



# AMANAHA Leasing

บมจ. อمانةะฮ์ ลีสซิ่ง

## Management Discussion and Analysis

The First Quarter 2024  
Ended March 31<sup>st</sup>, 2024

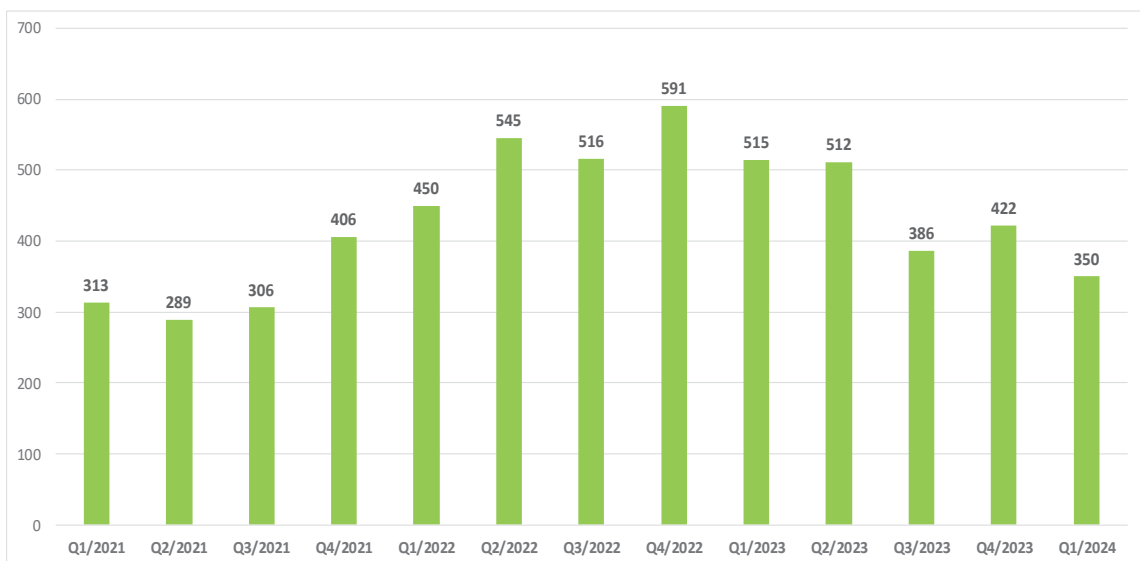


## Management Discussion and Analysis

### 1. Overview

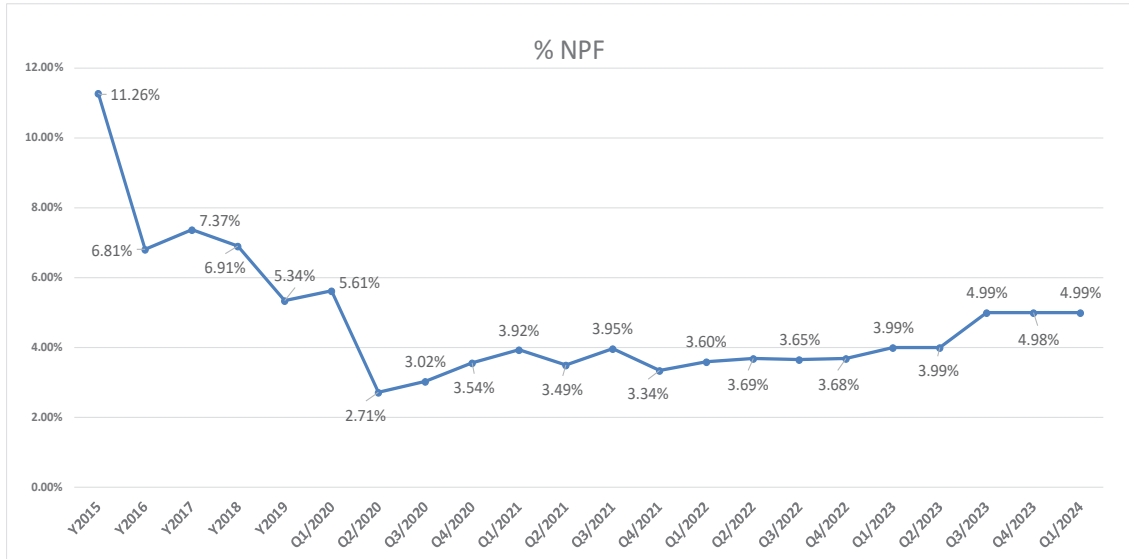
In Q1 2024, the company generated the new lending of 350 MB, 72 MB, 17.06% lower than the previous quarter's. The lower lending resulted from the more tightening in credit approval measure due to the economic condition. The approval rate decreased, while the rejection rate increased.

**Graph 1 : Quarterly New Lending between Q1 2020 and Q1 2024**



AS for the quality of the loan portfolio, the company's Non Performing Finance (NPF) stood at 4.99%. This figure was very close to the previous quarter's figure of 4.98%. The 4.99% and 4.98% figures were as per the company's calculation for the internal use by using only the principal amount for the calculation. (The company's auditor used both the principal amount plus the accrued revenue for the calculation.) The company's quarterly NPFs were illustrated in Graph 2. The NPF figures reflected both economic condition and the change in customers' behavior due to the enforcement of the market conduct measure. The market conduct measure limited the amount of late collection fee that the company could charge from the overdue customers. As a result, the customers tended to be more overdue due to the reduction in late fee charged. One of the method that the company used in controlling the NPF figure was the early written-off of the bad debt. The written-off of the bad debt caused additional expected credit loss expense. However, the company could utilize some of the tax saving from the bad debt written-off. For all the bad debt written-off, the normal procedure was still employed in making the collection.

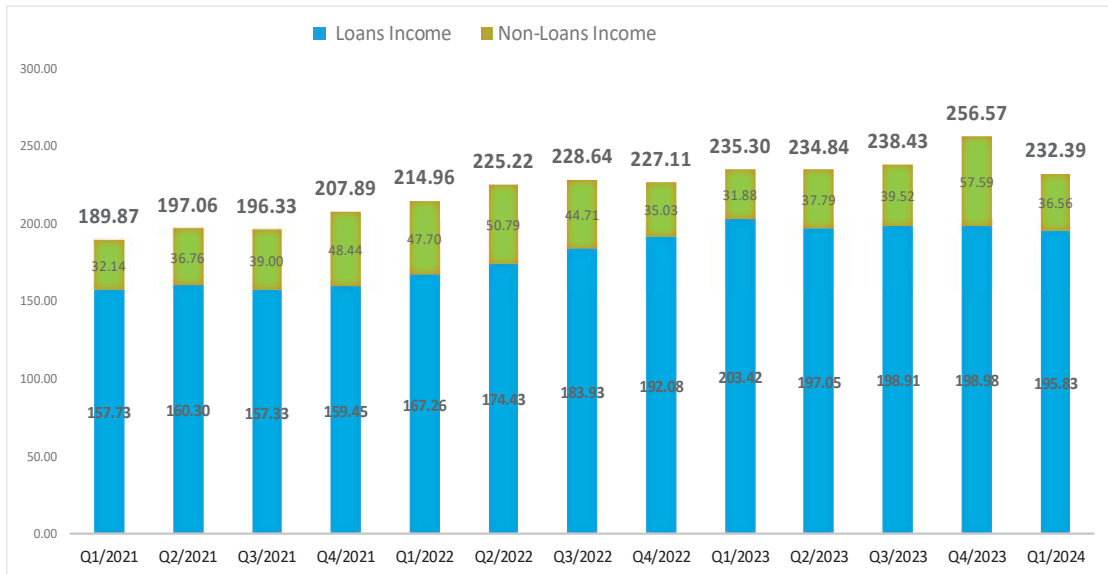
**Graph 2: The Company's Quarterly NPF s between 2023 and Q1 2024**



As for the Q1 2024's Operating Result, the company generated the net profit of 11.94 MB, a decline of 64.36 MB, 79.52% from the previous quarter. The decline in the net profit in Q1 2024 were due to the following factors.

- 1) The Expected Credit Loss expense (ECL) in Q1 2024 increased by 30.53 MB, 95.10% increase, from the previous quarter's. The increased resulted from the economic condition and the enforcement of the market conduct measure. The market conduct measure limited the late collection fee that the company could charge from the overdue customers. As a result, the customers tended to be more overdue due to the reduction in late fee charged. The increase in overdue customers caused the company's additional expected credit loss expense. In addition, in Q4 2023, the company had sold some of the bad debt which resulted in a reversal of some expected credit loss expense. The expected credit loss expense in Q4 2023 was lower than the normal amount.
- 2) The tax expense increased by 8.82 MB, 175.46%, from the previous quarter. The higher tax expense resulted from some of the expected credit loss expense was still non tax deductible expense. To become tax deductible expense, the collection procedure according to the government Revenue Department had to be met.
- 3) The revenue from lending slightly decreased by 3.15 MB, 1.58%, from the previous quarter. The revenue from lending of the previous quarter was 195.83 MB. The Graph 3 below illustrated the quarterly revenue from lending. The decrease in revenue from lending in Q1 2024 resulted from the lower lending and the variation of the lending yield of the debt restructuring accounts. The written-off of the bad debt also caused some reversal of the booked revenue.

**Graph 3: The Company's Quarterly Revenue between Q1 2021 and Q1 2024**



## 2. Operating Result and Profitability

### 2.1 The Company's Operating result as at 31 March 2024

Unit in thousand baht

Continuing operations:	Q1/2024	Q4/2023	Q1/2023	QoQ	YoY
Income from hire-purchase contracts	69,602	91,261	169,560	-23.73%	-58.95%
Income from loans	126,231	107,717	33,859	17.19%	272.81%
Income from inventory finance receivables		86	845	-100.00%	-100.00%
Fee and service income	5,143	6,597	9,005	-22.04%	-42.89%
Other income	31,412	50,911	22,028	-38.30%	42.60%
<b>Total income</b>	<b>232,387</b>	<b>256,572</b>	<b>235,298</b>	<b>-9.43%</b>	<b>-1.24%</b>
Selling expenses	821	1,029	1,377	-20.18%	-40.34%
Administrative expenses	84,508	83,408	84,724	1.32%	-0.26%
Expected credit losses (Bad debt and	62,639	32,106	60,683	95.10%	3.22%
Impairment loss and loss on sales of	27,840	46,094	11,211	-39.60%	148.33%
Finance costs	30,801	30,615	23,460	0.61%	31.29%
<b>Total expenses</b>	<b>206,610</b>	<b>193,251</b>	<b>181,455</b>	<b>6.91%</b>	<b>13.86%</b>
<b>Profit (loss) before income tax expenses</b>	<b>25,778</b>	<b>63,321</b>	<b>53,843</b>	<b>-59.29%</b>	<b>-52.12%</b>
Income tax (expenses)	13,840	5,024	10,541	175.46%	31.29%
<b>Profit (loss) for the period</b>	<b>11,938</b>	<b>58,296</b>	<b>43,302</b>	<b>-79.52%</b>	<b>-72.43%</b>

#### Q1 2024's Operating Result Compared to Q1 2023's Operating Result (YoY)

In Q1 2024, the company generated the net profit of 11.94 MB, 31.36, 72.43%, decrease from the Q1 2023's. In Q1 2023, the company's net profit was 43.30 MB. The factors that affected the net profit in Q1 2024 was the increase in the expense, 25.15 MB, 13.86% increase from the Q1 2023's. One of the expenses that increased in Q1 2024 was the expected credit loss expense which increased by 1.96 MB, 3.22%, increase from the Q1 2023's. (The expected credit loss expense in Q1 2023 was 62.64 MB.) This increase resulted from the economic condition and the change in repayment behavior of the customers due to the market conduct measure. The market conduct limited the late collection fee that the company could charge from the overdue customers. As a result, the customers tended to be more overdue due to the reduction in late fee charged. The second expense that increased in Q1 2024 was the impaired loss and loss on sales of properties foreclosed. In Q1 2024, the impaired loss and loss on sales of properties foreclosed increased by 27.84 MB, 148.33% from the Q1 2023's. (The impaired loss and loss on sales of properties foreclosed in Q1 2023 was 11.21 MB.) The increase resulted from the drop in used car

price in the auction market. The used car price in the auction market had the declining trend since Q3 2023. In addition, the company's number of cars seized from the NPF's customers had also increased. The third expense that increased was the funding expense which increased by 7.34 MB, 31.29% increase from the Q1 2023's. (The funding expense in Q1 2023 was 23.46 MB, while the funding expense in Q1 2024 was 30.80 MB.) The increase resulted from both the increase in cost of fund charged by the financial institutions and the increase in borrowing. The company's total revenue in Q1 2024 decreased by 2.91 MB, 1.24%, from the Q1 2023's. The decrease resulted from the decrease in revenue from lending which decreased by 7.59 MB, 3.73%, decrease. (The revenue from lending decreased from 203.42 MB in Q1 2023 to 195.83 MB in Q1 2024.) The decrease in revenue from lending resulted from the decrease in new lending in Q1 2024 and the variation in lending yield of the debt restructuring accounts. In addition, there was some reversal of booked revenue due to some of the bad debt written-off. The revenue from fees and services decreased by 3.87 MB, 42.82%, decrease from the Q1 2023's. The fees and services income decreased from 9.01 MB in Q1 2023 to 5.14 MB in Q1 2024.)

#### **Q1 2024's Operating Result Compared to Q4 2023's Operating Result (QoQ)**

In Q1 2024, the company generated the net profit of 11.94 MB, 46.36, 79.52% decrease from the previous quarter. (Q4 2023's net profit was 58.30 MB.) However, considering the profit before tax, the company's profit before tax in Q1 2024 was 25.78 MB, 37.54 MB, 59.29% decrease from the previous quarter. (Q 4 2023's profit before tax was 63.32 MB.) In Q1 2024, the company's total revenue decreased by 24.18 MB, 9.43%, decrease from the previous quarter (from 256.57 MB in Q4 2023 to 232.39 MB in Q1 2024). The decrease in total revenue resulted from the decrease in revenue from lending which decreased by 3.15 MB, 1.58%, from the previous quarter. The decrease resulted from the decrease in new lending. The decrease in new lending resulted from both the tightening of credit approval measure due to the economic condition and the variation of lending yield of the debt restructuring accounts. In addition, there was some reversal of the booked revenue due to the written-off of some of the bad debt. The fees and services income decreased by 1.46, 22.04% decrease (from 6.60 MB in q4 2033 to 5.14 MB in q1 2024). The other income decreased from 50.91 MB in Q4 2023 to 31.41 MB in Q1 2024, 19.50 MB, 38.30%, decrease. Most of the other income consisted of the recovery of judgment debt.

As for the total expense, the company's total expense increased from 193.25 MB in Q4 2023 to 206.61 MB in Q1 2024, 13.36 MB, 6.91% increase. The major increase in total expense was the increase in the expected credit loss expense. The expected credit loss expense increased from 32.11 MB in Q4 2023 to 62.64 MB in Q1 2024, 30.53MB, 95.10%, increase. The increase resulted from the economic condition, causing the increase of the overdue customers. In addition, in Q4 2023, the company had sold some of the judgment debt, resulting to a reversal of some expected credit loss expense. The expected credit loss expense in Q4 2023 was lower than normal level.

## Financial Position

Unit : thousand baht

Statements of financial position	Q1/2024	Q4/2023	QOQ	Q1/2023	YOY
Cash and cash equivalents	140.39	111.24	26.21%	58.57	139.69%
Hire-purchase receivables	4,109.20	4,093.59	0.38%	3,988.01	3.04%
Inventory finance receivables	0.00	0.00		25.38	-100.00%
Properties and equipment	28.04	28.75	-2.48%	31.62	-11.31%
Properties foreclosed	291.53	330.41	-11.77%	165.57	76.07%
Deferred tax assets	62.40	65.80	-5.16%	55.25	12.94%
Others	47.51	51.72	-8.14%	45.61	4.17%
<b>Total assets</b>	<b>4,679.07</b>	<b>4,681.50</b>	<b>-0.05%</b>	<b>4,370.00</b>	<b>7.07%</b>
Short-term loan from major shareholder	2,702.83	2,712.62	-0.36%	2,329.02	16.05%
Others	118.76	123.33	-3.71%	132.16	-10.14%
<b>Total liabilities</b>	<b>2,821.58</b>	<b>2,835.95</b>	<b>-0.51%</b>	<b>2,461.18</b>	<b>14.64%</b>
<b>Shareholders' equity</b>	<b>1,857.49</b>	<b>1,845.55</b>	<b>0.65%</b>	<b>1,908.82</b>	<b>-2.69%</b>

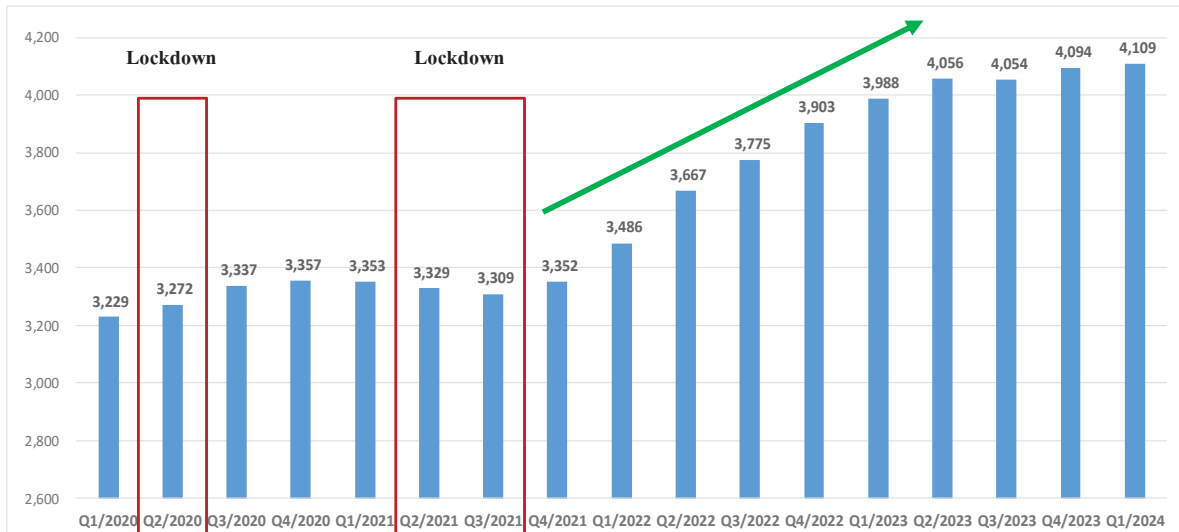
Financial Ratio	Q1/2024	Q4/2023	Q1/2023
Liquidity Ratio (times)	0.38	0.38	0.51
Debt to Equity Ratio (times)	1.52	1.54	1.29
NPF (%)	3.99%	3.98%	3.99%

\* NPF for the internal usage by using only the principal amount for the calculation. □

The company's auditor used both the principal amount plus the accrued revenue for the calculation.

**Financial Position.** In Q1 2024, the company had the total asset of 4,679.07 MB, 2.43 MB, 0.05%, decrease from the previous quarter. Compared to the same quarter of the previous year, the company's total asset in Q1 2024 had increased by 309.07 MB, 7.07% increase. The lending portfolio of Q1 2024 increased by 15.61 MB, 0.38%, increase from the previous quarter. The small increase in lending portfolio resulted from the tightening credit approval measure due to the economic condition as mentioned earlier. The quarterly lending portfolio balance was illustrated in Graph 4 below.

**Graph 4: Quarterly Lending Portfolio from Q1 2020 to Q1 2024**



In Q1 2024, the company's assets foreclosed decreased by 38.88 MB, 11.77%, decrease from the previous quarter. The decrease was as a result of the speeding sale of assets foreclosed in Q1 2024 while the price of used car was improving.

As for the liabilities, in Q1 2024 the company had the total liabilities of 2,821.58 MB, 14.37 MB, 0.51%, decrease from the previous quarter. As at 31 March 2024, the company's borrowing from the financial institutions was 2,702.83 MB. This consisted of 2,369.99 MB, and 9.71, P/N, and term loan, respectively, from the Islamic Bank of Thailand, 241.13 MB term loan from the Government Saving Bank, and 82.00 MB PN from the commercial banks.

As for the company's equity, in Q1 2024 the company had the total equity of 1,857.49 MB, 11.94 MB, 0.65%, increase from the previous quarter. The increase resulted from the increase in retained earning despite some of the cash dividend of the 2022 operation year which was paid out in the year 2023.