



MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED

SUSTAINABILITY REPORT 2020

NUMBER 1

LEADER IN THAILAND'S
MICROFINANCE



Intimate services like closed family members

Contents

1. Summary of operational performance for sustainability in 2020	2
2. Message from the Chairman of the Corporate Governance Committee	3
3. Message from the Chairman of the Executive Committee	4
4. Report of the Corporate Governance Committee on the Operational Performance for Sustainability	6
5. Sustainability Achievements, Awards and Recognitions	7
6. Knowing Muangthai Capital	8
● Sustainable Development Goals (SDGs) and Sustainability Management	11
● Company Value Chain and Stakeholder Engagements	12
● SDGs Sustainability Materiality and SDGs Goals	13
7. Report of operational performance for sustainability	
● Mitigation on the impact of the Covid-19	16
● Economic dimension	18
● Social dimension	23
● Environmental dimension	28
8. Report of operational performance of corporate governance	34
9. Report of operational performance of risk management	44
10. Operational Performance of social project	58
11. Appendix	
● Economic dimension	60
● Social dimension	61
● Environmental dimension	64
12. Defining the contents of the report	65
13. About this report	67
14. GRI reference index	67

Summary of the sustainability performance 2020

Total outstanding loan	70,968 Million baht
	Outstanding loan growth 17.62% from 2019
Total revenue	14,733 Million baht
	Revenue growth 16.12% from 2019
Net profit	5,214 Million baht
	Net profit growth 23.04% from 2019
Non-performing loan ratio	1.06%
Number of branches	4,884 branches
Existing contract	3,190,000 contracts
Number of total employees	10,328 persons

The 14th largest in the world in consumer finance sector



Message from the Chairman of the Corporate Governance Committee

Even though 2020 was the year that the Company had to deal with the spread of COVID-19 and the subsequent economical decline within the country, Muangthai Capital PCL. has shown readiness and great intention in sustaining the company's success. Not only are we well-respected and trusted in Thailand, we are also a leading non-bank organization that operates in accordance with international sustainability standards.

The company has placed great importance on the well-being and satisfaction of our customers and employees. Our disclosure of non-financial operating performance has shown that the same importance is placed on our stakeholders, investors, analysts, creditors and other financial institutions. Furthermore, we recognize that this non-financial operating performance will benefit the overall evaluation performance of the Company in the future.

The development and improvement of these disclosures resulted in the company's performance evaluation in 2020 in the following areas: environment, social, and governance or ESG MSCI Index at level A for two consecutive years in the consumer financial sector. In addition, the company was selected to be

the member and ranked in FTSE4Good Index Series in the FTSE4Good Emerging Index from FTSE Russell, scoring 3.5 out of 5 score, which was 1.4 times the industry's average.

The company also ranked in the substantiality index or Thailand Sustainability Investment (THSI) from the Stock Exchange of Thailand (SET) for two consecutive years. We are very honored to always be guided and supported in the area of sustainability development by the Stock Exchange of Thailand (SET). and we have incorporated their advice into the internal operating process of our organization. On behalf of the corporate governance committee, I would like to thank our executives, employees, and other related stakeholders who coordinated and performed at their best, resulting in the company's success and nationwide respect. We will continue to conduct business in accordance with good governance principles and maintaining our credibility with our stakeholders.

Best regards

Dr. Yothin Anavil

Chairman of the Corporate Governance Committee

Message from the Chairman of the Executive Committee

In 2020, the world faced a significant challenge due to the COVID-19 outbreak - an **“Emerging Risk”** that has resulted in many businesses and companies having to shut down. During this time, we as a company has become more aware of the value of policies and management, and how integral they are to successful business operations.

We believe that Muangthai Capital PCL’s endurance through the current pandemic has had a positive impact on Thailand’s economy and helped reducing financial inaccessibility for the general population. During this year, the company has cooperated with the Bank of Thailand (BOT), the regulator of the company main products’ and other peer companies in the industry to impose financial supporting measures for customers, especially during the lockdown period through the **“Muangthai Mai Ting Kun”** project. The company has provided and distributed approximately 200,000 survival bags, valuing at 60 million baht, through the Ministry of Interior to Thais in every region who have suffered and lost income due to the pandemic. We have also made a promise to care for our employees by maintaining our 100 percent employment rate and by adhering to the government’s policy of hiring more than 1,000 new positions in 2020 for business expansion.

This year the company is committed to sustaining business operations and maintaining our role as **“the responsible microfinance lending service provider”**, providing service to the population without placing a limit on personal credit. This includes the hire and purchase of motorcycles which are different from others in the market. The credit risk for this product is low, and we are confident that this purchase will match our customer’s demands.

We have received positive feedback from our customers and we are ready to further promote the hired purchase of this products in the following years. This will increase the efficiency of our company’s operations.

In addition, to continue our development in the future, the Company has started to invest in technology, including information security management and mobile application development. This improves our customers’ experience and expand our services to meet their needs, such as more access to online installment payments and other online financing features. We expect these changes to be implemented and ready for functionality in 2021.

All our executives and employees are fully aware of the importance of conducting business with caution under good governance. We are committed to continuous improvement in order to reduce negative effects from any challenges that might occur in the future to the best of our abilities.

Best regards
Mr. Chuchat Petaumpai
Chairman of the Executive Committee



Report of the Corporate Governance Committee on the Operational Performance for Sustainability

Muangthai Capital Public Company Limited aims to become the **“Responsible Microfinance Lending Service Provider”** focusing on customer centric with a wide range of credit products in line with customer needs and reducing long-term financial inequality in society. This will lead to the sustainable economic development of the country and will support the Company’s business. The industry can also continue to grow steadily. Especially in the year when the global economic crisis has occurred due to the coronavirus epidemic, Covid-19, the Company has implemented sustainable strategies to mitigate the impact of the crisis along with an intensive compensation to society measures to support all stakeholders to overcome this crisis altogether.

In 2020, in order to become the Responsible Lending, the Company performs the operation under the project of **“Muangthai Mai Ting Kan”** in collaboration with the Bank of Thailand, Vehicle Title Loan Trade Association, and the Personal Credit Association to assist customers affected by the economic fluctuation arising from the epidemic situation of the Covid-19. The measures are launched to help customers with the moratorium in a period of 3 months, the exemption of fee collection, the reduction of the installment payment by at least 30% of the original installment payment, the reduction of interest rates for unsecured personal loans and vehicle title loans. As a result, more than 300,000 customers have

been assisted by these measures. Moreover, the Company was joined by the Petaumpai Family in allocating and distributing 200,000 survival bags to various communities nationwide through the Ministry of Interior to help alleviating the sufferance of the Thai people in times of crisis. In terms of employee care, the Company insists on the policy to maintain employment and take care of the safety of all 10,328 employees resulting in no employees being dismissed and no employees being infected with the Covid-19.

In the year 2020, the Company is committed to operating its business on a sustainable development path that has gained international recognition. The Company will continue to be selected as a member of the MSCI ESG Index sustainability index which received A level for the second consecutive year. In the same year, the Company was selected as a member of the FTSE4Good Index Series Sustainability Index from FTSE4Good Emerging Index from FTSE Russell with a score of 3.5 out of 5, or 1.4 times the industry average. Regarding the information disclosure on the environment dimension, the Company received a Climate Change Management assessment at a D level from CDP, higher than last year and the Company is still ranked in the list of Thailand Sustainability Investment (THSI) from the Stock Exchange of Thailand for the second consecutive year.

Sustainability Achievements, Awards and Recognitions

Thailand Corporate Excellence Awards 2020

The Company received the Royal Award from HRH Princess Maha Chakri Sirindhorn for the Financial Management Excellence at the event of Thailand Corporate Excellence Awards 2020 organized by the Thailand Management Association (TMA) in collaboration with Sasin Graduate Institute of Business Administration, Chulalongkorn University. This showed that the Company has excellent financial management capabilities recognized by the top executives of the country's leading business organizations.

Thailand Sustainability Investment (THSI)

The Company has been in the list of Thailand Sustainability Investment (THSI) from Stock Exchange of Thailand for the 2nd consecutive year.

MSCI ESG Index

The Company was rated "A" for the second consecutive year in the ESG MSCI Index on the environmental, social and corporate governance performance in the Consumer Finance sector by MSCI.

FTSE4Good Index Series

The Company was selected to be a member and ranked in the FTSE4Good Index Series Sustainability Index in the FTSE4Good Emerging Index category from the FTSE Russell, with a score of 3.5 out of 5 or 1.4 times the industry average.

FTSE Thailand USD Net Tax Index

The Company was selected as a member of the FTSE Thailand USD Net Tax Index by FTSE Russell with profitable operating results, accuracy, and transparent tax management yielding the maximum interests of the country.

ASEAN Corporate Governance Scorecard (ACGS)

The Company received the ASEAN Corporate Governance Scorecard or ACGS award in the ASEAN Asset Class PLCs category for the year 2020 for the first time with a score of 97.50 from the Securities and Exchange Commission (SEC) in the ASEAN Capital Markets Forum (ACMF). This is because the Company continuously applies good corporate governance principles in business operation until gaining credibility and acceptance from investors around the world for investing in the Company's securities.

CGR

The Company received an "Excellent" (5 stars) score in Corporate Governance Assessment of SET Thai Listed Companies in 2020 arranged by Thai Institute of Directors (IOD) for the third consecutive year.

CAC

The Company has been certified as a member of the Private Sector Collective Action Coalition Against Corruption.

CDP

The Company has disclosed the information on environmental impact and received an assessment on climate change management at the D level up from the D-level from the previous year from the CDP.

Knowing Muangthai Capital

Muangthai Capital Public Company Limited (“the Company”) operates the non-bank financial institution under the microfinance license and Nano finance license under the supervision of the Bank of Thailand having the main loans of vehicle title loans including motorcycles, cars, pickup trucks and agricultural vehicles registered with the Department of Land Transport. In addition, the Company also expands the credit services to cover the credit that uses agricultural land as pledge. This includes unsecured personal loans and Nano finance loan to respond to the needs of customers more thoroughly.

The main business philosophy of the Company is to be a Microfinance service provider that helps people with difficult access to loan from financial institutions to be able to access loan sources more easily and conveniently with reasonable, fair, and transparent financial costs. Such philosophy has become the approach for business operation to be performed based on the norms of good governance.

Appropriate risk management includes the Company’s sustainability strategy to become a **“responsible microfinance lending service provider,”** meaning the creation of a microfinance loan product that can respond to the development of the country’s financial inclusion. Having responsibility to all stakeholders is in line with the policy of the Bank of Thailand.

The Company now focuses on growth by expanding its customer base through branch expansion to cover all areas in the country. The Company believes that the distribution of financial access to the people will help reducing the financial inequality in the country. This is the cornerstone of the economic system for sustainable development. However, as of 31st December, 2020, the Company has 4,884 branches spread in 74 provinces nationwide.

As the Company’s customers are retail customers both with regular and non-regular income, and are the most important stakeholders of the Company, the Company attaches great importance to build sustainable relationships with customers by adhering to the Service Excellence Policy following the slogan of the Company, “Intimate services like close family members”. In addition, the Company is committed to develop and elevate the Market Conduct for the customers of the entire industry to be fair and truly transparent. From this reason, the Company is trusted by the customers to use the Company’s loan services with the continual growth. Currently, the Company has more than 2 millions of customers from various professional groups.

Main credit products and services

Microfinance Loans	Hire Purchase Loans	Non-life insurance broker
<ul style="list-style-type: none"> ● Vehicle title loans ● Loans with title deeds as collateral ● Personal loan (unsecured) ● Nano finance loan 	<ul style="list-style-type: none"> ● New motorcycles 	<ul style="list-style-type: none"> ● Compulsory Third Party Insurance (CTP) ● Personal Accident insurance ● Lost car insurance

Summary of operational performance for the year 2020

Unit: million baht	2020	2019	2018
Financial status			
Total assets	77,221.88	61,871.60	49,146.11
Total liabilities	56,539.75	45,899.89	36,847.04
Total shareholder's equity	20,682.13	15,971.71	12,299.07
Debt to equity ratio (times)	2.73	2.87	3.00
Growth and profitability			
Total outstanding loans	70,607.27	60,252.90	48,047.47
Total income	14,732.59	12,687.93	10,416.46
● Income from interest and fees	13,961.51	11,879.69	9,544.31
● Income from fees and provision of other services	771.08	808.24	872.15
Total profit (loss)	5,213.92	4,237.47	3,713.38
Operating profit margin (%)	35.39	33.40	35.64
Asset quality			
Total Non-Performing Loans	747.38	621.60	538.82
Non-Performing Loan Ratio (%)	1.06	1.03	1.12
Reserve allowance for doubtful accounts	1,327.72	1,714.97	1,499.15
Allowance for Doubtful Accounts to NPLs (%)	177.65	275.89	278.22
Operational efficiency			
Number of employees	10,328	9,589	7,660
Number of branches	4,884	4,107	3,279
Loans to employee ratio	6.84	6.28	6.27
Loans per branch ratio	14.53	14.62	14.65

Vision

“We will be No. 1 leader in the microfinance business.”

To deliver microfinance loan products with the consideration on corporate governance, social and environmental responsibilities with customer-centered excellent service standards and to focus on managing asset quality with full efficiency and sustainability.

Missions for sustainable development

- Develop microfinance loan product with the consideration on the impacts to the environment, society, and corporate governance (ESG) meaning sustainable loan products. This is to focus on granting the loans by considering the collateral value, the credit size which is suitable for the repayment ability of the customers, and the appropriate, fair and transparent interest rates.

- Improve the access to capital sources and reducing the economic inequality of Thai people especially those who cannot access to the bank's loan sources. More branches are opened and the loan channels are expanded for people to access the urgent loan sources conveniently and quickly.

- Develop asset quality control (NPL) processes through human resource teamwork, good internal control system, appropriate and timely risk management with the indicators of operational performance and compensation which are in line with the long-term operational performance of the Company.

- Develop digital transformation processes and improve information technology infrastructure to increase business efficiency and respond to the needs, and changing of customer's behavior. This includes the information security management system and concise personal information keeping up with the emerging risks.

5 values

Morality, Exertion, Perspective, Harmony, and Discipline



Sustainable Development Goals (SDGs) on Sustainability Management

The Company is determined to be the microfinance service provider to help people who do not have access to credit from financial institutes to be provided with access to loan sources with reasonable and fair financial costs through the strategy in expanding branches to all over the region of Thailand. As a result, the Company’s credit portfolio has grown more than 948% since the listing date of 2014. The number of clients increased from 0.68 million contracts to 3.19 million contracts and the number of employees increased from 1,703 to 10,328 persons.

The Company realized that the impact of the Company’s operations to those stakeholders has increased significantly. At present, we focus on the business operation according to the sustainable development approach covering economic, social, and environmental dimensions to become the **“responsible microfinance service provider”** with practices under good corporate governance principles taking into account the impacts on all stakeholders.



Company Value Chain and Stakeholder Engagements

Company Value Chain

The Value Chain of the Company reflects the amount of outstanding loan or the loan origination activities in the Circular Value Chain which consist as follows:

1) The loan origination has the sustainable development policy of loan approval by assessing loans based on Asset-Based Assessment instead of using regular income data or credit bureau. This helps people without regular income to better access loan sources. Another secondary activity is the Credit risk controlling, such as setting appropriate Key Performance Indicator (KPIs) for employees that correspond with their credit risks.

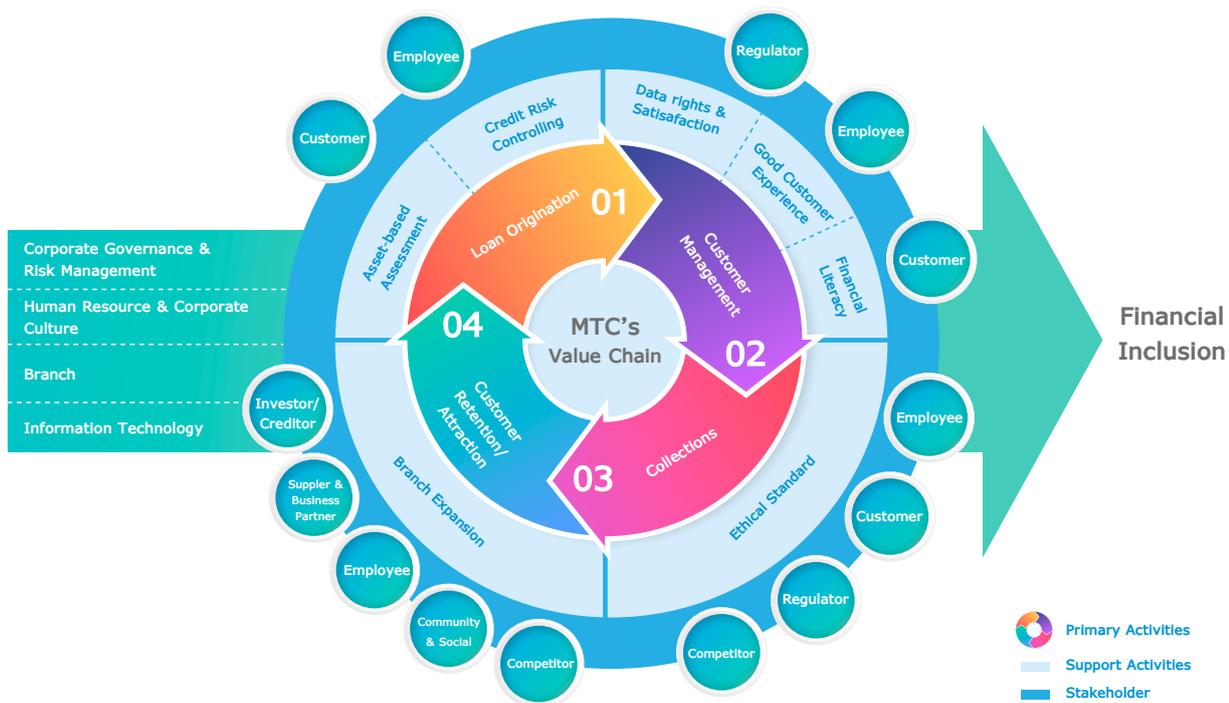
2) Customer Management is providing good customer experience, such as developing the Customer Relationship Management system to responds to customers in a timely manner, and for customers to be satisfied with the loan products. Other policies include respecting private data and rights, surveying customers' satisfaction level, and providing knowledge

and awareness on financial discipline through several other projects.

3) Collection is at the heart of the company's business operations and is connected to the industry's ethical standard policies, especially to the loan collection process.

4) Customer Retention/Attraction is a process of retaining existing customers and attracting new customers. Currently the company is doing this by expanding more branches to reach more customers. However, this policy might be subjected to change in the future, depending on environmental developments.

The company's value chain management holds tight to high quality business operations. These consist of good governance; sufficient, appropriate, and efficient risk management; company-wide care of employees; and a secure information system. This helps the company to be able to sustainably support loan accessibility for a wide population.



Stakeholder Engagements

The Company has determined stakeholders based on their operations and the Company's value chain. The stakeholders of the Company consist of 7 main stakeholders according to the nature of impacts; 1) Employees, Management and Board of Directors, 2) Customers, 3) Shareholders / Investors / Creditors, 4) Suppliers, 5) Competitors, 6) Community and Society, and 7) Regulating bodies

In 2020, apart from adjusting policies, strategies, procedures and the development of information and technology management to enable the Company to operate sustainably under the most important new challenges and impact on all activities around the world of the Covid-19 epidemic, the Company is well aware of the impact of the Covid-19 situation on all stakeholders of the Company and has made efforts extremely and importantly to create and maintain participation between the Company and stakeholders to help mitigating the impacts such as the Muangthai Mai Ting Kan Project which focuses on mitigating the financial impacts of the customer groups through financial assistance measures and allowing the customer group to pass through the financial crisis. The Company, in collaboration with industry entrepreneurs, has discussed with the regulating bodies in establishing the procedures for social distancing measures and providing PPE equipment to the Company's employees. There were also the procurement and delivery of survival bags to various communities nationwide during the lock-down period totaling 200,000 bags worth more than 60 million baht through the Ministry of Interior.

The improvement of the asset auction process results in the motorcycle sales price increasing by 15% which is considered successful by the Company in turning the crisis into an opportunity. This includes the improvement of investor relations activities by investing in online conferencing systems such as Zoom, Microsoft Team, and AI-powered camera systems to enhance online meetings to be more realistic. It helps the Company maintain the communication channels with investors and banks continuously, thoroughly and in a timely manner. This results in the impact on the fluctuation of the Company's securities prices to be lower than the stock market average and to recover quickly, etc. The Company hopes that participation and various activities of assistance delivery during the past year can be continually done and can make the company to be able to grow sustainably in the future. The Company discloses the policies and guidelines for treatment of various groups of stakeholders in the Handbook of Good Corporate Governance (CG) and Business Ethics to be disclosed on the Company's website <http://investor.muangthaicap.com> in the Investor Relations section.

SDGs Defining sustainability issues and sustainability development goals (SDGs)

In 2020, the Corporate Governance Committee together with the management team assessed and reviewed the Company's sustainable development goals in consistence with the United Nations Sustainable Development Goals (SDGs). The data was analyzed to prioritize the key issues for finding the solution or operational strategies in response to the Company's sustainability goals appropriately.

The main business goals of the Company consist of the following goals.

GRI	SDGs	Stakeholders	Issues deemed critical by the stakeholders	Approached for response
Economic	1 st Goal: No Poverty 10 th Goal: Reduced Inequalities	Customers and Regulating bodies	Reducing the inequality in access to loan of the regular income population which accounts for only 22 percent of the country's population <i>Reference: National Statistical Office, the employed population in 2011-2020</i>	1. Asset-Based Assessment Approach used in considering the financial evidence information 2. Increase of opportunities for customers to access credit sources by expanding branches 3. Development of loan products suitable for the groups with no fixed income to comply with risk control. 4. Respect for customer satisfaction, rights and personal information. 5. Raising the level of ethical standards of the industry 6. Cultivation on awareness and financial discipline for customers. 7. Focus on providing excellent and equitable service
Social dimension	8 th Goal: Decent Work and Economic Growth	Employees	Employment distribution to all regions of the country and development on the potential of personnel to be able to adapt to the changes that will occur in the future	1. Human rights policy 2. Human resource development policy 3. Assessment and compensation policy 4. Succession policy
มิติสิ่งแวดล้อม	13 th Goal: Climate Action	Communities and society	Environmental management in business operation processes	1. Environmental policy 2. Efficient resource management

Assessment on the impact of key sustainability issues

The Company uses an Impact Valuation process to cover the social, economic and environmental impacts of the Company’s business operations focusing on the Company’s sustainable development goals (Qualitative) and the impact on value (Quantitative). The opportunities and challenges are considered such as changes in regulatory law, technology, consumer behaviors, industry competition conditions including the opportunities to expand the customer base and opportunities to reduce the operating costs as the factors in assessing the importance of the Company’s strategic plan.

In the year 2020, the epidemic crisis resulted in a legal shift that depresses the industry’s interest rate ceiling, personal loans, and industrial vehicle title loans. This leads to the fierce competition. Foreseeing that the social impact is still the most important impact for the Company, the Company remains committed to the policy and strategy to grow the Company’s credit portfolio through the development of access to new communities by opening branches and deliver Microfinance with interest rates suitable for risk and transparency. It includes the expansion of products to increase opportunities for new customers to be able to access loan sources with reasonable and transparent interest rates. In addition, changes in the Personal Data Protection Act also affect the improvement of the Company’s information security system and operations to maintain information security of all stakeholders as well.



- (1) Use of asset-based assessment method following the asset conditions.
- (2) Increase of opportunities to access loan sources of customers by expanding branches.
- (3) Development of credit products suitable for demographic groups with non-regular income to comply with the risk control.
- (4) Focusing on providing excellent and equitable service.
- (5) Cultivating awareness and financial discipline for customers.
- (6) Raising the level of ethical standards of the industry
- (7) Respect for customer satisfaction, rights and personal information
- (8) Human rights policy
- (9) Human resource development policy
- (10) Evaluation and remuneration policy
- (11) Succession policy
- (12) Environmental policy
- (13) Efficient management and use of resources

Sustainability Performance Report

Sustainable Finance

Mitigation on the impact of the coronavirus disease

Under the project of “Muangthai Mai Ting Kan” to all stakeholders of the Company in every dimension following 3 measures as follow:

Customer care measures

The Company has arranged general urgent measures to assist customers directly and indirectly affected by the Covid-19 epidemic situation during the period from April to June 2020 in cooperation with the Bank of Thailand in implementing the Debt Relief Measures as follows:

- 3-month moratorium for both principal and interest payments
- Extension of the installment period in order to reduce the value for not less than 30%.
- Reduction on the interest rate for all unsecured personal loan receivables to 22% for all customers generally without registration for a period of 3 months.

The assistance can be summarized as follows:

Financial aid measures	Contracts (million contracts)	Outstanding loan balance (million baht)	Proportion to total loan outstanding (%)
Moratorium	0.14	3,817	6.0
Reduction of installment payment	0.08	1,662	2.6
Reduction on interest rate for personal loan (unsecured)	0.77	-	-
Total	0.99	5,479	8.60

Note: Refer from the outstanding loan receivables information on the end of June, 2020

Measures for employee care

● The Company has a policy to maintain employment and oversee the safety of over 10,328 employees nationwide (as of December 2020) and provide adequate equipment to protect employees from the new Covid-19 virus including the installation of the partition on the customer service table.

● For branches all over the country, the Company strictly arranges internal management in accordance with the practice of the Ministry of Public Health strictly resulting in the employee contracting rate of Covid-19 virus to zero.

Measures for community and social assistance

● The Company participated in the allocation of 200,000 bags, totaling 60 million baht, distributed through the Ministry of Interior to communities in 74 provinces nationwide.

● Although the Company did not participate in recruiting the graduate students having the government to help paying 50 percent of the wages because the Company has planned to recruit employees who are new graduates in 2021 in the number of 800 - 1,000 persons spread across the

country to support branch expansion plans in the next years, the Company believes that the past performance has given the Company sufficient potential to be responsible for the expenses of the employees. Thus, the government can use the budget to support other large and small private companies to be utilized in order to achieve the most efficient use of the budgets.

- The Company promotes the stimulation of Thai tourism in accordance with the government guidelines by organizing 189 employees of the Company to do the Outing Activity in Phuket from September - October, 2020, under the budget of 5.9 million baht. The Company expects that such budget amount will contribute to the local Economic Circulation in the tourism industry areas that mainly rely on foreign tourists to be relieved from the effects of the Covid-19.

In addition, Mr. Chuchat Petaumpai, Chairman of the Executive Committee, and Mrs. Daonapa Petaumpai, Managing Director, donated personally to support public health in the amount of 110 million baht through the Ministry of Public Health.

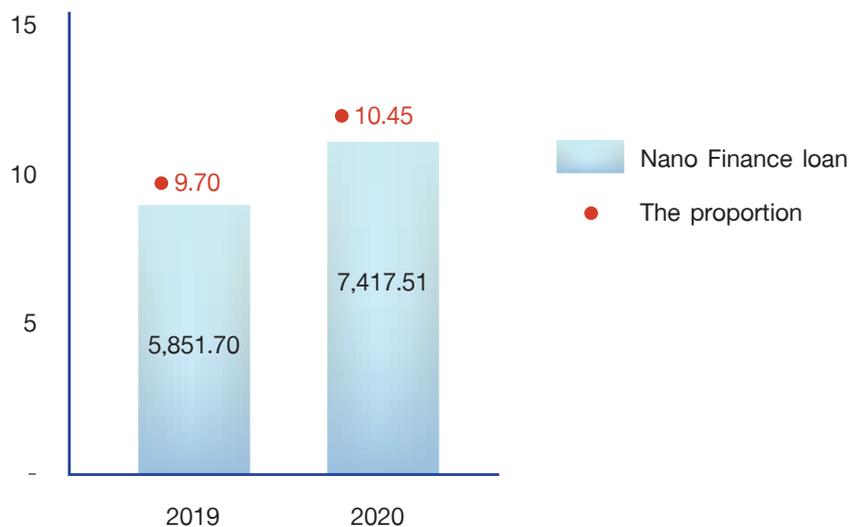
Nano finance loan policy

Muangthai Capital has the purpose to provide Nano Finance loans for occupation to improve the access to capital sources for customers who cannot access to the bank's loan sources, not a juristic person, unsecured assets, do not has credit bureau information, and informal workers.

However, the Company believes that Nano Finance for occupation is the creation of sustainability foundation for the economy of the country, customers' communities and financial sustainability.

In 2020, the Company has Nano Finance in the amount of 7,417.51 million baht, amounting 10.45 percent of total outstanding loans at the end of 2020. The proportion increased by 26.76 percent comparing to 2019 (in 2019, the Company's outstanding Nano Finance loans amounting to 5,851.70 million baht which accounts for 9.70 percent of the total outstanding loans).

The Company's nano finance interest rate is at 28 percent which is under the regulated interest rate at 33 percent. However, the non-performing loan ratio of the nano finance is under the Company's supervision and the non-performing loan is only 2.57 percent.



7.3 Economic dimension

Summary of the operational performance in the economic dimension

Outstanding loans	70,968 million baht
Loan contracts	3.19 million baht
Total income	14,732 million baht
Net profits	5,214 million baht
Return on equity	28.45 percent
Return on assets	7.50 percent
Bad debt ratio	1.06 percent
Number of branches	4,884 branches
Number of customers (net)	2 million persons
Proportion of customers who do not have regular income	77.64 percent
Secured Loan Ratio	79.68 percent
Market value	Being the second largest in the country and in the ASEAN region and being in the 16th rank of the world among Diversified Financials, a Global Industry Classification Standard (GICs) as of 31 December 2020.
CAC	Certified
CGR	Receiving the assessment of good corporate governance in the 5-Star (Excellent) level for the third consecutive year by the Thai Institute of Directors Association (IOD)
THSI Index	Being rated in the Thailand Sustainability Investment (THSI) Index by the Stock Exchange of Thailand.
MSCI ESG Index	Achieving a level A in the environmental, social and corporate governance assessment (ESG) in the Consumer Finance sector from MSCI.
FTSE4Good Index	Being selected as a member of the FTSE4Good Index Series Sustainability Index in the FTSE4Good Emerging Index category by FTSE Russell with a score of 3.5 out of 5 or 1.4 times the industry average.
FTSE Thailand USD Net Tax Index	Being selected as a member of the FTSE Thailand USD Net Tax Index by FTSE Russell.
CDP	Being assessed on the Climate Change management which is rated D from CDP.

For the goals of poverty alleviation and reduction in the inequality in access to capital, especially for the basic population groups that do not have regular income with the development on “**Access to financial services**”, the Company has implemented strategies and results of operations as follows.



Consideration on the loan approval taking into account the Asset-Based Assessment Approach

Conventional lending is primarily the assessment on personal risks based on data analysis. Some types of information such as proof of income and credit bureau information are the information that most of the country’s population do not have since it is a group of population with non-regular income. Therefore, the Company’s credit revision and approval process focuses on Asset-Based Assessment conditions (vehicle title loan and title deed mortgage loan) instead of risk assessment data from proof of income or credit bureau information. Such assessment method is therefore a solution for these populations to gain access to alternative credit sources and reduce the inequality in financial access of the country.

Shares of loan products approved by the Company's collateral valuation method in 2020	Shares of groups of Company's customers in 2020
<ul style="list-style-type: none"> ● Car registration loan (million baht) 50,984.60 72.21% ● Land title deed mortgage loan (million baht) 5,277.04 7.47% ● Total of secured outstanding loan (million baht) 56,261.6 79.68% ● Total of unsecured outstanding loan (baht) 14,345.64 20.32% 	<ul style="list-style-type: none"> ● Group of customers with regular income 22.36% ● Group of customers with non-regular income (ESG) 77.64%

Increase of opportunities for customers to access credit sources by expanding branches

The Company continues to focus on reaching customers with a strategy to expand the branches to cover all regions of the country. This is carried out according to the Company's medium-term business strategy plan covering from 2018-2020 enabling customers and the public, especially customers who do not have access to the services of commercial banks or digital Banking, to access the Company's services more easily and more conveniently.

In the year 2020, the Company opened new 777 branches being the large 36 branches, 314 sub-branches, and 427 service centers. However, the average loan outstanding rate per branch is 14.45 million baht.

Design suitable credit products, conditions, and operating procedures to control the risk of default payment

The Company considers collateral for credit products with low default payment risk by setting the credit ratio in relation to the appropriate collateral value. Setting a maximum limit per contract and a low level of customers together with the suitable interest rates for credit risks and the loan approval process as well as the debt collection process are all factors contributing to the non-performing rate of the Company's credit portfolio to remain below the industry's non-performing

rate. The non-performing rate of the Company is the most important performance indicator of personnel.

In the year 2019-2020, the Company has expanded new credit product which is new motorcycle hire purchase loan designed to be different from other motorcycle hire purchase loans in the general industry. In the first phase, the Company allowed for the approval of motorcycle hire purchase loans only to existing customers who had good history of payment. It has extended the credit term of up to 60 months which is longer than the industry average of 24 months and the interest rate of 24% which is lower than the industry average rate of 30%. This leads to low monthly payments of customers resulting in the non-performing debt ratio of the Company's motorcycle hire purchase loans to become as low as 0.1%, compared to the industry's non-performing debt ratio of approximately 10-12%. As at the end of 2020, the Company had total outstanding hire purchase loans 359 million baht.

Respect for the customer's satisfaction, rights and personal information

● **Personal information of customers**

For the Company to operate business in accordance with the Personal Data Protection Act B.E.2562 which was published in the Royal Gazette on 24th May, 2019, and will come into effect from 1st January, 2020 onwards, the Company sets a related policy of **"Information and Security Protection Policy"** and discloses such policy on the Company's website. Apart

from the aforementioned policy, the Company has also raised risks associated with the protection of personal information with the Legal Department and Information Technology Department to perform the operation in order to reduce or limit the risks involved.

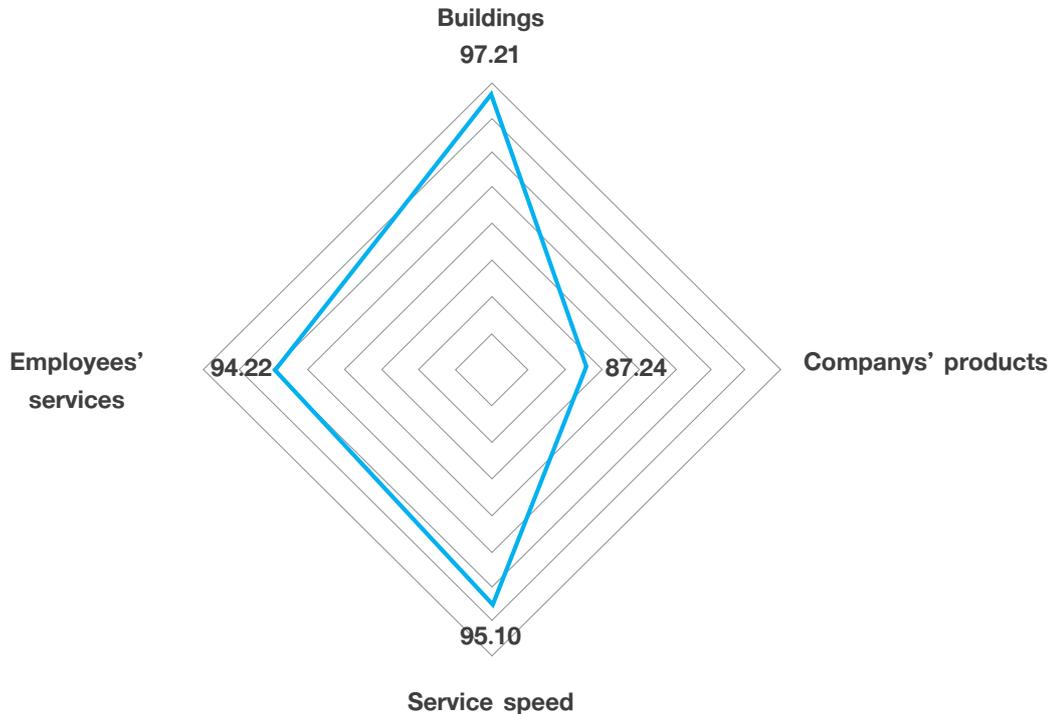
In 2020, the Company has improved the customer information retention process and strictly complies with such laws throughout the organization to protect customers’ personal information.

Customer satisfaction survey results

The Company aims at creating the good experience for customers in order to continually improve the service process to customers and listen to the customers to pursue their interests. The opinions on the service are important. Each month, opinions regarding customer service are communicated through internal channels to each branch. In addition, customer feedback is the main indicator of the operation of the branch and the Head Office.

<p>Satisfaction survey questionnaires</p> <p>84,450 questionnaires were sent.</p>	<p>The satisfaction level on Muangthai Capital 4.0 in 2020 is 91.99% from the number of samples of 10,895 persons</p>	<p>Whistleblowing channels via email or channel to receive the complaint on the Company’s website</p>	<p>Whistleblowing channels via telephone service center 02-483-8888</p>
---	---	---	---

Customers’ Satisfaction



Note : The Company categorized the satisfaction into 5 levels which are very satisfied (5), satisfied (4), moderate (3), dissatisfied (2), very dissatisfied (1) which the above levels are the total scores of very satisfied (5) and satisfied (4)

Elevation of the industry's ethical standards

In 2020, the Company joined with operators in the Vehicle Title Loan Trade Association and Personal Loan Association to attend the discussion organized by the Bank of Thailand on the issues related to elevating the standard of business operations in the industry, such as measures to provide assistance to customers affected by the Covid-19, adjustment of personal loan interest rate, and Nano finance under supervision by 3-4%. This included the adjustment on the methods for calculating defaulted interest rates and guidelines for fee charging in the collection of fees in order to benefit the people as much as possible.

Raising the awareness and financial discipline for customers

● "Know and Purchase" project

The Company also initiated the "Know and Purchase" project which was the accounting program for the users to record the income and expenses according to the codes of practices of the Bank of Thailand in response to the goal of reducing the household debts in the public sector of the Bank of Thailand. The Company's customers and general people are allowed to download the program from the Company's website. It can be used without charge. The program can analyze spending behavior whether there is discipline or without discipline. If the customers and the general public need a revenue-expense accounting list, it can be requested from every branch of the Company.

● "Debt Clinic" project with Sukhumvit Asset Management (SAM)

Apart from social activities that the Company initiated to support the establishment of financial discipline for the Company's customers and the general public, the Company also joins with SAM to participate in the Debt Clinic in order to help small debtors with many creditors which are bad debts, credit cards, cash cards, and personal loans without collateral. This is in order to have an opportunity to solve the debt problem along with promoting learning, planning and creating good financial discipline for debtors and interested people to prevent the economic and social problems of the country in the long-run. This year, there are 19 nonfinancial entrepreneurs participating.

● Join the project to educate the public about microfinance business

Financial Commission, Financial Institutes and Financial Markets, House of Representatives held the seminar on "**Reduction of economic inequality and upgrading the foundation economy: northern region**" on Friday 21st August, 2020, at the main meeting room, Faculty of Economics, Chiang Mai University, with a live broadcast via Facebook live by Mr. Chuchat Petaumpai, CEO of Muangthai Capital Public Company Limited. He joined as an expert speaker in the seminar together with Mr. Withai Rattanakorn, Director of Government Savings Bank, and Mr. Apirom Sukprasert, Manager of Bank for Agriculture and Agricultural Cooperatives, by presenting opinions to build a better understanding of the role of microfinance businesses in reducing financial disparity for students, teachers and the general public.

Focus on the provision of excellent and equitable service

As of 31st December, 2020, the Company has a total number of 2 million outstanding customers. The Company sees that enhancing the efficiency in developing a good customer experience is an important sustainability strategy. In 2020, the Company has performed the following operations:

● Excellent Service Policy

The Company focuses on building service standards by providing training for the employees. The results of the service assessments were included as part of the Key Performance Index (KPIs). The recommendations received through the customer thanking letter will be published in the Company's internal communication channel to be used as the scores to evaluate the service performance of each branch every month. In addition, all employees are required to complete the "Excellent Service Techniques" which in 2020, there was no training due to the COVID-19 outbreak.

● Customer Engagement channel

Although most of the Company's customers are Offline in 2020, the Company found that the number of customers who contacted the Company via online channels such as social media, telephone, email has increased as well. The summary of the channels are as follows:

4,884 customer service branches nationwide	Website: www.muangthaicap.com	Facebook : Maungthai Capital 78,369 followers Increased 37.79% percent from 2019	LINE OA: @muangthaicapital new added account increased by 19,491 accounts 167.48% from 2019	Maungthai 4.0 Application 43,300 active account
--	----------------------------------	---	---	--

Structure and channels of fair service provision governance (Market Conduct)

	Responsible agency	Channel for investigation
Internal agencies	Audit Department	<ul style="list-style-type: none"> ● Internal audit ● Whistleblower channels ● Customer's satisfaction survey
Third party agencies	Financial Consumer Protection Center	<ul style="list-style-type: none"> ● Call Center: 1213 ● www.1213.or.th

● Innovation Development and Digital Transformation

Muangthai Capital 4.0 Application

The Company has developed an application to facilitate customers during the Covid-19 outbreak which allows customers to verify the validity of their receipts. Besides, the customers can pay through digital payment without having to travel to the branch. It also helps reducing the paper usage. Throughout 2020, spending via application was 9,416 times*

**The Company provides another payment channel which is the Digital Platform on September 2020. The details of usage are disclosed as follows:*

Social dimension

Summary of operational performance on social dimension	
Number of employees	10,328 persons
HC ROI	3.34
Training hours per employee	3.3 hours
Training expenses per employee	248 baht
Satisfaction assessment results	96.63 percent
Social investment costs in "New Home Project" (Community Investment)	4,600,000 baht (4 child development centers in Kanchanburi, Prajuab Kirikhan, Nakhon Phanom, and Nakhon Sawan)
Blood volume from the donation of employees in " Muangthai Ruam Jai for Blood Donation Project " for the Thai Red Cross Society	7,121 employees donated blood (300 cc per person) for totaling 2,492,350 cc.
Costs for distributing survival bags during the spread of Covid-19 disease	60 million baht (200,000 survival bags) together with the personal money of the Petaumpai Family

Financial service business is a business that focuses on building relationships between service providers having the employees as the main resource to the service users or the customers. Therefore, the Company places great importance on taking care of its employees to be able to perform their work happily, receive compensation including appropriate benefits to attract and retain potential personnel to drive the organization and grow with the organization over the long term. This can create the strong “corporate culture” and a center of employees and executives at all levels.

The corporate culture consists of 5 “**core values**” which are the beliefs and practices of people at all levels in the organization. They are also cultivated among employees through generation to generation as follows:

- Morality
- Exertion
- Perspective
- Harmony
- Discipline

The Company believes that happy employees will be able to forward happiness to our customers as the Company’s slogan that is “***Intimate services like closed family members***”. In 2020, the Company did not change the employee’s policy and guideline from the previous year. In addition, the Company has not had social development goal as this is in the historical data collection process. However, the Company expects to set the goal within 2021.



7.4.1 Policy of Recruitment and Allocation of Human Resources

The Company focuses on recruiting suitable personnel for the performance of each duty by adhering to the human rights policy which was disclosed in the Company’s website in the investor relations section and accepting diversity in personnel selection. This includes treating all stakeholders of the Company with fairness and equality no matter what difference in physical features, sex, race, religion, social status, or political attitudes. It has to take into account the ability, limit and risk in performance as well. Thus, the personnel of the Company consist of employees who come from different places with multicultural bases of knowledge, ability and experiences.

Most of the employees at the operational level are employees at the branches. Their main duties and responsibilities are to analyze and approve the loans, and loan collection (Front Office). As it is considered a risky duty in the operation, the Company avoids using female employees. However, the employees at the operational level with other duties and responsibilities that do not have any operational risks (Back Office) consist of both male and female employees. The proportion can be classified as follows.

Employees classified according to their duties and responsibilities	Proportion of male employees	Proportion of female employees
Total FTE employees	9,202	1,126
Front Office employees	9,058	-
Middle-Back Office employees	116	1,120
Executives	28	4
Board of Directors	10	3
Disabled	1	2

In addition, the Company will not accept any action that violates the rights of freedom of the persons or any group of people both directly and indirectly including physical harassment, verbal abuse, persecution, intimidation, embarrassment, sexual harassment, disdain, etc. The Company will not use and will not support all forms of illegal labor.

The Company has provided the whistleblowing channels for human right violations through complaints and whistleblowing channels as detailed and disclosed on the Company's website in the "Contact Us" section. In 2020, the Company had not received any of such complaints.

Human resource development policy

The Company encourages employees to develop skills and the knowledge necessary to perform the work for maximum efficiency and effectiveness through training and an internal learning exchange platform called "MTC University".

Training

Training plan for developing skills and knowledge of employees is divided into two main categories; expectation on performance and expectation on effectiveness.

- Performance training consists of different courses for different development objectives of employees at different levels such as new employee orientation training, excellent service training, training on debt acceleration techniques by telephone and on site, management technique training for executives, etc. These can be summarized as follows:

Courses	2 Courses which are new employee orientation and management training
Attendance	2,036 employees
Training hours	30
Training costs	676,464 baht

- Training in effectiveness consists of compulsory courses intended to enable employees to perform their duties and to clearly measure the results after the training. The results of the Company’s performance were measured after the brokerage training course and the insurance renewal course.

Courses	Brokerage training for new brokers and existing brokers to receive the insurance broker license.
Attendance	2,610 persons (25.27 percentage of total employees)
Training hours	152 hours
Training costs	1.88 million baht
Return on Employee Development Investment) (percentage)	25.96

Note : In 2020, the Company gain insurance revenue from selling the insurance through Muangthai Leasing Insurance Broker Company Limited totaling 48.93 million baht.

Internal learning exchange platform (“MTC University”)

It is a digital platform that can be applied to manage various matters in the organization including connections and sharing knowledge Company’s information, market data, various databases including knowledge in various fields which is in the interest of employees and executives. In other words, it acts like a library which all employees can access.

The objective of such digital platform is to create a learning culture of the organization to develop personnel and to extend the potential of personnel to not stand still and keep up with current competition. In addition, the knowledge that has been collected in the digital platform is also a tool to help transferring knowledge to new employees as well.

**Policy for evaluating employee performance, compensation, welfares and safety
Performance appraisal policy**

The Company has set a tool of Key Performance Index (KPIs) called “MTC Model” which is a standard for evaluating employee performance focusing on maintaining credit quality. The remuneration is based on performance which is assessed individually to make it transparent and fairness in line with the Company’s

human rights policy on treating individuals with equality acceptable to all personnel levels.

**Policy of compensation and welfares
Long-term returns**

Apart from the regular salary and remuneration depending on the performance, the employees also receive remuneration from the revenue sharing of the Company. This type of compensation sharing gives employees a sense of involvement in the ownership of the Company. This sense of involvement has a clear positive impact on the business operation continuously. The resignation of employees in key positions (Key person) is detailed in the report with number of employees retired by working age.

- Other welfares
- Insurance

- The Company provides health insurance, life insurance and accident insurance to facilitate the medical treatment as well as creating stability for the employees and their families. In addition, the Company also provides special welfare as annual medical expenses for employees at all levels.

- The Company allows employees to buy Motorcycle Act and personal cars at a price for employees.

Benefits in the form of contributions

The Company provides benefits in the form of contributions for various occasions such as marriage allowance, financial support in case of childbirth. The Company and employees have established the Fund to help fellow employees in case of death in the family, etc.

Accommodation for employees

To reduce the cost of living for employees, the Company provides accommodation for employees by allowing employees to stay at the branch building if necessary. Besides, the employees stationed at the Head Office will be allowed to stay at the dormitory of the Company which is located near the Head Office building in Bang Phlat, Bangkok.

Place for exercise in the Head Office building

The Company provides a fitness facility in the Head Office building which includes standard fitness equipment. It is the space for employees and executives at all levels including shower rooms with all necessary amenities.

Relationship building activities

As working in team is considered the core of the operation to achieve success and the most effective and it is the main organizational culture of the Company, the Company has organized activities to connect relations between employees including New Year party activities, sporting events within the area nationwide, Company's annual tourism activities, marathon competitions organized by external organizations (through sponsors) including social activities (CSR). The employees are given the opportunity to contribute to society and the communities in which they are involved.

Legal compensation for retirement age

The Company has a legal reserve for employees aged 20 years or more who have the right to receive compensation at 400 days on the retirement date when the employees reach 60 years of age under the Labor Protection Law No. 7.

Provident fund for employees

Apart from general remuneration, the Company also established a provident fund in accordance with the Provident Fund Act B.E.2530. The Company and its employees contributed to the fund on a monthly basis at 3-5 percent of the salary per month. This provident fund is managed by Kasikorn Asset Management and will pay back to the employees when such employees retire in accordance with the fund rules of the company.

Safety and environmental policy in the work of employees

Motorcycle helmets

Due to the duties and responsibilities, most operational employees need to use motorcycle as vehicle to perform duties. Therefore, the Company provides helmets to employees according to the Company's safety policy. The employees are required to comply with laws that force motorcyclists to wear helmets every time for the safety of employees themselves and relieve the severity from unexpected accidents that may occur.

The unplanned leave rate of employees and the rate of accidents during the work of employees in 2020 is as follows:

Unplanned leave rate of employees

	2020	2019
Unplanned leave days	6,109	5,975
Total working days	2,546,762	2,224,978
Unplanned leave days rate (percent)	0.24	0.27

Note: Number of hours to calculate the unplanned leave rate of employees exclude the working hours from employees from G4S Secure Solutions (Thailand) Company Limited total of 9 persons which is in Outsource Company.

Rate of accidents during the work of employees

	2020	2019
Injured from work (cases)	97	109
Hour Worked	19,614,752	17,392,596
Injured rate from work (percent)	0.99	1.25

The accident occurred caused by vehicles ride especially motorcycles.

Note : For the employees' death cases in 2020 total of 14 persons, the accident did not occurred during working hours (during 08.30 -17.00)

Succession Plan Policy

To make the operations of the Company grow continuously and efficiently, the Company has a planning policy on the succession of the Company not to specify only senior management positions, the recruitment of candidates who will be able to perform replacement jobs in key positions is in accordance with the following steps.

The Board of Directors has prepared the succession planning program by identifying successors for the position of managing director, senior executives and heads of core functions/department, based on the performance, potential and readiness of each individual.

Designing the training and development programs for the selected successors to enhance their knowledge, ability and skills required for the position so that they are prepared to take over the work of the

managing director or other key position in case some executive cannot perform his/her duty.

The Successors who are assigned to succeed the positions must not only be the persons with the qualifications and experience of working in the appropriate fields but they must also be transferred of knowledge and experience by Job Rotation and must attend training courses as necessary to ensure smooth and continuous work.

Chairman of the Executive Committee shall arrange job rotation for the qualified executives and shall assign managers in next level to join the executive committee meeting to educate them, to expand their experiences and to prepare them for the higher management positions in the future.

Environmental dimensions

Summary of operational performance on environmental dimensions			
Type	Unit	Total amount of greenhouse gas emission	
		2020	2019
Scope 1	TonCO ₂ e	7,015.68	2,477.75
Scope 2	TonCO ₂ e	16,039.76	N/A
Scope 1 and Scope 2	TonCO ₂ e	23,055.44	2,477.75
Full-time employees	Employees	10,328	9,589

Environmental dimensions (continue)

Summary of operational performance on environmental dimensions (continue)			
Type	Unit	Total amount of greenhouse gas emission	
		2020	2019
Concentration of amount of greenhouse gas emission (FTE)	TonCO ₂ e / employee	2.23	0.26
Scope 3	TonCO ₂ e	528.84	437.70

Note : The Company improved the assessment of CO₂ emissions from the main resources that the company used. This includes petrol usage of the vehicles that the Company owns, electricity usage, water usage, paper usage, and methane emissions from septic tanks from the head office and branches, one hundred percent led to the total CO₂ emissions in 2020 rise significantly higher than in 2019

Environmental management policy

In 2020, the Corporate Governance Committee has organized a review on the “Environmental Management Policy” in accordance with the context and global environmental challenges to reflect the operations of the Company in the environmental dimensions covering the Company, subsidiaries, and employees including the trading partners and business partners. Such policy is disclosed on the Company’s website in the investor relations section. The approaches for practice can be summarized as follows:

1. Strictly comply with international and local environmental laws and responsible for negative environmental impacts that may arise from the operations of the organizations.
2. The environmental management assessment is defined as a type of scorecard for management and employee performance evaluation.
3. Support raising awareness by organizing training to educate employees on environmental knowledge and stakeholders to create knowledge and understanding on the climate change, conservation of natural resources and the importance of preventing negative environmental impacts.
4. Establish guidelines and goals for energy, resource and environmental management in the Company in accordance with international standards to promote sustainable development goals with a focus on environmental conservation. The resources are used wisely to reduce the occurrence of waste. The most

important thing is to reduce greenhouse gas emission which is the catalyst for accelerating climate change.

5. Encourage effective waste management to reduce the impact on the environment as well as encouraging the reuse and / or selection of materials (Recycle) or alternative products in an efficient and cost-effective manner.

6. Support the purchase of products and services and / or products from environmentally friendly manufacturing processes according to the criteria on the Pollution Analysis and Environmental Laboratory, Pollution Control Department, Ministry of Natural Resources and Environment.

7. Communicate and provide information on efficient and cost-effective use of energy and resources by disclosing environmental performance to the public in One Report of the Company or disclosing it in other ways with the approval of senior management of the organization.

8. Coordinate with government organizations, educational institutes, communities and other agencies to jointly tackle climate change problems nationally or internationally.

Performance report on carbon footprint management

The Company operates the carbon footprint of the organization by measuring greenhouse gas emission in the year 2020 in 3 scopes as follows:

Scope 1: Direct GHG Emissions

The calculation is made from the combustion of fuel generated by the vehicle (owned by the organization) and the employees' motorbikes for the Company's usage, calculated from the consumption of gasoline and diesel fuel importantly in 2020, and the GHG emissions from Septic tank (the information covering the entire Head Office and branch offices nationwide account for 100 percent).

Table of oil consumption amount in 2020

Type	Consumption amount (Liter)	TonCO2e
Diesel	1,023,106.42	2,803.62
Gasohol 91, 95	1,478,859.35*	3,357.45
Total	2,501,965.77	6,161.07
FTE	10,328 persons	0.60

*Remark: The Company collected the usage of diesel and petrol from fleet card (only the cars that the Company own and the executives' cars) and the estimated amount of petrol that the company pays to employees who use their motorbikes for the Company's operation. **The estimation** is the oil expense payment of each month divided by the oil price at the end of the month which the result is in liters.

The Company has its oil consumption control measure which has been changed from meeting in at the head office in Bangkok to video conference. According to the annual policy statement in 2021, the Company could reduce Carbon footprint by 4.66 tonCo2e equivalent to 517 trees absorbing CO2 per year.

*Remark: The Company uses the calculating equipment of the Care the bear Project which is conducted by the Stock Exchange of Thailand.

For the GHG emissions from the Septic tank calculate the emissions from employees' of the Company only which the number of days is the working days in 2020 equivalent to 255 days. The detail is as follows:

The calculation of biodegradable organic in municipal wastewater (TOW)

Number of employees (persons)	BOD (gram/person-day)	0.001	Working days
9,974	40	0.001	255

Amount of GHG emission from Septic tank

Type	Emissions amount (kilogram)	onCO2e
CH4 Emission (Methane)	30,521.72	854.61

Note : The Company use Carbon footprint calculation program of the Head office which developed by the GHG management organization (Public Organization).

Scope 2: Indirect GHG Emissions

The calculation is made from the purchase of electric power to use in the Company in 2020. Apart from the electricity saving measures in accordance with the Company's original practice guidelines, including projects "Close for change" as reported in the 2019 Sustainability Report. The reported power consumption on the table below is an estimate of the electricity consumption from the electricity bills that the Company actually paid (information covering both the Head Office and every branch office nationwide calculated as 100%) divided by the average price of electricity at 4.20 baht per unit.*

Table of electricity consumption amount in 2020

	Actual payment of electricity consumption	Consumption amount (kWh)	tonCO2e
Electricity consumption	134,701,182.19	32,085,942.74	16,039.76

**Remark: the average electricity expense per unit was 4.20 baht which is calculated from the electricity consumption (unit: kWh) per month between October – December 2020. The results show that the average expense per month were 4.09, 4.36, and 4.15 baht per unit. Therefore, the average price of 3 months was at 4.20 baht per unit. Then, the average price is used to calculate the Company's electricity expense per month in 2020 to get the estimated electricity consumption. (unit: kWh)*

Scope 3: Other Indirect GHG Emission

The calculation is made from the paper consumption and the use of water supply (information covering the entire Head Office and every branch office nationwide account for 100 percent) which can enumerate measures and performance based on Scope 3 as follows:

Paper consumption measure

- 1) The Company encourages all departments in the organization to cooperate in reducing the paper usage by campaigning to choose to print and use paper on both sides.
- 2) The Company has developed an electronic receipt (e-Receipt) in accordance with the rules and practices in line with the Revenue Department. The project was started for the pilot operation in October 2020, which can help reducing 5,300.20 bills or equivalent to 11,544.44 kg or help reducing carbon footprint for 7.71 tonCO2e. In this regard, the scope of the e-Receipt Program will be extended to cover all branch offices nationwide by April 2021.

Table of paper consumption in 2020

Type	Consumption amount (kg)	TonCO2e
A4	272,303.80	181.82
F14	99,333.08	66.32
Total	371,636.88	248.14

Note: The Company has recorded the paper consumption through ACC program since 2017

Measures for the use of water resources

Water resource consumption is an estimate of water consumption from the water bill that the Company actually paid (information covering both the Head office and every branch office nationwide account to 100 percent) divided by the average price of tap water in 0.013* baht per unit.

Table of water consumption amount in 2020

	Actual paid of water consumption	Consumption amount (Unit: Mega liter)	TonCO2e
Water consumption	13,159,999.93	987.32	280.70

*Remark: the average water price is 0.013 baht per unit calculated the water consumption (unit: Mega liter) per month between October to December 2020. This led the average water expense per month at 0.013, 0.013, and 0.014 baht per unit. Thus, the average price of 3 months was at 0.013 baht per unit. Then, the average price of water was used to estimate the Company's water consumption (unit: Mega liter) per month in 2020.

Risk assessment of water in the Company

The Company assessed the risk of water covering the Head office and branches (amounting to 100 percent) by the Aqueduct Water Risk Atlas equipment of the World Resource Institute.

Proportion of the risk area of the Water Stress

	Mega liter	Proportion (percent)
Extremely High (>80%)	173.37	18
High (40-80%)	242.25	25
Medium to High (20-40%)	226.61	23
Low to Medium (10-20%)	112.59	11
Low (<10%)	232.50	24

*Remark: The Company calculated proportion of water consumption of the branches, representing Water Stress from water resources of Metropolitan Waterworks Authority (MWA) and Provincial Waterworks Authority (PWA).

Sources	Type of water	Total Area (Unit : Mega liter)	Water Stress (Unit : Mega liter)
Third-party water (total)	Freshwater (Surface water)	987.32	415.62
	Other water	-	-

Note : The Company set the level of high-risk area at High (40-80%) and Extremely High (>80%) presents areas that has the risk of water stress of the Company.

Green product purchasing measures

The Company promotes the purchase of environmentally friendly products in the category of office equipment at the Head Office according to the criteria of the Pollution Control Department. In the year 2020, the Company has started to purchase the green label certified toilet paper and A4 paper (only at the Head Office).

Operational performance report of Green Building

In 2020, the new Head Office building of the Company which was a green building or an eco-friendly building was still under construction. It has not been completed yet. As the Company has given importance to the issue of climate management in the long term, the Company has prepared a plan to cope with the Green Building Design. This includes the selection of environmentally friendly materials and equipment under the LEED Green Standard Guidelines, Gold Level (Version 4) by the US Green Building Council of the United States. This results in the new Head Office building of the Company to be the building that shows how beautiful it can be combined with energy savings without compromising on the quality of life of building occupants in any way. It is also designed to support the principles of universal design with a system to facilitate the elderly.

The new Head Office building is a 14-storey office building with a total utility space of 12,900 square meters and has passed the environmental impact assessment (EIA) according to the standard criteria in June 2018 (construction period) and January 2020 (construction completion period). In 2020, the Company can report the environmental impact which is divided into impacts during the construction process and the impact during construction completion as follows.

Air quality of general atmospheric Control on construction dust concentration

Total Suspended Particulate (TSP) when being combined with the results of the air quality measurement

of the project was 0.163 mg / m³ which did not exceed the standard of atmospheric dust concentration of 0.33 mg / m³ according to the Notification of National Environment Board No. 24 B.E.2547. The result shows air quality index measured was in the setting required standard. However, after construction, the Company still follow the required protecting policy and solve the affect of the air quality significantly by cleaning the outbound area, including the access road to the area to protect the dust and the explosion of it when passing the entrance-exit of the area.

Control on noise level

Buildings adjacent to each side of the project were affected by noise approximately 64-65 dB (A) which did not exceed 70 dB (A) according to the standard of 24-hour average noise level and a noise factor of -1.6 to -0.9 dB(A). This did not exceed the noise level 10 dB (A) of the basic sound level the Notification of National Environment Board No. 29 (B.E.2550). The initiation of the sound is from the construction of the Company which had drilling and hammering activities. Currently, the construction has been completed. The effect of the sound has disappeared, leaving only the sound from traffic and social activities in the surrounding areas.

Waste management

There was waste that could be recycled including iron, ceramic tile, roof tiles, gypsum board and wood accounted for 9.57% of total building construction waste or 466.36 m³. The waste to be disposed consisted of concrete and bricks for 4,406.79 m³.

¹ Refer: Report of the protection policy and the effect to the environment, and monitoring effect from environment between January - June 2020 (construction period) by the Environment Research and Technology Co.,Ltd.

Corporate Governance Report

For the operation in 2020, the Company received awards and was ranked for compliance with good corporate governance and sustainability both locally and internationally as follows:

- The Company was announced the results of the **“ASEAN CG Scorecard (ACGS)”** in 2019 ranking the first in 42 Thai companies that received a rating of good corporate governance of 97.50 points or more for the first year. The award was initiated by the ASEAN Capital Market Forum (ACMF) as a result of the support of the SEC from various ASEAN countries in collaboration with Asian Development Bank (ADB).

- The Company was announced the results of the Corporate Governance of Listed Companies for the year 2020 as **“Excellent”** (5 stars) for the third consecutive year which was assessed by the Thai Institute of Directors (IOD).

- The Company is officially certified as a member of the Collective Action Coalition Against Corruption (CAC).

Corporate governance policy

The Company is committed to conducting business for stable and sustainable growth by creating added value for shareholders and shared values for all stakeholders. The Board of Directors has given importance to the practices of the Stock Exchange of Thailand in order to have a good corporate governance system. The Board of Directors has given importance to the practice of the Stock Exchange of Thailand guidelines to have a good corporate governance system by adhering to transparency, fairness, accountability, and ethics in business operations. The practices are in compliance with related rules, regulations, and laws as well as being responsible to the economy, society and environment by setting guidelines for the operational framework and treatment of all stakeholders. The Board of Directors has established the corporate governance policy and code of business ethics for directors, executives and employees so that everyone can be used as a guideline for working with all stakeholders. This has been announced and communicated to the employees of the Company including the stakeholders to acknowledge and understand the principles of corporate governance in the same direction by publishing on the website of the Company (www.muangthaicap.com) and annual report.

Corporate Governance Structure, Responsibilities, and Efficiency of the Board

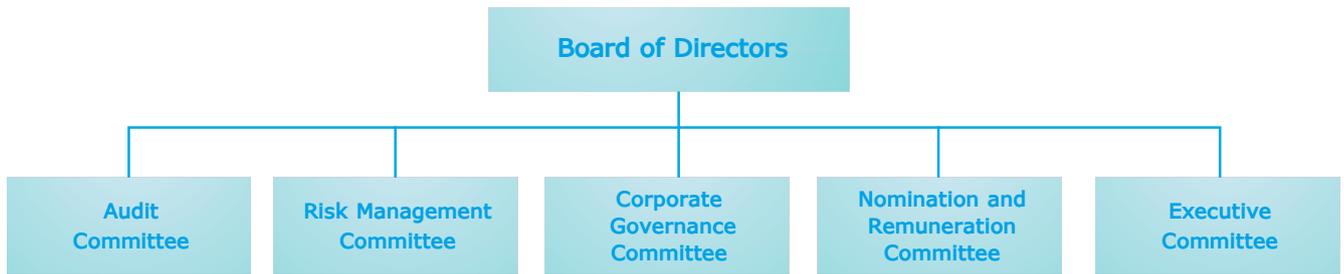
Corporate Governance Structure for Corporate Governance

The Company requires the directors of the Company to comply with the Code of Best Practices for directors of listed companies following the guidelines of the Stock Exchange of Thailand. The Board must understand and be aware of their roles, duties, and responsibilities and must perform their responsibilities under the law, objectives and regulations of the Company as well as the resolution of the shareholders' meeting with honesty considering the benefits of the Company and key stakeholders. As the Board of Directors sets policies for business goals, business plans, and company budgets along with directing review and monitoring of management to follow the procedure and specified direction with efficiency and effectiveness for the most benefit of the Company.

The Company has established a policy of independence and diversity of the Board of Directors to maintain the independence of the corporate governance structure to be a model of corporate governance for the Company and to create the utmost confidence to all stakeholders of the Company. This can assure that the Management and business operations of the Company will be transparent and verifiable with emphasis on maximum efficiency. The Board of Directors consists of the independent directors for more than half of the total number of directors and the Chairman of the Board as an independent director.

Moreover, the Company's human rights policy which covers all stakeholders of the Company and the Board value and respect human rights by treating people or any group of people with equality and fairness whether with differences in physical, gender, race, religion, social status, or political attitude. Thus, in the Board, there is no selection or discrimination based on human rights policy (as in the Note) and consists of an appropriate number of female directors according to the following Independent Directors and Diversity Assessment Report.

In the year 2020, Mr. Suchart Suphapayak was appointed as the Company's director according to the resolution of the Annual General Meeting of Shareholders on 17th August, 2020, in place of Mr. Kampol Tatiyakavee who had expired the office term.



Statement on the Independence Assessing and diversity of the Board of Directors

Independent director as Chairman	Yes
The Chairman of the Board is not the same person as the Chairman of the Executive Committee.	Yes
Average term of office of directors	8.3 years
Independent director as committee	5 persons (62.5%)
Non-Executive Board of Directors	6 persons (75.0%)
Female directors	3 persons (37.5%)
Holding the position of directors and President of the Board of Directors in other companies	
1. Adm. Apichart Pengsritong	3 companies
2. Dr. Yothin Anavil	2 companies
3. Mrs. Kongkaew Piamduaytham	1 company
4. Mr. Suchart Suphapyak	3 companies
5. Mrs. Nongnuch Davasuwan	Not any

Note: Human rights policy

<http://investor.muangthaicap.com/storage/sustainability/corporate-governance/20190509-mtc-human-right-policy-th.pdf>

Performance of the Board

In 2020, the results of assessment on the proficiency and experiences of the Board of Directors showed that the Company's Board of Directors has knowledge, expertise or experience appropriate and consistent with the Company's operating direction at present. However, the Company can improve the knowledge, expertise, or experiences of the Board of Directors by seeking an external consultant with expertise in the development of information technology for the Company's sustainable development.

Report on the assessment on the proficiency and experiences of the Board of Directors (exclude the executive director)	
Financial industry, banking, lending, insurance	33.00 %
Accounting	50.00 %
Management and strategies	100.00 %
Human resource management	67.00 %
Information technology development	17.00 %
Risk management	33.00 %

Executive remuneration

The executive remuneration is intended to reward the Company's excellent operation. The executive remuneration shall depend on the achievement of the executives. The assessment on the performance is based on the key performance indicators in various operations.

In 2020, the Company paid the remuneration to the executives (13 executives) for 47.98 million baht. This remuneration includes salary, position allowance, bonus, per diem, social security fund contribution and provident fund contribution.

Executives	2020	2019
13 members of Board of Directors (million baht)	47.98	46.10
Average remuneration for female directors (million baht)	1.78	1.24
Average remuneration for male directors (million baht)	2.91	2.35

Management Shareholding

The Company does not set the management shareholding of the Company. The Company reported the changes in the shareholding of directors and executives of the Company in 2020 to the Securities and Exchange Commission and disclosed in the annual report on page

Directors and Management Development

Orientation for new director and director training

Newly appointed director shall receive proper training regarding the knowledge about the Company's business and the roles and responsibilities of the Company's director. Topics of orientation for director newly appointed by the shareholder's meeting include regulatory practice guidelines to comply with related laws, the Company's memorandum of association and the Company's regulations; scope of duties and responsibilities of the Board and other committees; minutes of the Board meeting in the past 1 year; the Director's manual: a framework for Board governance by the Stock Exchange; the Company's corporate governance and business ethics policy; laws relating to the Company's business; rules and regulations of the Company; training programs for directors; other information relating to the Company's business operation, etc.

Director and Management's knowledge development

The Board has a policy to support and facilitate the training and development for the directors. The training programs provided are those arranged by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand and other institutes both domestic and international. This includes the activities of internal training and seminar. There are a total of 8 directors of the Company who have passed the training course on performing director duties as follows:

Directors	Training program with IOD
Adm. Apichart Pengsritong	<ul style="list-style-type: none"> ● Directors Accreditation Program (DAP), Batch 82/2010 ● Risk Management Program for Corporate Leaders (RCL 5/2016)
Dr. Yothin Anavil	<ul style="list-style-type: none"> ● Directors Accreditation Program (DAP), Batch 60/2006 ● Directors Certification Program (DCP), Batch 101/2008 ● Audit Committee Program (ACP), Batch 24/2008 ● Charter Director Class (CDC), Batch 3/2008 ● Role of The Compensation Committee (RCC), Batch 7/2008 ● Financial Statements Demystified for Directors (FDD), Batch 1/2009
Mrs. Kongkaew Piamduaytham	<ul style="list-style-type: none"> ● Directors Certification Program (DCP), Batch 157/2012 ● Advanced Audit Committee Program (AACP), Batch 13/2013 ● Role of Nomination and Governance Committee (RNG), Batch 7/2015
Mr. Suchart Suphapyak	<ul style="list-style-type: none"> ● Directors Certification Program (DCP), Batch 72/2549 ● Audit Committee Program (ACP), Batch 14/2549 ● Director Diploma Examination Batch 20/2549
Mr. Chuchat Petaumpai	<ul style="list-style-type: none"> ● Directors Accreditation Program (DAP), Batch SET/2012 ● Risk Management Program for Corporate Leaders (RCL 5/2016)

Directors	Training program with IOD
Mrs. Daonapa Petaumpai	<ul style="list-style-type: none"> Directors Accreditation Program (DAP), Batch SET/2012
Mrs. Nongnuch Davasuwan	<ul style="list-style-type: none"> Directors Accreditation Program (DAP), Batch 137/2017 Advance Audit Committee Program (AACP), Batch 26/2017 Risk Management Program for Corporate Leasers (RCL), Batch 13/2018
Dr. Seauksit Petaumpai	<ul style="list-style-type: none"> Directors Certification Program (DCP), Batch 277/2019 Corporate Governance for Capital Market Intermediaries (CGI), Batch 22/2019

Rights of Shareholders and equal treatment of shareholders

Arrangement of meeting and payment of dividends

The Company realizes and values the rights of all shareholders equally without doing anything which is an infringement of rights or restrictions of the opportunities to access the Company's information, stakeholders' roles, and disclosure of information and transparency. In 2020, due to the Covid-19 epidemic, the Board of Directors passed a resolution to pay an interim dividend on 7th May, 2020, in lieu of the resolution of annual dividend payment. The resolution was adopted from the Annual General Meeting of Shareholders which was delayed due to the unusual situation in order to mitigate the impact on the Company's shareholders. However, when the crisis from the virus epidemic in the country began to resolve, the Board of Directors had the resolution to hold the 2020 Annual General Meeting of Shareholders on 17th August, 2020, at 10:00 am at the Pinklao Meeting Room 2 (9th Floor), Royal City Hotel, No. 800 Borommaratchachonnani Road, Bangkoknoi, Bang Phlat, Bangkok, in accordance with the Company's regulations and related laws including the compliance with the principles of AGM Checklist and the standards of good corporate governance agreeing with the approaches of the Securities and Exchange Commission. In this Annual General Meeting of Shareholders of 2020, Mr. Suchart Suphapayak who was nominated to be elected as a director had left the meeting room during such agenda.

History of the Company's Dividend Payment

Year	2020	2019	2018
Net profit per share	2.46	2.00	1.75
Dividend ratio per share	0.30	0.26	0.18
Dividend payout ratio to net profit (%)	15.05	14.87	15.30

Policy for prevention the transaction possibly causing the Conflict of Interest

In 2020, the Company has not found any transaction with conflicts of interest that are contrary to the policy to prevent transactions possibly causing the conflicts of interest

Policy for Related Party Transactions

In the year 2020, the Audit Committee has considered the appropriateness of the connected transactions carefully that the connected transaction was done fairly. The conditions of the connected transactions are subject to market prices, contract prices, and agreed prices which are reasonable and in accordance with the general business operation according to the market price and in accordance with Fair and at Arm's Length Basis. This agrees with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand strictly regarding to transfer pricing policy and other conditions with persons who may have conflicts of interest as if transactions with outside parties in which the directors and executives with vested interests do not participate in the consideration and voting on matters relating to connected transactions.

The Company has disclosed the Related Party transaction in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand in the Disclosure Report on Additional Information (form 56-1) and Annual Report (form 56-2).

Stakeholders of the Company and/or senior management

The Company requires that the stakeholders of the Company have a duty to report to the Board of Directors about trading of the Company's shares at least 1 day in advance before trading. However, in the year 2020, the Company did not find any case of directors or top management violating the aforementioned requirements.

Care on stakeholders, information revelation, and transparency

The Company realizes that stakeholders in the Company's interests should be taken care of by the Company in accordance with the rights established by law or by mutual agreement, taking into account the relationship and cooperation among them. As this can build financial stability and the sustainability of the business, the Company attaches importance to fair treatment and the rights of all stakeholders both stakeholders who are directly affected by the Company's business operations and indirectly affected groups or has not been affected by the business of the Company at all. Since the year 2018, the Company has divided the stakeholders into 7 groups. The Board of Directors has considered increasing the supervision department to be another group of stakeholders because almost all of the Company's business is affected by the laws and supervision of the Bank of Thailand. In addition, the Company is obliged to report to the Bank of Thailand and other relevant regulatory agencies.

However, the responsibilities, issues of impacts, and the tools used to communicate with the stakeholders may vary from year to year due to changes in the environment and the changing risk which will be updated by the Company periodically. For the sustainable development of the Company, the roles of stakeholders are as shown in the Company's Code of Conduct.

In 2020, apart from the general policies and guidelines for practices, the Company intends and makes great efforts to mitigate the impact of the crisis caused by the Covid-19 epidemic to all stakeholders which can be summarized as follows.

Stakeholder groups	Policies and practices towards stakeholder groups and measures to mitigate the impact of the Covid-19 situation
Employees, management and the Board	<ul style="list-style-type: none"> ● Policy and guidelines for practices in human rights in accordance with the United Nations framework on the protection, respect and remedy ● Policy on complaints and protection measures for employees who complain or the whistleblowers ● Code of Conduct for the use of inside information and trading in the Company's securities ● Guidelines for evaluating performance and determining remuneration for employees, executives and the Board of Directors fairly, appropriately, and consistent with the short and long term operational performance of the Company. <ul style="list-style-type: none"> - Employment Retention Policy to supervise the safety of 100% of employees - Provision of PPE equipment to employees to protect themselves from the Covid-19 epidemic. - Improvement on the Business Continuity Plan (BCP) for responding to the emergency epidemic situation. - Improvement on operational processes and workplace in accordance with the measure of social distancing - Establishment on the procedures for employees to maintain their own cleanliness and workplace for the safety of themselves, their families, and the customers - Measure of Work From Home for employees who are at risk
Customers	<ul style="list-style-type: none"> ● Customer Centric business approach under the slogan <i>"Intimate services like close family members"</i> to take care of customers thoroughly and equitably. ● The Company has provided a thorough assessment on the customer's debt servicing ability with a focus on the customers not to incur excessive debts and have enough net remaining for living. ● The Company conducts marketing promotion appropriately and does not encourage unnecessary debts. ● Develop communication channels with customers so that customers can make comments and complaints through other channels such as hotline, email, social media, both Facebook and LINE Official, and Muangthai Capital 4.0 application, Whistleblower Channel including customer experience enhancement such as AI Chatbot service in Facebook Messenger. ● The Company operates the business with responsibility to the customer's rights and has the policy not to perform any action which will violate the customer's entitled rights, such as the right to make appropriate financial decisions. This means the right that customers will be able to decide to apply for a loan in their satisfied amount. ● The Company is aware of the customer's personal information rights and the Company has set up a personal information protection policy and the security of information system as disclosed on the Company's website as a guideline for the protection of personal information of customers, employees and business partners of the Company in accordance with the announced Personal Information Act.

Stakeholder groups	Policies and practices towards stakeholder groups and measures to mitigate the impact of the Covid-19 situation
Customers	<ul style="list-style-type: none"> ● The Company cooperates with Anti-Money Laundering Office (AMLO) to take action in preventing and suppressing money laundering as well as combating the financing of terrorism and proliferation of weapons of mass destruction. Therefore, related policies and procedures have been established and disclosed on the Company’s website. In addition, the Company has set a standard for identification (Know-Your-Customer (KYC) and conduct customer KYC strictly before making offline and E-KYC transactions for online transactions. - Measure of financial aid to mitigate the impacts of customers under the project of “Muangthai Mai Ting Kan” - 3-month moratorium for both principal and interest payments - Extension of the installment period in order to reduce the installment for not less than 30% - Reduction on the interest rate for all unsecured personal loan receivables to 22% for all customers generally without registration for a period of 3 months. <p><i>Note: The results of operations according to the rescue measures are detailed on Page 18.</i></p>
Shareholders / Investors / Creditors	<ul style="list-style-type: none"> ● The Company respects the rights of all shareholders, investors and creditors equally. The Company attaches great importance to the disclosure of information both in terms of financial and general information in a correct, adequate, transparent and timely manner so that shareholders, investors and creditors can make decisions and participate in expressing opinions following their rights to the fullest. The Company has provided the dissemination of news and information via investor relations channels, various media and investor relations activities. The Investor Relations Department was established to be responsible for communicating and responding to inquiries to shareholders, investors, creditors and other stakeholders. ● The Company has a policy to strictly adhere to the terms of contracts and obligations agreed with the creditors. ● The Company has never had any disputes in regards to the default on debt payment. The Company pays the money to the creditors according to the agreed payment terms in advance. <ul style="list-style-type: none"> - The Board of Directors passed a resolution to pay an interim dividend on 7th May, 2020, in lieu of the resolution of annual dividend payment. The resolution was adopted from the Annual General Meeting of Shareholders which was delayed due to unusual circumstances. - Arrangement of the 2020 Annual General Meeting of Shareholders on 17th August, 2020, in accordance with the Company’s Articles of Association and related laws including compliance with the principles of AGM Checklist and the standards of good corporate governance agreeing with the guidelines of the Office of Securities and Exchange Commission and epidemic control measures according to the regulations of the Ministry of Public Health.

Stakeholder groups	Policies and practices towards stakeholder groups and measures to mitigate the impact of the Covid-19 situation
Shareholders / Investors / Creditors (continued)	<ul style="list-style-type: none"> - Appropriate financial and fiscal management such as financial cost management and management on the Company’s liquidity. In 2020, the Company received the award from Her Royal Highness Princess Maha Chakri Sirindhorn at Thailand Corporate Excellence 2020 in Financial Management Excellence organized by the Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University. - Increase of communication channels with stakeholders by investing in the Zoom system to enable the Company to communicate the information accurately and timely resulting in higher number of meetings with the investors than in previous years. In 2020, the Company’s Investor Relations Department was awarded the IIA Awards for Listed Companies 2020 category IR Best of the Year 2020 for the Financial Business Group organized by the Association of Investment Analysts together with the Stock Exchange of Thailand.
Trading partners	<ul style="list-style-type: none"> ● Supply Chain Management Policy ● Requirement of consideration on the trading partners’ economic, social and environmental impacts and risks in assessing key trading partners of the Company such as corporate governance management, the risk of breaking the law in environment and labor, etc. This will lead to sustainable business development. ● Selection process, equal and fair treatment of trading partners
Competitors	<ul style="list-style-type: none"> ● Treatment of competitors by conducting business under ethics, morality, and responsibility in the framework of good competition. ● Focus on the cooperation with competitors that will benefit consumers that is not a monopoly on market shares such as cooperation among trade associations, vehicle title loan operators, personal credit trade associations, etc. ● Participation in discussions with the Vehicle Title Loan Trade Association and the Personal Credit Trade Association
Community and Society	<ul style="list-style-type: none"> ● Being the “Responsible microfinance lending service provider” to cover the development and sustainability in 3 dimensions; economic, social and environmental. <ul style="list-style-type: none"> Social dimension: Developing access to funding sources and reducing the economic disparities of people Economic dimension: Developing a strong community and society as well as creating an organization to be a part of the community Environmental dimension: Efficient use of resources - The Company participated in the allocation of 200,000 bags, totaling 60 million baht, distributed through the Ministry of Interior to communities in 74 provinces nationwide.

Stakeholder groups	Policies and practices towards stakeholder groups and measures to mitigate the impact of the Covid-19 situation
Community and Society (continued)	<ul style="list-style-type: none"> - Although the Company did not participate in recruiting the graduate students having the government to help paying 50 percent of the wages because the Company has planned to recruit employees who are new graduates in 2021 in the number of 800 - 1,000 persons spread across the country to support branch expansion plans in the next years, the Company believes that the past performance has given the Company sufficient potential to be responsible for the expenses of the employees. Thus, the government can use the budget to support other large and small private companies to be utilized in order to achieve the most efficient use of the budgets. - The Company promotes the stimulation of Thai tourism in accordance with the government guidelines by organizing 189 employees of the Company to do the Outing Activity in Phuket from September - December, 2020, under the budget of 5.9 million baht. The Company expects that such budget amount will contribute to the local Economic Circulation in the tourism industry areas that mainly rely on foreign tourists to be relieved from the effects of the Covid-19. - Mr. Chuchat Petaumpai, Chairman of the Executive Committee, and Mrs. Daonapa Petaumpai, Managing Director, donated personally to support public health in the amount of 110 million baht through the Ministry of Public Health.
Regulating bodies	<ul style="list-style-type: none"> ● Business operations in accordance with the regulatory guidelines for business operators under the license including fair Market Conduct. ● Accurate, transparent and timely reporting of information to the relevant regulatory authorities. ● Cooperation with the Bank of Thailand in issuing financial assistance measures to mitigate the impact of the Covid-19 epidemic situation to customer groups. ● Cooperation with the Bank of Thailand to improve the interest rate for personal loans, vehicle title loans, and Nano finance loans including the improvement of fee structure to be appropriate and fair to the customer groups.

For ensuring that the stakeholders of the Company acknowledged the policies and practices for corporate governance and the Code of Business Conduct of the Company, the Company has disclosed all policies on the website in the section of **“Corporate Governance Policy”** under “Investor Relations” section.

In addition, the Company requires all employees to sign to acknowledge the Company’s policies, practices and requirements both new employees and former employees. Since policies, guidelines or requirements may be revised during the year, an annual review is required through the MTC University system which is the Company’s internal portal for employee’s training.

Policy	% of employees acknowledging the policy
Corporate governance policy and manual and business ethics	92%
Anti-corruption policy and manual	91%
Environmental policy	89%
Human rights policy	95%
Safety policy	90%
Information safety and information security policy in accordance with the Personal Data Protection Act B.E.2562	92%

Information safety and information security policy in accordance with the Personal Data Protection Act B.E.2562

Risk management report

Internal control

The Company realizes the importance of having a good internal control system by providing an Internal Audit Department which is an independent unit. Therefore, it has the duty to report directly to the Audit Committee for ensuring that the Company has an adequate internal control system, risk management and sufficiency assessment of such system annually. This includes transactions involving connected transactions and prevention of conflicts of interest. In this regard, the Company has set up an internal control system and risk management system in accordance with the COSO-ERM international standard internal control framework divided into 5 components;

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

The details are as shown in the topic of “Internal control and related transactions” in the 2020 Annual Report

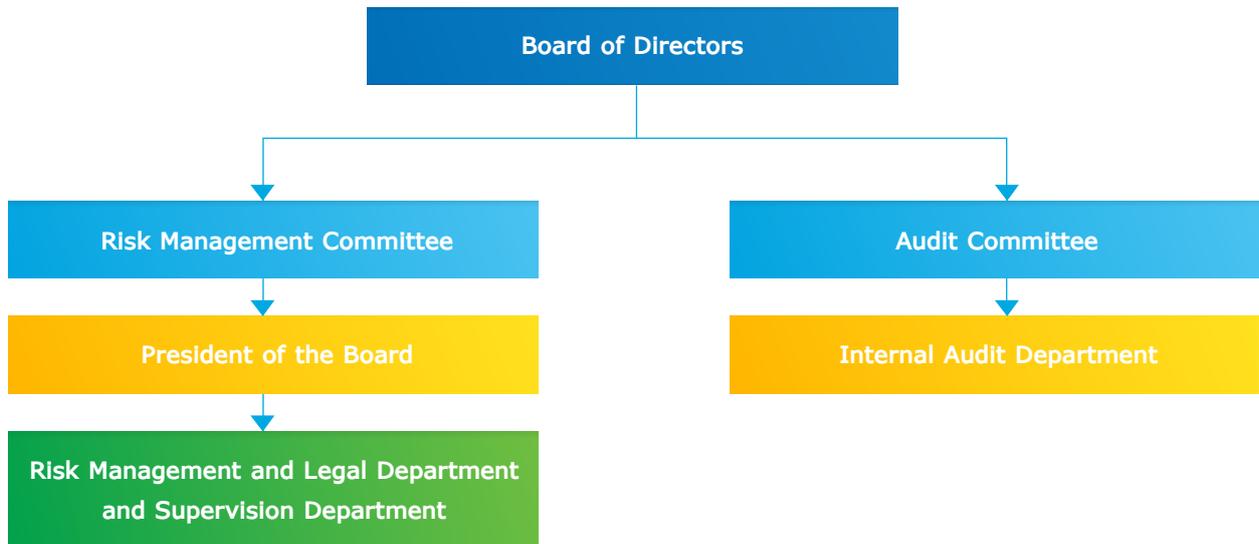
Creating a culture of risk management

Risk Policy and Governance

● Risk Management Structure

The Company has the risk management structure which is accepted internationally. The duties and responsibilities of the Risk Management Committee are defined. The Risk Management Department acts clearly and independently. It is currently the Risk Management and Legal Department. They directly report to the Risk Management Committee independently. There is the Dual Reporting on a regular basis at least once a quarter. Apart from the Risk Management and Legal Department, the Company also has the Internal Audit Department to perform the duties independently. They report to the Audit Committee consisting of 3 independent directors. There is the Dual Reporting. In addition, the Company is in the process of establishing a Corporate Governance Department to provide risk management more concisely.

Risk Management Structure



Risk management process

The Company adheres to the Risk Management Framework in accordance with the international standards of the COSOERM Risk Management Principle which consists of the practical guidelines covering all 8 elements as follows:



Risk identification

The Risk Management and Legal Department is responsible for being aware and being able to identify risks in business operations in the short term and long term for the emerging risks and the risks possibly arising in the future. This is for the Company to formulate the strategies in eliminating, mitigating, or adapting to deal with such risks. It will enable the Company to achieve sustainable growth over the long term.

The Company uses a variety of tools in the process of risk identification such as brainstorming during internal meetings among departments, SWOT analysis, hypothesis analysis, workshop, industry comparison, and hearing from stakeholders.

The Company has classified the risks possibly occurring into 8 areas as classified in the topic of **“Risk Factors”**. However, in 2020, the risks that were considered the significant risks highly affecting the Company’s operations (Materiality) are the following risks associated with the Covid-19 pandemic situation

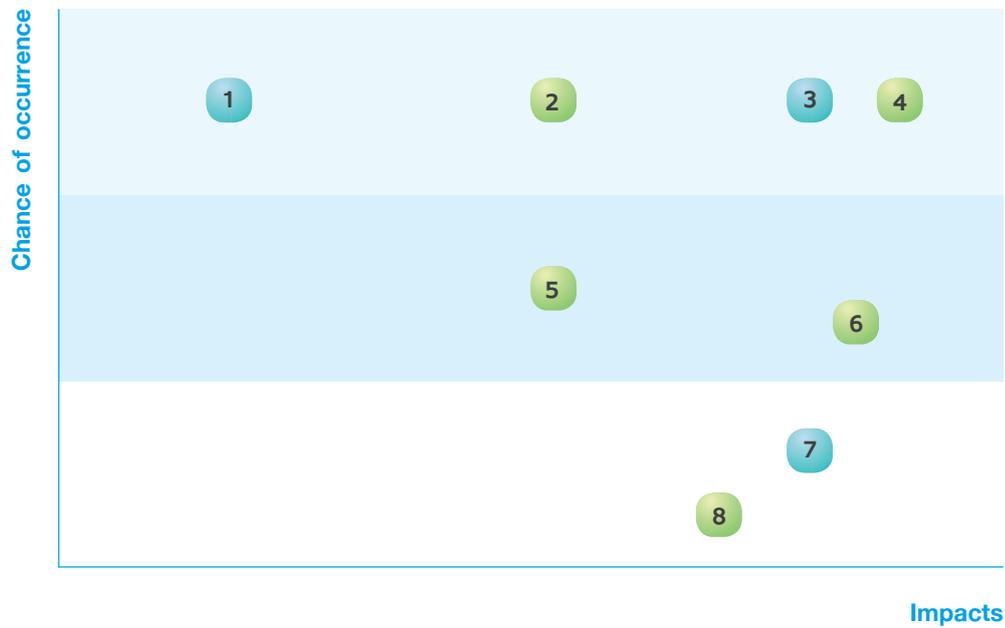
1. Emerging Risks: Emerging risks of the Covid-19 and cybercrime risks.
2. Operational Risks: Debt collection risk and asset quality control due to the decline in household income in line with the slowing economic condition.
3. Financial risks: Liquidity risk arising from retail customer aid measures and the declination in the needs for borrowing of retail customers due to government aid measures.
4. The risk of changes in the regulations: This is the risk of the Bank of Thailand to cut the interest ceiling rate in the second phase of consumer loan assistance measures for personal loans to be not more than 25 percent, for vehicle title loan to be not more than 24 percent, and Nano Finance to be not more than 33 percent. This includes the adjustment of the fine interest calculation and guidelines for supervision of various fees.

● Risk assessment

In prioritizing the importance of each risk, the Company has set criteria for risk assessment. It is measured from the likelihood of risk and the severity of impact as follows:

1. Impact on quantitative policy and operational performance
2. Impact on reputation, corporate image, and competitiveness
3. Impact on business operations
4. Impact on the satisfaction, quality of life, and safety of employees
5. Impact on satisfaction and security of personal information
6. Impact on information security system
7. Impact on human rights / corruption

Risk Map of the year 2020 can be described as follows:



- | | |
|---------------------------|---|
| ● 1. Phishing Scam | ● 5. Inability to sell the confiscated assets |
| ● 2. Debt collection | ● 6. Changes in credit regulatory laws |
| ● 3. Pandemic of Covid-19 | ● 7. Harm from Ransomware |
| ● 4. Liquidity | ● 8. Relaxation of accounting standards |

Risk factors	ESG	Risk issues	Risk assessment criteria	Risk management strategies	Stakeholders
Pandemic of Covid-19	S	Infection with an epidemic that has no cure and can spread the infection in a wide area	L - high I - high	<ul style="list-style-type: none"> ● Business Continuity Plan (BCP) for the virus outbreak ● Regulations on work from home ● Regulations on the Social Distancing policy conformity in the Head Office, branches and employee's dormitory ● Codes of practice for the provision and installation of accessories and PPE for employees at all levels in every branch and customers 	Employees, customers
Cyber crime	S	<ul style="list-style-type: none"> ● Phishing Scam ● Ransomware Computer viruses penetrating security systems to destroy personal databases	L - high I - low L - low I - high	<ul style="list-style-type: none"> ● Information safety policy and privacy policy ● Alert and educate employees, customers, and general people via online channels and various communication channels to be careful with phishing scams ● Improve the method of collecting information from the complaint channel. 	Society, customers, investors
Debt collection / Failure to confiscate the collateral	G	Inability to follow up with customers to pay off debts resulting in higher NPL.	L - high I - moderate	<ul style="list-style-type: none"> ● Debt classification relaxation policy and the provision of allowance for doubtful accounts in accordance with the notification of the Bank of Thailand and Federation of Accounting Professions 	Employees, customers
Inability to sell the confiscated assets		Inability to sell the confiscated assets or the price is lower than estimated.	L - moderate I - moderate	<ul style="list-style-type: none"> ● Measures to help small debtors <ol style="list-style-type: none"> 1) Moratorium for a period of 3 months 2) Debt restructuring 3) Lowering the interest rates 	

Risk factors	ESG	Risk issues	Risk assessment criteria	Risk management strategies	Stakeholders
Inability to sell the confiscated assets (continued)				<ul style="list-style-type: none"> Regulations on debt correction Regulations on problematic credit monitoring and execution Regulations on auction management Regulations on the unusual incident reporting process 	
Financial liquidity	G	Lack of cash for performing the operation resulting in the interruption or decrease of lending	L - high I - high	<ul style="list-style-type: none"> Policy to manage and expand funding channels to diversify financial liquidity risks such as issuing and offering debentures to the general public. Borrowing soft loan from Government Savings Bank for providing assistance measures to retail customers 	Employees, customers
Changes in credit regulatory laws	G	<p>Lowering the interest rate ceiling and / or fees may cause the Company's revenue to suddenly reduce. If the expenses cannot be reduced in a timely manner, the profits will reduce.</p> <p>Relaxation of accounting measures due to the fluctuating economic conditions resulted from the pandemic of Covid-19.</p>	<p>L- moderate I - high</p> <p>L - low I - high</p>		Employees, customers, supervising unit

Development of products and services by considering the risks

Regarding the Company's practical approaches in the development of new microfinance loan products and services, there are various factors to consider in order to limit the risks especially in credit and operation such as:

● Appropriate interest rates

The interest rate of each product is set to be appropriate for the credit risk of the customers and is not more than that required by law.

● Appropriate Loan-to-Value (LTV)

The LTV is determined based on the market price from the Company's auction center. This assures the Company that the Company's LTV is appropriate and is at the appropriate level for credit risk.

● Appropriate credit limit

The credit limit is set for not over 510,000 baht per person. This can reduce the Cluster Risk. The average loan size per contract in 2020 is 22,000 baht. This increases from the average loan size per contract of the previous year only for 4.7 %.

● Reasonable installment rates

With a low interest rate together with the appropriate limit and flexible contract duration, the customer's installment rates are set suitably for the customer's payment ability. Therefore, the credit risk is not high.

● Appropriate selection and credit approval processes

The establishment of Know-Your-Customer (KYC) procedure and Authentication Process is required for transactions in the branches and E-KYC for transactions via online channel and the application.

● Appropriate debt collection procedures

The establishment of appropriate debt collection procedures is required as prescribed by law.

9.4 Determination of employee performance appraisal with consideration of risks

The employee performance appraisal is divided into 3 main topics as follows.

- 1) Asset Quality based on the MTC Model
- 2) Portfolio of credit based on the number of new customers
- 3) Performance in maintaining the customer base

The topic that is most important and affects employees' performance is the first topic which is directly related to credit quality and credit risk of the credit portfolio.

In addition, the Company also conducts the fraud risk assessment by considering the operating procedures that may cause frauds such as:

- Fraud in purchase / procurement
- Fraud in outsourcing of contractors / agencies
- Fraud in the loan approval
- Fraud in the credit collection
- Fraud in the cash storage in branches
- Fraud in the disbursement of expenses
- Fraud in property auctions

● Benefits between the Company and the government officials / government agencies / private agencies

If an employee is found to commit fraud, the Company has a policy to punish according to the punishment regulations until finalized.

Policy on risk management for establishing business ethics

Anti-corruption policy and report on complaints

In order to comply with the anti-corruption policy according to the approaches of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), the Company has established and disclosed the Anti-Corruption Policy and Whistleblower Policy on the Company's website. The mentioned Whistleblower Policy sets the guidelines for receiving complaints including the guidelines for protecting the whistleblowers as well. The Company has communicated and disclosed the whistleblowing channels on the Company's website as follows:

- URL : <https://www.muangthaicap.com/th/contact.php>
- Whistleblowing channels

The whistleblowers can report complaints or clues by clearly stating that it is confidential document through the following channel: Contact: President of the Audit Committee

● Address: Muangthai Capital Public Company Limited 332/1 Jaransanitwong Road, Bangplad, Bangplad, Bangkok 10700 Tel: 02 483 8888 Email: whistleblower@muangthaicap.com

In the year 2020, the Company found that 25 cases of whistleblowing were made through the whistleblowing channels and via the Company’s social media.

Report and whistleblowing	Number (cases)	Process of action	Damage value (Baht)
Corruption, fraud/bribery	1	Inspected and found that it was not a real fraud case.	-
Conflict of interest	-	-	-
Human rights/operational safety	-	-	-
Disclosure of internal information of the organization	-	-	-
Security of the information technology system, personal information, and Phishing Scam	23	Inspected and warned of Phishing Scam on the Company’s website and notified Technology Crime Suppression Division	-
Inaccurate financial reports/defective internal control system/false financial documentation	-	-	-
Other offenses such as breaches of Company’s rules and regulations, violation of duty	1	Manage according to the Company’s regulations	-

Donation policy and subsidies to political parties, trade associations, or any other tax-exempt association

Supporting political parties

Referring to the approaches of Anti-Corruption Policy in the Company’s Anti-Corruption Policy Guidelines Clause 3 on the caution in providing political support, the Company has a policy of political neutrality and will not provide support, not get involved, or an act of favoring political parties both direct and indirect. This includes the use of fund or use of the Company’s resources in political related activities. Therefore, the Company has no expense for supporting any political party.

Support of car registration operator trade association

However, the Company is involved in developing fair and transparent service supervision to customers by collaborating with the vehicle title loan operator trade association to discuss, hear, and exchange the opinions on various issues with the Bank of Thailand. This is for being able to formulate the regulations or approaches for governing businesses under financial institutes and non-institute business operators to be in the same direction. In 2020, the measures that have been discussed altogether are such as measures to help the borrowers affected by economic fluctuation and the pandemic of Covid-19. This includes the

reduction of interest rates of the supervised personal loans and supervised retail loans including the improvement to the tax monitoring fee structure and default repayment interests. In the year 2020, the Company has an annual maintenance fee paid to the association for 115,000 baht.

Support of personal loan operator trade association

The Company has joined as a member of the Personal Loan Business Operator Association from the date that the Company has been involved in the process. In 2020, the Company had an annual association fee paid to the Association in the amount of 10,700 baht.

Tax Management Policy

The Company discloses the tax management policy on the Company's website to present the principles and standards of tax management of the Company including transparent disclosure and concise in tax management. In 2020, the Company has been selected as a member of the FTSE Thailand USD Net Tax Index from FTSE Russell calculated from the tax amount paid by the Company.

Thailand only	2020	2019	2018	2017
Total revenue (million baht)	14,733	12,688	10,416	7,471
Profit before tax deduction (million baht)	6,516	5,293	4,627	3,106
Paid tax	1,302	1,056	913	605
Actual tax rate (percentage)	19.98%	19.95%	19.73%	19.48%
Tax rate paid in cash (percentage)	19.98%	19.95%	19.73%	19.48%

Policy on the information protection and information security

The Company is aware of the risks of information protection and information security which possibly have material impact on the Company's operational performance in case of personal information leakage or damage to the information security system. Therefore, the Company has set a policy and measures to supervise and prevent such risks to be disclosed on the Company's website in the section of **"Investor Relations"**, topic of "Information Protection and Security Policy". The Company has established the Personal Information Protection Committee of the Company and personal information protection officers, procedures for breach of personal information in the Company, whistleblowing channel for stakeholders if there are suspicious events or damage through the Company's internal communication channel and the

Company's whistleblowing channel as well as stipulating the penalties in case of personal data breach both the Civil Liabilities and the Criminal Liabilities.

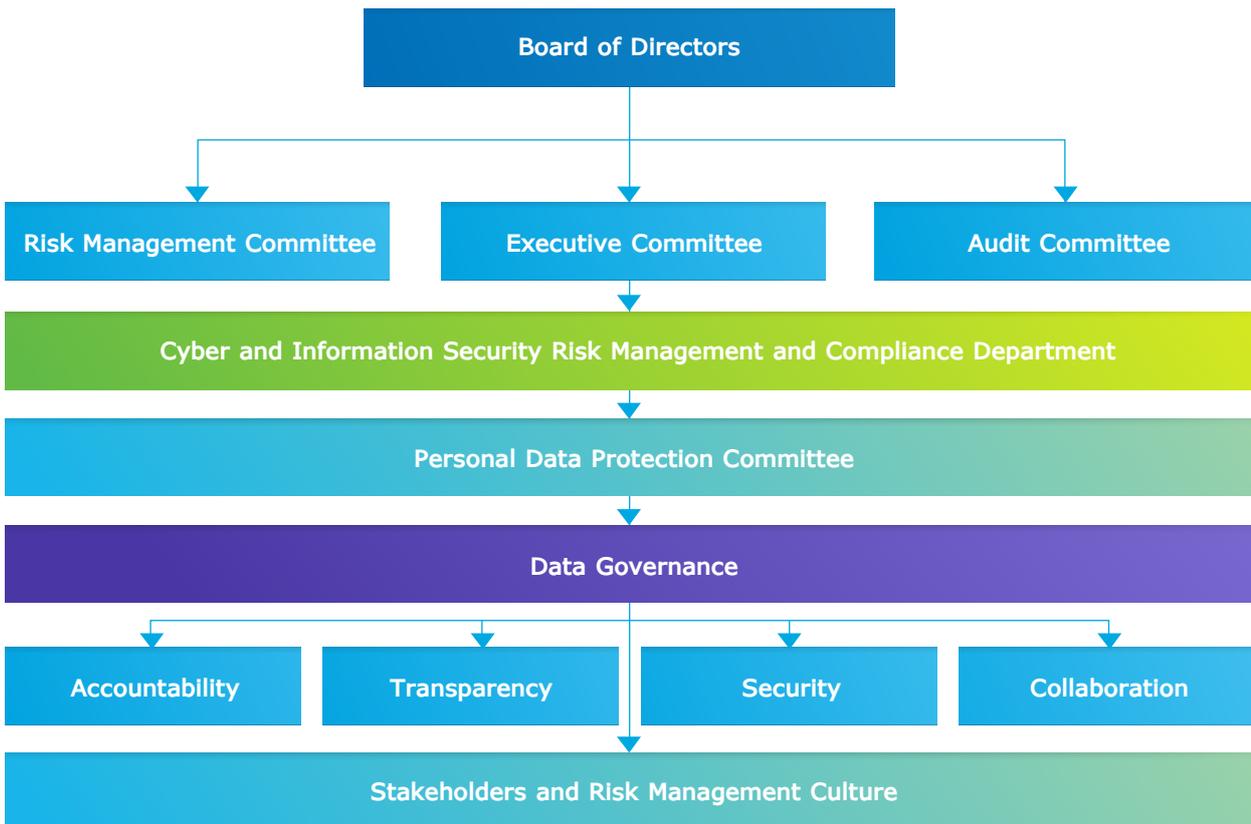
In 2020, the Company has arranged the training for the employees in the Information Security Department on **"IT Compliance Program"** organized by the Association of Political Science of Kasetsart University and **"Personal Data Protection Act 2019: Process and Guidelines for Practice"** organized by the Association of Political Science of Kasetsart University in collaboration with the Digital Media Law Institute, Kasem Bundit University.

The Personal Data Protection team has reported on the operational performance of data protection and information security to the management, Risk Management Committee, and the Board of Directors

that in 2020 the Company has not received any complaint about the security of personal information. However, there is a whistleblowing of phishing scam for 23 cases which does not cause any damage or affect the Company’s performance in any way. The Company has followed the risk prevention procedure by notifying the stakeholders on the Company’s website and reporting it to the Technology Crime Suppression Division (TCSD).

In addition, the Company has arranged for the external auditors to audit the information system once a year and report to the audit committee and the management.

Governance structure of personal information and information security



Procurement Policy

The Company has disclosed the procurement policy on the Company’s website in the section of **“Investor Relations”** in the topic of **“Policy for good corporate governance”**. The Company stipulates the procurement policy for the Company’s procurement to be efficient, transparent and free from corruption taking into account the economic, social and environmental impact (ESG).

In the year 2020, the Company has improved the purchase of equipment office appliances according to the new procurement policy supporting the procurement of environmentally friendly products that are certified green industry by the Ministry of Industry and passed the criteria for products and services that are friendly to the environment of the Pollution Control Department, Ministry of Natural Resources and Environment, such as toilet paper, 5-star energy-saving appliances, cloth bags for the preparation of survival aid bags, etc.

Risk Management, risk factors for the Company's business operation, and risk control processes

Emerging risks

Emerging risk factors	Risk management process
1. Risks from emerging epidemics	<ul style="list-style-type: none"> Urgently announce policies and measures to prevent the spread of Covid-19. Cooperate with the Bank of Thailand in issuing financial assistance measures to customers. Develop a variety of funding channels Update mobile application Muangthai Capital 4.0 to be able to support the function of requesting additional credit approval. It is expected to be ready in 2021 with expanding online payment channels. Improve the process of auctioning assets in the auction center to avoid and reduce exposure enhancing the efficiency and effectiveness of the overall asset auction process.
2. Risks of cyber threats	<ul style="list-style-type: none"> Establish an information security policy including the seat notification channels and communication channels with stakeholders Create a risk culture for stakeholders to recognize cyber threats.
3. Risks of competing with new players	<ul style="list-style-type: none"> Focus on building standards of Service Excellence as well as treating customers with fairness (Market Conduct). Focus on expanding customer reach through branch opening Continuously expanding the loan products to maintain the loyalty that customers have with the Company Provide fair and transparent interest rates and fees so that the customers can maintain credit quality and debt quality as well as attracting new customers from informal credit providers and other service providers.

Business risk

Risk type	Risk factors	Risk management process
Operational aspects	Employee corruption	<ul style="list-style-type: none"> The Internal Audit Department reviews the risk management process and internal control to ensure that the adequate, efficient, reliable, and transparent business operation is proposed to the Audit Committee (Preventive Control). Adoption of technology as a risk control measure for Detective Control The Internal Audit Department examines the system compliance, random inspections, monitor, evaluate, and propose preventive measures against corruption to the Company's management.

Risk type	Risk factors	Risk management process
Operational aspects (continue)	Employee corruption	<ul style="list-style-type: none"> ● Arrange to regularly inspect the contracts and documents in applying for the loans and cross-branch cash counting to cover all branches including reporting suspicious events to the superiors. ● Provide opportunities for employees and stakeholders to report suspicious incidents that implicate fraud through whistleblower channels of the Company. ● When it is detected to have potential fraudulent grounds, the Branch Affairs Department must investigate to the end and report the management to determine the sanctions based on the discovered facts. ● Train new employees on anti-corruption policy including penalties and communication with all employees to acknowledge and review periodically for the guidelines of operation on the tasks defined by the Company to prevent fraud through various communication channels of the Company.
	Human resource shortage	<ul style="list-style-type: none"> ● Provide employees with appropriate welfares, fairness and in line with the Company's short-term and long-term achievement. ● Survey employee's satisfaction to understand the factors that have a positive impact and a negative impact on employee's satisfaction towards the organization. ● Provide internal communication channels both online and offline ● Provide extensive and adequate training for employee potential development to sustainably achieve the Company's goal or objectives. ● Assess the competence and potential of employees with the objective to achieve a transparent, fair and independent assessment.
	Failure to collect the collaterals	<ul style="list-style-type: none"> ● Determine the qualifications of customers who will apply for the Company's credit which must have a domicile or have a place of work in the area of the branch requesting for the service. If having domicile in different areas, there must be a guarantor by a third party who is domiciled in the area.

Risk type	Risk factors	Risk management process
	Failure to collect the collaterals (continue)	<ul style="list-style-type: none"> ● Build a large branch network through branches and employees spread across the country as another mechanism that the Company uses to collect debts and seize collateral assets in the event of asset transfer. ● Revise regulations regarding commission payment criteria for debt collection to create motivation and as a reward to employees who can perform their work to achieve the goals
	Sale on confiscated properties	<ul style="list-style-type: none"> ● Set a credit limit or LTV that is appropriate and consistent with the vehicle type, vehicle model, popularity and condition of the assets used as collateral. The credit balance schedule will be reviewed on a regular basis or when there is an event that has a significant impact. ● Improve and develop asset auction processes to meet demand which is adequate and suitable for the supply or assets to be auctioned for the purpose of selling to obtain the auction price of the property and to provide the most benefits to all stakeholders.
	Reliance on major customers and debtors	<ul style="list-style-type: none"> ● Set Single Lending Limit (SLL) per contract and per individual customer to prevent customers from being able to borrow beyond their ability to pay ● Focus on issuing retail credit products with low credit limit to suit the ability of payment of the customer group
Financial aspects	Insufficient financing and lack of liquidity	<ul style="list-style-type: none"> ● Provide the new ways to raise capital for reducing the risk from insufficient financing and the lack of liquidity of the Company ● Manage bills of exchange (short-term debt instruments) issued by the Company having sufficient credit limit from the financial institute to support the value of the bill of exchange.

Risk type	Risk factors	Risk management process
Financial aspects (continue)	Insufficient financing and lack of liquidity	<ul style="list-style-type: none"> ● Manage long-term debt ratio (contract period more than 1 year) and short-term debt (contract period less than 1 year) to an appropriate ratio to prevent the lack of liquidity and sufficient to support the rapid growth of the Company.
	Interest rate fluctuation	<ul style="list-style-type: none"> ● Manage interest rates on bank loans by distributing loans to commercial banks both Thai and foreign ● Make an Interest Swap Contract to reduce the risk of market fluctuation.
Credit and asset quality	Credit and asset quality	<ul style="list-style-type: none"> ● Update the asset market value database which is gathered from the results of the auction for assets that are auctioned through the auction center at least twice a year. ● Maintain the Loan-To-Value ● Emphasize lending to retail customers which is considered a small loan and spread the risk of lending ● Develop service to customers (Market Conduct) to encourage customers to keep their credits ● Consider debt repayment behaviors from the Company's database and Best Efforts Basis. Ask for more information of the grantor if the credit value is high or the borrower does not have the same address as the source of residence for use in considering lending. ● Pay attention to the management to manage the auction centers efficiently and holding auctions transparent which helps to maintain the Recovery Rate. ● Improve the auction process to sell assets at the auction center of the company. Regularly to encourage higher auction competition for maintaining the asset's selling price resulting in the reduced loss from non-performing loans (NPL). ● Cultivate cognition risk matters as part of the corporate culture as applied to employee discipline in performance. ● Use Key Performance Indicators (KPIs) related to risk control as the main performance indicator.

Risk type	Risk factors	Risk management process
Marketing	Policy on budgeting for assistance measures and the welfare system of the government sector	<ul style="list-style-type: none"> ● Arrange the treasury management that is appropriate for the situation to save financial costs during a period of reduced credit demand due to government measures
Information retention and information security	Information retention and information security	<ul style="list-style-type: none"> ● Appoint an external expert to be an IT Auditor responsible for assessing the adequacy of internal controls and risk management in information technology systems ● Provide a system to prevent information leaks from external attacks or computer virus threats by installing network security software (Firewall). ● Establish and improve the access authority to prevent information leaks possibly caused by internal personnel. ● Establish a backup plan along with a backup check of information ● Provide internal communication to raise awareness and instill awareness in the correct use of technology to employees ● Prepare the personal information protection manual, information security, and Business Continuity Plan (BCP) to prevent and cope with interruptions in business operations caused by threats to the operation of information systems
Change of rules and laws related to the accounting operation and standards	<p>Changes in rules and laws</p> <p>Changes in accounting standards</p>	<ul style="list-style-type: none"> ● Elevate the risk management working group and the law as the risk management and legal department with the responsibility of closely managing and dealing with various risks including legal risks ● In 2019, the Board of Directors has approved the establishment of the Compliance Department which is responsible for supervising and monitoring the Company's operations to comply with the framework of relevant rules, regulations and laws.

Risk type	Risk factors	Risk management process
Climate change	Climate change	<ul style="list-style-type: none"> Establish environmental management policies to reduce greenhouse gas emissions from business operations, both directly and indirectly Expand the branches to various areas to reach a more diverse group of customers for balancing the customer base to customers who are not directly related to agriculture or do not have the risk of climate change as high as the farmers.
Shareholder risks	Dependence on existing shareholders and the major shareholder holding more than 50% of the registered capital	<ul style="list-style-type: none"> Clear disclosure and communication of shareholder structure information to investors through communication channels of “Investor Relations” so that investors can consider shareholder risks.

Note: The details of the information and the results of risk management for the year 2020 are shown in the 2020 annual report.

Performance of social projects

The Company has operated the Corporate Social Responsibility (CSR) program since 2011

On giving and creating opportunities for communities and society under the concept of **“Responsible Lending”**. The Company conducted the project **“Muangthai Mai Ting Kan”** to stand alongside the community in 3 important areas; education, public health, and religion and culture, which are the foundations of the community strength.

The Company believes that such activities can create Social Investment and Community Engagement between the Company’s employees and the communities where the Company’s branches are located. Apart from the Well-being development to the grass root people, it can also create Brand Awareness by telling them about the Snowball Effect. Thus, the project operation of **“Muangthai Mai Ting Kan”** gives the Company’s stakeholders both employees and customers to participate in various activities as well.

In education

The Company implements the project of child development centers under the name of “My New Home (Ban Mai Kong Noo)” which has been continually operated for more than 8 years. Each year, personnel stationed in different sub-districts will study and survey the area together with the Sub-district Administrative Organization or other relevant local partners before presenting to management. Once the area has been considered, the Company will contact the Sub-district Administrative Organization in the selected area to set an area for the construction of a child development center with a construction budget of approximately 1 - 1.2 million baht per building of a child development center.

For the building construction, the Company has referred to the design from the Department of Health, Ministry of Public Health, setting the standard building design for safety and reduction of congestion for early

childhood importantly. The Company has built 16 child development centers nationwide under the project. In 2020, the Company has built 4 more child development centers under the budget of over 4,600,000 million baht in 4 provinces including Nakhon Sawan, Nakhon Phanom, Kanchanaburi, and Prachuap Khiri Khan with more than 133 primary children being the direct beneficiaries.

In addition, the Company also regularly monitors the activities of the Child Development Centers in order to be in line with the Company’s intentions. The number of early childhood children who were given opportunities to access safe areas was inquired. The Sub-district Administrative Organization of each area is responsible for this mission.

In public health

The employees of the Company have consistently supported the blood donation program **“Muangthai join in blood donation”** to Thai Red Cross. Each year

the Company’s employees have blood donation at various hospitals and the Thai Red Cross nationwide. In the year 2020, the Company had 7,121 blood donors (300 cc per person), totaling 2,492,350 cc of blood calculated as 71.80% of the total number of employees.

In religion and culture

The temple is still considered a center of the mind of the people in the community. Therefore, participating in the Kathin ceremony of the temple by rotating around the communities with the objective of preserving cultural traditions is to build good relationships and be a part of the community.

However, due to the 2020 Covid-19 epidemic, the Board of Directors resolved that such activities should be temporarily suspended as most people have suffered financially. This is also to avoid organizing crowded activities by following the guidelines of the Department of Disease Control, Ministry of Public Health.



Appendix

Specifications to evaluate sustainability performance

Economic dimensions

Information	Unit	2020	2019	2018
Total income	Million baht	14,733	12,688	10,416
Total administrative and operating expenses	Million baht	6,399	5,868	4,689
● Expenses about employees	Million baht	3,676	3,009	2,228
● Expenses for sponsoring an organization, association or event sponsorship	Million baht	177,100	257,400	400,480
● Charity expenses, donations to organizations, associations, individuals or society	Million baht	5	6	3
● Expenses for damage from corruption and bribery	Million baht	0	0	0
● Expenses for damages from human rights violations	Million baht	0	0	0
● Other expenses	Million baht	2,718	2,853	2,458
Tax expenses	Million baht	1,303	1,056	913
Net profits	Million baht	5,214	4,237	3,713
Total assets	Million baht	77,222	61,872	49,146
Total liabilities	Million baht	56,540	45,900	36,847
Total Equity	Million baht	20,682	15,972	12,299
Return on shareholder's equity	Percentage	28.45	29.98	34.96
Return on assets	Percentage	7.50	9.54	10.75
Total market value	Million baht	125,070	135,150	103,880
Number of branches	Branches	4,884	4,107	3,279

Social dimensions

Information	Unit	2020		2019		2018	
		Male	Female	Male	Female	Male	Female
Total number of employees	Persons	10,328		9,589		7,660	
Classified by gender	Persons	9,202	1,126	8,590	999	6,823	837

Classified by type of employment contract

● Permanent employees	Persons	9,200	1,124	8,588	997	6,822	836
● Contract employees	Persons	2	2	2	2	1	1

Classified by position level

● Senior management	Persons	4	2	4	2	4	1
● Management	Persons	24	4	23	4	18	5
● Back Office	Persons	116	1,120	95	990	85	828
● Front Office	Persons	9,058	-	8,468	3	6,716	3

Classified by working age

● More than 25 years	Persons	23	18	20	11	16	5
● 15-25 years	Persons	88	22	76	22	64	25
● 5-14 years	Persons	1,575	240	985	157	746	142
● 1-5 years	Persons	6,254	673	5,041	584	3,754	478
● Less than 1 year	Persons	1,262	173	2,468	225	2,243	187

Number of new employees

● Total employees	Persons	1,434	193	2,935	275	2,857	229
● Hired new employees rates	Percent	13.88	1.87	30.61	2.87	37.29	2.98
● Hired new employees rates	Percent	15.75		33.48		40.28	

Information	Unit	2020		2019		2018	
		Male	Female	Male	Female	Male	Female

Classifies by age

● Less than 30 years	Persons	1,430	137	2,934	202	2,857	170
● 30 - 40 years	Persons	3	31	1	48		28
● 40 - 50 years	Persons	1	25	-	25		31

Number of terminated employees

● Number of terminated employees	Persons	853	67	1,158	109	1,199	119
● Rates of terminated employees	Percent	8.26	0.65	12.08	1.14	15.65	1.55
		8.92		13.21		17.20	

Classified by categories

Voluntary terminated employees	Persons	817	64	1,068	105	1,138	110
Voluntary terminated employees rates	Percent	88.71	6.95	84.29	8.29	91.18	8.81
Unvoluntary terminated employees	Persons	36	3	90	4	61	9
Unvoluntary terminated employees rates	Percent	3.91	0.33	7.1	0.32	4.88	0.72

Classified by age

● Less than 30 years	Persons	816	39	1,131	68	1,156	68
● 30-40 years	Persons	33	13	26	26	62	3
● 40-50 years	Persons	4	12	1	12	1	22
● 50-60 years	Persons	-	1	-	3	-	6
● More than 60 years	Persons	-	2	-	-	-	-

Number of unplanned leave of employees

Number of unplanned leave days	Days	6,109		5,975		6,241.50	
Unplanned leave days rates	Percent	0.24		0.27		0.36	

Information	Unit	2020		2019		2018	
		Male	Female	Male	Female	Male	Female

Safety and hygiene

● Number of injured employees	Cases	97	109	N/A	
● Hour Worked	Hours	19,614,752	17,392,596	N/A	
● Occupational injured rates	Cases/ two hundred thousands working hours	0.99	1.25	N/A	
● Occupational mortality rates	Cases	0	0	N/A	

Employee training

● Average number of training hours per employee	Hour/ employee	3.30	6.30	9.19
● Average training cost per employee	Baht/ employee	248	924	1,405
● Rate of return on investment in employees	Baht/ employee	3.34	3.45	3.83

Note : The spread of COVID-19 caused the Company to postponed all the employees' training. This was the result that the average training hours per employee and the average training expense per employee in 2020 decreased materially.

11.3 Environmental Dimensions

Information	Unit	2020	2019	2018
-------------	------	------	------	------

Energy consumption in the organization

Electricity bought and used in the organization	Mega-hour	32,085.94	N/A	N/A
	Gigajoules	115.51	N/A	N/A
Oil bought and used in the organization (Diesel + Gasohol)	Liter	2,501,965.77	898,670.26	N/A
Consumption of non-renewable energy	Gigajoules	85,567.23	30,734.52	N/A
Consumption of renewable energy	Gigajoules	-	-	N/A
Total energy consumption in the organization	Gigajoules	85,682.74	30,734.52	N/A

Water usage

Total water bought and consumption	Mega liter	987.32	N/A	N/A
------------------------------------	------------	--------	-----	-----

Green House Gas Emissions (GHG emissions)

GHG direct emissions Scope 1 (GHG Scope 1)	ton CO ₂ e	7,015.68	2,477.75	1,976.67
GHG indirect emissions form enery consumption Scope 2 (GHG Scope 2)	ton CO ₂ e	16,039.76	N/A	N/A
GHG indirect emissions form other enery consumption Scope 3 (GHG Scope 3)	ton CO ₂ e	528.84	437.70	329.60

Note : 1. Refer from the conversion of fuel from liter to Gigajoules which converted from in duel information bought to use in the Organization. One liter of oil equivalent to 0.0342 Gigajoules (www.hextobinary.com/unit/energy/from/gasoline/to/gigajoule)

2. Refer from the conversion of electricity from Megawatt to Gigajoules which 1 Megawatt-hour of electricity equivalent to 0.0036 Gigajoules (<https://www.hextobinary.com/unit/energy/>).

3. Refer to the Emission factor which was used for all calculation from the GHG management organization (Public organization) can be categorized as follow 1.EF. For the estimation of the carbon footprint of the Organization which are Diesel = 2.7403 kgCO₂e/liter Bensin = 2.2703 kgCO₂e/liter, Methane= 28 kgCO₂e/kgCH₄ electricity = 0.4999 kgCO₂e/kWh (http://thaicarbonlabel.tgo.or.th/admin/uploadfiles/emission/ts_578cd2cb78.pdf) 2. EF. For the carbon footprint of the products which are Bleached pulp from eucalyptus = 0.6677 kgCO₂e/kilogram water (Provincial Waterworks Authority) 0.2843 kgCO₂e/m³ (http://thaicarbonlabel.tgo.or.th/admin/uploadfiles/emission/ts_117a1351b6.pdf)

Notes of the sustainability report operation

Environmental dimension

Energy consumption

The electricity consumption of the Company in this report consist of electricity consumption of the Head Office, branches, store office, and auction houses. The Company will review the scope of the information continuously every year which led to quality report, reliability, and reflect the result from environment operation of the Company.

Diesel consumption in the Company

Scope of the report of the Diesel consumption of the Companys' cars. The reported information is the quantity of the fuel purchased. As the following set of information was acquired from the fleet card and the fuel invoice during the reporting period.

Fuel for employees' motorcycles for the Company's usage

Fuel consumption information of vehicles is under the Company's control which the vehicles were mainly used for the Company's operations. In 2020, the Company has not recorded the fuel consumption (Unit : Liter) but estimated the fuel expense from the Company's consumption on each year divided by the

fuel price at the end of each month to find the estimated average Benzin consumption of the Company in each month. The Company has improved the information collection method to be more accurate in 2021.

Electricity consumption

The electricity consumption for the Company's operation is lighting, office equipment, air conditioning, and other electronic equipment. The scope of the report covers Head Office, branches, store office, and auction centers. In 2020, the Company had not recorded the electricity consumption of the branches, store office, and auction centers (Unit : kWh) but estimated the electricity expense on each month divided by the electricity consumption unit that has been recorded between October - December 2020. Then, find the 3 months average of the unit of electricity consumption divided by the electricity expense in each month. The Company has improved the information collection method to be more accurate in 2021.



Direct GHG Emission

Direct GHG emission (GHG Scope 1) which has been reported from the sources that the Company owns or can control which the reporting scope in this year is the Diesel expense and the Methane emissions from septic tank multiply by the Emission Factor. The information refers to the GHG emissions management of the organization (<http://thaicarbonlabel.tgo.or.th/>).

Indirect GHG emissions

The indirect GHG emissions (GHG Scope 2) occurred from the Company's operating activities. However, the Company could not directly control the sources which consist of electricity consumption in the Head Office, branches, store office, and auction centers. In 2020, the Company estimated the Emission Factor referring from the calculation of the management of the referred GHG of the organization (<http://thaicarbonlabel.tgo.or.th/>)

Water consumption

Total water consumption in which the reported scope covers Head Office, branches, store office, and auction centers. In 2020, the Company did not record the water consumption of the branches, store office, and auction centers (Unit : m3) but estimate the water expense from the Company's water consumption in each month divided by the consumption unit recorded between October-December 2020. Then take the three months average divided by the water expense in each month. The data collection method has been improved to be more accurate in 2021.

Paper

The Company uses two types of paper which are A4 and F14. The scope of the reporting covers Head Office, branches, store office, and vehicle auction centers. However, the information is the invoice from the purchasing department and branches account during the reported period. The Company has collected the specific information of the paper consumption of the whole organization.

Social dimension

Leave rate

Leave days of the employees from illness (sick leave) and special leave in the years. The Company has an information system to record and approve the general leaving days including sick leave and form for special leave that has to be sent to human resource unit to supervisor.

Injury during the work

The injured cases occurred between the working hours (08.30 -17.00). In 2020, equivalent to 97 cases. The company has recorded the statistic result regularly every month since 2017. However, this is in the information collection improvement process to match with the information system of the human resources department in 2021.

About this report

This Sustainability Report 2020 has been prepared as the fourth edition by Muangthai Capital Public Company Limited which discloses and reports on sustainability policies and performance. This includes the achievements related to the Company's sustainable development for stakeholders of the Company to generally acknowledge. This report has already been approved by the Corporate Governance Committee.

The data presented in this report covers the Company's operation from 1st January-31st December, 2020. The reporting structure and content have been adjusted to make it appropriate and consistent with the disclosure guidelines of the Stock Exchange of Thailand and GRI Sustainability Reporting Standards (GRI Standards).

However, as the Company published the Sustainability Report 2020 in the form of a limited number of volumes, the Company allows the shareholders, stakeholders, and general people to read and download Sustainability Report 2020 in PDF format from the Company's website in the section of Investor Relations.

In case of any question or suggestion about the contents of the 2020 Sustainability Report, please contact: Investor Relations Department Address: 332/1 Charansanitwong Road, Bangplad, Bangplad, Bangkok 10700 Tel: 02 483 8888 Email: ir@muangthaicap.com

Defining the contents of the report

The Company conducts the assessment and improves sustainability issues and the risk factors associated with operating a sustainable business annually due to changing environment. However, the key issues will be selected for consideration taking into account stakeholder interests, impacts on ESG and business impacts. The evaluation process consists of 2 main steps as follows.

Identifying the issues

The 2020 sustainability issue identification process is conducted by a survey of key stakeholders including executives, employees, customers and investors. The analysis is on the Megaforce affecting all sectors as a whole. The risk management analysis report is prepared by the Risk Management Department and the Company's Internal Audit report prepared by the Internal Audit Department. The details are disclose in the Annual Report 2020, Part 1, on the topic of risk management, analysis on the Company's value chain, and analysis on the issues compared with other operators in the same industry. The results of the assessment have been proposed to the management, Corporate Governance Committee, Risk Management Committee, and the Board of Directors.

Prioritization of issues

The results of sustainability issue assessment will be considered how they are critical to the business and the stakeholders. All of the important points will be prioritized according to the size of the impact on the ESG and the size of the impact on the stakeholders. The Company places great emphasis on developing a strategy for sustainable development on the issues that are considered priority.

GRI Disclosures

GRI Standards	Disclosure	Page	Link/Comment
GRI 102: General Disclosures 2016			
Organisational Profile			
102-1	Name of the organization	8	
102-2	Activities, brands, products, and services	9	
102-3	Location of headquarters	8	
102-4	Location of operations	8	
102-5	Ownership and legal form	8	
102-6	Markets served	8	
102-7	Scale of the organization	9	
102-8	Information on employees and others workers	61	
102-9	Supply chain	12	
102-11	Precautionary principle or approach	19-20, 29, 44-58	
102-12	External initiatives	7	Thai Bond Market Association, Vehicle Title Loan Trade Association, Personal Loan Club
102-13	Membership of associations	-	
Strategy			
102-14	Statement from senior decision-maker	4, 10	
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	10-11	
102-17	Mechanisms for advice and concerns about ethics	49-50	
Governance			
102-18	Governance structure	34-35	
Stakeholder Agreement			
102-40	List of stakeholder groups	10-12	
102-42	Identifying and selecting stakeholders	10-12	
102-43	Approach to stakeholder engagement	14	
102-44	Key topics and concerns raised	14	

GRI Standards	Disclosure	Page	Link/Comment
GRI 102: General Disclosures 2016			
Reporting Practice			
102-45	Entities included in the consolidated financial statements	8	There was no significant change from the previous reporting period
102-46	Defining report content and topic boundaries	67	
102-47	List of material topics	15	
102-48	Restatements of information	-	
102-49	Changes in reporting	29-33	
102-50	Reporting period	67	
102-51	Date of most recent report	67	
102-52	Reporting cycle	67	
102-53	Contact point for questions regarding the report	67	
102-55	GRI content index	68-73	
External Assurance			
102-56	External assurance	74-75	
Cyber Security			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	51	
103-2	The management approach and its components	51	
103-3	Evaluation of the management approach	60	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customers privacy and losses of customer data	20-21	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed		

GRI Standards	Disclosure	Page	Link/Comment
---------------	------------	------	--------------

Products & Services/Customer Experience

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary	20-23	
103-2	The management approach and its components	20-23	
103-3	Evaluation of the management approach	21, 23	

Digital Technology

GRI 103: Management Approach 2016

103-3	Evaluation of the management approach	23	
-------	---------------------------------------	----	--

Talent Attraction & Retention

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary	24	
103-2	The management approach and its components	24-25	
103-3	Evaluation of the management approach	23	

GRI 401: Employment 2016

401-1	New employee hires and employee turnover	61-62	External assurance
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	26-27	

People Capabilities/Workforce Planning

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its boundary	25	
103-2	The management approach and its components	25-26	
103-3	Evaluation of the management approach	26	

GRI Standards	Disclosure	Page	Link/Comment
GRI 403: Occupational Health and Safety 2018			
403-9	Work-related injuries	27-28, 63	External assurance
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	26	
Culture & Mindset			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	24	
Corporate Governance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	34	
103-2	The management approach and its components	34-38	
103-3	Evaluation of the management approach	34-38	
GRI 206: Anti-competitive Behaviour 2016			
206-1	Legal actions for anti-competitive behaviours, anti-trust, and monopoly practices	39	
Market Conduct			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	8,53	
103-2	The management approach and its components	22-23	
Responsible Lending			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	58	
103-2	The management approach and its components	58	
103-3	Evaluation of the management approach	58-59	

GRI Standards	Disclosure	Page	Link/Comment
GRI Sector Disclosures: Financial Sector			
G4-FS7	Monetary value of products and services designed to deliver a specific designed to deliver a specific social benefit for each business line broken down by purpose	17	
Anti-corruption & Bribery			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	49	
103-2	The management approach and its components	49-50	
103-3	Evaluation of the management approach	49-50	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	50	
205-2	Communication and training about anti-corruption policies procedures	54	
205-3	Confirmed incidents of corruption and actions taken	50	
Risk Management			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	53-58	
103-2	The management approach and its components	53-58	
103-3	Evaluation of the management approach	53-58	
Financial Inclusion			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	8	
103-2	The management approach and its components	10	
103-3	Evaluation of the management approach	18	

GRI Standards	Disclosure	Page	Link/Comment
Operational Eco-efficiency			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	29	
103-2	The management approach and its components	29-33	
103-3	Evaluation of the management approach	29-33	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	30-31, 64	External assurance
302-3	Energy intensity	64	
GRI 303: Water and Effluents 2018			
303-3	Water withdrawal	31-32, 64	External assurance
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	30, 64	External assurance
305-2	Energy indirect (Scope 2) GHG emissions	31, 64	External assurance
305-3	Other indirect (Scope 3) GHG emissions	31-32, 64	External assurance
Employee Health & Safety			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	26	
103-2	The management approach and its components	26-28	
103-3	Evaluation of the management approach	26-28	
Empowering Community & Society			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	58	
103-2	The management approach and its components	58-59	
103-3	Evaluation of the management approach	58-59	



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

Independent limited assurance report

To the Directors of Muangthai Capital Public Company Limited (“MTC”)

Conclusion

Based on the procedures performed, as described below, nothing has come to our attention that causes us to believe that the selected subject matters (“Subject Matters”) identified below and included in the Sustainability Report 2020 (the “Report”) for the year ended 31 December 2020 and reliability of Subject Matters, are not, in all material respects, prepared in compliance with the GRI standard as reporting criteria (the “Criteria”).

Our Responsibilities

We have been engaged by MTC and are responsible for providing a limited assurance conclusion in respect of the Subject Matters for the year ended 31 December 2020 to be included in the Report below.

Our assurance engagement is conducted in accordance with the International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ISAE 3410 *Assurance on Greenhouse Gas Statements*. These standards require the assurance team to possess the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that we plan and perform the engagement to obtain limited assurance on whether the Subject Matters are prepared, in all material respects, in compliance with the Criteria. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have not been engaged to provide an assurance conclusion on any other information disclosed within the Report.

Subject Matters

Subject Matters comprised of the following data expressed numerically or in descriptive text for the year ended 31 December 2020:

- GRI 302-1 Energy consumption within the organization
- GRI 303-3 Water withdrawal (2018 version)
- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-3 Other indirect (Scope 3) GHG emissions (Paper Use)
- GRI 403-9 Work-related Injuries
- GRI 404-1 New Employee hires and employee turnover

Criteria

The Subject Matters were assessed according to the following criteria:

- The Sustainability Reporting Standards of the Global Reporting Initiative (“GRI Standards”);

Directors’ and management’s responsibilities

The directors and management of MTC are responsible for the preparation and presentation of the Subject Matters, specifically ensuring that in all material respects the Subject Matters are prepared and presented in accordance with the Criteria. This responsibility also includes the internal controls relevant to the preparation



of the Report to ensure they are free from material misstatement whether due to fraud or error.

Procedure performed

In forming our limited assurance conclusion over the Subject Matters, our procedures consisted of making enquiries and applying analytical and other evidence gathering procedures including:

- Interviews with senior management and relevant staff at corporate and operating sites;
- Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of source data into the Subject Matters;
- Inquiries about managements practices and procedures related to identifying stakeholders and their expectations, determining material sustainability matters and implementing sustainability policies and guidelines;
- Site visit to 3 sites; Old head quarter building, New head quarter building, and Bang Plad Branch selected on the basis of risk analysis including the consideration of both quantitative and qualitative criteria;
- Agreeing the Subject Matters to relevant underlying sources on a sample basis to determine whether all the relevant information has been included in the Subject Matters and prepared in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

Inherent limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than MTC, for any purpose or in any other context. Any party other than MTC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than MTC for our work, for this independent limited assurance report, or for the conclusions we have reached.

R PIC PHOOMCHAI AUDIT LTD.

KPMG Phoomchai Audit Ltd.

Bangkok

16 March 2021



MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED

332/1 Jaransanitwong Road, Bangplad, Bangplad Bangkok 10700

TEL. 02 483 8888 www.muangthaicap.com

 [muangthai capital](#)  [@muangthaicapital](#)