.0)

1.8.4 Commitments and Contingent Liabilities

As of December 31, 2022 and December 31, 2021, the Company had credit facility for letter of guarantee to support business operations of Baht 7.5 million.

As of December 31, 2022 and December 31, 2021, the Company had unused overdrafts credit facilities of Baht 40 million.

As of December 31, 2022, the Company had been granted credit facility for borrowings from financial institutions of Baht 48,099 million and USD 100 million.

As of December 31, 2021, the Company had been granted credit facility for borrowings from financial institutions of Baht 39,199 million and USD 100 million.

In 2011, the Company was sued in the Civil Court for the infringement case for a material amount and was sued in the Bangkok North Municipal Court for fabricated false documents. These cases are still temporarily suspended.

2. Factors or situations that may have significant impacts on financial position or performance in the future (Forward Looking)

In the past year, even though the economy has been recovering after the Covid-19 has been eased and the border reopening policy, the Company continues to closely monitor the situation and adjust the business model and plan on a regular basis to ensure that they are consistent with the changing situation, as well as operate business prudently. The Company had implemented a wide range of measures to support customers after the debt relief program ended, including responding to the assistance measures prescribed by regulators and the Bank of Thailand. Additionally, the Company continues to provide the appropriate products to customers such as Tidlor card for motorcycles and cars and a full range of transaction services through online and offline channels for 24 hours as well as branch channels covering 74 provinces across the country.

According to the situation and future events that may occur, which may significantly affect the results of operations, the issues related can be summarized as follows:

1. The uncertain macroeconomic factors and inflation: recession and/or a high level of inflation could delay the economic recovery, reducing the household's purchasing power and ability to repay, and affecting the Company's higher operating costs.
2. Policy rate: interest rate increase directly affects the funding costs of the Company.
3. The economic policy and the recovery of the tourism sector after China's reopening: the delay may result in a slowdown in investment and business activities.
4. The implementations for controlling business operations from relevant regulators such as interest rate ceiling and market conducts.

Report of the Independent Certified Public Accountants

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

NGERN TID LOR PUBLIC COMPANY LIMITED

Opinion

We have audited the financial statements of Ngern Tid Lor Public Company Limited (the “Company”), which comprise the statement of financial position as at December 31, 2022, and the related statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ngern Tid Lor Public Company Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	Audit Responses
<p>Allowance for expected credit losses</p> <p>The allowance for expected credit losses (“ECL”) on loans and hire-purchase receivables and provisions for loan commitments are considered to be a matter of most significance as they require the application of judgment, estimation and the use of subjective assumptions by management of the Company.</p> <p>The Company has applied the Thai Financial Reporting Standard No. 9 - Financial Instruments (“TFRS 9”). This standard requires the Company to recognise impairment loss based on expected credit losses.</p> <p>The ECL is measured based on forward-looking information basis related to repayment of debtors by calculating on a probability-weighted credit losses with respective risk of expected cash shortfalls either based on credit events arising in the 12 months from the reporting date or based on credit events arising over the lifetime of the financial instrument; depending on the significant increase in credit risk (“SICR”) since initial recognition.</p>	<p>Based on our risk assessment, we established an audit approach including internal controls and substantive testing as a basis for our opinion. Accordingly, we have performed the following procedures amongst others. Our procedures include:</p> <p>We have assessed the design and implementation as well as operating effectiveness of the internal controls related to the process and policy for methodology, including model monitoring and validation and post model adjustment of the ECL and; we have assessed the internal control system in this process, including automated controls in the IT systems.</p> <p>We collectively assessed loans and hire-purchase receivables regarding the appropriateness of allowance for expected credit losses and the recognition at the financial reporting date as follows:</p> <ul style="list-style-type: none"> • For the collectively assessed loans and hire-purchase receivables, we have performed, amongst the others, the following procedures: <ul style="list-style-type: none"> • With the involvement of our internal specialist, we have analysed the applied methodology for estimating ECL, including the adequacy of risk parameters applied, model performance testing, post model adjustment and compliance with the requirements of TFRS 9. • Independent recalculation by our internal specialist on sample basis of the value of ECL for selected portfolios of loans and hire-purchase receivables in the collective assessment method.

Key Audit Matter	Audit Responses
<p>Allowance for expected credit losses (continued)</p> <p>The post model adjustment may also be recorded by the Company using credit expert assumptions and judgment where the inputs, assumptions and/or modelling techniques do not capture all relevant risk factors in respect to the current economic conditions and market circumstances.</p> <p>Accounting policy for the allowance for expected credit losses, and detail of allowance for expected credit losses were disclosed in Notes 4.6 and 7 to the financial statements, respectively.</p>	<ul style="list-style-type: none"> • Our audit procedures included reconciliation of the data used in the ECL calculation to confirm the accuracy and completeness of the recognition of loans and hire-purchase receivables and loan commitments that are the basis for the calculation of impairment losses and provision, as well as the value of these ECL and provisions for loan commitments. • In respect of post model adjustment, based on current economic conditions and market circumstances, our audit procedures included the evaluation of the design and implementation of internal control in this process. We assessed the completeness and appropriateness of the assumptions, input data and performed the calculation of the post model adjustment with support from our internal specialist. • For the IT systems and individual data processing systems used in the ECL calculation, we have assessed the relevant effectiveness of application controls and general controls with the involvement of our internal IT specialists.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301

BANGKOK
February 17, 2023

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Ngern Tid Lor Public Company Limited

Statements of Financial Position

As at December 31, 2022

UNIT : THOUSAND BAHT

	Notes	2022	2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6.1	2,191,187	3,994,739
Current portion of loans and hire-purchase receivables	7	26,545,393	21,792,601
Other current receivables			
Receivable from payment agents		335,765	320,604
Current contract assets		489,696	309,679
Prepaid expenses		189,674	183,919
Other receivables		52,090	53,370
Other current assets		24,944	18,138
Properties foreclosed	8	170,935	59,082
Total Current Assets		29,999,684	26,732,132
NON-CURRENT ASSETS			
Other non-current financial assets	9, 17 and 37	130,767	-
Loans and hire-purchase receivables - net of current portion	7	51,521,139	37,054,685
Leasehold improvement and equipment	10	1,685,678	1,394,382
Goodwill	11	294,001	294,001
Other intangible assets other than goodwill	12	257,294	332,019
Deferred tax assets	13	722,258	621,019
Other non-current assets	14 and 31	116,228	97,161
Total Non-current Assets		54,727,365	39,793,267
TOTAL ASSETS		84,727,049	66,525,399

Notes to the financial statements form an integral part of these statements

Ngern Tid Lor Public Company Limited

Statements of Financial Position (Continued)

As at December 31, 2022

UNIT : THOUSAND BAHT

	Notes	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings	15	3,600,000	3,300,000
Other current payables			
Amounts due to related parties	34.1	9,034	4,421
The Revenue Department payable		114,348	93,475
Accrued expenses		1,322,033	1,178,005
Other current payables		380,229	240,172
Short-term debentures	16	5,748,114	999,368
Current portion of long-term borrowings	17	5,072,544	8,049,734
Current portion of long-term debentures	18	5,298,120	7,826,893
Current portion of lease liabilities	19	416,741	340,159
Current income tax payable		577,372	413,780
Current provision for employee benefits	20.2	13,048	10,809
Other current financial liabilities	9 and 37	-	441
Other current liabilities		49,609	46,034
Total Current Liabilities		22,601,192	22,503,291
NON-CURRENT LIABILITIES			
Long-term borrowings - net of current portion	17	21,314,980	13,220,000
Long-term debentures - net of current portion	18	14,715,437	7,789,354
Lease liabilities - net of current portion	19	446,710	368,898
Non-current provision for employee benefits	20	124,882	120,164
Other non-current liabilities		101,886	118,736
Total Non-current Liabilities		36,703,895	21,617,152
TOTAL LIABILITIES		59,305,087	44,120,443

Ngern Tid Lor Public Company Limited

Statements of Financial Position (Continued)

As at December 31, 2022

UNIT : THOUSAND BAHT

	Notes	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital	21		
2,497,367,998 ordinary shares of Baht 3.7 each		9,240,261	
2,318,984,570 ordinary shares of Baht 3.7 each			8,580,243
Issued and paid-up share capital			
2,497,336,063 ordinary shares of Baht 3.7 each, fully paid		9,240,143	-
2,318,984,570 ordinary shares of Baht 3.7 each, fully paid		-	8,580,243
Ordinary shares premium accounts		7,435,763	7,435,763
Surplus on share-based payment	35	4,022	-
RETAINED EARNINGS			
Appropriated			
Legal reserve	22	799,206	617,198
Unappropriated		7,938,619	5,775,878
Treasury shares	35	(5,624)	-
Other components of shareholders' equity		9,833	(4,126)
TOTAL SHAREHOLDERS' EQUITY		25,421,962	22,404,956
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		84,727,049	66,525,399

Notes to the financial statements form an integral part of these statements

Ngern Tid Lor Public Company Limited

Statements of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2022

UNIT : THOUSAND BAHT

	Notes	2022	2021
REVENUES			
Interest income on hire-purchase receivables		1,474,461	1,111,604
Interest income on loans		11,057,837	8,713,071
Fee and service income	25	2,710,465	2,197,169
Other income		31,642	25,290
Total Revenues		15,274,405	12,047,134
EXPENSES			
Service and administrative expenses	26	7,923,206	6,558,930
Total Expenses		7,923,206	6,558,930
PROFIT FROM OPERATING ACTIVITIES		7,351,199	5,488,204
Loss arising from de-recognition of financial assets measured at amortised cost		(943,611)	(624,782)
Finance costs		(1,235,132)	(1,121,051)
(Impairment loss) reversal of impairment loss determined in accordance with TFRS 9		(639,095)	210,655
PROFIT BEFORE INCOME TAX		4,533,361	3,953,026
INCOME TAX EXPENSE	28	(893,192)	(784,120)
PROFIT FOR THE YEAR		3,640,169	3,168,906
OTHER COMPREHENSIVE INCOME (LOSS)			
Components of other comprehensive income (loss) that will be reclassified to profit or loss	9		
Gains (losses) on cash flow hedges		4,193	(108)
Income tax relating to components of other comprehensive income (loss) that will be reclassified to profit or loss	13	(4,374)	22
Total components of other comprehensive income (loss) that will be reclassified to profit or loss		(181)	(86)
Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
Gains (losses) on re-measurements of defined benefit plans	20.1	17,675	(10,187)
Income tax relating to components of other comprehensive income (loss) that will not be reclassified to profit or loss	13	(3,535)	2,037
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss		14,140	(8,150)
Total other comprehensive income (loss) for the year, net of tax		13,959	(8,236)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,654,128	3,160,670
BASIC EARNINGS PER SHARE	29 BAHT	1.50	1.41

Notes to the financial statements form an integral part of these statements

Ngern Tid Lor Public Company Limited

Statements of Changes in Shareholders' Equity

For the year ended December 31, 2022

UNIT : THOUSAND BAHT

Notes	Issued and Paid-up Share Capital	Ordinary Shares Premium Accounts	Surplus on Share-based payment	Retained Earnings		Treasury shares	Other Components of Shareholders' Equity			Total Shareholders' Equity
				Appropriated Legal Reserve	Unappropriated		Gains (losses) on cash flow hedges	Gains (losses) on re-measurements of defined benefit plans	Total other components of shareholders' equity	
Balances as at January 1, 2021										
	7,800,221	720,034	-	438,751	2,765,419	-	(218)	4,328	4,110	11,748,535
21	780,022	6,715,729	-	-	-	-	-	-	-	7,495,751
22	-	-	-	158,447	(158,447)	-	-	-	-	-
Total comprehensive income (loss)										
	-	-	-	-	3,168,906	-	(86)	(8,150)	(8,236)	3,160,670
Balances as at December 31, 2021										
	8,580,243	7,435,763	-	617,198	5,775,878	-	(304)	(3,822)	(4,126)	22,404,956
Balances as at January 1, 2022										
	8,580,243	7,435,763	-	617,198	5,775,878	-	(304)	(3,822)	(4,126)	22,404,956
21 and 24	659,900	-	-	-	-	-	-	-	-	659,900
22	-	-	-	182,008	(182,008)	-	-	-	-	-
35	-	-	4,022	-	-	-	-	-	-	4,022
35	-	-	-	-	-	(5,624)	-	-	-	(5,624)
24	-	-	-	-	(1,295,420)	-	-	-	-	(1,295,420)
Total comprehensive income (loss)										
	-	-	-	-	3,640,169	-	(181)	14,140	13,959	3,654,128
Balances as at December 31, 2022										
	9,240,143	7,435,763	4,022	799,206	7,938,619	(5,624)	(485)	10,318	9,833	25,421,962

The condensed notes to the financial statements form an integral part of these interim financial statements

Ngern Tid Lor Public Company Limited

Statements of Cash Flows

For the year ended December 31, 2022

UNIT : THOUSAND BAHT

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		3,640,169	3,168,906
Adjustments to reconcile income to cash received (paid)			
Income tax expense		893,192	784,120
Finance costs		1,235,132	1,121,051
Depreciation and amortisation		880,940	794,794
Loss arising from de-recognition of financial assets measured at amortised cost		943,611	624,782
Impairment loss (Reversal of impairment loss) determined in accordance with TFRS 9		639,095	(210,655)
Loss on disposals and impairment of properties foreclosed		328,564	231,359
(Gain) loss on disposals and write-off leasehold improvement, equipment and intangible assets		(6,698)	3,824
Loss on impairment and write-off other assets and change in fair value attributable to change in credit risk		7,942	11,143
Short-term employee benefit expenses		2,239	1,294
Long-term employee benefit expenses	20.1	23,434	19,300
Employee joint investment program expenses		4,022	-
Profit from operations before changes in operating assets and liabilities		8,591,642	6,549,918
Operating assets (increase) decrease			
Loans and hire-purchase receivables		(21,859,266)	(11,029,190)
Receivable from payment agents		(15,161)	1,883
Current contract assets		(183,355)	(77,373)
Prepaid expenses		(5,755)	(94,857)
Other receivables		(6,676)	(16,266)
Other current assets		(6,806)	3,094
Other non-current assets		(15,643)	(12,988)
Operating liabilities increase (decrease)			
Amounts due to related parties		4,613	(2,987)
The Revenue Department payable		20,873	8,386
Accrued expenses		65,308	170,392
Other current payables		37,532	39,911
Other current liabilities		3,575	989
Other non-current liabilities		(17,210)	73,269
Cash paid for operating activities		(13,386,329)	(4,385,819)
Proceeds from sales of properties foreclosed		851,879	717,653
Interest income on hire-purchase receivables and loans		(12,532,298)	(9,824,675)
Cash received from interest income on hire-purchase receivables and loans		12,284,408	9,228,824
Cash paid for long-term employee benefits		(1,041)	(656)
Cash paid for interest expenses		(1,052,764)	(984,147)
Cash paid for income tax expense		(838,748)	(643,983)
Net cash used in operating activities		(14,674,893)	(5,892,803)

Ngern Tid Lor Public Company Limited

Statements of Cash Flows (Continued)

For the year ended December 31, 2022

UNIT : THOUSAND BAHT

	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchases of leasehold improvement and equipment	6.2	(364,535)	(376,540)
Proceeds from sales of equipment		20,625	1,550
Cash paid for purchases of intangible assets	6.2	(19,168)	(123,581)
Net cash used in investing activities		(363,078)	(498,571)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from short-term borrowings	6.3	45,211,839	14,900,000
Cash repayments for short-term borrowings	6.3	(44,930,000)	(14,200,000)
Cash received from long-term borrowings	6.3	21,759,000	12,350,000
Cash repayments for long-term borrowings	6.3	(16,725,000)	(16,410,000)
Cash received from issuance of short-term debentures	6.3	5,750,000	1,000,000
Cash repayments for short-term debentures	6.3	(1,000,000)	-
Cash received from issuance of long-term debentures	6.3	12,197,512	7,800,000
Cash repayments for long-term debentures	6.3	(7,850,000)	(3,400,000)
Cash repayments for transaction costs from borrowing and issuance of debentures	6.3	(57,889)	(22,489)
Cash repayments for lease liabilities	6.3	(479,899)	(392,382)
Cash received from increase in share capital	21	-	7,495,751
Cash paid for treasury shares for EJIP program	35	(5,624)	-
Cash paid for dividend		(635,520)	-
Net cash provided by financing activities		13,234,419	9,120,880
Net (decrease) increase in cash and cash equivalents		(1,803,552)	2,729,506
Cash and cash equivalents as at January 1,		3,994,739	1,265,233
Cash and cash equivalents as at December 31,	6.1	2,191,187	3,994,739

Notes to the financial statements form an integral part of these statements

Ngern Tid Lor Public Company Limited

Notes to the Financial Statements

For the year ended December 31, 2022

NOTES	CONTENTS
1	General information and operations of the Company
2	Basis for preparation and presentation of the financial statements
3	Adoption of new and revised Thai financial reporting standards
4	Significant accounting policies
5	Risk management
6	Supplementary disclosure of cash flows information
7	Loans and hire-purchase receivables
8	Properties foreclosed
9	Derivative assets and liabilities
10	Leasehold improvement and equipment
11	Goodwill
12	Other intangible assets other than goodwill
13	Deferred tax assets
14	Other non-current assets
15	Short-term borrowings
16	Short-term debentures
17	Long-term borrowings
18	Long-term debentures
19	Lease liabilities
20	Provision for employee benefits
21	Share capital
22	Legal reserve
23	Capital management
24	Dividend paid
25	Fee and service income
26	Expenses by nature
27	Provident fund
28	Income tax expense
29	Basic earnings per share
30	Operating segments
31	Restricted bank deposits
32	Operating leases and services commitments
33	Commitments and contingent liabilities
34	Related party transactions
35	Employee Joint Investment Program
36	Classification of financial assets and financial liabilities
37	Fair value of financial assets and financial liabilities
38	Events after the reporting period
39	Reclassifications
40	Authorisation of the financial statements

1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY

Ngern Tid Lor Public Company Limited (the “Company”) was registered in Thailand on October 24, 2006. The Company’s registered address is at 428 Ari Hills Building, 9th - 15th Floor, Phahonyothin Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok 10400. The principal business of the Company is to provide loans and hire purchase for all types of vehicles, non-life insurance broker and life insurance broker directly.

As at December 31, 2022 and 2021, the major shareholders are Bank of Ayudhya Public Company Limited (“the Bank shareholder”) which is incorporated in Thailand, by holding 30% of the Company’s issued and paid-up share capital and Siam Asia Credit Access PTE LTD which is registered in Singapore, by holding 25% of the Company’s issued and paid-up share capital.

The immediate and ultimate parent company of the Bank shareholder are MUFG Bank, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan.

The ultimate shareholder of Siam Asia Credit Access PTE LTD is group of investors led by CVC Capital Partners Asia Fund IV.

The Company has extensive transactions and relationships with the related companies. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company operated without such affiliations.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 These statutory financial statements have been prepared in Thai Baht and in the Thai language in conformity with Thai Financial Reporting Standards (“TFRSs”) issued by Federation of Accounting Professions (“TFAC”) and accounting practices generally accepted in Thailand.

- 2.2 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2022 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding "the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560" and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No.3) B.E. 2562" dated December 26, 2019, which was effective for financial periods beginning on or after January 1, 2020 onwards.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 4).
- 2.4 The English version of the financial statements have been prepared from the Thai version of the financial statements prepared by law. In the event of any conflict or different interpretation of the two different languages, the Thai version financial statements in accordance with the law is superseded.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

- 3.1 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Company has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards are aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and accounting requirements for interest rate reform - Phrase 2. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

- 3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

On September 26, 2022, the revised TFRSs have been announced in the Royal Gazette which will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards. TFRSs which have been amended and relevant to the Company are as follows:

Thai Accounting Standard No.37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendments specify that the "cost of fulfilling a contract" comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the Company has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the Company first applies the amendments. Comparatives are not restated. Instead, the Company shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of shareholders' equity, as appropriate.

Thai Financial Reporting Standard No.9 “Financial Instruments”

The amendment clarifies that in applying the “10 per cent” test to assess whether to derecognise a financial liability, the Company includes only fees paid or received between the Company (the borrower) and the lender, including fees paid or received by either the Company or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the Company first applies the amendment.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when it becomes effective. The Company’s management assessed the impact of these TFRSs on the financial statements and considered that the adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies were as follows:

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and deposits at financial institutions where maturity period are not exceeding or less three months and not used as collateral.

4.2 Financial assets

Classification and measurement

All financial assets are recognised under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction fees and costs, except for those financial assets classified as at fair value through profit or loss (“FVTPL”). Transaction fees and costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss. The financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

For the purpose of solely payments of principal and interest (“SPPI”) test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal) . Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model does not depend on management’s intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The classification and measurement requirements for financial assets are described below:

Debt instruments at amortised cost

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are SPPI, are subsequently measured at amortised cost.

Such debt instruments include “Loans and hire-purchase receivables” in the statement of financial position. Subsequent to initial recognition, these debt instruments are measured at amortised cost using the effective interest method. Gains and/or losses are recognised in profit or loss upon derecognition, reclassification or impairment, and through the amortisation process.

Interest income calculated using the effective interest method is recognised in profit or loss. A modification gain or loss is recognised in profit or loss when the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

Reclassifications

If the business model under which the Company hold financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Company renegotiates loans in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Modification without derecognition means the non-substantial modification arising from renegotiation or modification of the contractual cash flows of financial assets that has not resulted in derecognition (Modified financial assets). In this case, a modification gain or loss which is the difference between the existing gross carrying amount and the present value of the renegotiated or modified contractual cash flows discounted by the original effective interest rate ("OEIR") or the credit-adjusted effective interest rate for purchased or originated credit-impaired ("POCI") financial assets shall be recognised in profit or loss. Any costs or fees incurred as part of the modification shall be adjusted to the carrying amount of the modified financial assets and amortised over the remaining term of the modified financial asset.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company designates certain derivatives as hedges of the cash flow.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.4 Hedge accounting

General hedge

The Company designates qualifying derivatives as hedging instruments in respect of foreign exchange rate risk and interest rate risk in cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that results from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualified as cash flow hedges is recognised in the cash flow hedging reserve, a separate component of OCI, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to profit or loss.

Amounts previously recognised in OCI and accumulated in shareholder's equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. If the Company no longer expects the transaction to occur that amount is immediately reclassified to profit or loss.

The discontinuation is accounted for prospectively. Any gain/loss recognised in OCI and accumulated in equity at that time remains in shareholder's equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in shareholder's equity is reclassified immediately in profit or loss.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in profit or loss.

4.5 Loans and hire-purchase receivables

Loans are initially recognised at fair value, plus transaction fees and costs and modification gain or loss and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit losses.

Hire-purchase receivables are stated at the principal amounts net of unearned interest income adjusted by unamortised transaction costs and fees, including modification gain or loss, less allowance for expected credit losses.

Accrued interest receivables are calculated using the contractual rate. Unearned interest income is interest income calculated by using the effective interest method, deducted by accrued interest receivables.

4.6 Allowance for expected credit losses

The Company recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate ("EIR"). The ECL is adjusted with a management overlay where considered appropriate.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's OEIR.

In subsequent reporting period, if the credit quality of the financial assets and financial commitments improves so that there is no longer a significant increase in credit risk since initial recognition, then a loss allowance can be recognised based on 12-month ECL. The changes in the reversal of loss allowance are recognised in profit or loss as an impairment gain or loss.

Credit-impaired financial assets

A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

The Company assesses whether debt instruments measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit impaired when there is observable evidence of credit impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a backstop if amounts are overdue for 90 days or more.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company)

The Company considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Company; or
- The borrower is unlikely to pay its credit obligations to the Company in full.

Significant increase in credit risk

The Company monitors all financial assets and issued loan commitments that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that are supportable and reasonable, including historical experience and the forward-looking information that is available without undue cost or effort.

As a back-stop when a financial asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Write-off of financial assets

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering financial assets in their entirety or portion thereof. A write-off constitutes a derecognition event. Write-offs are recognised in the statement of profit or loss and other comprehensive income.

Bad debts recovered from written off receivables will be recognised in the statement of profit or loss and other comprehensive income.

Loss allowances for ECL were presented in the statement of financial position as follows:

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- For loan commitments: as a provision; and where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component. The Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

4.7 Properties foreclosed

Properties foreclosed consist of repossessed vehicles. The repossessed vehicles are stated at the lower of the outstanding loan principal including accrued interest and accrued value-added tax (if any) or fair value.

Fair value of the repossessed vehicles is based on the estimated selling price less selling cost according to risk that might incur of each repossessed vehicle.

Allowance for impairment of the repossessed vehicle is calculated by basing on cost of foreclosed assets deducting with expected selling price of repossessed vehicles where estimated from historical selling price and other related cost incurred for those repossessed vehicles in the same type. Loss on impairment is recognised as expenses in the statements of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties are realised upon disposition of the underlying asset and are included in other income or service and administrative expenses in the statements of profit or loss and other comprehensive income.

4.8 Leasehold improvement and equipment

Recognition and measurement

Leasehold improvement and equipment are stated at cost less accumulated depreciation and impairment losses, (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling, removing the items, restoring the site on which they are located and capitalized borrowing costs.

When parts of an item of leasehold improvement and equipment have different useful lives, they are accounted for each significant component separately.

Gains or losses on disposal of item of leasehold improvement and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvement and equipment and are recognised in other income or service and administrative expenses in the statements of profit or loss and other comprehensive income in the fiscal years as incurred.

Subsequent costs

The cost of replacing a part of an item of leasehold improvement and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs incurred on maintenance leasehold improvement and equipment are recognised as expenses in the statements of profit or loss and other comprehensive income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount of leasehold improvement and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as expenses in the statements of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of assets. The estimated useful lives were as follows:

	New assets purchase Contractual period	Used assets purchase Contractual period
Leasehold improvement		
Furniture, fixtures and equipment	5 years	3 years
Motor vehicles	5 years	3 years

4.9 Lease

As a lessee

Short-term leases and leases of low-value assets

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as leases with the underlying asset value not exceed Baht 150,000) (e.g. tablet, mobile phone, copy machine and printer). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

A lease that has a lease term of more than 12 months and for which the underlying asset exceeds Baht 150,000 shall be recognised for a right-of-use asset at cost which consists of the amount of the initial measurement of the lease liability (that is the present value of the lease payments that are not paid at the commencement date, discounted by the incremental borrowing rate), any lease payments made at or before the commencement date less any lease incentives receivable, any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and removes a leased asset, restores the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented in “leasehold improvement and equipment” in the statement of financial position.

The Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Leasehold improvement and Equipment” policy.

Lease liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term that are not paid, discounted by the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lease under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

Lease liability is presented in the separate line in the statement of financial position. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest (using the effective interest method) and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified or the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Service and administrative expenses” in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead accounts for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

4.10 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets of the business acquisition in the past. Goodwill is an intangible asset with an indefinite useful life.

Goodwill is presented in the statement of financial position and is carried at cost less allowance for impairment. Goodwill is tested annually for impairment by comparing its recoverable value with carrying value. Impairment loss will recognise as an expense when recoverable value is lower than carrying value. Allowance for impairment losses on goodwill is not reversed. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

4.11 Other intangible assets other than goodwill

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and allowance for impairment, (if any).

Amortisation

- Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised by using the straight-line method over their estimated useful lives from 1 year to 10 years.
- Expenditure on acquired trademark is capitalised. Prior to January 1, 2009, trademark was amortised using the straight-line method over a period of 10 years. The Company has changed accounting policy to stop amortisation since January 1, 2009.
- Expenditure on customer lists is capitalised and amortised using the straight-line method over their useful life of 3 years.

Amortisation incurred is recognised as service and administrative expenses in the statements of profit or loss and other comprehensive income.

There is no revaluation for intangible assets but they will be reviewed for the impairment on an annual basis or when there are any indications for impairment, and impairment loss, if any, is recognised as expenses in the statements of profit or loss and other comprehensive income.

4.12 Financial liabilities and shareholders' equity

Classification as debt or shareholders' equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities are initially recognised at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest method, except when the liabilities are held at fair value through profit or loss.

Financial liabilities are recognised in the statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The financial liabilities measured at amortised cost, which is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Derecognition of financial liabilities

The Company derecognises financial liabilities only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable are recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing financial liability or part of it as an extinguishment of the original financial liability and the recognition of a new financial liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Treasury shares is stated at cost in the statement of financial position and presented as a deduction from shareholders' equity. The treasury shares from the Employee Joint Investment Program has specified detail as refer to Note 35.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the statement of profit or loss and other comprehensive income for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of shareholders' equity.

4.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Employee benefits

4.14.1 Provident fund

The Company operates a provident fund, the assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged as employee expenses in the statement of profit or loss and other comprehensive income for the reporting period to which they relate.

4.14.2 Provision for post-employment benefits

Legal severance payment plan

This provision represents the benefit retiring employees will receive as determined by the Labor Protection Act.

The provision of this plan is considered unfunded defined benefit obligations and is separately measured by an actuary using the Projected Unit Credit Method to determine the present value of employee benefit cash flows to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognised as employee expenses in the statement of profit or loss and other comprehensive income.

Past service cost related to the plan amendment is recognised as an expense in the statement of profit or loss when the plan amendment is effective.

Actuarial gains (losses) are recognised in other comprehensive income.

4.14.3 Benefit from carried forward leave

The benefit from cumulative carried forward leave is recognised as a current liability in the statement of financial position and employee expenses in the statement of profit or loss and other comprehensive income.

4.15 Share-based payment

Share-based payment in Employee Joint Investment Program (EJIP) are measured at the fair value of amount in which the Company agreed to contribute.

Cash-settled share-based payment to employees are measured at the Company's share price at the fair value of cash paid to employees. The fair value of cash paid are measured by using a Black-Scholes model, which included financial assumptions such as risk free interest rate, expected volatility, expected dividend yield, expected return of equity and expected share price target.

The fair value of cash paid to employees will be recorded as expenses on a straight-line basis over the time that are subject to the granted conditions and employee expenses in the statement of profit or loss and other comprehensive income.

4.16 Recognition of revenue

Interest income

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, a shorter period, as the gross carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and costs received or paid between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts, excluding the expected credit losses.

Interest income is recognised with the EIR for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

Fee and service income

Fee and service income other than those that are an integral part of EIR, are recognised based on contracts with customers in the amount of consideration that the Company expected to receive upon service providing. The timing of recognition depends on whether the Company satisfies a performance obligation by providing services to a customer over time or at a point in time.

Fee and service income from brokerage insurance service

Fee and service income from brokerage insurances are recognised on an accrual basis and when the service is rendered.

Income from late charge

Income from late charge fee is recognised on an accrual basis less allowance from estimated uncollectible late fee

Other fee and service income

Other fee and service incomes other than late charge and fee income from brokerage insurance are recognised when the service is rendered and payment is made.

4.17 Recognition of expenses

Fee and service expenses with regards to services are accounted for as the services are received.

Other expenses are recognised on an accrual basis.

4.18 Finance costs

Finance costs comprise interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of profit or loss and other comprehensive income using the effective interest method.

4.19 Income tax

Income tax expense consists of current tax and deferred income tax.

4.19.1 Current tax

Current tax is tax payable which is calculated based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the statement of financial position date.

4.19.2 Deferred income tax

Deferred income tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for temporary differences to the extent that they are probable that taxable profits will be available against which those temporary differences can be utilised at the statement of financial position date. Deferred tax asset shall be reduced to the extent that utilised taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the statement of financial position date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis or to realise the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expense or income related to profit or loss are presented in the statement of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognised directly in the shareholders' equity in the same or different period, they will be recognised directly in the shareholders' equity.

4.20 Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the year by the weighted average number of ordinary shares outstanding during the year. In case of share capital increase, the number of share is weighted according to time of subscription received. The Company did not have any ordinary share equivalents outstanding which would have a dilutive effect on earnings per share.

4.21 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, fair value measurements were categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4.22 Critical accounting judgment

The preparation of the financial statements in conformity with Thai Financial Reporting Standards also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. In this regard, the management had made judgments and estimates in material respects, which affected the amount and disclosure of information in the financial statements as follows:

4.22.1 Allowance for expected credit losses

Significant increase of credit risk: ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis; the financial instruments are grouped on the basis of shared risk characteristics. The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used: The Company uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in selecting the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

The Company measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period.

Establishing the number and relative weightings of forward-looking scenarios for each type of products and determining the forward-looking information relevant to each scenario: When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. In its measurement of ECL, the external and internal information are used to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data published by governmental bodies and monetary authorities.

The Company uses multiple scenarios to model about macroeconomic factors on ECL. The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. In addition to the base case scenario the Company uses the probability weighting which is the base scenario has the highest weighting, since it is the most likely outcome and the weighting of the upside and downside scenarios depends on the probability of the scenario.

Probability of Default: PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral.

Fair value measurement and valuation process: In estimating the fair value of a financial asset or a liability, the Company uses market-observable data to the extent it is available. Where such Level 1 inputs are not available the Company uses valuation models to determine the fair value of its financial instruments. Refer to Note 37 for more details on fair value measurement.

4.22.2 Allowance for properties foreclosed

The Company estimates the allowance for impairment of properties foreclosed when there is a decline in net realisable value. In consideration of net realisable value, the Company considers the appraised value of the vehicle together with other factors which can affect the realisable value such as related selling expenses, holding costs and discounted future expenses.

4.22.3 Impairment of assets

Leasehold improvement and equipment and other non-current assets, including goodwill and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may be lower than recoverable amount. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of its fair value less cost of sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

4.22.4 Employee benefits

The present value of the employee benefit obligation depends on a number of factors that are used in actuarial calculations using a number of assumptions, including the discount rate or any changes in assumptions will have an effect on the value of the obligation.

The Company considers the appropriate discount rate each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Company considers using market yield of government bonds, which is the same currency as the benefits will be paid and the maturity is close to the time required to pay the related obligations. Refer to Note 20 for more details on employee benefits.

4.22.5 Provision for contingent liabilities

The Company provides a provision for undrawn loan commitments according to TFRS 9 applying the same methodology as determining allowance for expected credit losses for financial assets of the same debtor.

5. RISK MANAGEMENT

The Company has established a risk management policy as a framework for managing various risks in a systematic manner and in accordance with the business plan. The risk management committee has an important role in formulating risk management policies and strategies in order to make the risk management at an appropriate level within the acceptable risk limits. In addition, the Company has developed tools, processes and also defines the roles, duties and responsibilities of all stakeholders to ensure that the monitoring and control of risks to be on a regular basis and keep up with changing situations.

The Company's financial instruments principally comprise cash and cash equivalents, loans and hire-purchase receivables, other financial assets, other current payables, borrowings, debentures, and other financial liabilities. The financial risks associated with these financial instruments and how they are managed are described below.

5.1 Credit risk

The Company has credit risk from the counterparty or a borrower may default on its contractual obligations and agreements. Such default may be caused by the counterparty's inability to pay due to financial encumbrances or their intention not to abide by the contractual agreements, resulting in a loss to the Company. The Company is exposed to credit risk primarily with respect to loan and hire-purchase receivables, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position.

Loan and hire-purchase receivables

The Company manages credit risk from loans and hire purchase receivables by determining policies and procedures for controlling the lending appropriately. There is an ongoing review of credit risk. In addition, the Company regularly monitors the outstanding balance of debtors.

The Company determines the target of credit granting by considering risks, returns, market opportunities, economic situation including taking into account the upcoming crisis when considering credit and setting prices. The Company sets the criteria for credit approval and proposes it for approval from the board of directors or the authorised committee. The Company has used a credit scoring tool both application scoring and behaviour scoring for underwriting and for monitoring the client's status after credit approval especially behaviour scoring for portfolio management resulting in the Company's capability in determining risk-adjusted returns or interest rates, including determining the appropriate strategy for portfolio management. Moreover, the Company has adopted the credit risk factors to classify risk level and defined risk-based collection strategies for optimized collection efficiency and timely.

In the credit approval process, the Company considers the customer's ability to repay and the loan objectives as key factors in making credit decisions. The Company has separated the business unit responsible for maintaining customer relationship and the business unit that performs credit analysis and approval in order to maximize the effectiveness of the credit approval process.

Expected Credit Losses measurement

The key inputs used in ECL measurement are probability of default ("PD"), loss given default ("LGD") and exposure at the time of default ("EAD") where 12-month ECL estimate is the product of 12-month PD, LGD, and EAD discounted by an effective interest rate to the reporting date and lifetime ECL estimate is the product of lifetime PD, LGD, and EAD discounted to the reporting date in the similar manner.

Key factors used to measure expected credit losses are reviewed closely and regularly especially during volatile economic conditions. However, the epidemic situation of COVID-19, as a result, limits reasonable forecasts of future economic conditions including epidemic situation remains uncertain, the Company therefore considers factors related to forecasting at a certain point-in-time.

The Company incorporates forward looking adjustment in credit risk factors in measuring the customer credit risk, considering the weighted probability of futures economic projections. Assumptions for 3 economic situations, as follows, are applied to reflect an unbiased probability weighted range of possible future outcomes.

- Base case Scenario: describes the expected outcome, and
- Upper and Lower Case Scenario: These scenarios are set in relative to base scenario and provide the outlook of better and worse case economic outlook based on subject matter expert judgement.

In certain circumstance, where the incorporation of forward looking information cannot be explicitly reflected through the expected credit losses model or economic scenario, the Company may consider to set aside the additional provision based on the supporting rationale and such treatment shall not contradict with the applicable accounting standard.

The adequacy of allowance for expected credit losses is reviewed and approved by Head of Credit Department and Head of Finance and Accounting Department. The Company has allocated allowance for expected credit losses to portfolios as appropriate. Therefore, the Company does not expect any significant losses from credit granting. In addition, the Company has no significant concentrations of credit risk due to a large and diverse customer base, including using credit scoring for credit approval.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. The transactions are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits may be updated throughout the year. The limits are set to minimise the concentration of risks.

5.2 Market risk

Market risk is the risk of losses arising from fluctuations in interest rates, foreign exchange rates, equity prices and commodity prices which affects the Company's operation and financial performance.

The Company has established a market risk management policy to control market risk under the risk ceiling approved by the Board of Directors. The risk ceiling is also reviewed to reflect the scope, volume and complexity of the transaction, and changing market and business situation.

Interest rate risk

Interest rate risk is the risk arising from changes in interest rates which may affect the value of the Company's financial instruments, or may cause volatility in the Company's earnings, or financial assets and liabilities, both in the current reporting period and in the future. The Company has employed various tools to manage interest rate risk, and various risk frameworks to be used to measure, monitor, and control.

Financial assets and liabilities, classified by type of interest rate, as at December 31, were shown below:

Unit : Thousand Baht				
2022				
	Floating interest rate	Fixed interest rate	No interest bearing	Total
Financial Assets				
Cash and cash equivalents	2,021,257	-	169,930	2,191,187
Loans and hire-purchase receivables	-	78,066,532	-	78,066,532
Other non-current financial assets	-	130,767	-	130,767
Other financial assets	-	-	877,551	877,551
Financial Liabilities				
Short-term borrowings	-	3,600,000	-	3,600,000
Other current payables	-	-	1,825,644	1,825,644
Short-term debentures	-	5,748,114	-	5,748,114
Long-term borrowings	-	26,387,524	-	26,387,524
Long-term debentures	-	20,013,557	-	20,013,557

Unit : Thousand Baht				
2021				
	Floating interest rate	Fixed interest rate	No interest bearing	Total
Financial Assets				
Cash and cash equivalents	3,841,181	-	153,558	3,994,739
Loans and hire-purchase receivables	-	58,847,286	-	58,847,286
Other financial assets	-	-	683,653	683,653
Financial Liabilities				
Short-term borrowings	-	3,300,000	-	3,300,000
Other current payables	-	-	1,516,073	1,516,073
Short-term debenture	-	999,368	-	999,368
Long-term borrowings	-	21,269,734	-	21,269,734
Long-term debentures	-	15,616,247	-	15,616,247
Other current financial liabilities	-	441	-	441

Foreign exchange rate risk

The Company has no significant foreign exchange rate risk since almost all of the Company's financial transactions are in Thai Baht and foreign exchange rate risk is managed by entering into cross currency interest rate swap agreement. The terms and conditions of such agreement are in line with the hedged items.

5.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its obligations as they fall due because of an inability to liquidate assets or obtain sufficient funding in a timely manner at an appropriate cost which could result in losses.

The Company manages its liquidity risk under liquidity risk management policy, by sourcing for short-term and long-term funding. Moreover, the Company set up various tools and risk framework for risk measurement, monitoring and control, and reporting. The Company also ensures that its liquidity position is suitable and sufficient for operations under both normal and critical situations.

Financial liabilities, classified by remaining contractual maturity analysis, as at December 31, were as follows:

Unit : Thousand Baht			
2022			
Contractual Maturity			
At call	Within 1 year	Over 1 year to 5 years	Total
Financial liabilities			
Short-term borrowing	-	3,600,000	3,600,000
Other current payables	1,825,644	-	1,825,644
Short-term debentures	-	5,748,114	5,748,114
Long-term borrowings	-	5,072,544	21,314,980
Long-term debentures	-	5,298,120	14,715,437
Total financial liabilities	1,825,644	19,718,778	36,030,417

Unit : Thousand Baht			
2021			
Contractual Maturity			
At call	Within 1 year	Over 1 year to 5 years	Total
Financial liabilities			
Short-term borrowing	-	3,300,000	3,300,000
Other current payables	1,516,073	-	1,516,073
Short-term debenture	-	999,368	999,368
Long-term borrowings	-	8,049,734	13,220,000
Long-term debentures	-	7,826,893	7,789,354
Other current financial liabilities	-	441	-
Total financial liabilities	1,516,073	20,176,436	21,009,354

6. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

6.1 Cash and cash equivalents as at December 31, consisted of the following:

Unit : Thousand Baht	
	2022
	2021
Cash on hand	10,858
Current accounts	13,998
Savings accounts	159,071
Cash and cash equivalents	2,021,258
	3,841,181
	2,191,187
	3,994,739

Cash and cash equivalents as at December 31, 2022 and 2021, were presented net of deposits at banks for premium that the Company received from policy holders by Baht 762.44 million and Baht 648.36 million, respectively. The Company is required to submit these premiums to insurers and not use or exploit from premiums or deduct any expenses stated in the brokerage contracts except for interest or other benefits arising from deposits.

6.2 Significant non-cash transactions for the years ended December 31, were as follows:

		Unit : Thousand Baht	
		2022	2021
Other current payables for leasehold improvement and equipment acquisition as at January 1,		4,137	58,372
<u>Add</u>	Purchases of leasehold improvement and equipment	441,453	322,305
<u>Less</u>	Cash payments for purchases of leasehold improvement and equipment	(364,535)	(376,540)
Other current payables for leasehold improvement and equipment acquisition as at December 31,		81,055	4,137
Other current payables for intangible assets acquisition as at January 1,		2,180	38,404
<u>Add</u>	Purchases of intangible assets	44,775	87,357
<u>Less</u>	Cash payments for purchases of intangible assets	(19,168)	(123,581)
Other current payables for intangible assets acquisition as at December 31,		27,787	2,180

6.3 Changing in liabilities from financing activities for the years ended December 31, were as follows:

	Unit : Thousand Baht			
	Balance as at January 1, 2022	Net cash flow received (paid) from financing activities	Non-cash changes	Balance as at December 31, 2022
Short-term borrowings	3,300,000	281,738**	18,262*	3,600,000
Short-term debentures	999,368	4,744,457**	4,289*	5,748,114
Long-term borrowings	21,269,734	4,996,573**	121,217*	26,387,524
Long-term debentures	15,616,247	4,332,694**	64,616*	20,013,557
Lease liabilities	709,057	(479,899)	634,293	863,451
Total	41,894,406	13,875,563	842,677	56,612,646

	Unit : Thousand Baht			
	Balance as at January 1, 2021	Net cash flow received (paid) from financing activities	Non-cash changes	Balance as at December 31, 2021
Short-term borrowings	2,600,000	700,000	-	3,300,000
Short-term debenture	-	999,010**	358*	999,368
Long-term borrowings	25,328,410	(4,060,000)	1,324*	21,269,734
Long-term debentures	11,136,567	4,378,501**	101,179*	15,616,247
Lease liabilities	630,243	(392,382)	471,196	709,057
Total	39,695,220	1,625,129	574,057	41,894,406

* Non-cash changes including deferred costs for borrowings and deferred costs for issuance of debentures.

** Net cash flows received (paid) from financing activities included net transaction costs from borrowing and issuance of debentures.

7. LOANS AND HIRE-PURCHASE RECEIVABLES

Loans and hire-purchase receivables as at December 31, were as follows:

(1) Classified by loan types

As at December 31, 2022

Unit : Thousand Baht			
	Amount due per agreements		
	Within 1 year	Greater than 1-5 years	Greater than 5 years
Loans	22,885,785	46,352,372	84,782
<u>Add</u> Accrued interest receivables	1,367,446	-	-
	24,253,231	46,352,372	84,782
<u>Less</u> Allowance for expected credit losses	(958,283)	(1,831,453)	(3,350)
Loans	23,294,948	44,520,919	81,432
Hire-purchase receivables	4,876,692	8,933,803	127,675
<u>Less</u> Unearned interest income	(1,496,547)	(1,855,469)	(11,148)
	3,380,145	7,078,334	116,527
<u>Less</u> Allowance for expected credit losses	(129,700)	(271,602)	(4,471)
Hire-purchase receivables	3,250,445	6,806,732	112,056
Total loans and hire-purchase receivables	26,545,393	51,327,651	193,488

As at December 31, 2021

Unit : Thousand Baht			
	Amount due per agreements		
	Within 1 year	Greater than 1-5 years	Greater than 5 years
Loans	18,717,077	32,581,395	127,130
<u>Add</u> Accrued interest receivables	1,119,556	-	-
	19,836,633	32,581,395	127,130
<u>Less</u> Allowance for expected credit losses	(853,109)	(1,401,220)	(5,467)
Loans	18,983,524	31,180,175	121,663
Hire-purchase receivables	4,024,943	7,378,950	90,382
<u>Less</u> Unearned interest income	(1,100,668)	(1,475,882)	(4,684)
	2,924,275	5,903,068	85,698
<u>Less</u> Allowance for expected credit losses	(115,198)	(232,543)	(3,376)
Hire-purchase receivables	2,809,077	5,670,525	82,322
Total loans and hire-purchase receivables	21,792,601	36,850,700	203,985

(2) Classified by types of classification

	Unit : Thousand Baht			
	As at December 31, 2022		As at December 31, 2021	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Performing	58,935,905	1,029,933	41,640,091	850,419
Under-performing	10,733,415	1,121,280	10,340,127	945,058
Non-performing	1,021,065	641,873	564,940	464,319
Total	70,690,385	2,793,086	52,545,158	2,259,796

	Unit : Thousand Baht			
	As at December 31, 2022		As at December 31, 2021	
	Hire-purchase receivables after deduction of unearned interest income	Allowance for expected credit losses	Hire-purchase receivables after deduction of unearned interest income	Allowance for expected credit losses
Performing	6,764,316	44,860	6,128,891	83,318
Under-performing	3,546,579	189,984	2,616,864	141,314
Non-performing	264,111	170,929	167,286	126,485
Total	10,575,006	405,773	8,913,041	351,117

(3) Allowance for expected credit losses for the years ended December 31, were as follows:

	Unit: Thousand Baht			
	Allowance for expected credit losses			
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total
Balance as at January 1, 2022	933,737	1,086,372	590,804	2,610,913
Transfer between stage	19,231	9,855	(29,086)	-
Remeasurement of loss allowance	(303,943)	175,615	356,632	228,304
New financial assets originated or purchased	729,311	494,085	292,885	1,516,281
Financial assets that have been derecognised	(303,543)	(454,663)	(398,433)	(1,156,639)
Balance as at December 31, 2022	1,074,793	1,311,264	812,802	3,198,859
Balance as at January 1, 2021	997,158	1,033,791	732,222	2,763,171
Transfer between stage	(19,808)	45,003	(25,195)	-
Remeasurement of loss allowance	(302,627)	(10,996)	211,388	(102,235)
New financial assets originated or purchased	658,613	499,467	214,609	1,372,689
Financial assets that have been derecognised	(399,599)	(480,893)	(542,220)	(1,422,712)
Balance as at December 31, 2021	933,737	1,086,372	590,804	2,610,913

(4) Loans and hire-purchase receivables under the relief measure program

The Company has adopted these Accounting Treatment Guidance on the Guidelines for helping debtors affected by the COVID-19 and the Guidelines for helping debtors affected by the viral infection COVID-19 (Sustainable debt settlement measures) according to the Bank of Thailand (“BOT”)’s announcement in the preparation of the financial statements for the year ended December 31, 2022, as follows:

Classification

The classification criteria depend on the method of debt restructuring which can be classified into 2 groups as follows:

1. Debt restructuring for debtors by stipulating conditions to reduce debt repayment burden more than only extending the repayment period
 - 1.1 For debt restructuring for debtors who have not yet been deteriorated (Non NPL), the Company classifies the debt as a class that does not have a significant increase in credit risk (Stage 1 Performing) immediately, if the specified detail and repayment conditions are clearly stated in the new agreement or contract and analyses the position and business of the debtor that the debtor is able to comply with the debt restructuring agreement.
 - 1.2 For debt restructuring for non-performing debtors, the Company classifies the debtor as a class that does not have a significant increase in credit risk (Stage 1 Performing) if the debtor is able to make payments under the new debt restructuring agreement for 3 consecutive months or 3 payment periods, whichever is longer.
 - 1.3 For granting additional credit (New money) to finance or to enhance liquidity for debtors to continue their business operations during debt restructuring, the Company immediately classifies the additional credit as performing or Stage 1 if it determines that the debtor has met the repayment terms under the new agreement or contract.
 - 1.4 To consider the changes in classifying the debt as a class that has a significant increase in credit risk (Under-performing or Stage 2), the Company considers classifying the debt which is past due over 30 days or 1 month of the principal or interest from the due date per agreement.
2. Debt restructuring for debtors by only extending the period

The Company adheres to TFRS 9 Financial Instruments and applies the Guidelines for considering Significant Increase in Credit Risk (SICR) in the Bank of Thailand’s Circular Letter Re: Guidelines for helping debtors affected by the viral infection COVID-19 (Sustainable debt settlement measures) in consideration of changing class of under-performing or Stage 2.

Reserve

The Company adheres to TFRS 9 Financial Instruments, which specifies the Expected Credit Losses by considering the past, present and future economic conditions under various assumptions. Therefore, in estimating the credit losses that are expected to occur, the Company considers future economic factors that reflect the effects of the pandemic of COVID-19, both in the short-term and long-term, including considering the management's discretion to have post model adjustment (Management Overlay) from the values obtained from the model to another level so that the Company's reserves are able to sufficiently cope with the increase in default payments of loan and hire-purchase receivables affected by this situation

As aforementioned, the Company is continuing to closely monitor and evaluate impact on the significant relief measures to alleviate the impact of COVID-19 outbreak announced by the BOT.

(5) Loans and hire-purchase receivables modified and troubled debt restructuring

For the years ended December 31, 2022 and 2021, loans and hire-purchase receivables that were modified while they had a loss allowance measured at an amount equal to lifetime ECL were as follows:

	Unit : Thousand Baht	
	2022	2021
Loans and hire-purchase receivables modified during the years		
Amortised cost before modification	166,764	230,169
Net modification loss	42,044	34,224

8. PROPERTIES FORECLOSED

Properties foreclosed as at December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
Reposessed vehicles	223,206	87,632
<u>Less</u> Allowance for impairment	<u>(52,271)</u>	<u>(28,550)</u>
Properties foreclosed	<u>170,935</u>	<u>59,082</u>

9. DERIVATIVE ASSETS AND LIABILITIES

Derivative assets and liabilities as at December 31, consisted of the following:

	Unit : Thousand Baht	
	2022	2021
Other non-current financial assets		
Derivative assets for cash flow hedge		
Cross currency interest rate swap agreement	130,767	-
Total other non-current financial assets	130,767	-
	2022	2021
Other current financial liabilities		
Derivative liabilities for cash flow hedge		
Interest rate swap agreement	-	441
Total other current financial liabilities	-	441

The tables below summarise the derivatives designated as hedging instruments in qualifying cash flow hedge relationships as at December 31, were as follows:

Cash flow hedges	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Line item in the statement of financial position where the hedging instrument is located
		Assets Thousand Baht	Liabilities Thousand Baht	
As at December 31, 2022				
Exchange rate and interest rate risks				
- Cross currency interest rate swap agreement	USD 100 million	130,767	-	Other non-current financial assets
As at December 31, 2021				
Interest rate risk				
- Interest rate swap agreement	Baht 500 million	-	441	Other current financial liabilities

As at December 31, 2022, the Company had a cross currency interest rate swap agreement designated as a hedging instrument with the contractual amount of USD 100 million, whereby the Company will pay the principal in Thai Baht at an agreed amount and an interest at fixed interest rate. This agreement matures in April 2025.

As at December 31, 2021, the Company had an interest rate swap agreement designated as a hedging instrument with the contractual amount of Baht 500 million, whereby the Company receives variable interest and pays interest at an agreed fixed rate. This agreement matured in November 2022.

The hedged item is considered to be economically related to a hedging instrument because cross currency interest rate swap agreement and interest rate swap agreement are in line with the terms of long-term borrowings with variable interest rates (i.e. principal amount, currency, maturity date, payment date). The Company assesses the hedge effectiveness by comparing changes in the fair value of the hedging instrument with changes in the fair value of the hedged item for the hedged risk.

For the years ended December 31, 2022 and 2021, the proportion of changes in the fair value of the hedging instrument to the change in the fair value of the hedged item were 100%, so the hedging ineffectiveness were not recognised in the statement of profit or loss and other comprehensive income.

The amounts relating to items designated as hedged items in qualifying cash flow hedge relationships to manage the exposure of the Company to exchange rate and interest rate risks, were as follows:

Cash flow hedges	Book value of the hedged item As at December 31,		Line item in the statement of financial position in which the hedged item is included
	2022 Million Baht	2021 Million Baht	
Exchange rate and interest rate risks			
- Aggregated exposure of Borrowings	3,448	-	Long-term borrowings
Interest rate risk			
- Aggregated exposure of Borrowings	-	500	Long-term borrowings

Reconciliations of gain (loss) on cash flow hedges which recognised in the shareholders' equity that relates to cash flow hedge relationships of the Company for the years ended December 31, were as follows:

Cash flow hedges	Unit : Thousand Baht Gains (losses) on cash flow hedges	
	2022	2021
Balance as at January 1,	(304)	(218)
Effective portion of changes in fair value of cross currency interest rate swap	3,813	-
Effective portion of changes in fair value of interest rate swap	380	(108)
Income tax related to amounts transferred	(4,374)	22
Balance as at December 31,	(485)	(304)

10. LEASEHOLD IMPROVEMENT AND EQUIPMENT

The movements of leasehold improvement and equipment for the years ended December 31, were as follows:

	Unit : Thousand Baht				
	Balances as at January 1, 2022	Additions	Disposals/write - off	Transfer in (out) adjust	Balances as at December 31, 2022
Cost:					
Leasehold improvement	965,576	163,171	(3,519)	-	1,125,228
Furniture, fixtures and equipment	1,051,974	278,256	(48,031)	13	1,282,212
Motor vehicles	54,706	26	(11,620)	12,908*	56,020
Right-of-use assets	1,277,005	614,037	(320,479)	-	1,570,563
Total cost	3,349,261	1,055,490	(383,649)	12,921	4,034,023
Accumulated depreciation:					
Leasehold improvement	(753,452)	(117,903)	2,860	-	(868,495)
Furniture, fixtures and equipment	(593,231)	(182,189)	34,585	-	(740,835)
Motor vehicles	(47,083)	(6,413)	11,618	-	(41,878)
Right-of-use assets	(561,126)	(454,935)	318,924	-	(697,137)
Total accumulated depreciation	(1,954,892)	(761,440)	367,987	-	(2,348,345)
Total	1,394,369				1,685,678
Leasehold improvement and equipment in progress	13	-	-	(13)	-
Leasehold improvement and equipment	1,394,382				1,685,678

* Transfer in from properties foreclosed for the normal operations of the Company.

	Unit : Thousand Baht				
	Balances as at January 1, 2021	Additions	Disposals/ write - off	Transfer in (out) adjust	Balances as at December 31, 2021
Cost:					
Leasehold improvement	851,117	120,616	(8,224)	2,067	965,576
Furniture, fixtures and equipment	872,169	188,579	(11,575)	2,801	1,051,974
Motor vehicles	52,774	4,414	(2,482)	-	54,706
Right-of-use assets	979,305	451,860	(154,160)	-	1,277,005
Total cost	2,755,365	765,469	(176,441)	4,868	3,349,261
Accumulated depreciation:					
Leasehold improvement	(653,059)	(108,341)	7,948	-	(753,452)
Furniture, fixtures and equipment	(437,885)	(165,518)	10,172	-	(593,231)
Motor vehicles	(44,202)	(5,363)	2,482	-	(47,083)
Right-of-use assets	(322,209)	(389,250)	150,333	-	(561,126)
Total accumulated depreciation	(1,457,355)	(668,472)	170,935	-	(1,954,892)
Total	1,298,010				1,394,369
Leasehold improvement and equipment in progress	3,897	8,696	-	(12,580)	13
Leasehold improvement and equipment	1,301,907				1,394,382
Depreciation for the years ended December 31,					
2022				Thousand Baht	761,440
2021				Thousand Baht	668,472

As at December 31, 2022 and 2021, costs of fully depreciated leasehold improvement and equipment of the Company but still in used were Baht 948.89 million and Baht 791.76 million, respectively.

11. GOODWILL

Goodwill as at December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
Cost	909,216	909,216
<u>Less</u> Accumulated amortisation	(74,481)	(74,481)
<u>Less</u> Allowance for impairment	(540,734)	(540,734)
Goodwill	294,001	294,001

For the purpose of impairment testing of goodwill, the Company determined the recoverable amount based on value in use by discounting the future cash flows. The Company used 5-year forecast discounted future cash flows projections, terminal values and discount rates which have been determined by the estimation and judgment of the management.

12. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

The movements of other intangible assets other than goodwill for the years ended December 31, were as follows:

	Unit : Thousand Baht			
	Balances as at January 1, 2022	Additions	Transfer in (out) adjust	Balances as at December 31, 2022
Cost:				
Software	721,074	30,958	4,553	756,585
Trademark	20,000	-	-	20,000
Customer list	3,000	-	-	3,000
Other intangible assets	295	-	-	295
Total cost	744,369	30,958	4,553	779,880
Accumulated amortisation:				
Software	(409,780)	(119,500)	-	(529,280)
Trademark	(3,638)	-	-	(3,638)
Customer list	(3,000)	-	-	(3,000)
Total accumulated amortisation	(416,418)	(119,500)	-	(535,918)
Total	327,951			243,962
Intangible assets under installation	4,068	13,817	(4,553)	13,332
Intangible assets	332,019			257,294

	Unit : Thousand Baht			
	Balances as at January 1, 2021	Additions	Transfer in (out) adjust	Balances as at December 31, 2021
Cost:				
Software	606,471	61,103	53,500	721,074
Trademark	20,000	-	-	20,000
Customer list	3,000	-	-	3,000
Other intangible assets	295	-	-	295
Total cost	629,766	61,103	53,500	744,369
Accumulated amortisation:				
Software	(283,458)	(126,322)	-	(409,780)
Trademark	(3,638)	-	-	(3,638)
Customer list	(3,000)	-	-	(3,000)
Total accumulated amortisation	(290,096)	(126,322)	-	(416,418)
Total	339,670			327,951
Intangible assets under installation	42,050	26,254	(64,236)	4,068
Intangible assets	381,720			332,019

Amortisation for the years ended December 31,
2022
2021

Thousand Baht 119,500
Thousand Baht 126,322

13. DEFERRED TAX ASSETS

Deferred tax assets and deferred tax liabilities as at December 31, were as follows:

Unit : Thousand Baht	
2022	2021
Deferred tax assets	859,984
Deferred tax liabilities	(137,726)
Net	722,258
	621,019

Movements of deferred tax assets and deferred tax liabilities during the years, were as follows:

Unit : Thousand Baht			
	As at January 1, 2022	Items as recognised into profit or loss	Items as recognised into other comprehensive income
Deferred tax assets			
Allowance for expected credit losses	641,845	145,728	-
Depreciation and amortisation of assets	18,719	(6,019)	-
Interest paid	20,700	(14,275)	-
Provision for employee benefits	25,322	4,926	(3,535)
Other provisions	17,855	6,629	-
Other	2,164	(75)	-
Total deferred tax assets	726,605	136,914	(3,535)
Deferred tax liabilities			
Amortisation	(105,586)	(5,972)	-
Cash flow hedges	-	(21,794)	(4,374)
Total deferred tax liabilities	(105,586)	(27,766)	(4,374)
Net	621,019	109,148	(7,909)

Unit : Thousand Baht			
	As at January 1, 2021	Items as recognised into profit or loss	Items as recognised into other comprehensive income
Deferred tax assets			
Allowance for expected credit losses	708,886	(67,041)	-
Depreciation and amortisation of assets	6,068	12,651	-
Interest paid	4,116	16,584	-
Provision for employee benefits	19,222	4,063	2,037
Other provisions	21,667	(3,812)	-
Others	2,007	135	22
Total deferred tax assets	761,966	(37,420)	2,059
Deferred tax liabilities			
Amortisation	(97,656)	(7,930)	-
Total deferred tax liabilities	(97,656)	(7,930)	-
Net	664,310	(45,350)	2,059

14. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of the following:

Unit : Thousand Baht	
2022	2021
Rental deposits (see Note 32)	112,764
Other deposits	5,344
Restricted deposits (see Note 31)	3,150
Other assets	17,223
<u>Less</u> Allowance for impairment	<u>(22,253)</u>
Total other non-current assets	116,228

15. SHORT-TERM BORROWINGS

Short-term borrowings as at December 31, consisted of the following:

	Unit : Thousand Baht	
	2022	2021
Short-term borrowings	3,600,000	3,300,000
Total	<u>3,600,000</u>	<u>3,300,000</u>

As at December 31, 2022, short-term borrowings were unsecured borrowings with maturity within 1 year of Baht 3,600 million, with fixed interest rate per annum as agreed upon, and repayment of principal within November 2023.

As at December 31, 2021, short-term borrowings were unsecured borrowings with maturity within 1 year from the Bank shareholder of Baht 3,300 million, with fixed interest rate per annum as agreed upon. The Company has paid the full amount of such short-term borrowing in April 2022.

16. SHORT-TERM DEBENTURES

Short-term debentures as at December 31, consisted of the following:

Debentures	Periods	Dates of issue	Maturity dates	Interest rates (% p.a.)	Unit : Thousand Baht	
					2022	2021
1	1 year	August 19, 2021	August 19, 2022	0.97	-	1,000,000
2	1 year	April 28, 2022	April 28, 2023	1.20	5,450,000	-
3	1 year	June 2, 2022	June 2, 2023	1.75	300,000	-
Total					<u>5,750,000</u>	<u>1,000,000</u>
Less Deferred transaction costs for issuance of debentures					<u>(1,886)</u>	<u>(632)</u>
Short-term debentures					<u>5,748,114</u>	<u>999,368</u>

The above debentures are registered, unsubordinated and unsecured debenture, which were offered to the public offering, institutional investors and high net worth investors specified in the Notification of Securities and Exchange Commission. Par value of debentures of Baht 1,000 each. Interest is payable every 6 months and the final payment of principal and interest is made on the maturity date of the debentures.

Short-term debentures contain the covenants to maintain certain financial ratios as specified in the relevant term and conditions. As at December 31, 2022 and 2021, the Company was still within those relevant covenants.

17. LONG-TERM BORROWINGS

Long-term borrowings as at December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
Long-term borrowings	26,413,350	21,270,000
<u>Less</u> Deferred borrowings expenses	(25,826)	(266)
Total	26,387,524	21,269,734
<u>Less</u> Current portion of long-term borrowings	(5,072,544)	(8,049,734)
Long-term borrowings - net of current portion	21,314,980	13,220,000

As at December 31, 2022 and 2021, long-term borrowings represented unsecured borrowings with maturity within 1 year of Baht 5,073 million and Baht 8,050 million, respectively, with interest rate as agreed upon, and unsecured long-term borrowings - net of current portion of Baht 21,315 million and Baht 13,220 million, respectively, with interest rate as agreed upon. Such long-term borrowings have maturity dates in 2023 - 2025.

To hedge exchange rate and interest rate risks, as at December 31, 2022, the Company had outstanding commitments under cross currency interest rate swap agreement with the Bank shareholder. Under such agreement, the Company will pay a principal in Thai Baht at an agreed amount and pay an interest at a fixed rate to the Bank shareholder in exchange for the agreed amount of US Dollars and floating interest rate plus a certain percentage per annum. The cross currency interest rate swap agreement will mature in April 2025, in line with the terms of borrowing repayment

To hedge interest rate risk, as at December 31, 2021, the Company had outstanding commitments under interest rate swap agreement with the Bank shareholder. Under such agreement, the Company will pay interest at a fixed rate to the Bank Shareholder in exchange for floating interest rate plus a fixed percentage per annum. Such interest rate swap agreement matured in November 2022, in line with the terms of borrowing repayment.

Long-term borrowings contain the covenants to maintain certain financial ratios as specified in the relevant term and conditions. Conditions in the borrowing agreements of the Company with certain financial institutions, prescribing on maintaining of the shareholding percentage of major shareholders in the Company and other financial ratios subject to the terms of each borrowing agreement. As at December 31, 2022 and 2021, the Company was still within those relevant covenants.

18. LONG-TERM DEBENTURES

Long-term debentures as at December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
Long-term debentures	20,013,557	15,616,247
<u>Less</u> Current portion of long-term debentures	(5,298,120)	(7,826,893)
Long-term debentures - net of current portion	14,715,437	7,789,354

					Unit : Thousand Baht	
Debentures	Periods	Dates of issue	Maturity dates	Interest rates (% p.a.)	As at December 31, 2022	As at December 31, 2021
1	5 years	December 14, 2017	December 14, 2022	3.00	-	450,000
2	2.5 years	July 24, 2019	January 24, 2022	2.80	-	4,000,000
3	3 years	April 2, 2021	April 2, 2024	3.00	2,500,000	2,500,000
4	2 years	April 2, 2021	April 2, 2023	2.65	1,000,000	1,000,000
5	2 years	April 7, 2021	April 21, 2023	2.45	300,000	300,000
6	2 years	August 19, 2021	August 19, 2023	1.17	4,000,000	4,000,000
7	2 years	April 28, 2022	April 28, 2024	1.88	2,850,000	-
8	3 years	September 13, 2022	September 13, 2025	3.14	6,500,000	-
9	1.5 years	October 1, 2020	April 1, 2022	-	-	3,400,000
10	2 years	July 27, 2022	July 27, 2024	-	3,000,000	-
Less Discount on debentures					(120,362)	(20,765)
Total					20,029,638	15,629,235
Less Deferred transaction costs for issuance of debentures					(16,081)	(12,988)
Long-term debentures					20,013,557	15,616,247

The above debentures are registered, unsubordinated and unsecured debentures, which were offered to the institutional investors and high net worth investors specified in the Notification of Securities and Exchange Commission. Par value of debentures of Baht 1,000 each. Interest is payable every 6 months and the final payment of principal and interest is made on the maturity date of the debentures. Furthermore, the above debentures also included zero-coupon debentures.

Debentures contain the covenants to maintain certain financial ratios as specified in the relevant term and conditions. As at December 31, 2022 and 2021, the Company was still within those relevant covenants.

19. LEASE LIABILITIES

Lease liabilities as at December 31, were as follows:

As at December 31, 2022

Unit : Thousand Baht		
Amount due per agreements		
Within 1 year	Greater than 1-5 years	Total
Future minimum lease payments	435,071	894,271
Less Deferred interest expenses	(18,330)	(30,820)
Present value of the minimum lease payments	416,741	863,451

As at December 31, 2021

Unit : Thousand Baht		
Amount due per agreements		
Within 1 year	Greater than 1-5 years	Total
Future minimum lease payments	354,090	733,644
Less Deferred interest expenses	(13,931)	(24,587)
Present value of the minimum lease payments	340,159	709,057

20. PROVISION FOR EMPLOYEE BENEFITS

- 20.1 The Company operates post-employment benefits plans under the Labor Protection Act which are considered as unfunded defined benefit plans and long-term incentive plan.

Amounts recognised in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
Current service costs	19,035	17,771
Interest on obligations	2,948	1,529
	<u>21,983</u>	<u>19,300</u>

Movements in the present value of the defined benefits obligation and long-term incentive plan for the years ended December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
Opening balances of defined benefit obligation	120,164	91,058
Current service costs	19,035	17,771
Interest on obligations	2,948	1,529
Actuarial (gains) losses arising from		
- Experience	9,199	3,873
- Financial assumption	(26,874)	(23,313)
- Demographic	-	29,627
Benefits paid during the years	(1,041)	(656)
Cash-settled share-based payment and transfer employee between related companies	1,451	275
Closing balances of defined benefits obligation and long-term incentive plan	<u>124,882</u>	<u>120,164</u>

For the years ended December 31, 2022 and 2021, the actuarial gains (losses) were recognised in other comprehensive income in the amount of Baht 17.67 million and Baht (10.19) million, respectively.

The principle actuarial assumptions used to calculate the provision under the defined benefit plans as at December 31, were as follows:

	2022	2021
Financial assumptions		
Discount rates	1.44 - 5.60%	0.52 - 3.52%
Average rates of salary increase	5.3%	5.7%
Turnover rates	4 - 20%	4% - 20%
Retirement age	60 years	60 years

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the provision for employee benefits as at December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
Discount rate		
Discount rate, decrease of 1 percent	18,679	19,783
Discount rate, increase of 1 percent	(15,647)	(16,402)
Salary rate		
Salary rate, decrease of 1 percent	(15,553)	(16,121)
Salary rate, increase of 1 percent	18,178	19,030

- 20.2 The outstanding balance of current provision for employee benefits as at December 31, 2022 and 2021 were Baht 13.05 million and Baht 10.81 million, respectively.

21. SHARE CAPITAL

During April 22 - 26, 2021, the Company offered for sale of newly issued ordinary shares to the directors, management, employees of the Company and to the initial public offering and during April 28 - 30, 2021, offered to institutional investors and initial purchasers in other country in total 907,428,600 shares, comprising (1) 210,816,700 newly issued ordinary shares offered by the Company (2) 284,144,300 existing shares offered by Bank of Ayudhya Public Company Limited and (3) 412,467,600 existing shares offered by Siam Asia Credit Access PTE LTD. Par value per ordinary share is of Baht 3.7 each, and the offering price was of Baht 36.5 per share. Furthermore, the Company allocated over-allotment shares of 136,114,200 shares by borrowed from Bank of Ayudhya Public Company Limited and Siam Asia Credit Access PTE LTD.

Expenses directly related to the issuance of IPO shares of Baht 199.1 million were deducted from the share premium received from the issuance of IPO shares. The Company had the increase of share premium of Baht 6,715.7 million.

The Company registered the change in its issued and paid-up capital with the Ministry of Commerce on May 6, 2021 and shares of the Company began trading on the Stock Exchange of Thailand since May 10, 2021.

On April 21, 2022, the Annual General Meeting of Shareholders of the Company of 2022 had passed a resolution to approve the increase of the Company's registered share capital to accommodate the distribution of stock dividend from the current registered capital of Baht 8,580,242,909 to be Baht 9,240,261,593, divided into 2,497,367,998 shares by issuing 178,383,428 newly issued ordinary shares with a par value of Baht 3.7 per share. The Company registered the change in the authorised share capital with the Ministry of Commerce on May 5, 2022 and the Company registered the change in its issued and paid-up capital of Baht 9,240,143,433 divided into 2,497,336,063 shares with the Ministry of Commerce on May 20, 2022.

22. LEGAL RESERVE

Section 116 of the Public Limited Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward, if any, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

23. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issues new shares or sells assets to reduce debt.

24. DIVIDEND PAID

On April 21, 2022, the Annual General Meeting of Shareholders of the Company of 2022 had passed the resolutions to approve dividend payment from the results of the operations of the year ended December 31, 2021 to the shareholders as the following matters

- Approved the dividend payment with ordinary shares of the Company amounting not more than 178,383,428 ordinary shares with a par value of Baht 3.7 per share to Company's shareholders in the ratio of 13 of current shares for 1 dividend share with the total amount not exceeding approximately Baht 660 million which is equivalent to the amount of dividend at the rate of Baht 0.285 per share. In case any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash instead of stock dividend payment at the rate of Baht 0.285 per share.
- Approved the dividend payment in cash at the rate of Baht 0.274 per share with the total amount not exceeding approximately Baht 635 million.

The Company had already paid the dividend on May 20, 2022, divided into 178,351,493 ordinary shares and Baht 635,519,986 in cash, totalling of Baht 1,295,420,510.

25. FEE AND SERVICE INCOME

Fee and service income for the years ended December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
Commissions from brokerage of non-life insurance and life insurance	1,728,403	1,287,819
Other compensations from brokerage of non-life insurance and life insurance	798,731	598,872
Other fee incomes	158,323	282,870
Other service incomes	25,008	27,608
Total	<u>2,710,465</u>	<u>2,197,169</u>

26. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
Employee expenses	3,723,253	3,175,252
Rental and service expenses	111,575	87,257
Advertising and promotion expenses	597,920	434,368
Outsource service fees	1,089,410	902,822
Depreciation and amortisation	880,940	794,794
Taxes and duties	406,923	316,309
Utility expenses	252,520	205,644
Loss on impairment of properties foreclosed	240,526	216,967
Others	620,139	425,517
Total	<u>7,923,206</u>	<u>6,558,930</u>

27. PROVIDENT FUND

The Company has established a registered provident fund for those employees who have elected to participate. The contributions from the employees are deducted from their monthly salaries, and the Company matches the individuals' contributions. The provident fund is managed by an authorised financial institution in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended December 31, 2022 and 2021, provident fund contributions recorded as expenses were Baht 84.93 million and Baht 76.58 million, respectively.

28. INCOME TAX EXPENSE

For the years ended December 31, income tax expense consisted of the following:

	Unit : Thousand Baht	
	2022	2021
Current tax		
Current year	998,729	754,190
Tax adjustment for prior years that (over) under	3,611	(15,420)
	<u>1,002,340</u>	<u>738,770</u>
Deferred tax		
Changes in temporary differences	(112,350)	45,350
Deferred tax adjustment for prior years	3,202	-
	<u>(109,148)</u>	<u>45,350</u>
Total income tax expenses	<u>893,192</u>	<u>784,120</u>

Reconciliation of effective tax rate for the years ended December 31, were as follows:

	2022		2021	
	Thousand Baht	Tax Rate (%)	Thousand Baht	Tax Rate (%)
Profit before income tax expense	4,533,361		3,953,026	
Income tax expense at the tax rate	906,672	20.00	790,605	20.00
Tax effect of income and expense that are not exempted for tax purposes	(20,293)	(0.45)	8,935	0.23
Tax adjustment for prior years that (over) under	3,611	0.08	(15,420)	(0.39)
Deferred tax adjustment for prior years	3,202	0.07	-	-
Income tax expense per the statements of profit or loss and other comprehensive income	893,192	19.70	784,120	19.84

The Company used a tax rate of 20% for the corporate income tax and deferred tax calculation for the years ended December 31, 2022 and 2021.

29. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2022 and 2021 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of issued ordinary shares during the year as follows:

	2022	2021
Profit for the years attributable to ordinary shareholders of the Company (Thousand Baht)	3,640,169	3,168,906
Number of ordinary shares at January 1, (Thousand shares)	2,318,985	2,108,168
Effect to shares		
May 6, 2021 (Thousand shares)	-	138,619
May 20, 2022 (Thousand shares)	110,431	-
Weighted average number of ordinary shares outstanding held by shareholders (Thousand shares)	2,429,416	2,246,787
Basic earnings per shares (Baht per share)	1.50	1.41

30. OPERATING SEGMENTS

The business segment results are prepared based on the Company internal management reporting which reflects the organizational management structure. The operating results by business segment provided to chief operating decision maker to make decisions about allocating resources to, and assessing the performance of, operating segments is measured in accordance with Thai Financial Reporting Standard. The chief operating decision maker has been identified as the Board of Directors.

The business segment is financial service to customers. The products and services available to customers are loans and hire purchase for all types of vehicles and non-life insurance broker. During the current year, the Company has not changed the structure of the operating segments.

	Non-life insurance broker		Hire-purchase and lending services		Unit : Thousand Baht	
	2022	2021	2022	2021	Total	Total
For the year ended December 31,						
Interest income on hire-purchase receivables	-	-	1,474,461	1,111,604	1,474,461	1,111,604
Interest income on loans	139,511	77,655	10,918,326	8,635,416	11,057,837	8,713,071
Fee and service income	1,475,232	1,093,188	1,235,233	1,103,981	2,710,465	2,197,169
Other income	3,352	2,463	28,290	22,827	31,642	25,290
Total income	1,618,095	1,173,306	13,656,310	10,873,828	15,274,405	12,047,134
Service and administrative expenses					7,923,206	6,558,930
Total expense					7,923,206	6,558,930
Profit from operating activities					7,351,199	5,488,204
Loss arising from de-recognition of financial assets measured at amortised cost					(943,611)	(624,782)
Finance costs					(1,235,132)	(1,121,051)
(Impairment loss) reversal of impairment loss determine in accordance with TFRS 9					(639,095)	210,655
Profit before income tax expenses					4,533,361	3,953,026
Income tax expenses					(893,192)	(784,120)
Net profit for the years					3,640,169	3,168,906

Form 56-1 One Report 2022 | 259

Geographic information

The Company has operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the years 2022 and 2021, the Company had no major customer with revenue of 10 percent or more of the Company's revenues.

31. RESTRICTED BANK DEPOSITS

As at December 31, 2022 and 2021, the Company had a fixed deposit of Baht 1.1 million for maintaining assets in non-life insurance brokerage business as specified in Non-Life Insurance Act B.E. 2535 and additional amendment and the Notification of the Office of Insurance Commission regarding rules and conditions for license issuance and renewal of non-life insurance broker and the business operation of a juristic person licensed as a non-life insurance broker B.E. 2562.

As at December 31, 2022 and 2021, the Company had a fixed deposit of Baht 2 million for maintaining assets in life insurance brokerage business as specified in Life Insurance Act B.E. 2535 and additional amendment and the Notification of the Office of Insurance Commission regarding rules and conditions for license issuance and renewal of life insurance broker and the business operation of a juristic person licensed as a life insurance broker B.E. 2562.

32. OPERATING LEASES AND SERVICES COMMITMENTS

The Company had commitment under agreements for office space lease and services. The future rental payments as at December 31, were as follows:

	Unit : Thousand Baht	
	2022	2021
Due within 1 year	112,334	109,259
Due over 1 year but not over 5 years	35,483	87,739
	<u>147,817</u>	<u>196,998</u>

As at December 31, 2022 and 2021, the Company paid rental deposits under the terms of the lease agreements of Baht 112.76 million and Baht 97.01 million, respectively.

For the years ended December 31, 2022 and 2021, operating lease and service agreements were recorded as expenses in the statement of profit or loss and other comprehensive income amounting to Baht 111.58 million and Baht 87.26 million, respectively.

33. COMMITMENTS AND CONTINGENT LIABILITIES

- 33.1 As at December 31, 2022 and 2021, the Company had credit facility for letter of guarantee to support business operations of Baht 7.5 million.
- 33.2 As at December 31, 2022 and 2021, the Company had unused overdrafts credit facilities from banks of Baht 40 million.
- 33.3 As at December 31, 2022, the Company had been granted credit facility for borrowings from financial institutions of Baht 48,099 million and USD 100 million.
- As at December 31, 2021, the Company had been granted credit facility for borrowings from financial institutions of Baht 39,199 million and USD 100 million.
- 33.4 In 2011, the Company was sued to the Civil Court for the infringement case for a material amount and was sued to the Bangkok North Municipal Court for fabricated false documents. These cases are still temporarily suspending.

34. RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Company by common shareholders or directors. Transactions with related parties are conducted at market prices or, where no market price exists, at contractually agreed prices.

The names of the related companies that have relationship with the Bank shareholder and the parent company and/or the same common directors were as follows:

General Card Services Limited
Total Services Solutions Public Company Limited
Krungsriayudhya Card Company Limited
Lotus's Money Services Limited
Lotus's General Insurance Broker Limited
Lotus's Life Assurance Broker Limited
Krungsri General Insurance Broker Ltd.
Krungsri Life Assurance Broker Ltd.
Ayudhya Capital Auto Lease Public Company Limited
Ayudhya Development Leasing Company Limited
Siam Realty and Services Security Company Limited
Krungsri Asset Management Company Limited
Hattha Bank Public Company Limited
Ayudhya Capital Services Company Limited
Krungsri Securities Public Company Limited
Hattha Services Company Limited
Krungsri Ayudhya AMC Limited
Krungsri Finnovate Company Limited
Krungsri Leasing Services Company Limited

Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.
Krungsri Nimble Company Limited
SB Finance, Inc.

34.1 Balances with related parties as at December 31, were as follows:

Balances / Company names	Unit : Thousand Baht	
	2022	2021
Cash and cash equivalents		
Major shareholder	1,885,583	3,957,596
Loans		
Director	21	25
Deferred commissions		
Major shareholder	6,894	6,337
Current contracts assets		
Major shareholder	16	49
Other receivables		
Major shareholder	1	533
Other non-current financial assets		
Major shareholder	130,767	-
Right-of-use of assets (presented in "Leasehold improvement and equipment")		
Major shareholder	294	1,172
Related company	12,111	36,865
	<u>12,405</u>	<u>38,037</u>
Other non-current assets		
Major shareholder	3,365	3,549
Short-term borrowings		
Major shareholder	-	3,300,000
Amounts due to related parties		
Major shareholder	1,772	3,369
Related companies	7,262	1,052
	<u>9,034</u>	<u>4,421</u>
Accrued expenses		
Major shareholder	830	6,048
Other current financial liabilities		
Major shareholder	-	441
Other current liabilities		
Major shareholder	201	201
Long-term borrowings		
Major shareholder	3,440,000	8,820,000
Long-term debentures		
Major shareholder	-	295,200
Deferred transaction cost for issuance of debentures		
Major shareholder	6,248	3,648

		Unit : Thousand Baht	
Balances / Company names		2022	2021
Lease liabilities			
Major shareholder		661	1,542
Related company		46,927	76,149
		<u>47,588</u>	<u>77,691</u>
Other non-current liabilities			
Major shareholder		67	67

34.2 Significant transactions with related parties for the years ended December 31, were as follows:

		Unit : Thousand Baht	
Transactions / Company names		2022	2021
Interest income on loans			
Director		1	1
Fee and service incomes			
Major shareholder		3	2
Other income			
- Interest income			
Major shareholder		1,911	7,652
- Other income			
Major shareholder		562	580
Service and administrative expenses			
- Service fee expenses			
Major shareholder		21,157	18,712
Related company		24,219	39,285
		<u>45,376</u>	<u>57,997</u>
Finance costs			
- Interest expense			
Major shareholder		319,313	387,468
Related company		619	1,377
		<u>319,932</u>	<u>388,845</u>
Gain (loss) on cash flow hedges			
Major shareholder		4,193	(108)
Dividend paid			
Major shareholders		712,481	-

Transactions with related parties were conducted on normal terms of business. All service fees were charged at the rates agreed by the Company and those related parties.

34.3 Key management and director's compensation for the years ended December 31, were as below:

		Unit : Thousand Baht	
		2022	2021
Short-term employee benefits		100,631	94,817
Post-employment benefits		2,050	1,675
Shared-based payment		882	-
		<u>103,563</u>	<u>96,492</u>

Benefits paid to directors and persons with management authority

The Company had no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Company did not significantly sell, give or lease any properties to directors, executive officers, or their related parties, or did not purchase or lease any assets from those persons.

34.4 Significant agreements with related companies

IT and management service agreement

On May 4, 2018, the Company entered into the agreement with the Bank shareholder for use of information technology and management services for the period of five years commencing on January 1, 2018. The agreement shall be extended for another year unless earlier terminated. The Company is committed to pay service fees as specified in the agreement.

Vehicle rental agreement

On February 1, 2022, the Company entered into the agreement with a related company for the period of three years commencing on January 1, 2021. The agreement shall be extended for another year unless earlier terminated. The Company is committed to pay service fees as specified in the agreement.

Marketing support agreement

On February 22, 2019, the Company entered into the agreement with the Bank shareholder for referral service. The agreement is effective since December 31, 2019 and shall be extended for another year unless earlier terminated. The Company is committed to pay service fees as specified in the agreement.

35. EMPLOYEE JOINT INVESTMENT PROGRAM

The Company has an Employee Joint Investment Program (“EJIP”), one of the Company’s staff welfare benefits, which offers staffs of the Company who voluntarily join the EJIP which will purchase shares of the Company. EJIP requires member’s monthly contribution in a certain amount and the Company will contribute on behalf of EJIP members at the same amount at the rate of 3 percent to 12 percent of their basic salaries contingent upon the participant’s year of service. The program will last for 6 years, starting from October 1, 2022.

Movement of the employee joint investment program for the year ended December 31, 2022 were as follows:

Unit : Thousand Baht		
	Surplus on Shared-based payment	Treasury shares Net
Balance as at October 1, 2022	-	-
Changing during the year		
- Employee Joint Investment Program expenses	4,022	-
- Cash paid for purchasing shares of the Company under Employee Joint Investment Program	-	(5,624)
Balance as at December 31, 2022	4,022	(5,624)
		(1,602)

Employee joint investment program expenses are recognised as employee expenses in the statements of profit or loss and other comprehensive income.

36. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Classification of financial assets and financial liabilities as at December 31, were as below:

Unit : Thousand Baht		
	2022	
	Financial instrument measured at amortised cost	Derivative assets and liabilities Total
Financial assets		
Cash and cash equivalents	2,191,187	-
Loans and hire-purchase receivables	78,066,532	-
Other non-current financial assets	-	130,767
Other financial assets	877,551	-
	81,135,270	130,767
		81,266,037
Financial liabilities		
Short-term borrowings	3,600,000	-
Other current payables	1,825,644	-
Short-term debentures	5,748,114	-
Long-term borrowings	26,387,524	-
Long-term debentures	20,013,557	-
	57,574,839	-
		57,574,839

Unit : Thousand Baht

	2021		
	Financial instrument measured at amortised cost	Derivative liabilities	Total
Financial assets			
Cash and cash equivalents	3,994,739	-	3,994,739
Loans and hire-purchase receivables	58,847,286	-	58,847,286
Other financial assets	683,653	-	683,653
	63,525,678	-	63,525,678
Financial liabilities			
Short-term borrowings	3,300,000	-	3,300,000
Other current payables	1,516,073	-	1,516,073
Short-term debenture	999,368	-	999,368
Other current financial liabilities	-	441	441
Long-term borrowings	21,269,734	-	21,269,734
Long-term debentures	15,616,247	-	15,616,247
	42,701,422	441	42,701,863

37. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

Fair value is the price that would be received from selling an asset or paid for transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, the most liquid market where the Company is able to access.

Carrying amount of financial assets and liabilities as at December 31, were as follows:

	Unit : Thousand Baht					
	2022			2021		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets						
Cash and cash equivalents	-	2,191,187	2,191,187	-	3,994,739	3,994,739
Loans and hire-purchase receivables	-	78,066,532	78,066,532	-	58,847,286	58,847,286
Other non-current financial assets	130,767	-	130,767	-	-	-
Other financial assets	-	877,551	877,551	-	683,653	683,653
Total	130,767	81,135,270	81,266,037	-	63,525,678	63,525,678
Financial liabilities						
Short-term borrowings	-	3,600,000	3,600,000	-	3,300,000	3,300,000
Other current payables	-	1,825,644	1,825,644	-	1,516,073	1,516,073
Short-term debentures	-	5,748,114	5,748,114	-	999,368	999,368
Other current financial liabilities	-	-	-	441	-	441
Long-term borrowings	-	26,387,524	26,387,524	-	21,269,734	21,269,734
Long-term debentures	-	20,013,557	20,013,557	-	15,616,247	15,616,247
Total	-	57,574,839	57,574,839	441	42,701,422	42,701,863

Financial assets and financial liabilities measured at fair value

Classification of financial assets and liabilities measured at fair value by the level of fair value hierarchy as at December 31, were as follows:

	Unit : Thousand Baht							
	2022				2021			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other non-current financial assets								
Derivatives assets								
- Cross Currency Interest Rate Swap	-	130,767	-	130,767	-	-	-	-
Financial liabilities								
Other current financial liabilities								
Derivative liabilities								
- Interest Rate Swap	-	-	-	-	-	441	-	441

There were no transfers of financial assets and liabilities measured at fair value between level 1 and level 2 for the years ended December 31, 2022 and 2021.

Valuation technique for financial assets and liabilities measured at fair value were as follows:

Derivatives

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate and credit valuation adjustments which are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Company may not receive the full market value of the transactions.

Financial assets and financial liabilities not measured at fair value

Classification of financial assets and liabilities which are not measured at fair value by the level of fair value hierarchy as at December 31, were as follows:

Unit : Thousand Baht					
	2022		2021		Level of fair value hierarchy
	Book value	Fair value	Book value	Fair value	
Financial assets					
Cash and cash equivalents	2,191,187	2,191,187	3,994,739	3,994,739	Carrying amount
Loans and hire-purchase receivables	78,066,532	78,053,816	58,847,286	58,939,676	Level 3
Other financial assets	877,551	877,551	683,653	683,653	Carrying amount
Financial liabilities					
Short-term borrowings	3,600,000	3,599,483	3,300,000	3,300,000	Level 3
Other current payables	1,825,644	1,825,644	1,516,073	1,516,073	Carrying amount
Short-term debentures	5,748,114	5,745,978	999,368	999,609	Level 2
Long-term borrowings	26,387,524	26,250,994	21,269,734	21,263,198	Level 3
Long-term debentures	20,013,557	20,049,953	15,616,247	15,724,557	Level 2

The methods used by the Company for financial assets and liabilities estimation not measured at fair value were as follows:

For financial assets which have short-term maturity, including cash and cash equivalents, other financial assets such as receivable from payment agents, contract assets, and other receivables, and financial liabilities which have short-term maturity such as other current payable, their carrying amounts in the statement of financial position approximate their fair value.

For loans and hire-purchase receivables, their fair values were estimated by discounting expected future cash flow by the current market interest rate of the loans and hire-purchase receivables with similar terms and conditions.

Short-term borrowings had the carrying values close to the fair values because these financial instruments were matured in a short time.

For short-term and long-term debentures, their fair values were determined by using the yield curve as announced by the Thai Bond Market Association as at the end of last working day of the reporting period.

Long-term borrowings which had interest rate close to the market rates, the fair value was estimated according to the book value shown in the statements of financial position.

Long-term borrowings with fixed interest rate, their fair values were estimated by discounting expected future cash flow by the current market interest rate of the borrowings with similar terms and conditions.

38. EVENTS AFTER THE REPORTING PERIOD

- 38.1 On January 4, 2023, the Company has invested in the joint venture at the rate of 10% of registered share capital, which share purchase of such investment was paid according to the share purchase agreement on that date.
- 38.2 During January 23 - 24, 2023, the Company had offered the long-term debenture. This debenture was registered, unsubordinated and unsecured debenture (PP-II) no. 1/2023 on January 25, 2023, maturity on January 25, 2026, with a fixed interest rate of 2.91% per annum, amounting to Baht 2,000 million. The interest is payable every 6 months and the final payment of principal and interest is made on the maturity date of the debenture.
- 38.3 On February 16, 2023, the Company had issued and offered 2 tranches of the long-term zero-coupon debentures. These debentures were registered, unsubordinated and unsecured debenture (PP-II), no. 2/2023 on February 17, 2023, maturity on February 17, 2025 and December 17, 2025, with a total amount of Baht 3,000 million. The final payment of principal is made on the maturity date of the debentures.
- 38.4 On February 17, 2023, the Board of Directors' Meeting No.2/2023 had passed the following resolutions to the Annual General Meeting of Shareholders to consider and approve the following matters:
- 38.4.1 To approve the appropriation of the legal reserve of Baht 182 million.
- 38.4.2 To approve dividend payment from the results of the operations of the year ended December 31, 2022 to the shareholders. The dividends are divided into
- The dividend payment in cash at the rate of Baht 0.2920 per share with the total amount not exceeding approximately Baht 729 million, and
 - The dividend payment with ordinary shares of the Company in the ratio of 8 of current shares for 1 dividend share with the total amount not exceeding approximately Baht 1,155 million (312,167,007 ordinary shares with a par value of Baht 3.7 per share) which is equivalent to the amount of dividend at the rate of Baht 0.4625 per share. In case any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash instead of stock dividend payment at the rate of Baht 0.4625 per share.
- The determination of the list of shareholders entitled to receive dividend payment (Record date) shall be April 20, 2023. The dividend payments are scheduled to be made on May 8, 2023.
- 38.4.3 To approve the decrease of the Company's registered share capital from the current registered capital of Baht 9,240,261,593 (2,497,367,998 ordinary shares with a par value of Baht 3.7 per share) to be Baht 9,240,143,433 (2,497,336,063 ordinary shares with a par value of Baht 3.7 per share)

- 38.4.4 To approve the increase of the Company's registered share capital from the current registered capital of Baht 9,240,143,433 (2,497,336,063 ordinary shares with a par value of Baht 3.7 per share) to be Baht 10,395,161,359 (2,809,503,070 ordinary shares with a par value of Baht 3.7 per share) by issuing 312,167,007 newly issued ordinary shares with a par value of Baht 3.7 per share to accommodate the distribution of stock dividend of not more than 312,167,007 shares.

39. RECLASSIFICATIONS

Certain reclassifications had been made in the financial statements for the year ended December 31, 2021, to conform with the classification used in current year's financial statements. Such reclassifications have no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications were as follows:

Accounts	Previous presentation	Current presentation	Amount Thousand Baht
Other receivables	Other current assets	Other current receivables - Other receivables	43,448
Value-added tax paid in advance for customers	Other current receivables - Value-added tax paid in advance for customers	Other current receivables - Other receivables	9,922

40. AUTHORISATION OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors of the Company for issuance on February 17, 2023.

General Information

Company Information (as of December 31, 2022)

Name of Company	: Ngern Tid Lor Public Company Limited
Company Registration Number	: 0107563000355
Business Type	: Providing lending and hire-purchase financing services, non-life and life insurance brokerage and other related services
Address	: 428 Ari Hills, 9 th -15 th Floor, Phahonyothin Road, Samsennai, Phayathai, Bangkok 10400
Phone Number	: +66 (0) 8088 0880
Facsimile	: +66 (0) 2792 1394
Website	: www.tidlor.com
Registered Capital	: 9,240,261,592.60 Baht (as of December 31, 2022)
Paid-up Capital	: 9,240,143,433.10 Baht (as of December 31, 2022)
Type and Total Number of Shares	: 2,497,367,998 common stocks, 2,497,336,063 paid-up common stocks.
Securities Registrar	: Thailand Securities Depository Company Limited (TSD) 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand Telephone : +66 (0) 2009 9999

Legal Dispute

As of December 31, 2022, the Company did not have legal dispute, whether as claimant party or responding party, particularly a case that was not yet convicted by final judgment or decision, which had negative impacts on assets greater than 5 percent of the shareholders' equity or 10 percent of current assets.

Report from the Remuneration and Nomination Committee (RNC)

The Board of Directors appoints the Remuneration and Nomination Committee (RNC), currently composed of five Company directors, one of which is an independent director; her name is Ms. Kesara Manchusree, and the other four are non-executive directors, namely. Mr. Phonganant Thanattrai, Dr. Vasin Udomratchatavanich, Mr. Elcid Vergara, and Mr. Brian Minki serve as Chairman of the RNC. The current committee composition complies with the Charter of the Remuneration and Nomination Committee.

In 2022, the Remuneration and Nomination Committee held 7 meetings. The Remuneration and Nomination Committee carried out a supervisory role with regard to nomination and remuneration according to the duties and responsibilities as outlined in the RNC Charter, including formulation of policies, rules, and procedures for nomination and selection as well as determination of remuneration and other benefits for directors, members of the committees reporting directly to the board of director meeting, and senior executives of the Company as well as directors and managing directors. Results of all deliberations were proposed for the Board of Directors' consideration, with certain matters being further proposed to the shareholders' meeting as stipulated by the articles of association and laws. Significant undertakings in 2022 could be summarized as follows:

- Selecting and nominating candidates as directors to replace those retiring by rotation and nominating board committee members according to the selection process by taking into consideration the Board Skills Matrix which illustrates qualifications and diversity in terms of knowledge, competencies, experience, and academic profile to ensure the effective board composition that is aligned with the Company's business strategies.
- Considering remuneration structure and rates for directors, board committee members, and senior executives of the Company as well as remuneration for managing directors of companies to ensure that the remuneration is commensurate with the responsibilities and individual performance, market competitive, and appropriate for the prevailing economic situation.
- Supervising relevant parties in establishing a more effective succession plan to ensure the presence and readiness of successors to critical roles for smooth business operation. Reviewing the succession plan annually as part of sustainable human resource management.
- Considering performance evaluation results Managing Director and senior executives of the Company of TIDLOR entities. Determining competitive and fair remuneration according to the duties and responsibilities, the Company's operating results and individual performance, industry benchmark, and business environment based on TIDLOR internal total remuneration management guidelines and pay structure.

The Remuneration and Nomination Committee has carried out duties and responsibilities as outlined in the RNC Charter with prudence and transparency, considering the relevant regulations, rules, and laws and the good corporate governance principles for the utmost benefit of the Company and shareholders. The Remuneration and Nomination Committee has capitalized on full capabilities and given its best efforts to support TIDLOR to achieve sustainable human resource management and people excellence to respond to the new normal of business efficiently.

Risk Management Committee's Performance Report

The Risk Management Committee (the "Committee") consists of two non-executive directors and one senior executive: Mr. Chandrashekar Subramanian Krishnolndmangalam, Chairman of the Committee, Mr. Elcid Vergara, Committee Member, and Mr. Thanya Kitchainukul, Committee Member and Secretary.

The Committee is responsible for setting risk management policies that cover all key risks and ensure that a risk management system or process is in place to control and reduce risk impacts on the Company's business. It also determines risk prevention measures and monitors their implementation. The roles and responsibilities of the Committee encompass those of the Risk Oversight Committee in compliance with the rules set out by the regulator. In 2022, the Committee held a total of four meetings and reported meeting results to the Board of Directors. Its performance can be summarized as follows:

1. Policy

The Committee scrutinizes and expresses their opinions on risk management and other policies so as to ensure that they are in line with the rules and regulations set by regulators. This year, the Committee scrutinized 17 policies, which has already been approved by the Board of Directors.

2. Risk Management and Business Governance

The Committee oversees, monitors, and gives advises on risk management strategies in various areas, including credit risk management, liquidity, business governance, and credit models to ensure that the risk management system and process are effective and adequate to the scope and complexity of the Company's business.



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