

Management Discussion and Analysis (MD&A)

Ngernturbo Public Company Limited | First Quarter 2026

1. Executive Summary

In Q1 2026, the Company reported a net profit of 175.0 million baht, an increase of 20.7% from the previous year and 23.7% from the previous quarter. This was driven by 4 main factors:

- 1. Loan Portfolio Growth:** The net loan portfolio increased from 11,102.5 million baht at the end of 2025 to 11,494.6 million baht in this quarter, representing a growth of 3.5% from the previous quarter and 6.4% from the previous year while maintaining a steady Yield on Loan.
- 2. Lower Credit Cost:** The Credit Cost decreased from 5.2% in the previous quarter to 4.5% in this quarter, driven by improved debt quality. The non-performing loan ratio (% Stage 3) decreased from 3.96% at the end of 2025 to 3.68%, and customers made more on-time payments, resulting in a decrease in Expected Credit Loss (ECL) by 14.0 million baht from the previous quarter. In this quarter, the Company also set aside an additional management overlay of 5% or 20.8 million baht to accommodate economic uncertainty. Excluding this management overlay, the Credit Cost for this quarter would be 3.8%, reflecting the fundamentally strong quality of the loan portfolio.
- 3. Lower Operating Cost from the previous quarter:** Expenses decreased by 23.2 million baht, or 5.7%, as IPO-related expenses from the previous year ended, depreciation decreased, and technology was continuously and intensely implemented. This resulted in a reduction in the Cost to Income ratio from 54.8% to 52.4%.
- 4. Growth in Insurance Brokerage Revenue (Insurance Revenue):** Revenue increased significantly from the previous year due to the addition of products and the expansion of the insurance partner network, which provided the Company with a more diversified revenue stream and reduced reliance solely on interest income.

In terms of financial position, the Company's strength increased following the IPO fundraising in 2025, coupled with excess liquidity management, leading to a decrease in the Debt-to-Equity (D/E) ratio from 3.55 times to 2.28 times.

2. Key Highlights

Key Metrics	Q1/2026	Q4/2025	Q1/2025
Profitability			
Net Profit (THB million)	175.0	141.5	145.0
Total Revenue (THB million)	816.7	814.2	748.6
Return on Assets (ROA, Annualized)	5.40%	4.46%	4.62%
Net Interest Margin (NIM)	20.5%	19.7%	19.7%
Cost to Income	52.4%	54.8%	52.6%

Key Metrics	Q1/2026	Q4/2025	Q1/2025
Loan Portfolio			
Net Loan Portfolio (THB million)	11,494.6	11,102.5	10,804.9
Yield on Loan	24.8%	24.8%	24.5%
Asset Quality			
Performing Loans (% Stage 1)	91.3%	90.4%	85.8%
Non-Performing Loans (% Stage 3)	3.68%	3.96%	4.12%
Credit Cost (Annualized)	4.5%	5.2%	4.3%

3. Performance Analysis

3.1 Revenue

Total revenue in Q1/2026 stood at THB 816.7 million, increasing by 9.1% YoY and remaining relatively stable compared to the previous quarter (+0.3% QoQ). The detailed components are as follows:

- 1. Interest Income:** Reached THB 691.6 million, up 4.6% YoY and 1.4% QoQ. This was driven by the loan portfolio expansion from THB 10,804.9 million (Q1/2025) to THB 11,494.6 million (Q1/2026), representing a growth of 6.4% YoY and 3.5% QoQ. The Company successfully maintained a Yield on Loan at a relatively high level, reflecting strict risk-adjusted pricing.
- 2. Insurance Brokerage and Other Income:** (Recorded under "Other Income" in the P&L statement) Stood at THB 104.1 million, an increase of THB 39.3 million or 60.6% YoY. This was a primary driver of total revenue growth, reflecting the successful diversification of insurance products and the expansion of insurance company partnerships over the past year. Although this item saw a slight seasonal dip of -5.4% QoQ, the Company views the insurance brokerage business as a sustainable secondary engine to reduce long-term reliance on interest income.
- 3. Fee and Service Income:** Stood at THB 10.9 million, a decrease of THB 7.8 million or -41.7% YoY. This decline was mainly due to improved on-time payment behaviors from customers, which subsequently reduced collection-related fees. While this impacts revenue numerically, it underscores a structural improvement in portfolio quality, aligning with the declining NPL ratio (detailed in Section 3.3).
- 4. Sales Income:** Reached THB 10.1 million, an increase of THB 6.5 million or +180.6% YoY. However, it remains an insignificant portion of the total revenue mix.

3.2 Administrative Expenses

Administrative expenses (OPEX) in this quarter were THB 381.8 million, an increase of THB 44.6 million (+13.2% YoY), reflecting business expansion over the past year. The primary factors were litigation-related expenses, such as court fees, aligning with the Company's proactive debt collection policy to maximize recovery opportunities. Other contributing factors included performance-aligned employee expenses and seasonal branch maintenance costs.

However, compared to the previous quarter, administrative expenses declined by THB 23.2 million (-5.7% QoQ). This reduction was driven by the absence of one-time IPO-related expenses incurred in Q3 and Q4/2025, lower depreciation from branches that reached the end of their depreciation period, and reduced head office personnel expenses following the implementation of technology in operational processes.

Consequently, the Cost-to-Income ratio improved, dropping from 54.8% in Q4/2025 to 52.4% in this quarter.

3.3 Asset Quality and Expected Credit Loss (ECL)

Asset quality continued its positive trajectory, evidenced by the NPL ratio (% Stage 3) declining from 4.12% (Q1/2025) and 3.96% (Q4/2025) to 3.68% in this quarter. Concurrently, performing loans (% Stage 1) increased to 91.3%. The improvement in on-time payments also served as a practical indicator of healthier asset quality, which was reflected in the aforementioned drop in collection-related fee income.

The Expected Credit Loss (ECL) in this quarter was 131.0 million baht, a decrease of 14.0 million baht or 9.7% from the previous quarter. This resulted from better debt quality, higher bad debt recoveries from returning customers, and reduced losses from the seizure of collateral due to the recovering market prices in the first quarter. Compared to the previous year, the ECL increased by 7.4 million baht or 6.0%, tracking the expansion of the loan portfolio and the policy to set aside an additional management overlay. In this quarter, the Company recorded an additional management overlay of 20.8 million baht to cushion against economic uncertainty and to prepare for future Development Bank standards. Excluding this overlay, the Credit Cost for this quarter would be 3.8% (compared to the reported 4.5%), distinctly reflecting the improved underlying quality of the loan portfolio.

The Company considers the prudent increase in provisions to be a suitable approach at this time, even with the continuous improvement in debt quality metrics, in order to build long-term balance sheet buffers.

3.4 Finance Costs

Finance costs in Q1/2026 stood at THB 87.4 million, decreasing by 18.9% YoY and 2.7% QoQ. This decline was the result of continuous structural cost optimization and the positive impact of policy rate cuts in December 2025 and February 2026.

Statement of Comprehensive Income (Unit: THB million)

Consolidated Statement of Comprehensive Income	Q1'2026	Change (QoQ)			Change (YoY)		
		Q4'2025	Amount (THB Million)	Percentage (%)	Q1'2025	Amount (THB Million)	Percentage (%)
Interest Income	691.6	682.3	9.3	1.4%	661.4	30.2	4.6%
Fee and Service Income	10.9	12.3	(1.4)	(11.4%)	18.7	(7.8)	(41.7%)
Sales of Goods	10.1	9.7	0.4	4.1%	3.6	6.5	180.6%
Other Income	104.1	110.0	(5.9)	(5.4%)	64.8	39.3	60.6%
Total Revenue	816.7	814.2	2.5	0.3%	748.6	68.1	9.1%
Cost of Goods Sold	(0.2)	(0.2)	0.0	0.0%	(0.1)	(0.1)	100.0%

Consolidated Statement of Comprehensive Income	Q1'2026	Change (QoQ)			Change (YoY)		
		Q4'2025	Amount (THB Million)	Percentage (%)	Q1'2025	Amount (THB Million)	Percentage (%)
Administrative Expenses	(381.8)	(405.0)	23.2	(5.7%)	(337.2)	(44.6)	13.2%
Expected Credit Losses	(131.0)	(145.0)	14.0	(9.7%)	(123.6)	(7.4)	6.0%
Finance Costs	(87.4)	(89.8)	2.4	(2.7%)	(107.8)	20.4	(18.9%)
Total Expenses	(600.3)	(640.0)	39.7	(6.2%)	(568.7)	(31.6)	5.6%
Profit (Loss) Before Income Tax	216.3	174.2	42.1	24.2%	179.8	36.5	20.3%
Income Tax Revenue (Expense)	(41.3)	(32.6)	(8.7)	26.7%	(34.8)	(6.5)	18.7%
Net Profit	175.0	141.5	33.5	23.7%	145.0	30.0	20.7%

4. Financial Position

4.1 Assets

As of March 31, 2026, total assets stood at THB 12,951.5 million, an increase of 3.2% YoY and 2.2% QoQ. This growth primarily reflects the expansion of loan receivables and hire purchase receivables (net), which grew by 6.4% YoY and 3.5% QoQ.

4.2 Liabilities and Liquidity Management

Total liabilities were THB 8,997.3 million, up 1.1% QoQ, corresponding with the expanding loan portfolio. However, on a YoY basis, total liabilities decreased by 8.1%. This reduction demonstrates effective excess liquidity management over the past year, utilizing surplus funds to repay bank loans and alleviate interest burdens. This restructuring directly contributed to the lower finance costs visible in the income statement.

4.3 Shareholders' Equity

Shareholders' equity reached THB 3,954.2 million, a 4.7% QoQ increase driven by retained earnings from sustained operational profitability, and a substantial 43.5% YoY increase. The primary catalyst for the YoY growth was the Initial Public Offering (IPO) in 2025. This strengthened equity base perfectly aligns with the Company's objective to meet Development Bank standards in the future.

4.4 Capital Structure and Capital Management

The successful IPO in 2025, combined with the strategic repayment of bank loans using excess liquidity, has significantly fortified the Company's capital structure. Consequently, the Debt-to-Equity (D/E) ratio dropped notably from 3.55 times at the end of Q1/2025 to 2.27 times at the end of Q1/2026.

This robust capital base supports the Company in two key dimensions: (i) providing sufficient runway for future loan portfolio expansion, and (ii) serving as structural preparation to elevate operations to Development Bank standards. Moving forward, the Company will continually optimize its capital structure to correspond with the size and risk profile of its portfolio.

Statement of Financial Position (Unit: THB million)

Consolidated Statement of Financial Position	31 Mar 2026 (THB Million)	Change (QoQ)			Change (YoY)		
		31 Dec 2025 (THB Million)	Amount (THB Million)	Percentage (%)	31 Mar 2025 (THB Million)	Amount (THB Million)	Percentage (%)
Loans and Hire Purchase Receivables - Net	11,494.6	11,102.5	392.1	3.5%	10,804.9	689.7	6.4%
Total Assets	12,951.5	12,677.2	274.3	2.2%	12,545.5	406.0	3.2%
Total Liabilities	8,997.3	8,899.9	97.4	1.1%	9,789.5	(792.2)	(8.1%)
Total Equity	3,954.2	3,777.3	176.9	4.7%	2,756.0	1,198.2	43.5%

5. Management Outlook

5.1 Situation Assessment

The operational performance in the first quarter of 2026 met management expectations, reflecting a well-maintained balance between portfolio growth and asset quality. Nonetheless, management remains acutely aware of domestic and global economic headwinds that require close monitoring, including:

- **Ongoing geopolitical conflicts in the Middle East**, which are expected to indirectly affect the Thai economy via energy prices, supply chains, international trade, and consumer and business confidence.
- **The purchasing power and debt repayment capacity of retail consumers**, against the backdrop of high household debt levels.

5.2 Operational Priorities

Navigating this environment, the Company will prioritize four strategic areas:

1. **Quality Portfolio Growth:** Expanding the portfolio within a prudent risk management framework to strike an optimal balance between growth and asset quality.
2. **Enhancing Operational Efficiency:** Further integrating technology into operational processes to continually improve the Cost-to-Income ratio.
3. **Revenue Diversification:** Scaling the insurance brokerage business and developing new products tailored to customer needs.
4. **Development Banks Standard Readiness:** Preparing structurally across capital management, risk management, and internal governance systems to meet Development Bank standards.

The Company extends its gratitude to shareholders, customers, business partners, and all employees for their invaluable contribution to our success in the past quarter.

5.3 Forward-Looking Statements

This report contains forward-looking statements that reflect management's views and expectations as of the publication date. These statements are based on assumptions regarding the economic environment, market conditions, and competition, all of which are subject to change. Actual future performance may differ materially from these projections. Readers are advised to exercise caution and should not construe these statements as

guarantees of future performance. The Company assumes no obligation to publicly update or revise any forward-looking statements, except as required by applicable laws or regulations.

Remarks:

Ratios derived from the income statements for the 3-month periods ended March 31, 2025, and March 31, 2026, have been annualized for comparability purposes.

Figures and calculations in this report are subject to rounding, which may result in minor discrepancies compared to calculations based on the full financial statements. However, such differences are not material.