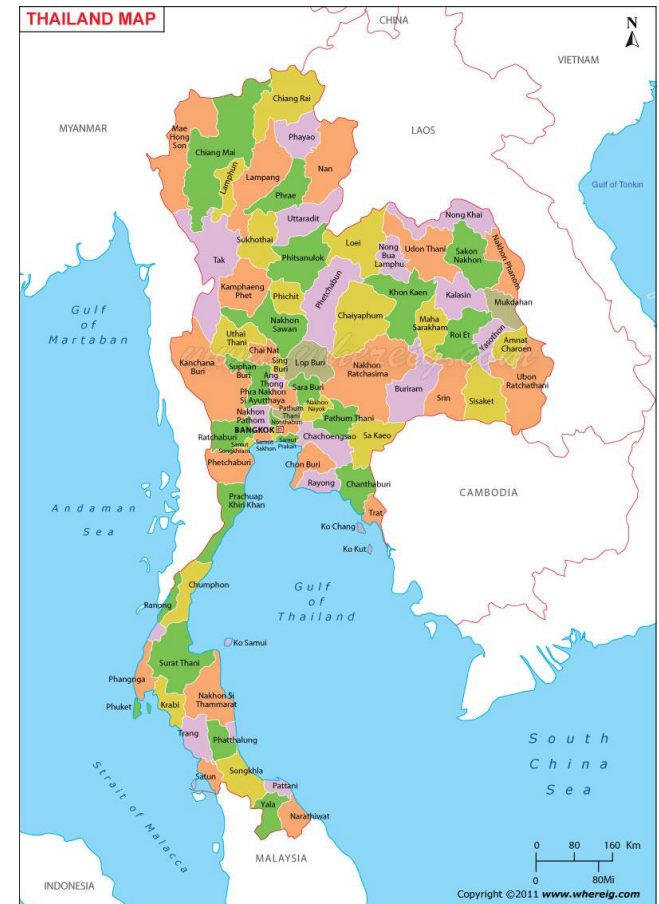


General Market Information



No	Parameterer	Thailand
1	Population (million)	67.2
2	Labor force ratio	59.3%
3	Unemployment rate	1%
4	GDP per capita	\$5.7K
5	GDP growth (07.2016 to 07.2015)	3.6%
6	Household debt to GDP	71.3%
7	Average Monthly income	\$395
8	Mobile phone penetration (inc. smartphones)	146%
9	Smartphone penetration (out of total population)	59.7%
10	Internet users penetration (inc. mob. broad band) as of 2015	56%
11	Facebook accounts penetration (out of total population), as of 2016	52.2%
12	Bank accounts penetration (out of total population), as of 2015	72%
13	ATMs per 100 000 adults, as of 2015	112
14	Bank branches per 100 000 adults, as of 2015	12.7
15	Credit card penetration	5.5%
16	Online banking penetration	43%

Official languages: Thai



Most populous cities:

Bangkok – 8.4 mln

Nonthaburi – 0.27 mln

Nakhon Ratchasima – 0.17 mln

Chiang Mai – 0.17 mln

Consumer Finance Industry Landscape 1/2



- The first bank in Thailand (HSBC) was established in 1888. The first Thai Bank - Siam Commercial Bank (SCB) was established in 1906. Bank of Thailand (BOT) was established in 1942 during WW2. The first pawnshop in Thailand was established in 1866 by Thai – Chinese citizen. The first pawnshop regulation was issued in 1962, the latest - in 2008.
- Nowadays the formal lending sector in Thailand consists of:
 - 30 Banks (15 Thai banks, 4 Subsidiaries of Foreign banks ,11 Foreign bank branches), 8 Specialized Financial Institutions
 - 35 Personal Loan companies, 21 Nano Finance companies, 10 Credit card companies
 - 598 registered pawnshops
- Initially Personal loan (PL) companies were regulated by Commercial Act. In 2005 BOT started to regulate the PL business due to complains from many customers: PL companies were charging interest over 15% allowed by Commercial Act. The BOT targets were to control the interest cap and to minimize the loan sharks influence. Next parameters were launched:
 - The max Effective interest rate - 28% per year (15% Interest rate + 13% Fee)
 - Maximum loan amount - not more than 5 times of borrowers income, PL company has to verify the income

But low interest cap and official income prove allowed the PL companies to cover only medium plus income borrowers with official income. Large portion of demand from low income and unofficially employed & self employed customers were still covered by pawnshops and loan sharks.

Consumer Finance Industry Landscape 2/2



- In 2015 BOT decided to make next step against illegal lending - the Nano Finance (NF) regulation was issued. The target customers for NF - Individuals, e.g. new business owners, who may not have constant monthly income, monthly paycheck, or financial history but are capable of repaying loans. Next parameters were launched:
 - The max Effective interest rate - 36% per year
 - Maximum loan amount – USD 2830
- There were expectations that within the initial two to three years of the NF scheme, NF's loans will amount 1 to 1,7 bln USD. After 1st year (Feb 15- Jan 16) the total loan amount issued by NF companies is only 7.3 mln USD
- Ministry of Finance (MOF) is planning to launch Pico Finance (PF) to help the poor out of heavy debts from loan sharks. Under the MOF idea, it will employ 'Pico Finance' and 'Nano Finance' to handle loans at rural level. PF will handle smaller cases and with loans not exceeding USD 1415 whereas NF will handle larger loans up to USD 2830. In both loans, interest charge must not exceed 36% per year
- There are 3 types of Pawnshop in Thailand : 1. Pawnshop owned by Private company (currently is difficult to get the new license from government) 2. Pawnshop that is owned and operated by Department of Local Administration 3. Pawnshop own by Local Administration in each province (funding by local administration each province).
- The pawnshop is still favorite place for low income customers who need money. If low they have no pledge only one way to borrow money is from loan sharks lender which are often rich or influential people in each area

Licensing Options



Parameters	Thai Commercial Bank	Specialized Financial Institutions	Personal Loan Company	Nano-Finance Company	Pawnshop	P2P (No license yet)
Main purpose	Full range lending for corporate & personal lending	State-owned 1) promoting economic development 2) supporting investment	Medium to long term loan	Granting loan to grass root class	Secured loans with items of personal property used as collateral	Unsecured loan to SME
Minimum paid-up capitalization	N/A	N/A	USD 1.39 million	USD 1.39 million	USD 0.1 million	USD 0.15 million
Max foreign capital share	<50% List 3 Business	<50% List 3 Business	<50% List 3 Business	<50% List 3 Business	<50% List 3 Business	Thai incorporated company
Interest cap	N/A	N/A	Max EIR 28% include Coll fee	Max EIR 36% include Coll fee	Max 24% (LA < \$57) Max 15% (LA > \$57)	N/A
Regulator	Ministry of Finance The Bank of Thailand	Ministry of Finance The Bank of Thailand	Ministry of Finance The Bank of Thailand	Ministry of Finance The Bank of Thailand	Pawnshop Committee	Bank of Thailand Securities & Exchange Commission
Tenure for getting license	N/A	N/A	60 days to approve by regulators	60 days to approve by regulators	45 days to approve by regulator	SEC Office (Form 35-FP)
Number of active licenses	30	8	35	21	598	0

It is possible for foreign company to incorporate a subsidiary company in

Personal Loan Companies. Product parameters



	Parameter	AEON PL	KTC	EASY BUY
1	Acquisition Channel	<ul style="list-style-type: none"> • Branch / Direct sales • By Post • Online 	<ul style="list-style-type: none"> • Branch / Direct sales • By Post • Online 	<ul style="list-style-type: none"> • Branch / Direct sales • By Post • Online / Mobile App
3	Loan amount, USD	91 – 3,030	454 – 90,909	212 – 6,060
4	Avg Loan amount, USD	1,363	2,121	1,515
5	Tenure, month	12-60	12-60	Revolving cash card
6	Handling fee	13%	13%	13%
7	Interest rate, per annum	15%	15%	15%
8	Stamp duty fee	The actual cost incurred	KTC paid for customer	The actual cost incurred
	Time –To-Cash			
9	Late payment fee (Max USD12.9 req. by BOT)	3 USD./billing Cycle	3 USD./billing Cycle	3 USD./billing Cycle
10	Early loan repayment	Applicable	Applicable	Applicable
11	Early repayment penalty	No	No	No
12	Repayment Channels	<ul style="list-style-type: none"> • AEON branch, ATM • Bank: ATM, online, direct debit • Payment Partners 	<ul style="list-style-type: none"> • KTC Branch • Bank: ATM, online, direct debit • Payment Partners 	<ul style="list-style-type: none"> • Easy Branch, ATM • Bank: ATM, online, direct debit • Payment Partners
13	Website	http://www.aeon.co.th	http://www.ktc.co.th	<ul style="list-style-type: none"> • http://www.easybuy.co.th
14	# DSA	1,500-1,800	1,000 -1,200	800-900

Personal Loan Companies. Borrower requirements



	Items	AEON PL	KTC	EASY BUY
1	Target Segment	Age 20-65 Income >150 USD	Age 20-55 Income >450 USD	Age 20-55 Income >215 USD
2	Age	20 - 65	20-55	20-55
3	Citizenship	Thai only	Thai only	Thai only
	Min Income, USD	150	450	215
	Min tenure on last workplace	6 months	4 months (Past probation)	4 months (Past probation)
4	ID	Copy of ID Card	Copy of ID Card	ID card or Copy of ID (If apply by mail)
5	Residential Proof	Copy of Household Registration	Copy of Household Registration	Copy of Household Registration
6	Income prove	Latest Income slip	Latest Income slip	Latest Income slip within 2 months
7	Bank Statements	6 Months	3 Months	3 Months
8	Bank Account	Copy of book bank with account No	Copy of book bank with account No	Copy of book bank with account No
9	NCB fee	\$0.34 per hit / \$0.14 per no hit	No	No
10	Additional Requirement	Home & office Telephone	Home or office Telephone	Home or office Telephone

*Foreigner refers expat with working visa

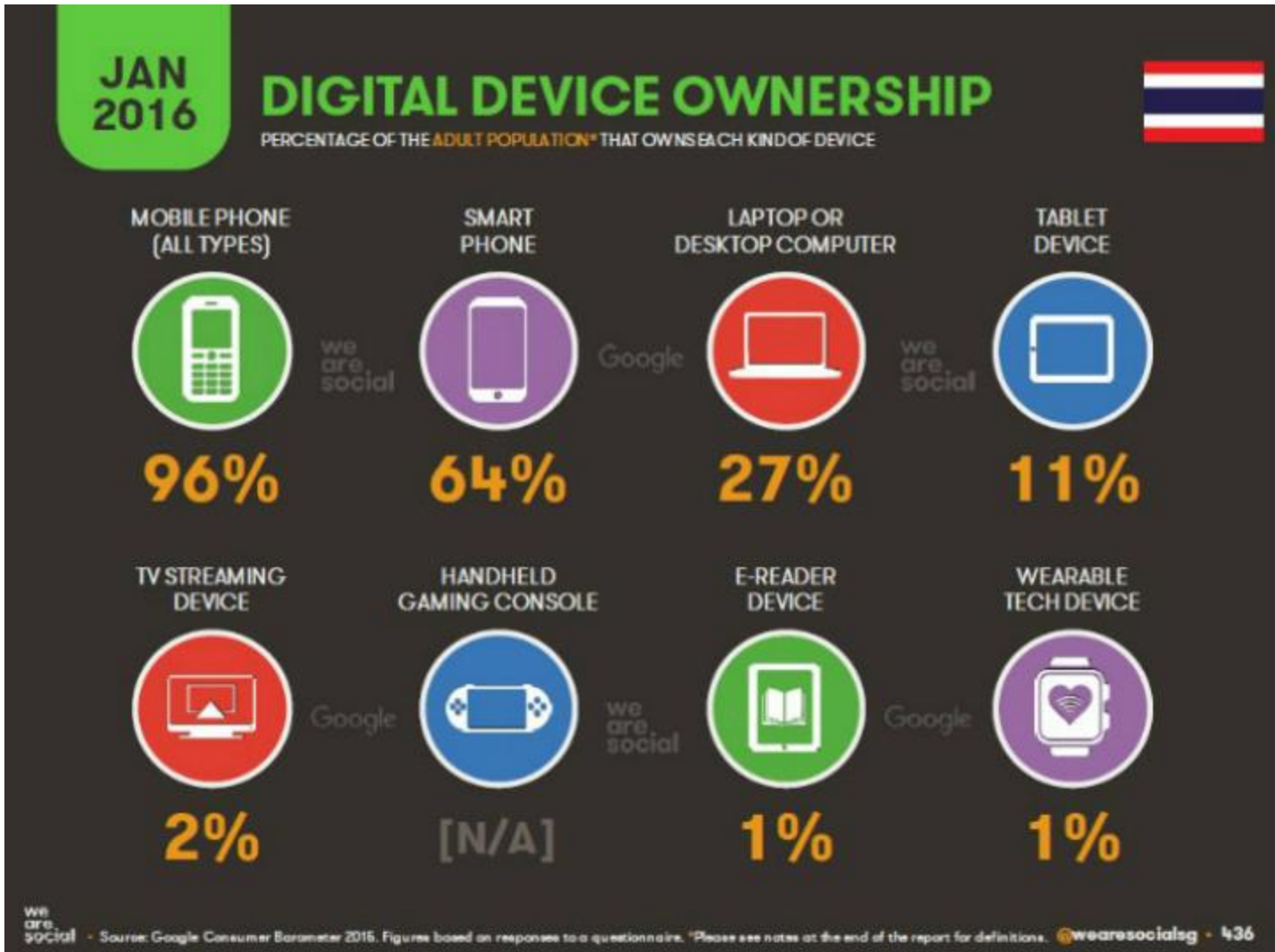
National Credit Bureau (NCB)



Parameters	Details
Launch	1998, after 1997 Asia Financial Crisis
Information	Only credit, no utility paymemts
Members	93 (Banks, Credit Card, Personal Loan, Nano Finance, Auto Hire-Purchase, Leasing, Insurance companies, Saving Cooperatives)
Consumer database	88.36 mln accounts 27 mln unique clients (age 22 – 65)
Service Fee, monthly	Standart \$1430 + \$0.34 per hit / \$0.14 per no hit Low Transaction \$715 + \$2 per hit / \$1 per no hit
Credit Report	General Info: Name, ID, Address, Birth Date Credit Info: Grantors, Limit, Outstanding, Amount Past Due, Payment History, Account status Enquiry Info: # of enquirer, date & time enquiry
Consumer Credit reporting system dev & support	TransUnion
Customer consent form	Currently all members collect customer's consent in written form. NCB ready to discuss online process



Relatively high shares of active Internet and Social Media users. Same marketing approach as it is in other APAC countries will be applicable in Thailand.



High and further growing smartphone penetration together with absence of advertising constraints make the market very attractive for digital marketing.

Facebook (FB) user details



(New Audience)

35m - 40m active users per month

Users on Facebook

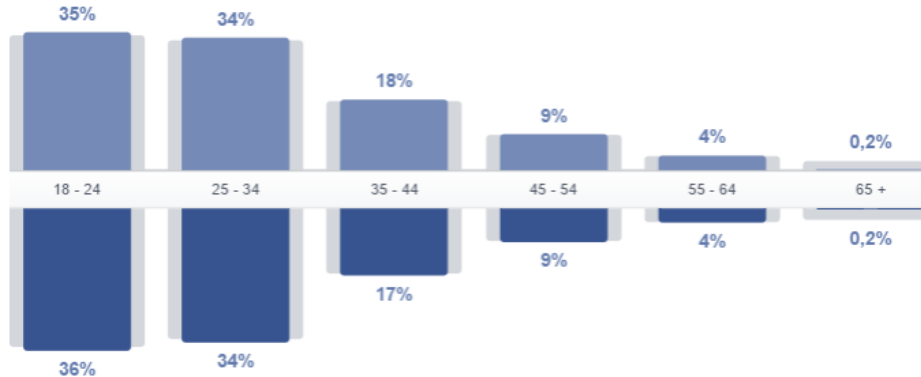
Country: Thailand *i*

Age and sex

Information provided by most users in their Facebook profiles. The information is only available to users who are at least 18.

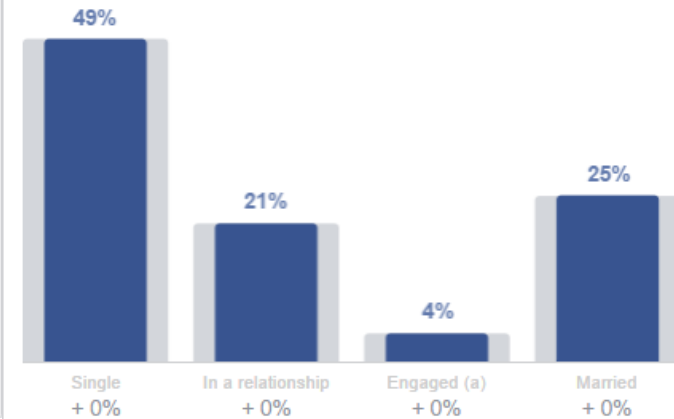
49% of Women
49% of all on Facebook

51% of men
51% of all on Facebook



Family status

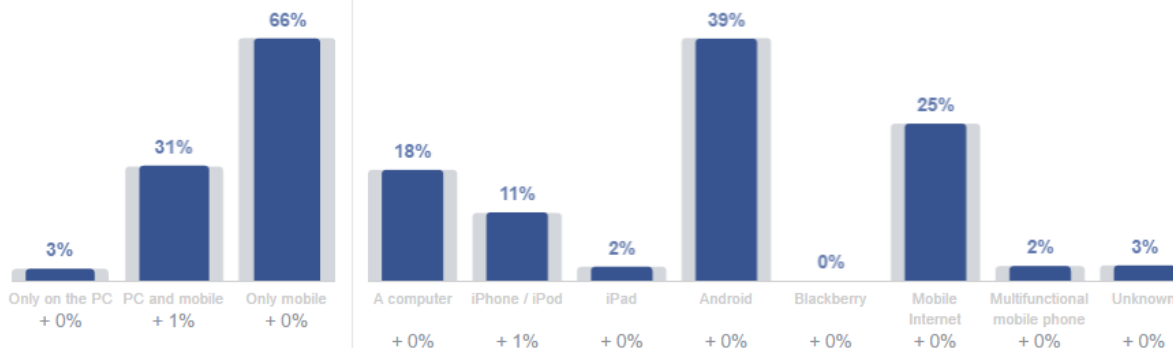
Data provided by most users that indicate marital status on Facebook...



Members device

How to choose the audience included a Facebook over the past 30 days, based on user activity and environmental data.

All used devices ▾



The majority of Facebook users (equally men & women) are between the ages of 18 and 34 (70%), 75% are not married.

Predominantly (66%) people use mobile devices to access FB content. Android is commonly widespread, mobile web is also popular way of accessing social media in Thailand.

Annex 1: Markets comparison



Country statistics	VN	SG	PH	ID	MY	LK	TH
Population, mln	91	5,5	101,9	255	31	21	67
GDP per capita (nominal), thsd USD	2,3	56,3	3,2	3,5	12,2	3,9	5,7
GDP per person employed, thsd USD	9,3	140,5	17,1	21,9	55,7	26,0	10,3
Labor force ratio	62%	68%	63%	67%	66%	42%	58%
Average monthly salary, USD	200	3 800	208	250	961	500	395
Smartphone penetration	20%	97%	50%	25%	63%	41%	60%
Bank account penetration	21%	98%	27%	20%	66%	83%	72%

Volume indicators (year 5)	VN	SG	PH	ID	MY	LK	TH
Loans issued in year 5, thsd including prolongations	1 291	67	441	464	198	473	
Loans issued per day in year 5 including prolongations	3537	184	1208	1271	542	1576	

Investment parameters	VN	SG	PH	ID	MY	LK	TH
Investment, mln USD	15,7	9,2	8,8	11,0	8,6	2,8	
Break-even period, months	15	18	20	20	18	15	
Payback period, months	19	29	49	50	51	35	
Revenue, (Year 5), mln USD	71	28,5	42,2	53,9	37,3	24	
Profit before taxes, (Year 5), mln USD	19	9,5	15,5	16,8	15,3	6,2	

Financial Institutions. Number & Assets as of 2015



Table 1 Number and Asset Size of
Financial Institutions end of 2015

	Number	% of Total Assets of Financial Institutions
Depository Corporations	2,037	70.4
Commercial Banks *	31	47.8
Specialized Financial Institutions *	6	15.6
Saving Cooperatives and Credit Unions	1,960	6.3
Money Market Mutual Funds	40	0.7
Non-Depository Corporations	6,983	29.6
Mutual Funds	1,374	10.1
Insurance Companies	86	8.1
Leasing Companies	769	2.0
Credit Card and Personal Loan Companies (including Nano Finance) *	42	2.6
Provident Funds	412	2.4
Government Pension Fund	1	1.9
Asset Management Companies *	36	0.8
Securities Companies	52	0.8
Agricultural Cooperatives	3,613	0.6
Pawn Shops	598	0.2

Source: Bank of Thailand

* Businesses under the BOT's Supervision