

Asian Finance Public Company Limited
(Formerly Advance Finance Public Company Limited)

Interim financial statements
for the six-month period ended 30 June 2026
and
Independent Auditor's Report



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Independent Auditor's Report

To the Board of Directors of Asian Finance Public Company Limited (Formerly Advance Finance Public Company Limited)

Opinion

I have audited the interim financial statements of Asian Finance Public Company Limited (Formerly Advance Finance Public Company Limited) (the "Company"), which comprise the statement of financial position as at 30 June 2026, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes, comprising a summary of material accounting policies and other explanatory information.

In my opinion, the accompanying interim financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2026 and its financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (TFRSs) and the regulations of the Bank of Thailand.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Interim Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to audits of the interim financial statements of public interest entities, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

Other Matter

The financial statements of the Company for the six-month period ended 30 June 2025 and for the year ended 31 December 2025 were audited by another auditor who expressed an unmodified opinion on those statements on 25 August 2025 and 27 February 2026, respectively.



Responsibilities of Management and Those Charged with Governance for the Interim Financial Statements

Management is responsible for the preparation and fair presentation of the interim financial statements in accordance with TFRSs and the regulations of the Bank of Thailand, and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Interim Financial Statements

My objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the interim financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim financial statements, including the disclosures, and whether the interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Thitima P.

(Thitima Pongchaiyong)
Certified Public Accountant
Registration No. 10728

KPMG Phoomchai Audit Ltd.
Bangkok
21 August 2026

Asian Finance Public Company Limited
(Formerly Advance Finance Public Company Limited)
Statement of financial position

		30 June	31 December
Assets	Note	2026	2025
		<i>(in Baht)</i>	
Interbank and money market items, net	8	114,574,294	2,106,988,192
Financial assets measured at fair value through profit or loss	9	157,358,361	149,598,524
Investments, net	10	3,630,273,521	3,654,468,450
Loans to customers and accrued interest receivables, net	11	4,685,543,209	4,909,981,996
Properties for sale, net	13	946,865,312	858,989,362
Leasehold improvement and equipment, net	14	7,130,294	1,053,162
Right-of-use assets, net	15	20,236,279	11,195,748
Intangible assets, net	16	1,559,509	1,823,042
Deferred tax assets, net	17	19,918,662	20,679,049
Receivables from Legal Execution Department		14,591,100	30,114,300
Other assets	18	17,897,845	18,287,724
Total assets		9,615,948,386	11,763,179,549

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The accompanying notes form an integral part of the interim financial statements.

Asian Finance Public Company Limited
(Formerly Advance Finance Public Company Limited)

Statement of financial position

		30 June	31 December
	<i>Note</i>	2026	2025
<i>(in Baht)</i>			
Liabilities and equity			
<i>Liabilities</i>			
Deposits	19, 28	5,457,115,417	5,914,087,051
Interbank and money market items	20	2,305,000,000	4,013,000,000
Accrued interest payables	28	28,724,584	39,428,335
Contributions to the Financial institutions Development Fund and the Deposit Protection Agency payable		16,384,027	24,475,761
Lease liabilities	15	16,662,998	10,388,921
Provisions	21	24,205,214	21,842,537
Accrued expenses		24,903,271	17,511,632
Other liabilities	22	9,044,395	5,434,039
Total liabilities		7,882,039,906	10,046,168,276
<i>Equity</i>			
Share capital			
Authorised share capital			
(1,250,000,000 ordinary shares, par value at Baht 1 per share)		1,250,000,000	1,250,000,000
Issued and paid-up share capital			
(1,250,000,000 ordinary shares, par value at Baht 1 per share)		1,250,000,000	1,250,000,000
Other reserves	24	(16,794,926)	(14,340,021)
Retained earnings			
Appropriated			
Legal reserve	25	48,108,110	48,108,110
Unappropriated		452,595,296	433,243,184
Total equity		1,733,908,480	1,717,011,273
Total liabilities and equity		9,615,948,386	11,763,179,549

The accompanying notes form an integral part of the interim financial statements.

Asian Finance Public Company Limited
(Formerly Advance Finance Public Company Limited)
Statement of profit or loss and other comprehensive income

		Six-month period ended	
		30 June	
	<i>Note</i>	2026	2025
<i>(in Baht)</i>			
Interest income	31	232,574,002	252,060,696
Interest expenses	28, 32	<u>83,524,593</u>	<u>106,442,145</u>
Net interest income		<u>149,049,409</u>	<u>145,618,551</u>
Fees and service income	33	<u>331,442</u>	<u>314,351</u>
Net fees and service income		<u>331,442</u>	<u>314,351</u>
Net gain on financial instruments measured at fair value			
through profit or loss	34	8,834,887	1,140,895
Dividend income		5,685,983	360,761
Net gain on disposal of properties for sale		2,704,707	485,048
Other operating income	18	<u>288,002</u>	<u>413,914</u>
Total operating income		<u>166,894,430</u>	<u>148,333,520</u>
Other operating expenses			
Employee expenses		42,247,704	41,864,291
Directors' remuneration	29	1,462,000	2,790,000
Premises and equipment expenses		10,954,593	8,347,582
Taxes and duties		6,793,448	6,365,135
Other expenses		<u>9,246,739</u>	<u>6,423,644</u>
Total other operating expenses		<u>70,704,484</u>	<u>65,790,652</u>
Expected credit loss	35	<u>24,315,092</u>	<u>32,077,232</u>
Profit from operations before income tax		<u>71,874,854</u>	<u>50,465,636</u>
Income tax expense	36	<u>15,022,742</u>	<u>10,205,003</u>
Net profit		<u>56,852,112</u>	<u>40,260,633</u>

The accompanying notes form an integral part of the interim financial statements.

Asian Finance Public Company Limited
(Formerly Advance Finance Public Company Limited)

Statement of profit or loss and other comprehensive income

		Six-month period ended	
		30 June	
	Note	2026	2025
		(in Baht)	
Other comprehensive income (expense)			
<i>Items that will be reclassified subsequently to profit or loss</i>			
(Loss) gain on investments in debt instruments measured at fair value through other comprehensive income		(3,068,631)	110,139,269
Income tax relating to components of other comprehensive income (expense) will be reclassified subsequently to profit or loss	36	<u>613,726</u>	<u>(22,027,854)</u>
Total other comprehensive income (expense), net		<u>(2,454,905)</u>	<u>88,111,415</u>
Total comprehensive income		<u>54,397,207</u>	<u>128,372,048</u>
 Basic earnings per share	 37	 <u>0.045</u>	 <u>0.032</u>

The accompanying notes form an integral part of the interim financial statements.

Asian Finance Public Company Limited
(Formerly Advance Finance Public Company Limited)
Statement of changes in equity

		Other reserves	Retained earnings			
		(Loss) gain on investments in debt instruments at fair value through other comprehensive income	Legal reserve (in Baht)	Unappropriated	Total equity	
	<i>Note</i>	Issued and paid-up share capital				
Six-month period ended 30 June 2025						
Balance at 1 January 2025		1,250,000,000	(105,406,805)	44,318,633	412,224,872	1,601,136,700
Distributions to owners						
Dividend paid	26	-	-	(50,000,000)	(50,000,000)	(50,000,000)
Total distributions to owners		-	-	(50,000,000)	(50,000,000)	(50,000,000)
Comprehensive income (expense) for the period						
Net profit		-	-	-	40,260,633	40,260,633
Other comprehensive income (expense)		-	88,111,415	-	-	88,111,415
Total comprehensive income (expense) for the period		-	88,111,415	-	40,260,633	128,372,048
Balance at 30 June 2025		1,250,000,000	(17,295,390)	44,318,633	402,485,505	1,679,508,748

The accompanying notes form an integral part of the interim financial statements.

Asian Finance Public Company Limited
(Formerly Advance Finance Public Company Limited)

Statement of changes in equity

		Other reserves	Retained earnings			
		Loss on investments in debt instruments at fair value through other comprehensive income	Legal reserve (in Baht)	Unappropriated	Total equity	
	<i>Note</i>	Issued and paid-up share capital				
Six-month period ended 30 June 2026						
Balance at 1 January 2026		1,250,000,000	48,108,110	433,243,184	1,717,011,273	
Distributions to owners						
Dividend paid	26	-	-	(37,500,000)	(37,500,000)	
Total distributions to owners		-	-	(37,500,000)	(37,500,000)	
Comprehensive income (expense) for the period						
Net profit		-	-	56,852,112	56,852,112	
Other comprehensive income (expense)		-	-	-	(2,454,905)	
Total comprehensive income (expense) for the period		-	-	56,852,112	54,397,207	
Balance at 30 June 2026		1,250,000,000	48,108,110	452,595,296	1,733,908,480	

The accompanying notes form an integral part of the interim financial statements.

Asian Finance Public Company Limited
(Formerly Advance Finance Public Company Limited)

Statement of cash flows

		Six-month period ended	
		30 June	
	Note	2026	2025
		(in Baht)	
Cash flows from operating activities			
Profit from operations before income tax		71,874,854	50,465,636
<i>Adjustments to reconcile profit from operations before income tax to net cash receipts (payments) from operating activities</i>			
Depreciation and amortisation	14, 15, 16	7,810,290	5,923,880
Expected credit loss		24,851,407	32,077,232
Provisions for employee benefits	21	1,326,414	1,793,262
Net gain on financial instruments measured at fair value through profit or loss	34	(8,834,887)	(1,140,895)
Net gain on disposal of properties for sale		(2,704,707)	(485,048)
Impairment loss on properties for sale		-	12,178
Net interest income		(149,049,409)	(145,618,551)
Dividend income		(5,685,983)	(360,761)
Proceeds from interest		268,169,226	227,612,150
Interest paid		(102,100,258)	(103,167,752)
Proceeds from dividend		5,685,983	360,761
Income tax paid		(10,044,015)	(11,807,082)
Profit from operations before changes in operating assets and liabilities		101,298,915	55,665,010
<i>Decrease (increase) in operating assets</i>			
Interbank and money market items		1,992,239,367	(568,346,454)
Loans to customers		184,403,215	484,668,235
Properties for sale		(85,171,243)	(115,023,679)
Receivables from Legal Execution Department		15,523,200	(19,401,600)
Other assets		(1,730,381)	3,788,008

The accompanying notes form an integral part of the interim financial statements.

Asian Finance Public Company Limited
(Formerly Advance Finance Public Company Limited)

Statement of cash flows

		Six-month period ended	
		30 June	
	Note	2026	2025
		(in Baht)	
<i>Increase (decrease) in operating liabilities</i>			
Deposits		(456,971,635)	(148,636,471)
Interbank and money market items		(1,708,000,000)	364,500,000
Provisions for employee benefits paid	21	(2,040,000)	(5,232,611)
Other liabilities		9,159,779	326,168
Net cash from operating activities		48,711,217	52,306,606
<i>Cash flows from investing activities</i>			
Proceeds from capital reduction of investments in equity instruments		1,075,050	-
Proceeds from sale of investments in equity instruments		-	1,484,811
Acquisition of equipment		(7,420,113)	(90,525)
Net cash (used in) from investing activities		(6,345,063)	1,394,286
<i>Cash flows from financing activities</i>			
Payment of lease liabilities		(4,993,756)	(6,040,892)
Dividend paid		(37,372,398)	(47,660,000)
Net cash used in financing activities		(42,366,154)	(53,700,892)
Net increase in cash		-	-
Cash at 1 January		-	-
Cash at 30 June		-	-
<i>Non-cash transactions</i>			
Acquisition of right-of-use assets under lease contracts		15,244,305	2,990,000

The accompanying notes form an integral part of the interim financial statements.

Asian Finance Public Company Limited
(Formerly Advance Finance Public Company Limited)
Notes to the interim financial statements
For the six-month period ended 30 June 2026

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Asian Finance Public Company Limited
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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 August 2026.

1 General information

Asian Finance Public Company Limited (Formerly Advance Finance Public Company Limited, the “Company”, is incorporated in Thailand. The Company’s registered office at 252/220 2nd Floor and 252/20 16th Floor, Muang Thai-Phatra Complex Building, Ratchadaphisek Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok.

The Company was granted approval by the Ministry of Finance on 20 December 1974 and was registered as a public company limited under the Public Company Limited Act B.E. 2535 on 26 May 2004. The Company operates a finance business in accordance with the Financial Institution Business Act B.E.2551.

The Company’s major shareholders during the financial period were Brooker Group Public Company Limited (10% shareholding), Lighthub Asset Company Limited (10% shareholding), which both companies were incorporated in Thailand, Miss Kantima Pornsriniyom (10% shareholding), Mr. Sunthorn Arunanondchai (10% shareholding), Mrs. Ulaiwan Kuakpetoon (10% shareholding) and Mrs. Kacharine Charoenwan (10% shareholding).

2 Basis for preparation of the interim financial statements

The interim financial statements are prepared in accordance with Thai Accounting Standard (TAS) No. 34, *Interim Financial Reporting* on a complete basis, guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Bank of Thailand (“BoT”) and presented as prescribed by the BoT notification number Sor Nor Sor 22/2561, directive dated 31 October 2018, regarding “*The preparation and announcement of the financial statements of a finance company and a credit foncier company*”. The interim financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies set out in note 3 have been applied consistently to all periods presented in these financial statements.

The Company has not adopted a number of new and revised TFRSs, which are not yet effective for the current period in preparing the interim financial statements.

The preparation of interim financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Asian Finance Public Company Limited
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3 Material accounting policies

(a) Cash

Cash comprises cash on hand.

(b) Financial instruments

(1) Initial recognition and measurement

The Company initially recognises financial assets or financial liabilities (including regular way purchases and sales of financial assets) on the transaction date, which is the date on which the Company becomes the party to the provisions of the instrument.

Financial assets and financial liabilities not measured at fair value through profit or loss (FVTPL) are initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issuance of the financial assets or financial liabilities.

(2) Classification and subsequent measurement

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL. The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed.

A financial asset which is not designated as at FVTPL is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument which is not designated as at FVTPL is measured at FVOCI only if it meets both of the following conditions:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and the way in which those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or on contractual cash flows collected); and
- frequency, value and timing of sales in prior period, the reasons for those sales and expectations about future sales activity. However, information about sales is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flow is realised.

Assessment of whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, credit risk, other basic lending risks (e.g. liquidity risk) and costs (e.g. administrative costs), as well as profit margin associated with holding the financial assets for a particular period of time.

In assessing whether the contractual cash flows are solely payment of principal and interest on the principal amount outstanding, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodic reset of the interest rates).

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Subsequent measurement and gains and losses of financial assets

Financial assets measured at FVTPL	These assets are subsequently measured at fair value. Net gain and loss, including any interest or dividend income, are recognised in profit or loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit loss. Interest income, foreign exchange gains and losses, expected credit loss, any gain or loss on derecognition are recognised in profit or loss.
Investments in debt instruments measured at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Investments in equity instruments designated at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss on the date on which the Company's right to receive payment is established. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

Modifications of financial assets

If the terms of a financial asset are modified, then the Company evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

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If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with expected credit loss. In other cases, it is presented as interest income calculated using the effective interest rate method.

Classification, measurement and gains and losses of financial liabilities

On initial recognition, financial liabilities, except undrawn loan commitments are classified and measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Modifications of financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. The consideration paid includes any assets transferred and new liabilities assumed.

If the modification of a financial liability is not accounted for derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(3) Derecognition and offsetting

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

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Any cumulative gain or loss recognised in OCI in respect of investment in equity instruments designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending or sale under sale-and-repurchase agreements.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(4) Write offs

Loans are written off, either partially or in full, after all necessary procedures have been completed and the Company has determined that there is no reasonable expectation of recovering all or part of the financial asset. This is generally the case when the Company concludes that the borrower has no assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. Such amounts, representing the gross carrying amount, are written off and included as part of expected credit loss in profit or loss.

Recoveries of amounts previously written off are recognised when cash is received and are recorded as a reduction of expected credit loss on loans in profit or loss.

If, in a subsequent period, the amount of expected credit loss decreases and the decrease can be related objectively to an event occurring after the expected credit loss were recognised in a prior period, the previously recognised expected credit loss are reversed through the expected credit loss account. The reversal is recognised in profit or loss

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(5) Securities purchased under reverse sale-and-repurchase agreements and Securities sold under sale-and-repurchase agreements

The Company enters into agreements to purchase securities or to sell securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of “Interbank and money market items, net (assets)” or “Loans to customers”, depending upon the type of its counterparty, in the statements of financial position, and the underlying securities are treated as collateral to such receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of “Interbank and money market items (liabilities)”, depending upon the type of its counterparty, in the statements of financial position, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral. The difference between the purchase and sale considerations is recognised as interest income or expenses, as the case may be, over the transaction periods.

(c) Properties for sale

Properties for sales are stated at the lower of cost or net realisable value. The cost is the carrying value of debt balance of the debtor on the date the company is entitled to such properties for sales to settle debt. Net realisable value is determined with reference to the latest appraisal value less estimated selling expenses.

Gain (loss) on disposal of properties for sales is recognised as income (expenses) in profit or loss upon disposal. Impairment loss is recognised as expenses in profit or loss.

(d) Leasehold improvement and equipment

Leasehold improvement and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes the costs of dismantling, removing the items and restoring the site on which they are located.

Differences between proceeds from disposal and the carrying amount of leasehold improvement and equipment are recognised in profit or loss.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on assets under installation.

The estimated useful lives are as follows:

Leasehold improvement	5	years
Computer and equipment	5	years
Furniture and fixtures	5	years
Vehicles	3	years

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(e) Leases

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. For the leases of property, the Company has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets or short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The estimated useful lives are as follows:

Building	3	years
Equipment	5	years
Vehicles	5	years

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining the interest rates from external source which reflect the term of the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Company allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Company recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

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The Company recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of deduction to premises and equipment expenses. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

The Company derecognises and determines impairment on the lease receivables as disclosed in note 3 (b) (3) and 3 (g), respectively.

(f) *Intangible assets*

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. No amortisation is provided on assets under installation.

The estimated useful are as follows:

Software licenses	5	years
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(g) *Impairment of financial assets and lease receivables*

Significant estimates and judgments

The Company's expected credit loss ("ECL") calculations are based on complex models with a series of underlying assumptions. The significant judgments and estimates in determining ECL include criteria for assessing if there has been a significant increase in credit risk and development of ECL models, including the choice of inputs relating to macroeconomic variables. The calculation of ECL also involves expert credit judgment to be applied by management based upon counterparty information they receive from various internal and external. Expert credit judgment is also applied to determine whether any post-model adjustments are required for credit risk elements which are not captured by the model under a "management overlay" framework, such as identified model deficiencies, debtors' risk and other factors.

Measurement of ECL

ECLs are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward-looking information.

ECLs are a probability-weighted estimate of credit loss. They are measured as follows:

- financial assets: as the present value of all cash shortfalls (i.e., the difference between the contractual cash flows and the cash flows that the Company expects to receive);
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive if the loan is drawn down.

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Estimate of expected cash shortfalls is determined by multiplying the probability of default (“PD”) with percentage of the loss given default (“LGD”) with the expected exposure at the time of default (“EAD”).

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk such as gross domestic product (“GDP”), inflation rate, unemployment rate, etc. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

Cash shortfalls are discounted using the effective interest rate on the financial assets.

Staging

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date by being assessed on individual basis. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

- Stage 1: Financial assets that have not had a significant increase in credit risk (Performing)

Financial assets that have not had a significant increase in credit risk (“SICR”) since initial recognition (i.e. no Stage 2 or 3 triggers apply). The allowance for ECL is 12-month ECL. 12-month ECL is the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

- Stage 2: Financial assets that have a SICR (Under-performing)

When financial assets that have a SICR since initial recognition, ECLs are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. Financial assets that are 30 days or 1 month past due or more and not credit-impaired will always be considered to have experienced a SICR.

Qualitative factor assessments are part of current credit risk management processes, such as an assessment of significant deterioration in the customers’ ability to repay. Qualitative indicators include operating results, financial liquidity and other reliable indicators.

Financial assets can be transferred to Stage 1 in case they have proven that their ability to repay is back to normal.

- Stage 3: Financial assets that are credit-impaired (Non-performing)

Financial assets that are credit-impaired or in default represent those that are at least 90 days or 3 months past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets.

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Evidence that a financial asset is credit impaired includes the following events:

- A debtor whose debt cannot be recovered by the Company or the quality of the debtor has deteriorated significantly;
- A debtor that does not have a clear business or not do business seriously or misuse the money;
- A debtor who delays debt repayment or does any act in order to prevent the Company from receiving debt repayment, such as going out of the Kingdom or transfer of assets;
- A debtor who cannot be contacted or found or has left the domicile specified in the contract without notifying the Company; or
- A debtor who stops doing business or ceases operation or the debtor's business is in the process of being liquidated.

ECLs of credit-impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted at the financial assets' effective interest rate, and the gross carrying amount of the financial assets prior to any credit impairment.

Financial assets that are credit-impaired require a lifetime provision.

Modifications of financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised within ECL in profit or loss with a corresponding decrease in the gross carrying amount of the asset.

ECLs for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, whether if there is a SICR. These assets are assessed to determine that there has been a SICR subsequent to the modification.

Loans renegotiated or modified of contractual cash flows, the Company might consider them as financial assets that have a SICR except there is an evidence that the risk of not receiving contractual cash flows significantly reduces and there is no indicator of the impairment. The Company then considers the aforementioned financial assets as the ones that does not have a SICR.

Write-offs of credit-impaired instruments and reversal of ECL

To the extent a financial instrument is considered irrecoverable, the applicable portion of the gross carrying amount is written off against the related allowance for ECL. Such financial instruments are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of ECL in the profit or loss.

If, in a subsequent period, the amount of the allowance for ECL decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, the previously recognised ECL is reversed by adjusting the allowance for ECL. The amount of the reversal is recognised in the profit or loss.

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Improvement in credit risk

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1.

For financial assets with credit-impaired (Stage 3) and no debt restructured will transfer to stage 2 or stage 1 if it is considered that no more qualify as a financial asset with credit-impaired.

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a SICR.

Where SICR was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes the action to be resolved before the instruments are reclassified to stage 1.

For debt restructuring receivables, exposures under stage 3 can transfer to stage 2 when the customer performs under the revised terms of the contract for a longer of 3 months or 3 consecutive payments. Further 9 months are required for such customers to be transferred to stage 1 on the basis that there is no overdue balance on the account and the customer is expected to repay its remaining obligations in full.

For debt restructuring receivables, exposures under stage 2 that were not previously credit impaired can transfer to stage 1 when the customer performs under the revised terms of the contract for 3 months or 3 consecutive payments, whichever is longer.

(h) *Impairment of non-financial assets*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is assessed from the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) *Employee benefits*

Defined contribution plans

Obligations for contributions to the Company's provident funds are recognised as employee expenses in profit or loss as the related service is provided.

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Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses arising from the settlement of employee benefits when the settlement occurs.

Termination benefits

Termination benefits are recognised as an expense at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are payable more than 12 months after the end of the reporting period, the termination benefits are discounted to their present value.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(j) Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Allowance for ECL on obligation having credit risk exposures

The Company provides allowance for ECL on undrawn loan commitments by the same methods applied for impairment of financial assets and lease receivables as described in note 3 (h).

(k) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable inputs.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value of a financial instrument on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value, adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the financial instrument or until the fair value level is transferred or the transaction is closed out.

(l) Interest

Effective interest rate

Interest income and interest expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not allowance for ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any allowance for ECL.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any allowance for ECL.

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Calculation of interest income and interest expense

The effective interest rate of a financial asset or a financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and interest expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instrument to reflect movements in market rates of interest.

However, for financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis of assets.

(m) Revenue from contracts with customers

Revenue recognition

Revenue is recognised when a customer obtains control of the service in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties and value added tax. Judgment is required in determining the timing of the transfer of control for revenue recognition at a point in time or over time. The related costs are recognised in profit or loss when they are incurred.

Gain (loss) on disposal of properties for sale

Gain (loss) on disposal of properties for sale are recognised as income or expense in profit or loss when the significant risk and rewards in ownership of properties for sale have been transferred to the buyer.

(n) Net gain on financial instruments measured at FVTPL

Net gain on financial instruments measured at FVTPL comprises gains less losses related to trading, fair value measurement or transfer of financial assets measured at FVTPL. The Company recognises such items as income or expense when the fair value measurement is performed or when the transaction occurs.

(o) Expenses

Contributions to the Deposit Protection Agency and the Financial Institutions Development Fund

Contributions to the Deposit Protection Agency and the Financial Institutions Development Fund are recorded as expenses in profit or loss on an accrual basis.

(p) Income tax

Income tax expense for the period comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

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Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination or at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the interim financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Risk management

Risk management framework

Risk Management is an important basis for financial institution business. The purpose of risk management enables the Company to manage and maintain risk management at the target and acceptable level in accordance with the rules of the Bank of Thailand and corporate governance.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Oversight Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Risk Oversight Committee is responsible for managing overall risks of the Company by planning, reviewing and monitoring risk management strategies to maintain a balance between risks and return. Principally, the Company's risk management strategies consist of (1) risk identification, (2) risk assessment, (3) risk monitoring, (4) risk control in order to manage risks at a proper level in accordance with good governance. Other consolidating committees, e.g. Asset and Liability Management Committee (ALCO), Credit Committee and Debt Restructuring Committee were also formed to be responsible for each specific risk to ensure the Company's risk management efficiency.

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4.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer and or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from granting loans.

Credit policies and framework

Under the credit risk management policies and framework, the Company monitors and controls credit risk by implementing appropriate risk analysis processes for credit transactions based on the type of credit. Credit Risk Management Department, under the Credit Risk Group, which is an independent department, is responsible for identifying and assessing risks relating to the aforementioned credit transaction. The Company has established a Credit Committee, which is authorised to make credit decision, approve credit limits or contractual obligations and determine appropriate return and interest rates. The Credit Committee also controls credit risk by diversifying such risk across corporate and retail customer within specified risk ceilings and by monitoring the credit quality of loans to ensure compliance with the Company's policies.

For the "loans" item shown in the statement of financial position, the Company's maximum credit loss is the carrying amount of net loans after deduction of applicable allowance for losses. In addition, credit risk may arise from off-financial reporting items relating to other guarantees.

Credit approval process

In the credit approval process, the Company prudently focuses on the business potential and customers' ability to repay by considering the loan objectives and requiring sufficient and appropriate collateral to mitigate the risk of financial loss arising from customers' failure to meet their contractual obligations. The Company also has processes for regularly reviewing customers' credit quality, including credit quality control procedures, to minimise non-performing loans (NPLs). For non-performing loans, the Company closely and continuously monitors, manages, resolves and/or restructures them to maximise the benefits to the Company.

Credit review process

The Company has established a Credit Review Unit, which is independent from the Lending Department, Debt Restructuring Unit, and Appraisal Department. Its responsibility is to perform individual credit reviews to ensure that the credit approval process, credit monitoring, debt restructuring, and loan classification and provisioning processes are conducted effectively in accordance with the Company's policies and procedures and in compliance with regulatory requirements.

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Credit quality analysis

The following tables set out information about the credit quality as at 30 June 2026 and 31 December 2025 without taking into account collateral or other credit enhancement.

	Stage 1	30 June 2026		Total
		Stage 2	Stage 3	
		(in thousand Baht)		
<i>Interbank and money market items (assets)</i>				
Investment grade	114,591	-	-	114,591
Less allowance for expected credit loss	(17)	-	-	(17)
Net carrying amount	114,574	-	-	114,574
<i>Investments in debt instruments measured at FVOCI</i>				
Investment grade	3,630,274	-	-	3,630,274
Carrying amount - Fair value	3,630,274	-	-	3,630,274
<i>Loans to customers and accrued interest receivables and undue interest receivables</i>				
Current	2,893,109	242,348	-	3,135,457
Overdue 1 - 30 days	71,191	-	44,936	116,127
Overdue 31 - 60 days	-	141,331	-	141,331
Overdue 61 - 90 days	-	209,607	218,307	427,914
Overdue more than 90 days	-	-	1,398,547	1,398,547
Total	2,964,300	593,286	1,661,790	5,219,376
Less allowance for expected credit loss	(20,794)	(25,873)	(487,166)	(533,833)
Net carrying amount	2,943,506	567,413	1,174,624	4,685,543
<i>Undrawn loan commitments</i>				
Undrawn loan commitments	128,161	190	-	128,351
Less allowance for expected credit loss	(757)	(3)	-	(760)
Net	127,404	187	-	127,591

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	Stage 1	Stage 2	Stage 3	Total
		31 December 2025 (in thousand Baht)		
<i>Interbank and money market items (assets)</i>				
Investment grade	2,107,000	-	-	2,107,000
Less allowance for expected credit loss	(12)	-	-	(12)
Net carrying amount	2,106,988	-	-	2,106,988
<i>Investments in debt instruments measured at FVOCI</i>				
Investment grade	3,654,468	-	-	3,654,468
Carrying amount - Fair value	3,654,468	-	-	3,654,468
<i>Loans to customers and accrued interest receivables and undue interest receivables</i>				
Current	2,874,671	1,070	324,228	3,199,969
Overdue 1 - 30 days	681,982	1,961	1,636	685,579
Overdue 31 - 60 days	-	116,564	221	116,785
Overdue 61 - 90 days	-	61,650	-	61,650
Overdue more than 90 days	-	-	1,436,933	1,436,933
Total	3,556,653	181,245	1,763,018	5,500,916
Less allowance for expected credit loss	(24,085)	(16,849)	(550,000)	(590,934)
Net carrying amount	3,532,568	164,396	1,213,018	4,909,982
<i>Undrawn loan commitments</i>				
Undrawn loan commitments	139,103	-	-	139,103
Less allowance for expected credit loss	(636)	-	-	(636)
Net	138,467	-	-	138,467

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Collateral held and other credit enhancements

In addition to considering borrowers' ability to repay, the Company also focuses on the type and value of collateral pledged as security for the loans in order to mitigate potential losses to the Company in the event of default. The appraisal values of movable and immovable collateral are reviewed in accordance with the Company's policies and the requirements of the Bank of Thailand. The types of collateral include deposits, marketable equity instruments, immovable properties, vehicles, machinery, business collateral, etc. The Company determines the frequency for reviewing the value of each type of collateral and uses independent appraisers who are qualified professionals with appropriate experience and are approved by the Securities and Exchange Commission. The appraisal report contains clear and sufficient information and analysis to support the price determination by the Company's Asset Appraisal Committee.

The Company holds collateral and other credit enhancements of its exposure to credit risk. Details for each type of collateral were as follows:

Type of exposure to credit risk	30 June 2026	31 December 2025	Type of collateral
<i>(in thousand Baht)</i>			
Interbank and money market items (assets)			
- Securities purchased under resale agreements	-	1,970,169	Bonds
Investment in debt instruments	3,630,274	3,654,468	None
Loans to customers and accrued interest receivables and undue interest receivables			
- Loans to retail customers	97,366	108,342	Land and buildings and residential property,
- Loans to corporate customers	5,114,268	5,388,806	Land, land and buildings, residential property, machines, vehicles, shares, certificates of deposit and business collaterals
- Hire-purchase loans	7,742	3,768	Vehicles
Other contingencies			
- Other guarantee	34,554	34,554	Land, land and buildings, machines, certificates of deposit and business collaterals
- Undrawn loan commitments	128,351	139,103	Land, land and buildings, residential property, machines, shares, certificates of deposit and business collaterals

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Residential mortgage lending and Personal loans

The following tables present credit exposures from mortgage lending to retail customers, stratified by ranges of loan-to-value (LTV) ratio. The LTV ratio is calculated as the ratio of loans to customers to the value of the related collateral. The collateral value excludes any adjustments for costs to obtain and sell the collateral and is based on the most recent appraisals.

	30 June 2026	31 December 2025
<i>LTV ratio</i>		
	<i>(in thousand Baht)</i>	
<i>Stage 1 and stage 2</i>		
Less than 50%	40,235	39,010
51 - 70%	22,705	30,180
More than 70%	4,774	4,848
Total	67,714	74,038
<i>Credit-impaired loans</i>		
Less than 50%	1,687	6,106
51 - 70%	2,952	3,789
More than 70%	25,013	24,409
Total	29,652	34,304

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Concentration of credit risk

The Company monitors concentration of credit risk by sector and by nature of transactions. Analyses of concentrations of credit risk as at 30 June 2026 and 31 December 2025 were as follows:

		30 June 2026		
		Interbank and money market items (assets)	Investments in debt instruments measured at FVOCI (in thousand Baht)	Loans to customers and accrued interest receivables and undue interest receivables Undrawn loan commitments
Financial institutions				
Government and state enterprises	-	3,630,274	-	-
Commercial banks	114,591	-	-	-
Specialised financial institutions	-	-	-	-
Corporate loans				
Manufacture and commercial	-	-	999,525	100,545
Real estate and construction	-	-	2,885,415	3,196
Utilities and services	-	-	1,229,327	24,610
Retail loans				
Housing loans	-	-	95,970	-
Personal loans	-	-	1,397	-
Hire-purchase loans	-	-	7,742	-
Total	114,591	3,630,274	5,219,376	128,351

		31 December 2025		
		Interbank and money market items (assets)	Investments in debt instruments measured at FVOCI (in thousand Baht)	Loans to customers and accrued interest receivables and undue interest receivables Undrawn loan commitments
Financial institutions				
Government and state enterprises	-	3,654,468	-	-
Commercial banks	686,868	-	-	-
Specialised financial institutions	1,420,132	-	-	-
Corporate loans				
Manufacture and commercial	-	-	920,010	56,630
Real estate and construction	-	-	2,937,349	14,286
Utilities and services	-	-	1,531,447	68,187
Retail loans				
Housing loans	-	-	106,827	-
Personal loans	-	-	1,515	-
Hire-purchase loans	-	-	3,768	-
Total	2,107,000	3,654,468	5,500,916	139,103

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Information related to ECL

Significant increase in credit risk (SICR)

When determining whether the Probability of default (PD) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience, which are segmented by customer group as follows:

Corporate customers and hire-purchase loans

- Debt repayment status and debt covenants
- Data obtained during credit review process including audited financial statements, estimated operational performance and business trend, significant operational financial data such as gross profit margin, financial leverage ratios, ability to repay, debt covenants and any amendment in management structure.
- Data from credit reference agencies, news, press articles and changes in external credit ratings

Retail customers

- Debt repayment status
- Indicators on observed liquidity issues which may affect income and ability to repay
- Frequency of amendment to repayment conditions which indicates the lessen of ability to repay

Definition of default

In assessing whether a borrower is in default, the Company considers indicators that are:

Quantitative indicators

The borrower has an overdue of principal and/or interest more than 90 days or 3 months past due in an earlier of on any material credit obligation or on the date of call by the Company, including the borrower's credit facility is cancelled or is at maturity date from an earlier of the date of credit facility cancellation or at the maturity date.

Qualitative indicators

- The collateral tends to be unable to enforce for entire claim or the claiming right is lower than the existing debt burden.
- The borrower is in the process of debt rehabilitation process.
- The borrower has misuse of loans or under cease of its operation.
- The borrower intentionally delays debt repayment or contractual obligations.
- The borrower is not cooperative and cannot be contacted without a valid reason.

Credit risk grade

In determining credit risk grade, the Company considers both quantitative and qualitative indicators of each individual borrower based on available information about the borrower and debt repayment status monitoring. The Company classified credit risk in 3 stages based on changes in credit risk since initial recognition.

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Probability of default (PD)

Credit risk grades are a primary input into the determination of the probability of default. The Company has collected repayment performance data of each receivable and input into statistical models to analyse the data collected and generate estimates of the lifetime PD based on contractual repayment. Then, the Company uses the PD to estimate Expected Credit Loss (ECL).

Incorporation of forward-looking information

ECL has been estimated by the probability weighted risk of default over the expected life of the financial instrument. It is based on the present value of all expected cash shortfalls carried by historical loss experience data for the group of assets that the Company considers credit risk to be similar such as types of loans to customers, types of collateral, contract terms and other relevant factors and adjusted by current observed data, along with supportable and reasonable future forecasts if statistically correlated can be proved.

The Company formulates three forward-looking economic scenarios; Boom case scenario, Average case scenario and Worst case scenario. These scenarios are weighted by different level of probabilities. Examples of the macro-economic variables used in the forward-looking information are Gross Domestic Product (GDP), inflation rate, unemployment rate, etc.

The Company uses judgments to assess how much relevant macroeconomic changes should affect to ECL of the Company's portfolio. However, the Company reviews the method, the assumptions and forecasts of the future economic situations on a regular basis. In addition, the Company also considers providing the management overlay as part of ECL.

4.2 Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its obligations as and when they fall due, due to an inability to liquidate assets into cash in a timely manner or to raise the funds necessary for its operations, which may cause damage to the Company.

The Company closely monitors and manages its liquidity to respond to market conditions by monitoring its investment diversification and customers' deposit behavior to ensure alignment with the lending maturity profile. This is performed using Liquidity Gap Analysis and Liquidity Stress Testing, as well as by setting limits for Liquidity Risk Tolerance. The Company mainly invests its excess liquidity in highly liquid assets in order to prepare for customers' deposit withdrawals under both normal and crisis situations.

In addition, the Company monitors its liquidity risk based on regulations relating to the maintenance of liquid assets to handle a severe liquidity crisis situation (Liquidity Coverage Ratio: LCR), which is based on the assumption that total cash inflows and outflows reflect the differing withdrawal behaviors of various counterparties and both on and off-financial reporting items, which are affected by different cash flow indicators. The Company sets risk limits in order to monitor liquidity risk levels and maintain them within appropriate levels, and enable the Company to maintain appropriate amounts of liquid assets and efficiently cope with fluctuations in cash inflows and outflows.

The Company will disclose its capital adequacy, in accordance with the Basel III Pillar 3 on the Company's website at www.asianfinance.co.th by October 2026.

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As at 30 June 2026 and 31 December 2025, financial assets and financial liabilities, classified by maturity, were as follows:

	30 June 2026					Financial assets that are credit-impaired	Total
	At call	Less than 1 year	Over 1 year to 5 years	Over 5 years	No maturity		
	<i>(in thousand Baht)</i>						
Financial assets							
Interbank and money market items ⁽¹⁾	114,591	-	-	-	-	-	114,591
Financial assets measured at FVTPL	-	-	-	-	157,358	-	157,358
Investments, net	-	-	3,077,716	552,558	-	-	3,630,274
Loans to customers ⁽¹⁾	-	902,383	2,123,294	516,005	-	1,254,472	4,796,154
Accrued interest receivables and undue receivables	-	484	12,485	2,944	-	407,309	423,222
Total financial assets	114,591	902,867	5,213,495	1,071,507	157,358	1,661,781	9,121,599
Financial liabilities							
Deposits	-	3,809,025	1,648,090	-	-	-	5,457,115
Interbank and money market items	-	2,232,000	73,000	-	-	-	2,305,000
Accrued interest payables	-	18,768	9,957	-	-	-	28,725
Lease liabilities	-	8,095	8,568	-	-	-	16,663
Total financial liabilities	-	6,067,888	1,739,615	-	-	-	7,807,503
Net liquidity gap	114,591	(5,165,021)	3,473,880	1,071,507	157,358	1,661,781	1,314,096

⁽¹⁾ Excluding accrued interest receivables, undue interest receivables and allowance for expected credit loss.

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31 December 2025							
	At call	Less than 1 year	Over 1 year to 5 years	Over 5 years	No maturity	Financial assets that are credit- impaired	Total
	(in thousand Baht)						
Financial assets							
Interbank and money market items ⁽¹⁾	136,830	1,970,000	-	-	-	-	2,106,830
Financial assets measured at FVTPL	-	-	-	-	149,599	-	149,599
Investments, net	-	-	3,077,123	577,345	-	-	3,654,468
Loans to customers ⁽¹⁾	-	1,307,879	2,081,892	324,968	-	1,346,601	5,061,340
Accrued interest receivables and undue receivables	-	10,694	9,762	2,702	-	416,418	439,576
Total financial assets	136,830	3,288,573	5,168,777	905,015	149,599	1,763,019	11,411,813
Financial liabilities							
Deposits	-	4,298,648	1,615,439	-	-	-	5,914,087
Interbank and money market items	-	3,893,500	119,500	-	-	-	4,013,000
Accrued interest payables	-	29,023	10,405	-	-	-	39,428
Lease liabilities	-	8,864	1,525	-	-	-	10,389
Total financial liabilities	-	8,230,035	1,746,869	-	-	-	9,976,904
Net liquidity gap	136,830	(4,941,462)	3,421,908	905,015	149,599	1,763,019	1,434,909

⁽¹⁾ Excluding accrued interest receivables, undue interest receivables and allowance for expected credit loss.

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4.3 Market risk

The Company is exposed to normal business risks from changes in market interest rates, equity price and from non-performance of contractual obligations by counterparties.

4.3.1 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates may affect the Company's operating results and cash flows.

The Company manages interest rate risk arising from changes in interest rates on assets and liabilities, which may affect the Company's net interest income, by using an interest rate gap model to ensure that any potential impact remains within an acceptable level in accordance with the Company's interest rate risk management policy.

The exposure to interest rate risk was as follows:

30 June 2026					
	Floating rate	Fixed rate	Non-interest bearing (in thousand Baht)	Financial assets that are credit-impaired	Total
Financial assets					
Interbank and money market items ⁽¹⁾	6,905	-	107,686	-	114,591
Financial assets measured at FVTPL	-	-	157,358	-	157,358
Investments, net	-	3,630,274	-	-	3,630,274
Loans to customers ⁽¹⁾	3,530,694	10,988	-	1,254,472	4,796,154
Total financial assets	3,537,599	3,641,262	265,044	1,254,472	8,698,377
Financial liabilities					
Deposits	-	5,457,115	-	-	5,457,115
Interbank and money market items	-	2,305,000	-	-	2,305,000
Lease liabilities	-	16,663	-	-	16,663
Total financial liabilities	-	7,778,778	-	-	7,778,778
31 December 2025					
	Floating rate	Fixed rate	Non-interest bearing (in thousand Baht)	Financial assets that are credit-impaired	Total
Financial assets					
Interbank and money market items ⁽¹⁾	10,978	1,970,000	125,852	-	2,106,830
Financial assets measured at FVTPL	-	-	149,599	-	149,599
Investments, net	-	3,654,468	-	-	3,654,468
Loans to customers ⁽¹⁾	3,691,065	23,674	-	1,346,601	5,061,340
Total financial assets	3,702,043	5,648,142	275,451	1,346,601	10,972,237
Financial liabilities					
Deposits	-	5,914,087	-	-	5,914,087
Interbank and money market items	-	4,013,000	-	-	4,013,000
Lease liabilities	-	10,389	-	-	10,389
Total financial liabilities	-	9,937,476	-	-	9,937,476

⁽¹⁾ Excluding accrued interest receivables, undue interest receivables and allowance for expected credit loss.

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The following tables set out the interest rate repricing periods.

30 June 2026								
	Immediate repricing	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years (in thousand Baht)	Over 5 years	Financial assets that are credit- impaired	Non - interest bearing	Total
Financial assets								
Interbank and money market items ⁽¹⁾	6,905	-	-	-	-	-	107,686	114,591
Financial assets measured at FVTPL	-	-	-	-	-	-	157,358	157,358
Investments, net	-	-	-	3,077,716	552,558	-	-	3,630,274
Loans to customers ⁽¹⁾	-	59,833	813,085	2,109,783	558,981	1,254,472	-	4,796,154
Total financial assets	6,905	59,833	813,085	5,187,499	1,111,539	1,254,472	265,044	8,698,377
Financial liabilities								
Deposits	-	2,577,637	1,231,388	1,648,090	-	-	-	5,457,115
Interbank and money market items	-	1,578,500	653,500	73,000	-	-	-	2,305,000
Lease liabilities	-	3,326	4,769	8,568	-	-	-	16,663
Total financial liabilities	-	4,159,463	1,889,657	1,729,658	-	-	-	7,778,778

31 December 2025								
	Immediate repricing	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years (in thousand Baht)	Over 5 years	Financial assets that are credit- impaired	Non - interest bearing	Total
Financial assets								
Interbank and money market items ⁽¹⁾	10,978	1,970,000	-	-	-	-	125,852	2,106,830
Financial assets measured at FVTPL	-	-	-	-	-	-	149,599	149,599
Investments, net	-	-	-	3,077,123	577,345	-	-	3,654,468
Loans to customers ⁽¹⁾	-	328,579	714,918	2,051,176	620,066	1,346,601	-	5,061,340
Total financial assets	10,978	2,298,579	714,918	5,128,299	1,197,411	1,346,601	275,451	10,972,237
Financial liabilities								
Deposits	-	2,324,863	1,973,785	1,615,439	-	-	-	5,914,087
Interbank and money market items	-	2,333,500	1,560,000	119,500	-	-	-	4,013,000
Lease liabilities	-	2,392	6,472	1,525	-	-	-	10,389
Total financial liabilities	-	4,660,755	3,540,257	1,736,464	-	-	-	9,937,476

⁽¹⁾ Excluding accrued interest receivables, undue interest receivables and allowance for expected credit loss.

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Sensitivity analysis

A reasonably possible change of 1 basis point in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Impact on profit or loss	
	Increase 1 bps	decrease 1 bps
	<i>(in thousand Baht)</i>	
30 June 2026		
Baht	1,256	(1,256)
Including the effect of changes in interest rates	1,256	(1,256)
31 December 2025		
Baht	1,448	(1,448)
Including the effect of changes in interest rates	1,448	(1,448)

4.3.2 Foreign exchange risk

The Company is not exposed to foreign currency risk, as it does not have any transactions denominated in foreign currencies.

4.3.3 Equity price risk

Equity price risk is any risk that arises from changes in the price of equities or common stock that may cause volatility in the earnings or fluctuations in the value of the financial assets.

The equity portfolio of the Company is managed by specific units depending on the strategy, the types of business of the issuers of underlying securities, and the objectives for holding such equities. The equity investment management is under the supervision of the Asset and Liability Management Committee (ALCO) and Treasury and Investment Department. All investments in equity instruments must comply with investment policy and framework, and related risk policies. The criteria for equity instruments include consideration of fundamental value, dividend yield and market risk. Various limits are set, including Gross Limit and Loss Limit. All of these measures are established to ensure that securities investments comply with policies and remain within the approved limits taking into consideration the capital adequacy.

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5 Fair value of financial assets and financial liabilities

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the hierarchy, but does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

		30 June 2026			Fair value				
		Carrying amount			Total (in thousand Baht)				
Note		FVTPL	FVOCI	Amortised cost		Level 1	Level 2	Level 3	Total
Financial assets									
Financial assets measured at FVTPL	9	157,358	-	-	157,358	37,358	-	120,000	157,358
Debt instruments measured at FVOCI	10	-	3,630,274	-	3,630,274	-	3,630,274	-	3,630,274
Financial liabilities									
Deposits	19	-	-	5,457,115	5,457,115	-	5,473,818	-	5,473,818
Interbank and money market items	20	-	-	2,305,000	2,305,000	-	2,299,275	-	2,299,275

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		Carrying amount				31 December 2025				Fair value		
	Note	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total			
										(in thousand Baht)		
Financial assets												
Financial assets measured at FVTPL												
Debt instruments measured at FVOCI												
	9	149,599	-	-	149,599	29,481	-	120,118	149,599			
	10	-	3,654,468	-	3,654,468	-	3,654,468	-	3,654,468			
Financial liabilities												
Deposits												
	19	-	-	5,914,087	5,914,087	-	5,934,123	-	5,934,123			
Interbank and money market items												
	20	-	-	4,013,000	4,013,000	-	4,005,290	-	4,005,290			

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Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques and significant unobservable inputs used in measuring the Level 3 fair value of financial instruments measured at fair value in the statement of financial position.

Financial instruments measured at fair value	Valuation technique	Significant unobservable inputs
Financial assets measured at FVTPL	Net asset value (NAV)	Net asset value (NAV)

Level 3 fair value

Reconciliation of Level 3 fair value

The table below presents the reconciliation of the opening and closing balances of Level 3 fair value for financial assets measured at fair value through profit or loss.

<i>Six-month period ended 30 June</i>	2026	2025
	<i>(in thousand Baht)</i>	
As at 1 January	120,118	-
Loss recognised in profit or loss	(118)	-
As at 30 June	120,000	-

The following methods and assumptions were used by the Company in estimating the fair value of financial assets and liabilities.

Interbank and money market items (assets and liabilities)

The fair value of floating-rate interbank and money market items, both assets and liabilities, was assumed to approximate their carrying amounts at the reporting date. The fair value of fixed-rate interbank and money market items with a remaining maturity of more than one year from the statement of financial position date was determined by discounting the expected future cash flows using the current average interest rate for similar debts.

Investments in debt instruments

The fair value of investments in debt instruments are calculated by using the bid prices and information of debt instruments at the ThaiBMA or other financial institutions at the reporting date.

Investments in equity instruments

The fair value of marketable equity instruments is determined based on the last bid price quoted on the last working day of the Stock Exchange of Thailand at the reporting date.

The fair value of non-marketable equity instruments is determined mainly using common valuation techniques, such as the market approach, cost approach, or income approach, as well as book value or adjusted book value.

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Loans to customers

The fair value of floating-rate loans to customers approximates their net carrying amount.

The fair value of fixed-rate loans to customers that are not credit-impaired and bear interest rates which management has assessed to be comparable to prevailing market effective interest rates approximates their net carrying amount. Accordingly, the fair value of such loans to customers approximates their net carrying amount.

The fair value of credit-impaired loans with fixed interest rates approximates their net carrying amount.

Deposits

The fair value of deposits with fixed terms and fixed interest rates are estimated using discounted cash flow analyses based on current interest rates for similar types of deposit arrangements.

6 Maintenance of capital fund

The Company maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand. As announced by the BoT notification number Sor Nor Sor 12/2562 dated 7 May 2019, regarding to *Guideline for maintenance of capital fund and liquidity reserve requirement for finance company*, the Company is required to calculate its Capital Fund in accordance with Basel III as follows:

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	1,250,000	1,250,000
Legal reserve	48,108	44,319
Net income after appropriation	395,743	382,355
Other reserves	(16,795)	(14,340)
Capital deduction items on CET1	(21,292)	(22,502)
Total Tier 1 Capital	1,655,764	1,639,832
Tier 2 Capital		
General provision	-	-
Total Tier 2 Capital	-	-
Total Capital funds	1,655,764	1,639,832
Total Risk-Weighted Assets	6,595,360	6,774,962

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	The BoT's regulation minimum requirement	30 June 2026 (%)	31 December 2025
The ratio of total Capital Funds to Risk-Weighted Assets	11.00	25.10	24.20
The ratio of total Tier 1 Capital to Risk-Weighted Assets	8.50	25.10	24.20
The ratio of Common Equity Tier 1 to Risk-Weighted Assets	7.00	25.10	24.20
The ratio of Tier 2 Capital to Risk-Weighted Assets	-	-	-

As at 30 June 2026 and 31 December 2025, the Company has no add-on arising from Single Lending Limit.

The Company will disclose capital adequacy and capital risk exposure information for a Financial Group as at 30 June 2026 on the Company's website at www.asianfinance.co.th by October 2026.

Capital management

The Board of Directors' policy is to maintain an adequate level of capital to support growth strategies within an acceptable risk framework, and to meet Bank of Thailand regulatory requirements to maintain investor, creditor, and market confidence and to sustain future development of the business. The Board monitors the return on capital by evaluating result from operating activities divided by total equity and also monitors the level of dividends to ordinary shareholders.

7 Classification of financial assets and financial liabilities

	30 June 2026			
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI (in thousand Baht)	Financial instruments measured at amortised cost	Total
<i>Financial assets</i>				
Interbank and money market items, net	-	-	114,574	114,574
Financial assets measured at fair value through profit or loss	157,358	-	-	157,358
Investments, net	-	3,630,274	-	3,630,274
Loans to customers and accrued interest receivables, net	-	-	4,685,543	4,685,543
Total	157,358	3,630,274	4,800,117	8,587,749
<i>Financial liabilities</i>				
Deposits	-	-	5,457,115	5,457,115
Interbank and money market items	-	-	2,305,000	2,305,000
Lease liabilities	-	-	16,663	16,663
Total	-	-	7,778,778	7,778,778

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	31 December 2025			
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI <i>(in thousand Baht)</i>	Financial instruments measured at amortised cost	Total
<i>Financial assets</i>				
Interbank and money market items, net	-	-	2,106,988	2,106,988
Financial assets measured at fair value through profit or loss	149,599	-	-	149,599
Investments, net	-	3,654,468	-	3,654,468
Loans to customers and accrued interest receivables, net	-	-	4,909,982	4,909,982
Total	149,599	3,654,468	7,016,970	10,821,037
<i>Financial liabilities</i>				
Deposits	-	-	5,914,087	5,914,087
Interbank and money market items	-	-	4,013,000	4,013,000
Lease liabilities	-	-	10,389	10,389
Total	-	-	9,937,476	9,937,476

8 Interbank and money market items, net (assets)

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
<i>Domestic</i>		
Bank of Thailand	52,787	93,973
Commercial banks	61,804	592,857
Specialised financial institutions*	-	1,420,000
Total	114,591	2,106,830
Add Accrued interest receivables and undue interest receivables	-	170
Less Allowance for expected credit loss	(17)	(12)
Total	114,574	2,106,988

* Specialised financial institutions are financial institutions incorporated by special laws e.g. Government Savings Bank, Bank for Agriculture and Agricultural Cooperatives, Government Housing Bank, SME Bank, Islamic Bank of Thailand, Export-Import Bank of Thailand, Secondary Mortgage Corporation excluding Thai Credit Guarantee Corporation.

9 Financial assets measured at fair value through profit or loss

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Domestic marketable equity instruments	37,358	29,481
Domestic non-marketable equity instruments	120,000	120,118
Total	157,358	149,599

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10 Investments, net

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
<i>Investments in debt instruments measured at FVOCI</i>		
Government and state enterprise securities	3,630,274	3,654,468
Total	3,630,274	3,654,468
Allowance for expected credit loss	-	-
 <i>Investments in equity instruments designated at fair value through other comprehensive income</i>		
Domestic non-marketable equity instruments	-	-
Total	-	-
 Total investments, net	3,630,274	3,654,468

11 Loans to customers and accrued interest receivables, net

11.1 Classified by type of loans

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Loans	4,787,353	5,055,587
Hire-purchase receivables	8,801	4,268
Finance lease receivables	-	1,485
Total loans to customers	4,796,154	5,061,340
Add accrued interest receivables and undue interest receivables	423,222	439,576
Total loans to customers and accrued interest receivables	5,219,376	5,500,916
Less allowance for expected credit loss	(533,833)	(590,934)
Total loans to customers and accrued interest receivables, net	4,685,543	4,909,982

11.2 Classified by residency of customers

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Domestic	4,796,154	5,061,340
Total	4,796,154	5,061,340

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11.3 Classified by loan classification

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Loans to customers and accrued interest receivables and undue interest receivables		
Financial assets that have not had a significant increase in credit risk (Performing)	2,964,300	3,556,653
Financial assets that have a significant increase in credit risk (Under-performing)	593,286	181,245
Financial assets that are credit-impaired (Non-performing)	1,661,790	1,763,018
Total	5,219,376	5,500,916

11.4 Loans that are credit-impaired

As at 30 June 2026 and 31 December 2025, the Company had loans that are credit-impaired (including loans to interbank and money market items) under TFRS 9 per the BoT's regulations as follows:

	30 June 2026	31 December 2025
Loans that are credit-impaired (principal)		
Loans that are credit-impaired <i>(in thousand Baht)</i>	1,254,472	1,346,601
Total loans <i>(in thousand Baht)</i>	4,933,936	7,189,316
Percentage of loans that are credit-impaired (%)	25.43	18.73

The Company did not transfer credit-impaired loans to external parties during the six-month periods ended 30 June 2026 and 2025.

11.5 Modified loans to customers

<i>Six-month period ended 30 June</i>	2026	2025
	<i>(in thousand Baht)</i>	
Loans to customers modified during the period ⁽¹⁾		
Amortised cost before modification	519,244	199,188
Net modification (loss) gain	(4,835)	5,376

⁽¹⁾ Loans to customers net of allowance for expected credit loss that had only lifetime ECL.

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Loans to customers modified since initial recognition		
Gross carrying amount of loans to customers previously modified for which allowance for expected credit loss has changed during the period to an amount equal to 12-month ECL from lifetime ECL	516,629	466,270

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11.6 Hire-purchase receivables and finance lease receivables

	30 June 2026					
	Portion due within 1 year	Portion due over 1 year but within 2 years	Portion due over 2 years but within 3 years	Portion due over 3 years but within 4 years	Portion due over 4 years but within 5 years	Total
	<i>(in thousand Baht)</i>					
Hire-purchase receivables and finance lease receivables	3,220	3,199	1,504	878	-	8,801
Less unearned interest income	(596)	(334)	(134)	(24)	-	(1,088)
Present value of minimum lease payments	2,624	2,865	1,370	854	-	7,713
Add accrued interest receivables and undue interest receivables						29
Less allowance for expected credit loss						(71)
Hire-purchase receivables and finance lease receivables, net						7,671

	31 December 2025					
	Portion due within 1 year	Portion due over 1 year but within 2 years	Portion due over 2 years but within 3 years	Portion due over 3 years but within 4 years	Portion due over 4 years but within 5 years	Total
	<i>(in thousand Baht)</i>					
Hire-purchase receivables and finance lease receivables	3,201	1,716	836	-	-	5,753
Less unearned interest income	(377)	(172)	(24)	-	-	(573)
Present value of minimum lease payments	2,824	1,544	812	-	-	5,180
Add accrued interest receivables and undue interest receivables						22
Less allowance for expected credit loss						(34)
Hire-purchase receivables and finance lease receivables, net						5,168

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12 Allowance for expected credit loss

	30 June 2026			Total
	Financial assets that have not had a significant increase in credit risk	Financial assets that have a significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit- impaired	
Interbank and money market items (assets)	17	-	-	17
Loans to customers and accrued interest receivables and undue interest receivables	20,794	25,873	487,166	533,833
Undrawn loan commitments	757	3	-	760
Total	21,568	25,876	487,166	534,610

	31 December 2025			Total
	Financial assets that have not had a significant increase in credit risk	Financial assets that have a significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit- impaired	
Interbank and money market items (assets)	12	-	-	12
Loans to customers and accrued interest receivables and undue interest receivables	24,085	16,849	550,000	590,934
Undrawn loan commitments	636	-	-	636
Total	24,733	16,849	550,000	591,582

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The movements in allowance for expected credit loss for the six-month period ended 30 June 2026 and for the year ended 31 December 2025 were as follows:

	Financial assets that have not had a significant increase in credit risk	Financial assets that have a significant increase in credit risk (in thousand Baht)	Financial assets that are credit- impaired	Total
<i>Interbank and money market items (assets)</i>				
At 1 January 2025	16	-	-	16
Change from remeasurement of ECL	(4)	-	-	(4)
At 31 December 2025 and 1 January 2026	12	-	-	12
Change from remeasurement of ECL	5	-	-	5
At 30 June 2026	17	-	-	17
<i>Loans to customers and accrued interest receivables and undue interest receivables</i>				
At 1 January 2025	23,911	24,258	485,176	533,345
Change from stage reclassification	1,679	(15,677)	13,998	-
Change from remeasurement of ECL	(3,550)	8,462	123,486	128,398
Purchased or acquired	4,506	-	-	4,506
Derecognised	(2,461)	(194)	(283)	(2,938)
Written-off	-	-	(72,377)	(72,377)
At 31 December 2025 and 1 January 2026	24,085	16,849	550,000	590,934
Change from stage reclassification	(18,879)	7,559	11,320	-
Change from remeasurement of ECL	15,166	1,465	36,996	53,627
Purchased or acquired	1,033	-	-	1,033
Derecognised	(611)	-	(865)	(1,476)
Written-off	-	-	(110,285)	(110,285)
At 30 June 2026	20,794	25,873	487,166	533,833
<i>Undrawn loan commitments</i>				
At 1 January 2025	1,308	4	-	1,312
Change from stage reclassification	-	(4)	4	-
Change from remeasurement of ECL	(594)	-	-	(594)
Purchased or acquired	211	-	-	211
Derecognised	(289)	-	(4)	(293)
At 31 December 2025 and 1 January 2026	636	-	-	636
Change from stage reclassification	(3)	3	-	-
Change from remeasurement of ECL	90	-	-	90
Purchased or acquired	97	-	-	97
Derecognised	(63)	-	-	(63)
At 30 June 2026	757	3	-	760

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13 Properties for sale, net

	At 1 January 2026	Additions	Transfer (in thousand Baht)	Disposals	At 30 June 2026
Assets from settlement of debts immovable assets					
- Appraised value by external appraisals	637,489	97,461	(35,909)	-	699,041
- Appraised value by internal appraisals	237,224	209	35,909	(9,795)	263,547
Total	874,713	97,670	-	(9,795)	962,588
Less allowance for impairment loss	(15,723)	-	-	-	(15,723)
Net	858,990	97,670	-	(9,795)	946,865

	At 1 January 2025	Additions	Disposals	At 31 December 2025
Assets from settlement of debts immovable assets				
- Appraised value by external appraisals	558,543	155,547	(76,601)	637,489
- Appraised value by internal appraisals	151,247	88,451	(2,474)	237,224
Total	709,790	243,998	(79,075)	874,713
Less allowance for impairment loss	(149)	(15,586)	12	(15,723)
Net	709,641	228,412	(79,063)	858,990

The Company periodically reviews and revises its estimate of the recoverable amount of properties for sale to reflect current information, the Company's disposal plan and appraisal reports prepared by external and internal appraisals.

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14 Leasehold improvement and equipment, net

	Leasehold improvement	Computer and office equipment	Furniture and fixtures (in thousand Baht)	Vehicles	Total
<i>Cost</i>					
At 1 January 2025	19,294	19,229	91	8,502	47,116
Additions	-	726	-	-	726
Write-off	(5)	(201)	-	-	(206)
At 31 December 2025 and 1 January 2026	19,289	19,754	91	8,502	47,636
Additions	4,665	1,889	-	-	6,554
At 30 June 2026	23,954	21,643	91	8,502	54,190
<i>Accumulated depreciation</i>					
At 1 January 2025	19,294	18,660	91	8,502	46,547
Depreciation charge for the year	-	242	-	-	242
Write-off	(5)	(201)	-	-	(206)
At 31 December 2025 and 1 January 2026	19,289	18,701	91	8,502	46,583
Depreciation charge for the period	181	296	-	-	477
At 30 June 2026	19,470	18,997	91	8,502	47,060
<i>Net book value</i>					
At 31 December 2025	-	1,053	-	-	1,053
At 30 June 2026	4,484	2,646	-	-	7,130

The gross amount of the Company's fully depreciated leasehold improvement and equipment that was still in use as at 30 June 2026 amounting to Baht 46.1 million (31 December 2025: Baht 45.8 million).

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15 Leases

15.1 Leases as lessee

The Company has entered into the various lease agreements for use in its operation for periods ranging from 1 to 5 years. The rental is payable monthly as specified in the agreements.

Right-of-use assets

	Building	Equipment (in thousand Baht)	Vehicles	Total
<i>Cost</i>				
At 1 January 2025	25,396	734	2,121	28,251
Additions	189	-	2,990	3,179
Write-off	(189)	-	-	(189)
At 31 December 2025 and 1 January 2026	25,396	734	5,111	31,241
Additions	15,244	-	-	15,244
At 30 June 2026	40,640	734	5,111	46,485
<i>Accumulated depreciation</i>				
At 1 January 2025	10,479	245	471	11,195
Depreciation charged for the year	7,587	147	1,305	9,039
Write-off	(189)	-	-	(189)
At 31 December 2025 and 1 January 2026	17,877	392	1,776	20,045
Depreciation charged for the period	5,478	73	653	6,204
At 30 June 2026	23,355	465	2,429	26,249
<i>Net book value</i>				
At 31 December 2025	7,519	342	3,335	11,196
At 30 June 2026	17,285	269	2,682	20,236

Lease liabilities

	30 June 2026	31 December 2025
	(in thousand Baht)	
Less than 1 year	8,422	9,045
1 year to 5 years	8,834	1,645
Total undiscounted lease liabilities	17,256	10,690
Lease liabilities included in the statement of financial position	16,663	10,389

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Changes in lease liabilities

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
At the beginning of the period / year	10,389	17,791
Purchase of assets under lease contracts	11,085	3,179
Interest expense on lease liabilities	183	373
Payment of lease liabilities	(4,994)	(10,954)
At the end of the period / year	16,663	10,389

Amount recognised in profit or loss

	2026	2025
	<i>(in thousand Baht)</i>	
Depreciation of right-of-use assets		
- Building	5,478	3,794
- Equipment	73	73
- Vehicles	653	653
Interest expense on lease liabilities	183	206
Expenses relating to leases of low-value assets	14	23

15.2 Leases as lessor

Finance leases

Leases which are classified as finance leases are hire-purchase contracts and finance lease contracts as disclosed in note 11.6.

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16 Intangible assets, net

	Software licenses	Intangible assets under installation <i>(in thousand Baht)</i>	Total
<i>Cost</i>			
At 1 January 2025	32,585	-	32,585
At 31 December 2025 and 1 January 2026	32,585	-	32,585
Additions	-	866	866
At 30 June 2026	32,585	866	33,451
<i>Accumulated amortisation</i>			
At 1 January 2025	28,163	-	28,163
Amortisation charge for the year	2,599	-	2,599
At 31 December 2025 and 1 January 2026	30,762	-	30,762
Amortisation charge for the period	1,129	-	1,129
At 30 June 2026	31,891	-	31,891
<i>Net book value</i>			
At 31 December 2025	1,823	-	1,823
At 30 June 2026	694	866	1,560

The gross amount of the Company's fully amortised software licenses that was still in use as at 30 June 2026 amounting to Baht 21.7 million (*31 December 2025: Baht 19.6 million*).

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17 Deferred tax assets, net

	At 1 January 2026	(Charged) / credited to:		At 30 June 2026
		Profit or loss	Other comprehensive income	
		(in thousand Baht)		
Deferred tax assets				
Interbank and money market items	2	1	-	3
Investments	13,417	(1,767)	614	12,264
Properties for sale	3,145	-	-	3,145
Lease liabilities	2,078	1,255	-	3,333
Provisions for employee benefits	3,209	(143)	-	3,066
Allowance for expected credit loss for loan commitments	127	25	-	152
Provisions for decommissioning cost	1,032	591	-	1,623
Total	23,010	(38)	614	23,586
Deferred tax liabilities				
Loans to customers and accrued interest receivables	(211)	211	-	-
Finance lease	(287)	287	-	-
Right-of-use assets	(1,833)	(1,834)	-	(3,667)
Total	(2,331)	(1,336)	-	(3,667)
Net	20,679	(1,374)	614	19,919

	At 1 January 2025	(Charged) / credited to:		At 31 December 2025
		Profit or loss	Other comprehensive income	
		(in thousand Baht)		
Deferred tax assets				
Interbank and money market items	3	(1)	-	2
Investments	36,969	(785)	(22,767)	13,417
Properties for sale	30	3,115	-	3,145
Lease liabilities	3,558	(1,480)	-	2,078
Provisions for employee benefits	3,494	(530)	245	3,209
Allowance for expected credit loss for loan commitments	262	(135)	-	127
Provisions for decommissioning cost	1,025	7	-	1,032
Total	45,341	191	(22,522)	23,010
Deferred tax liabilities				
Loans to customers and accrued interest receivables	(211)	-	-	(211)
Finance lease	(579)	292	-	(287)
Right-of-use assets	(3,231)	1,398	-	(1,833)
Total	(4,021)	1,690	-	(2,331)
Net	41,320	1,881	(22,522)	20,679

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18 Other assets

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Accrued interest on investments	5,956	6,186
Prepaid expenses	4,283	2,594
Deposits	3,306	2,269
Others	4,353	7,239
Total	<u>17,898</u>	<u>18,288</u>

19 Deposits

19.1 Classified by type of deposits

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Certificates of deposit	5,457,115	5,914,087
Total	<u>5,457,115</u>	<u>5,914,087</u>

19.2 Classified by currency and residency of depositors

As at 30 June 2026 and 31 December 2025, deposits were domestic and denominated entirely in Thai Baht.

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20 Interbank and money market items (liabilities)

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Domestic		
Commercial banks	640,000	660,000
Specialised financial institutions *	935,000	1,650,000
Other financial institutions **	730,000	1,703,000
Total	2,305,000	4,013,000

* Specialised financial institutions are financial institutions incorporated by special laws e.g. Government Savings Bank, Bank for Agriculture and Agricultural Cooperatives, Government Housing Bank, SME Bank, Islamic Bank of Thailand, Export-Import Bank of Thailand, Secondary Mortgage Corporation excluding Thai Credit Guarantee Corporation.

** Other financial institutions represent financial institutions other than the above, such as Finance companies, Securities companies, Creditancier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and the Credit Union League of Thailand Limited.

21 Provisions

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Provisions for employee benefits	15,331	16,045
Allowance for expected credit loss for loan commitments	760	636
Provisions for decommissioning cost	8,114	5,161
Total	24,205	21,842

As at 30 June 2026, the Company was exposed to credit risk in respect of undrawn loan commitments amounting to Baht 128 million (31 December 2025: Baht 139 million).

Provisions for employee benefits

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Defined benefit plan	15,331	16,045
Total	15,331	16,045

The Company operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

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<i>Present value of the defined benefit obligations</i>	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
At the beginning of the period / year	16,045	17,472
<i>Recognised in profit or loss</i>		
Current service cost	1,214	3,209
Interest on obligation	112	378
	1,326	3,587
<i>Recognised in other comprehensive income</i>		
Actuarial loss		
- Financial assumptions	-	374
- Experience adjustment	-	853
	-	1,227
<i>Others</i>		
Benefit paid	(2,040)	(6,241)
	(2,040)	(6,241)
At the end of the period / year	15,331	16,045

Actuarial assumptions

	30 June 2026	31 December 2025
	<i>(%)</i>	
Discount rate	1.73	1.73
Future salary growth	6.00	6.00
Employee turnover	4.30 - 34.38	4.30 - 34.38

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 30 June 2026, the Company's weighted-average durations of the defined benefit obligation were 10 years (31 December 2025: 8 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Increase	Decrease
	<i>(in thousand Baht)</i>	
30 June 2026		
Discount rate (1% movement)	(656)	754
Future salary growth (1% movement)	715	(637)
Employee turnover (20% movement)	(706)	836
Future mortality (20% movement)	(73)	74

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	Increase (in thousand Baht)	Decrease
31 December 2025		
Discount rate (1% movement)	(686)	789
Future salary growth (1% movement)	748	(666)
Employee turnover (20% movement)	(739)	875
Future mortality (20% movement)	(77)	77

22 Other liabilities

	30 June 2026	31 December 2025
	(in thousand Baht)	
Other payables	1,732	2,381
Specific business tax and value added tax payables	1,557	849
Withholding tax payable	1,055	955
Payable to the Legal Execution Department	847	801
Others	3,853	448
Total	9,044	5,434

23 Offsetting of financial assets and financial liabilities

30 June 2026					
			Amount of unoffsetting in statement of financial position		
			Offsetting		
Gross carrying amount	Amount to be offset in statement of financial position	Net amount presented in statement of financial position	amount which is not met the accounting standard's conditions	Relevant financial collateral amount	Net amount
(in thousand Baht)					
Financial assets					
Securities purchased under resale agreements	-	-	-	-	-
Total	-	-	-	-	-
Financial liabilities					
Securities sold under repurchase agreements	1,275,000	-	1,275,000	-	1,288,522
Total	1,275,000	-	1,275,000	-	1,288,522

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31 December 2025						
				Amount of unoffsetting in statement of financial position		
	Gross carrying amount	Amount to be offset in statement of financial position	Net amount presented in statement of financial position <i>(in thousand Baht)</i>	Offsetting amount which is not met the accounting standard's conditions	Relevant financial collateral amount	Net amount
Financial assets						
Securities purchased under resale agreements	1,970,169	-	1,970,169	-	2,004,459	-
Total	1,970,169	-	1,970,169	-	2,004,459	-
Financial liabilities						
Securities sold under repurchase agreements	2,310,000	-	2,310,000	-	2,336,535	-
Total	2,310,000	-	2,310,000	-	2,336,535	-

Reconciliation of net amount presented in statement of financial position with the caption in statement of financial position as follows:

30 June 2026				
	Net amount presented in statement of financial position (in thousand Baht)	Caption in statement of financial position	Note	Carrying amount presented in statement of financial position (in thousand Baht)
Financial assets				
Securities purchased under resale agreements	-	Interbank and money market items, net (assets)	8	114,574
Total	-			114,574
Financial liabilities				
Securities sold under repurchase agreements	1,275,000	Interbank and money market items (liabilities)	20	2,305,000
Total	1,275,000			2,305,000

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31 December 2025

	Net amount presented in statement of financial position (in thousand Baht)	Caption in statement of financial position	Note	Carrying amount presented in statement of financial position	Carrying amount in statement of financial position not under the offsetting conditions (in thousand Baht)
Financial assets					
Securities purchased under resale agreements	1,970,169	Interbank and money market items, net (assets)	8	2,106,988	136,819
Total	1,970,169			2,106,988	136,819
Financial liabilities					
Securities sold under repurchase agreements	2,310,000	Interbank and money market items (liabilities)	20	4,013,000	1,703,000
Total	2,310,000			4,013,000	1,703,000

24 Other reserves

Fair value changes in investments in debt instruments measured at FVOCI and equity instruments designated at FVOCI

The fair value changes in investments in debt instruments measured at FVOCI and equity instruments designated at FVOCI within equity comprises the cumulative net change in the fair value of investments in debt instruments measured at FVOCI and equity instruments designated at FVOCI and the allowance for ECL for debt instruments measured at FVOCI until the investments are derecognised or reclassified.

25 Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

26 Dividends

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in thousand Baht)
2026				
Annual dividend	24 April 2026	15 May 2026	0.03	37,500
2025				
Annual dividend	25 April 2025	23 May 2025	0.04	50,000

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27 Commitments and contingent liabilities

27.1 Commitments under service agreements

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
<i>Future minimum payment under non-cancellable service agreements</i>		
Within 1 year	929	1,780
After 1 year but less than 2 years	-	35
Total	929	1,815

27.2 Contingent liabilities

	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Other commitments		
- Undrawn loan commitments	128,351	139,103
- Other guarantees	34,554	34,554
Total	162,905	173,657

28 Related parties

Relationships with the major shareholders are described in note 1. Other related parties which the Company had significant transactions with during the period were as follows:

Name of entities	Country of incorporation	Nature of relationship
KTM Capital Land Co., Ltd.	Thai	Entities with common directors, management or related persons
Insight Legal Co., Ltd.*	Thai	Entities with common directors, management or related persons

* The entity was a related party until 15 May 2025.

Significant transactions with related parties
Six-month period ended 30 June

	2026	2025
	<i>(in thousand Baht)</i>	
Interest expenses		
Major shareholders	90	114
Other related parties	-	145
Key management personnel	196	240

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	30 June 2026	31 December 2025
	<i>(in thousand Baht)</i>	
Deposits		
Major shareholders	10,262	10,099
Key management personnel	7,034	25,353
Accrued interest payables		
Major shareholders	53	154
Key management personnel	59	150

29 Other benefits to directors and persons with managing authority

The Company has not paid other benefits to executive directors and key management personnel, except for the benefits that are normally paid such as salary, bonus and post-employment benefits etc.

<i>Six-month period ended 30 June</i>	2026	2025
	<i>(in thousand Baht)</i>	
Short-term employee benefits	9,969	19,125
Post-employment benefits	660	1,089
Total	10,629	20,214

Directors who have no position at the executive level of the Company only receive annual remuneration and allowances.

<i>Six-month period ended 30 June</i>	2026	2025
	<i>(in thousand Baht)</i>	
Director' remuneration	1,462	2,790
Total	1,462	2,790

30 Segment information

Segment results that are reported to the Company's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Company's principal business is finance business. Management has determined that the Company has only one operating segment. In addition, based on the criteria prescribed for segment reporting, the Company has only one geographical segment, as its operations are conducted solely in Thailand. Accordingly, all revenues, operating profits and assets presented in the financial statements are considered to relate to a single operating and geographical segment.

The Company did not derive revenue from any single external customer amounting to 10 percent or more of its operating income.

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31 Interest income

<i>Six-month period ended 30 June</i>	2026	2025
	<i>(in thousand Baht)</i>	
Interbank and money market items	806	6,978
Investments in debt instruments	28,741	28,604
Loans to customers	202,656	216,151
Hire-purchase and finance lease contracts	371	328
Total	232,574	252,061

32 Interest expenses

<i>Six-month period ended 30 June</i>	2026	2025
	<i>(in thousand Baht)</i>	
Deposits	52,735	73,422
Interbank and money market items	14,186	14,516
Contributions to Deposit Protection Agency	16,384	18,279
Others	220	225
Total	83,525	106,442

33 Fees and service income

<i>Six-month period ended 30 June</i>	2026	2025
	<i>(in thousand Baht)</i>	
Acceptances, avals and guarantees	85	8
Fees on loans	246	306
Total	331	314

34 Net gain on financial instruments measured at fair value through profit or loss

<i>Six-month period ended 30 June</i>	2026	2025
	<i>(in thousand Baht)</i>	
Domestic marketable equity instruments	8,953	1,141
Domestic non-marketable equity instruments	(118)	-
Total	8,835	1,141

35 Expected credit loss

<i>Six-month period ended 30 June</i>	2026	2025
	<i>(in thousand Baht)</i>	
Interbank and money market items	5	(5)
Loans to customers and accrued interest receivables	19,351	37,029
Undrawn loan commitments	124	429
Loss (gain) on modification of loans	4,835	(5,376)
Total	24,315	32,077

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36 Income tax

Income tax recognised in profit or loss

Six-month period ended 30 June

	2026 (in thousand Baht)	2025
Current tax		
Current period	13,649	10,442
Deferred tax		
Movements in temporary differences	1,374	(237)
Total	15,023	10,205

Income tax recognised in other comprehensive income

Six-month period ended 30 June

	Before tax	2026 Tax income	Net of tax	Before tax	2025 Tax expense	Net of tax
			(in thousand Baht)			
(Loss) gain on investments in debt instruments measured at FVOCI	(3,069)	614	(2,455)	110,139	(22,028)	88,111
Total	(3,069)	614	(2,455)	110,139	(22,028)	88,111

Reconciliation of effective tax rate

Six-month period ended 30 June

	Rate (%)	2026 (in thousand Baht)	Rate (%)	2025 (in thousand Baht)
Profit before income tax		71,875		50,466
Income tax using the Thai corporation tax rate	20.0	14,375	20.0	10,093
Tax effects of income or expenses that are not Taxable income or expenses		648		112
Total	20.9	15,023	20.2	10,205

37 Basic earnings per share

The calculation of basic EPS has been based on the profit attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding.

Six-month period ended 30 June

	2026 (in thousand Baht / thousand shares)	2025
Profit attributable to ordinary shareholders of the Company (basic)	56,852	40,261
Number of ordinary shares outstanding	1,250,000	1,250,000
Earnings per share (basic) (in Baht)	0.045	0.032

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38 Events after the reporting period

On 10 August 2026, a claim was filed against the Company with the Labour Court. The Court has scheduled a mediation hearing for 2 November 2026. Management has evaluated the potential consequences of the claim and is of the opinion that the ultimate outcome of the case is not expected to have a material impact on the Company's financial statements.

39 Thai Financial Reporting Standard (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Company's operations and expected to have material impacts on the Company's financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January of the following years and earlier application is permitted; however, the Company has not early adopted the new or amended accounting standards in preparing these interim financial statements.

TFRS	Topic	Effective
TFRS 18	Presentation and Disclosure in Financial Statements	2028
TAS 7	Statement of Cash Flows	2028

(a) TFRS 18 Presentation and Disclosure in Financial Statements

TFRS 18 will replace TAS 1 *Presentation of Financial Statements* and introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

(b) Amendments to TAS 7 Statement of Cash Flows arising from TFRS 18 Presentation and Disclosure in Financial Statements

These amendments have been made to ensure consistency with TFRS 18 *Presentation and Disclosure in Financial Statements*.

TFRS 18 introduces consequential amendments to TAS 7, requiring entities to use the newly defined operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities using the indirect method.

In addition, the consequential amendments introduce new requirements for the classification of cash flows relating to interest and dividends in the statement of cash flows.

Management is currently considering the potential impact from these new and revised TFRS on the financial statements in the initial period adopted.

