

FINDEV CANADA TRANSACTION SUMMARY

Muangthai Capital Public Company Ltd.

This document provides an overview of the FinDev Canada transaction, including a summary of the anticipated development impacts and of the environmental, social and governance (ESG) assessment performed, potential risks identified, and related mitigation measures to be implemented.



Transaction description

Muangthai Capital Public Company Limited (MTC) is a leading non-bank financial institution in Thailand, providing both secured and unsecured lending services. Its lending products include vehicle title loans, land title deed loans, motorcycle hire purchase loans, nano finance, personal loans, and Buy Now Pay Later financing, with a primary focus on vehicle title and land title deed loans. Through its network of nearly 9,000 branches, MTC serves more than 3.7 million customers, including individuals and micro, small and medium-sized enterprises ("MSMEs"), in urban and rural areas across all 77 provinces of Thailand.

The transaction consists of a senior unsecured, 5-year parallel loan of up to USD 60M to MTC, acceding to the USD 200M financing co-led by ADB and SMBC, bringing the total funding raised to USD 260M. This transaction is expected to contribute to gender-inclusive economic growth and development in Thailand by expanding access to formal financing for women-owned MSMEs ("WMSMEs") in rural areas.

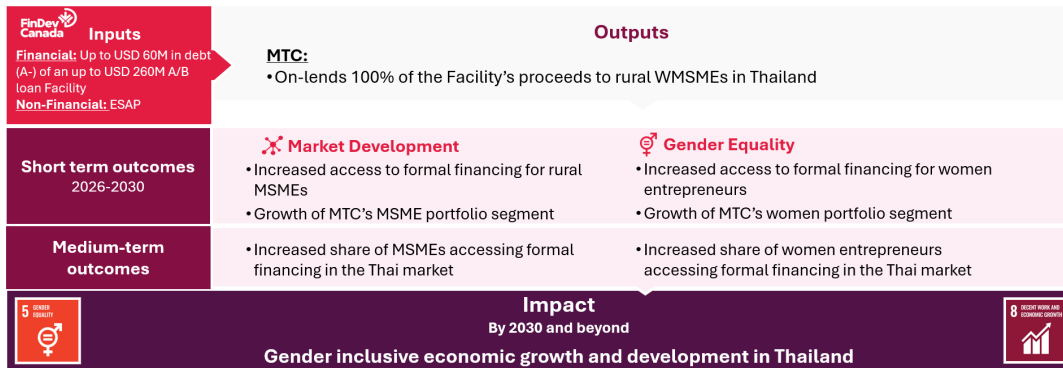
Transaction details

COUNTERPARTY	Muangthai Capital Public Company Limited ("MTC")
DOMICILE OF INCORPORATION	Thailand
COUNTRY(IES) OF OPERATIONS	Thailand
TERM OF FINANCING	5 years
SECTOR	Financial Industry
E&S CATEGORY	FI-3
FINANCING PRODUCT	Debt
FINDEV CANADA TRANSACTION AMOUNT	USD 60M
DATE OF TRANSACTION DISCLOSURE	18/07/2025
DATE OF TRANSACTION SIGNING	05/08/2026
DATE OF TRANSACTION SUMMARY PUBLICATION	14/10/2026
2X ALIGNMENT	Yes

Summary of anticipated development impacts

The development impact value proposition of this transaction is to support gender-inclusive economic growth and development in Thailand by expanding access to finance for underserved women-owned micro, small, and medium-sized enterprises, (WMSMEs) in rural Thailand.

The impact theory of change below summarizes how MTC will contribute to FinDev Canada's development impact goals and the Sustainable Development Goals ("SDGs").



MARKET DEVELOPMENT

- **Improve access to finance for rural MSMEs:** MSMEs account for 99.6% of enterprises, 72% of employment, and 35% of GDP in Thailand, yet face an estimated financing gap of USD 41B^{1,2}. MSMEs in rural areas are particularly underserved due to limited credit histories and collateral constraints³. MTC is well positioned to reach rural customers, with most of its customers located in rural areas and a network of nearly 9,000 branches across all 77 provinces. By allocating 100% of FinDev Canada's proceeds to rural WMSMEs, the transaction is expected to expand access to formal financing for underserved borrowers and support the growth of MSMEs in Thailand.



GENDER EQUALITY

- **Improve access to finance for WMSMEs:** Women own or lead approximately 60% of the MSMEs in Thailand but account for an estimated 90% of the MSME financing gap⁴. By allocating 100% of FinDev Canada's proceeds to rural WMSMEs, the transaction is expected to increase access to formal financing for women entrepreneurs and support gender-inclusive economic growth.
- **2X Alignment:** This transaction is 2X-aligned under the Ownership & Entrepreneurship criterion, with women representing 50% of MTC's active founders, and the Portfolio criterion, with 100% of FinDev Canada's proceeds dedicated to WMSMEs.

Summary of Environmental and Social assessment and related risk mitigation measures

The principal E&S risks associated with the transaction are social in nature and relate to MTC's capacity to identify, assess, and manage those risks within its lending portfolio. Key risks include the potential exposure to client protection risks arising from lending to financially vulnerable populations in a market characterized by elevated household indebtedness levels.

To mitigate these risks, MTC has developed a draft Environmental and Social Management System ("ESMS"), maintains dedicated sustainability resources, and operates under applicable Thai labour, consumer protection, debt collection, and data privacy laws. Remaining gaps are being addressed through an Environmental and Social Action Plan ("ESAP") and ongoing monitoring.

The assessment was conducted against the requirements of IFC Performance Standard 1 and IFC Performance Standard 2, as well as relevant elements of the Client Protection Principles applicable.

The project's E&S categorization remained FI-3 throughout the due diligence process and did not change from the ex-ante disclosure stage. The E&S Risk Rating was assessed as Medium, reflecting the developmental stage of the client's E&S management framework and contextual social risks.

FinDev Canada's assessment was conducted between April and June 2025 and included a review of documentation provided by MTC, virtual meetings with management, review of relevant information provided by ADB, and consideration of publicly available information. Documentation reviewed included:

- Draft Environmental and Social Management System (ESMS);
- Code of Conduct and related policies;
- Draft Gender Equality Policy;
- Draft Prevention and Management of Sexual Harassment Policy;
- ADB Environmental and Social Action Plan; and
- Written responses to FinDev Canada's due diligence questionnaires.

No material adverse E&S or reputational concerns were identified during the assessment.

¹ UNDP Mar 2024. Building MSME Resilience in Southeast Asia.

² SME Finance Forum. Mar 2025. Thailand Country Profile.

³ World Bank Group, 2021. Global Findex Database.

⁴ IFC. 2017. MSME Finance Gap.