Management Discussion and Analysis

For the Three-Month and Six-Month Periods Ended 30 June 2026

1. Business, Economic and Industry Overview

Thailand's economy in Q2/2026 continued to expand below potential, pressured by geopolitical tensions in the Middle East that drove volatility in global energy prices, affecting the cost of living and business operating costs. The Monetary Policy Committee (MPC) maintained the policy rate at 1.00% per annum throughout the quarter to support the economy amid cost-of-living pressures and persistently elevated household debt. The retail lending industry continued to operate under the Bank of Thailand's Responsible Lending guidelines, with industry participants placing emphasis on asset quality management and cautious growth.

Against this backdrop, the Company delivered another quarter of high-quality profit growth, with net profit for Q2/2026 of THB 1,548 million, an increase of 6.25% from the prior quarter - the sixth consecutive quarterly increase. For the six-month period, net profit was THB 3,005 million, up 22.40% from the same period of the prior year. The Net Profit Margin for the quarter rose to 32.19%, from 29.73% in the prior quarter, while the six-month Net Profit Margin stood at 30.95%, compared to 25.65% in the same period of the prior year, reflecting the strength of the Company's core operating performance and cost discipline.

Key factors supporting operating performance in this quarter include:

- **Sustained Efficiency in Foreclosed Asset Management:** Loss on sale of foreclosed assets declined to THB 35 million, down 67.89% from the prior quarter, with the six-month amount at THB 144 million, down 70.61% from the same period of the prior year - extending the positive trend established since 2025 and reflecting improved loan portfolio quality, efficient disposal processes, and a more stable used-vehicle market.
- **Lower Credit Costs:** Expected credit losses were THB 476 million, down 7.21% from the prior quarter, while the six-month amount was THB 989 million, up 3.34% from the same period of the prior year, reflecting provisioning levels consistent with the risk structure of the current portfolio.

- **Prudent Financial Cost Management:** Finance costs were THB 655 million, down 0.30% from the prior quarter, with the six-month amount at THB 1,312 million, down 9.08% from the same period of the prior year, driven by appropriate debt structure management and the low-interest rate environment. The Company continued to issue debentures and review funding sources at costs consistent with market direction.
- **Operating Expense Management:** Services and administrative expenses were THB 1,758 million, down 4.87% from the prior quarter, with the six-month amount at THB 3,606 million, down 11.03% from the same period of the prior year, reflecting continued cost management efficiency and the effects of the branch restructuring carried out since the prior year.

Regarding the overall loan portfolio, the Company continued to focus on expanding in high-yield, collateral-backed product segments. As of the end of Q2/2026, total outstanding receivables stood at THB 95,805 million, up 2.84% from the same period of the prior year and up 0.82% from the end of Q1/2026. Title loans and others reached THB 70,103 million, growing 7.53% from the same period of the prior year, with their share of the total portfolio rising to 73.17%, consistent with the Company's portfolio restructuring strategy. Hire purchase and personal loans stood at THB 25,702 million, up 0.30% from the prior quarter, with the contraction of this segment having effectively ended.

On asset quality, NPLs stood at THB 3,703 million, representing an NPL ratio of 3.87%, stable from 3.86% at the end of Q1/2026, as elevated write-offs during the quarter helped clean up portfolio quality. The Company continues to monitor borrower quality closely, particularly customer segments affected by higher energy costs, and maintains provisions on a prudent basis sufficient to cover potential risks.

(Unit: THB million)	Q2/26	Proportion	Q2/25	Proportion	Q1/26	Proportion
Outstanding Receivables	**95,805**	**100.00%**	**93,155**	**100.00%**	**95,030**	**100.00%**
- Title Loans and Others	70,103	73.17%	65,194	69.98%	69,405	73.03%
- Hire Purchase and Personal Loans	25,702	26.83%	27,961	30.02%	25,625	26.97%
NPL	**3,703**		**3,470**		**3,665**	
- Title Loans and Others	2,310		2,181		2,272	
- Hire Purchase and Personal Loans	1,393		1,289		1,393	

2. Summary of Significant Events and Developments

The Company continued to advance its mobile-phone hire-purchase lending through the Locked Phone system, adding new, widely recognized brand-owner partners and expanding its network of mobile-phone dealers nationwide to more than 6,000 outlets on a continuous basis, to raise its customer-reach capability across every sub-district and district of the country. In parallel, the Company has developed an automated loan approval system that enables partner shops to provide fast lending services with fewer steps and without requiring the Company's own staff, with the aim of generating long-term profits toward sustainable growth.

3. Summary of Operating Results

(Unit: THB million)	6 Months	Y on Y		3 Months	Q on Q	
	Q2/26	Q2/25	%YoY	Q2/26	Q1/26	%QoQ
Interest Income	8,347	8,193	1.88%	4,143	4,204	-1.45%
Other Income	1,363	1,380	-1.23%	666	697	-4.45%
Services and Administrative Expenses	3,606	4,053	-11.03%	1,758	1,848	-4.87%
- Loss on Sale of Foreclosed Assets	*144*	*490*	*-70.61%*	*35*	*109*	*-67.89%*
Expected Credit Losses	989	957	3.34%	476	513	-7.21%
Finance Costs	1,312	1,443	-9.08%	655	657	-0.30%
Net Profit	3,005	2,455	22.40%	1,548	1,457	6.25%
Net Profit Margin	30.95%	25.65%	5.30%	32.19%	29.73%	2.46%

Financial Ratios

(Unit: THB million)	6 Months	6 Months	3 Months	3 Months
	Q2/26	Q2/25	Q2/26	Q1/26
Debt-to-Equity Ratio (times)	1.52	1.67	1.52	1.53
Interest Coverage Ratio (times)	4.30	3.49	4.34	4.26
Cost-to-Income Ratio (%)	35.65%	37.22%	35.83%	35.48%

Key factors affecting operating results are as follows:

- **Interest Income** - For the six-month period, total interest income was THB 8,347 million, up 1.88% from the same period of the prior year, reflecting the success of the portfolio shift toward higher-yield products, particularly title loans, which continued to grow well under the Company's quality-focused lending framework. For Q2/2026, total interest income was THB 4,143 million, a slight decline of 1.45% from the prior quarter, mainly attributable to two factors: the asset management business segment, where estimates of expected collections were revised in accordance with financial reporting standards, and the hire purchase business segment, where certain direct costs were reclassified to be presented net against interest income from this quarter onward. Both are accounting and presentation items and do not reflect a change in underlying business performance. Excluding these items, interest income from the hire purchase and lending business segments remained at levels close to the prior quarter, reflecting the continuity and stability of income from the Group's core lending businesses.
- **Other Income** - Other income stood at THB 666 million, down 4.45% from the prior quarter, mainly from lower bad-debt recovery and other income items, while insurance brokerage income continued to expand strongly at THB 382 million, up 7.30% from the prior quarter. For the six-month period, other income was THB 1,363 million, down 1.23% from the same period of the prior year.
- **Services and Administrative Expenses** - Expenses were THB 1,758 million, down 4.87% from the prior quarter. For the six-month period, expenses were THB 3,606 million, down 11.03% from the same period of the prior year, with reductions across major expense categories, including marketing expenses and personnel expenses, reflecting continued cost management efficiency and the effects of the branch restructuring carried out since the prior year.
- **Loss on Sale of Foreclosed Assets** - The loss was THB 35 million, down 67.89% from the prior quarter - the lowest quarterly level in recent years. For the six-month period, the loss was THB 144 million, down 70.61% from the same period of the prior year, reflecting improved loan portfolio quality, efficient foreclosed asset management processes, and a stable used-vehicle market.

- **Expected Credit Losses** - Expected credit losses were THB 476 million, down 7.21% from the prior quarter, while the six-month amount was THB 989 million, up 3.34% from the same period of the prior year. Provisioning levels remain consistent with the risk structure of the current portfolio.
- **Finance Costs** - Finance costs were THB 655 million, down 0.30% from the prior quarter. For the six-month period, finance costs were THB 1,312 million, down 9.08% from the same period of the prior year. During the quarter, the Company issued senior debentures ahead of scheduled maturities, resulting in a brief overlap of funding carry. New credit facilities drawn in June to support loan growth in the second half of the year will begin to carry a full quarter of cost from Q3/2026.
- **Net Profit Margin** - The Net Profit Margin was 32.19%, up 2.46 percentage points from the prior quarter, while the six-month margin stood at 30.95%, compared to 25.65% in the same period of the prior year - an increase of 5.30 percentage points - driven by the decline in losses on the sale of foreclosed assets, lower credit costs, and disciplined management of operating expenses and finance costs.

4. Summary of Financial Position

(Unit: THB million)		Y on Y		Q on Q	
	Q2/26	Q2/25	%YoY	Q1/26	%QoQ
Current Assets	71,184	63,439	12.21%	69,402	2.57%
Non-Current Assets	37,391	39,586	-5.54%	37,433	-0.11%
Total Assets	**108,575**	**103,025**	**5.39%**	**106,835**	**1.63%**
Current Liabilities	29,946	30,411	-1.53%	32,200	-7.00%
Non-Current Liabilities	35,486	34,045	4.23%	32,346	9.71%
Total Liabilities	**65,432**	**64,456**	**1.51%**	**64,546**	**1.37%**
Shareholders' Equity	**43,143**	**38,569**	**11.86%**	**42,289**	**2.02%**

Key factors affecting the financial position are as follows:

- **Total Assets** - Total assets as of 30 June 2026 stood at THB 108,575 million, up 5.39% from the same period of the prior year and up 1.63% from the end of Q1/2026, driven by the resumption of loan portfolio growth. Current assets stood at THB 71,184 million, up 12.21% from the same period of the prior year and up 2.57% from the end of Q1/2026, while non-current assets stood at THB 37,391 million, down 5.54% from the same period of the prior year and down 0.11% from the end of Q1/2026.

- **Total Liabilities and Shareholders' Equity** - Total liabilities stood at THB 65,432 million, up 1.51% from the same period of the prior year and up 1.37% from the end of Q1/2026, as new debenture issuance to support loan portfolio growth was largely offset by repayments of maturing borrowings. Shareholders' equity stood at THB 43,143 million, up 11.86% from the same period of the prior year and up 2.02% from the end of Q1/2026, supported by accumulated operating profits. The Debt-to-Equity (D/E) ratio improved to 1.52 times, from 1.53 times at the end of Q1/2026 and 1.64 times at the end of 2025.
- **Liquidity** - As of 30 June 2026, the Company's ending cash balance was THB 4,329 million, which remains sufficient to support ongoing operations. For the six-month period, the Company generated net cash flow from operating activities of THB 3,048 million and repaid maturing borrowings and debentures through net financing activities of THB 4,026 million, consistent with debt structure management aligned with the size of the loan portfolio.

5. Outlook and Strategy 2026 (Second-Half Update)

Operating performance in the first half of 2026 confirms that the strategic framework set out in the MD&A for the year ended 2025 - loan portfolio quality enhancement, selective growth, insurance brokerage business expansion, branch network restructuring and Digital Transformation, and regulatory compliance - is on the right track, delivering six consecutive quarters of profit growth on a broadly stable revenue base. For the second half of 2026, the Company will focus on:

- **Loan Portfolio Quality Enhancement** - The proactive portfolio quality measures for customer segments affected by higher energy costs, in line with the approach discussed in the prior quarter - stricter new customer screening, early-bucket collection, and debt restructuring for affected customers - are being implemented. To date, no material migration of loans into NPL status has been observed, and the NPL ratio has remained stable at 3.87%. The Company will continue these measures through the second half of the year, alongside an accelerated disposal program for foreclosed assets.
- **Selective Growth** - The Company will continue to expand the title loan portfolio, which currently represents 73.17% of the total portfolio, with emphasis on the selection of collateral types, customer occupational segments, and service areas aligned with appropriate risk levels. Credit facilities drawn in June position the Company with funding readiness to support growth throughout the second half of the year.

- **Insurance Brokerage Business Expansion** - Insurance brokerage income in Q2/2026 was THB 382 million, up 7.30% from the prior quarter, and THB 738 million for the six-month period, up 13.19% from the same period of the prior year. The Company will accelerate this growth through cross-selling to its loan customer base, broader product coverage, and digital and Telesales channels, as a source of income free of credit risk that supports margin stability.
- **Branch Network Restructuring and Digital Transformation** - The Company continues to execute its branch network restructuring plans, expanding in high-potential areas while downsizing underperforming branches. The e-KYC and Mobile Lending Platform projects commenced progressive commercial rollout during the first half of 2026 and will expand through the remainder of the year, alongside the development of the new Loan Management System. These investments aim to enhance operational efficiency, reduce unit costs, and support long-term credit risk management.
- **Regulatory Compliance and Borrower Protection** - The Company continues to comply with the Bank of Thailand's Responsible Lending guidelines and the new hire purchase lending regulations effective in 2026, and will provide appropriate assistance measures for borrowers affected by external factors, alongside prudent risk management, to support long-term business growth and appropriate customer care.

6. Factors That May Affect Operations or Growth

The Thai economic outlook for 2026 continues to point to below-potential growth. In addition, geopolitical tensions in the Middle East have driven volatility in global energy prices, affecting cost-of-living burdens and business operating costs, which may affect the repayment capacity of the general population - particularly borrowers in the transportation sector, agriculture, and labor-based occupations. The Company closely monitors this transmission channel through its asset quality indicators.

7. Sustainability Development

The Company is committed to conducting business in accordance with the principles of sustainable development and to aligning its operations with international sustainability standards, with emphasis on maintaining and strengthening balance across the three dimensions of Environment, Social, and Governance (ESG), guided by the Sustainable Development Goals (SDGs) and supporting the "Responsible Lending" framework to create business opportunities and shared value for all stakeholder groups.

For 2026, the Company will continue to operate under its existing management approach, committed to driving sustainable business growth to create value for shareholders, customers, and all stakeholder groups, while conducting business responsibly and growing together with Thai society in a sustainable manner.