

Subject Management Discussion and Analysis for the three-month and six-month periods ended June 30, 2025

To Managing Director
The Stock Exchange of Thailand

1. Executive Summary

For the first six months of 2025, the Company reported a **net profit of THB 235.9 million**, an increase of **285.8%** year-over-year (YoY). The performance was driven by a loan portfolio management strategy focusing on high-return products, coupled with effective cost management, as reflected in a decrease in administrative expenses. Furthermore, asset quality has also improved due to a tighter credit approval process and increasingly focus on debt collection, which resulted in a decrease in expected credit losses.

2. Performance Overview

For the three-month period of Q2'2025 vs. Q2'2024

Consolidated Statement of Comprehensive Income	For the three-month period ended		Change	
	Jun 30, 2025 (THB Million)	Jun 30, 2024 (THB Million)	Amount (THB Million)	Percentage (%)
Interest Income	662.6	629.8	32.7	5.2%
Fee and Service Income	16.1	21.6	(5.5)	(25.4%)
Sales of Goods	5.8	12.9	(7.2)	(55.5%)
Other Income	84.5	90.4	(5.8)	(6.4%)
Total Revenue	769.0	754.7	14.2	1.9%
Cost of Goods Sold	(0.2)	(3.0)	(2.8)	(94.1%)
Administrative Expenses	(356.3)	(435.7)	(79.4)	(18.2%)
Expected Credit Losses	(199.4)	(207.6)	(8.2)	(4.0%)
Finance Costs	(104.5)	(109.5)	(5.0)	(4.5%)
Total Expenses	(660.4)	(755.8)	(95.4)	(12.6%)
Profit (Loss) Before Income Tax	108.6	(1.1)	109.7	10,103.3%
Income Tax Revenue (Expense)	(17.7)	7.6	10.1	-
Net Profit	90.9	6.5	84.4	1,295.0%
Basic Earnings Per Share (THB/Share)	0.041	0.003	0.038	1,266.7%

- **Total Revenue** grew by 1.9% YoY to THB 769.0 million, primarily driven by a 5.2% YoY increase in **Interest Income** to THB 662.6 million, in line with the loan portfolio's growth.

- **Administrative Expenses** decreased by 18.2% to THB 356.3 million. This was mainly due to efficient branch management, including the closure of overlapping branches, and the recognition of gains from the sale of foreclosed assets as used car prices improved.
- **Expected Credit Losses (ECL)** decreased by 4.0% to THB 199.4 million, reflecting an improving trend in debtor quality. This resulted from enhancements in risk management processes for both credit approval and debt collection, as well as an increase in the recovery of bad debts.
- **Net Profit** grew by 1,295.0% from THB 6.5 million to THB 90.9 million. Consequently, the **Net Profit Margin** improved substantially from 0.9% to 11.8%, driven by the combined effect of higher interest income, effective cost control, and better credit risk management.

For the six-month period ended June 30, 2025 vs. June 30, 2024

Consolidated Statement of Comprehensive Income	For the six-month period ended		Change	
	Jun 30, 2025 (THB Million)	Jun 30, 2024 (THB Million)	Amount (THB Million)	Percentage (%)
Interest Income	1,324.0	1,238.3	85.7	6.9%
Fee and Service Income	34.9	44.0	(9.1)	(20.8%)
Sales of Goods	9.4	20.3	(10.9)	(53.8%)
Other Income	149.3	160.3	(11.0)	(6.9%)
Total Revenue	1,517.6	1,462.9	54.6	3.7%
Cost of Goods Sold	(0.3)	(7.9)	(7.6)	(95.9%)
Administrative Expenses	(693.5)	(824.8)	(131.3)	(15.9%)
Expected Credit Losses	(323.0)	(351.5)	(28.5)	(8.1%)
Finance Costs	(212.3)	(217.1)	(4.8)	(2.2%)
Total Expenses	(1,229.1)	(1,401.2)	(172.1)	(12.3%)
Profit (Loss) Before Income Tax	288.4	61.7	226.7	367.3%
Income Tax Revenue (Expense)	(52.5)	(0.6)	(51.9)	-
Net Profit	235.9	61.1	174.8	285.8%
Basic Earnings Per Share (THB/Share)	0.106	0.028	0.078	278.6%

- **Total Revenue** grew by 3.7% YoY to THB 1,517.6 million, mainly due to a 6.9% increase in **Interest Income** to THB 1,324.0 million, in line with the loan portfolio's growth.
- **Administrative Expenses** decreased by 15.9% YoY to THB 693.5 million. The primary reasons were efficient branch management, including the closure of overlapping branches, and recognizing gains from selling foreclosed assets due to better used car prices.
- **Expected Credit Losses (ECL)** decreased by 8.1% YoY to THB 323.0 million, indicating better credit quality from improved risk management in both underwriting and collection, as well as higher bad debt recovery.

- **Net Profit** grew by 285.8% YoY from THB 61.1 million to THB 235.9 million. This improved the **Net Profit Margin** significantly from 4.2% to 15.5%, resulting from interest income growth, cost control, and enhanced credit risk management.

3. Financial Position Analysis

Consolidated Statement of Financial Position	As of		Change	
	Jun 30, 2025 (THB Million)	Dec 31, 2024 (THB Million)	Amount (THB Million)	Percentage (%)
Loans and Hire Purchase Receivables - Net	10,768.5	11,131.1	(362.6)	(3.3%)
Total Assets	12,509.1	12,817.1	(307.9)	(2.4%)
Total Liabilities	9,662.1	10,205.9	(543.8)	(5.3%)
Total Equity	2,847.0	2,611.1	235.9	9.0%

- **Total Assets** decreased by 2.4% YoY, mainly due to a decrease in the net loans and hire purchase receivables, which declined by THB 362.6 million, or 3.3%, from December 31, 2024 to June 30, 2025. The decline in loan receivables was mainly due to the implementation of stricter lending policies aimed at maintaining asset quality.
- **Total Liabilities** decreased by 5.3% YoY, mainly from the repayment of loans from financial institutions.
- **Total Equity** increased by 9.0% YoY due to the growth in retained earnings from operating profits in the first half of 2025.

4. Key Financial Ratios

Key Financial Ratio	For the six-month period ended	
	Jun 30, 2025	Jun 30, 2024
Net Interest Margin (%)	19.8	19.2
Cost to Income (%)	53.2	66.8
NPL Ratio (%)	4.1	4.3
Coverage Ratio (%)	107.1	114.0
Credit Cost (%)	5.6	6.4
Adjusted D/E Ratio (Times)	1.5	1.7

Note: Ratios derived from the income statement for the 6-month period ended June 30, 2025, have been annualized for comparison purposes.