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9 November 2021

Subject Management Discussion and Analysis for the Three-Month Period Ended 30 September 2021

To Managing Director

The Stock Exchange of Thailand

Muangthai Capital Public Company Limited ("the Company"), is intended to supplement and complement the condensed interim financial statements for the three-month period ended 30 September 2021 per following executive summary:

- Consolidated net profit for the three-month period ended 30 September 2021 was Baht 1,201 million or equivalent to net profit margin of 29.79 percent.
- As at 30 September 2021, the number of branches was 5,665, increasing by 781 branches, from the end of 2020.
- As at 30 September 2021, Credit-impaired Financial assets ratio was 1.17 percent, (30 September 2020: 1.01 percent and 31 December 2020: 1.06 percent)
- Debt-to-Equity ratio (D/E) was 2.87 times.

Overview of the Company and its Subsidiaries Operating Results

For the three-month period ended 30 September 2021, the operating performance of the Company and its Subsidiaries had consolidated net profit of Baht 1,201 million, decreasing by Baht 139 million, or 10.37 percent, from the same period of the previous year.

Profit and Loss Statement (Consolidated) For the three-month period ended 30 September 2021 and 2020			Change	
Unit : Million Baht	2021	2020	Amount	Percent
Interest and fee income from loans receivables and hire purchase receivables	3,844	3,555	289	8.13%
Fees and service income	178	173	5	2.89%
Other income	10	9	1	11.11%
Total revenue	**4,032**	**3,737**	**295**	**7.89%**
Services and administrative expenses	1,780	1,533	247	16.11%
Total expenses	**1,780**	**1,533**	247	**16.11%**
Profit from operating activities	2,252	2,204	48	2.18%
Gain arising from derecoqnition of financial assets measured at amortised cost	2	7	(5)	-71.43%
Finance costs	(557)	(467)	90	19.27%
Expected credit loss	(191)	(60)	131	218.33%
Profit before income tax	1,506	1,684	(178)	-10.57%
Income tax	(305)	(344)	(39)	-11.34%
Profit for the period	**1,201**	**1,340**	**(139)**	**-10.37%**
Basic earnings per share (in Baht)	**0.57**	**0.63**	**(0.06)**	**-9.52%**

1. For the three-month period ended 30 September 2021, total revenue was Baht 4,032 million, increasing by Baht 295 million, or 7.89 percent, from the same period of the previous year.
2. For the three-month period ended 30 September 2021, Selling and administrative expenses were Baht 1,780 million, increased by Baht 247 million, or 16.11 percent, from the same period of the previous year. The significant increases are as follows:
   - Depreciation expense from Right-of-use assets under TFRS16
   - Employees' salaries expense, as a result of the branch expansion and number of employees.
3. For the three-month period ended 30 September 2021, Finance cost was Baht 557 million, rising by Baht 90 million, or 19.27percent, from the same period of the previous year. The rise was due to interest expense from loans and interest expense from Lease liabilities under TFRS16.
4. For the three-month period ended 30 September 2021, Expected credit loss (bad debt and doubtful debt) was Baht 191 million, rising by Baht 131 million, or 218.33 percent, from the same period of the previous year.

5. For the three-month period ended 30 September 2021, consolidated net profit was Baht 1,201 million, decreasing by Baht 139 million, or 10.37 percent, from the same period of the previous year.

Overview of Company and its Subsidiary's Financial Position

Statements of Financial Position (Consolidated)	30 September 2021	31 December 2020	Change	
Unit : Million Baht			Amount	Percent
Current Assets	46,851	41,075	5,776	14.06%
Non-Current Assets	45,047	36,147	8,900	24.62%
Total Assets	91,898	77,222	14,676	19.01%
Current Liabilities	28,325	21,950	6,375	29.04%
Non-Current Liabilities	39,826	34,590	5,236	15.14%
Total Liabilities	68,151	56,540	11,611	20.54%
Total Shareholders' Equity	23,747	20,682	3,065	14.82%
Total Liabilities and Shareholders' Equity	91,898	77,222	14,676	19.01%

1. Total Assets

As of 30 September 2021, the Company's total assets were Baht 91,898 million, increasing by Baht 14,676 million, or 19.01 percent, from the end of 2020. This was mainly due to an increasing number of Loan receivables.

2. Total Liabilities

As of 30 September 2021, the Company's total liabilities were Baht 68,151 million, rising by Baht 11,611 million, or 20.54 percent, from the end of 2020. The rise was due to an increasing number of loans and Lease liabilities under TFRS16.

3. Total Shareholders' Equity

As of 30 September 2021, the Company's total shareholders' equity was Baht 23,747 million, increasing by Baht 3,065 million, or 14.82 percent, from the end of 2020. The significant changes are as follows:

- Consolidated net profit for the nine months period was Baht 3,844 million.
- The shareholders' approval of annual dividend payment was Baht 784 million.