CHASE

Analyst Meeting Q2'2023

15 August 2023

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Disclaimer

Certain forward-looking statements may be made during the presentation.
These forward-looking statements generally can be identified by use of statements that include words or phrases such as CHASE or its management "believes" "expects", "anticipates", "intends" "plans" "foresees", or other words or phrases of similar import. Similarly, statements that describe CHASE's objectives, plans or goals also are forward-looking statements.

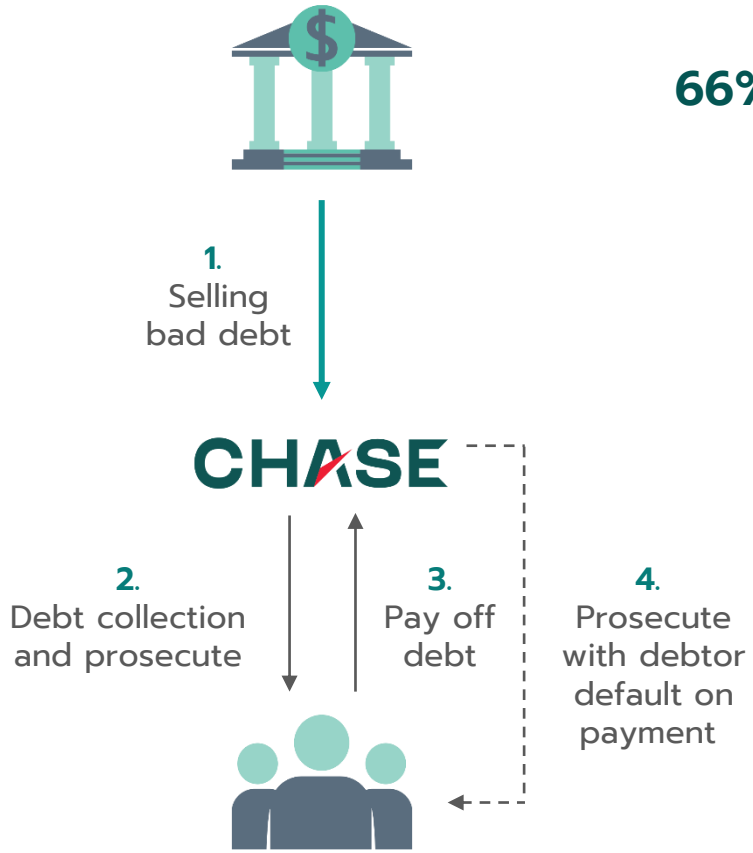
All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. The forward-looking statements contained in the slides are not and should not be constructed as representations of the future performance of CHASE and that such statements are an expression of the Company's reviews based on its current view and certain assumptions including, but not limited to, prevailing economic and market conditions and currently available information.

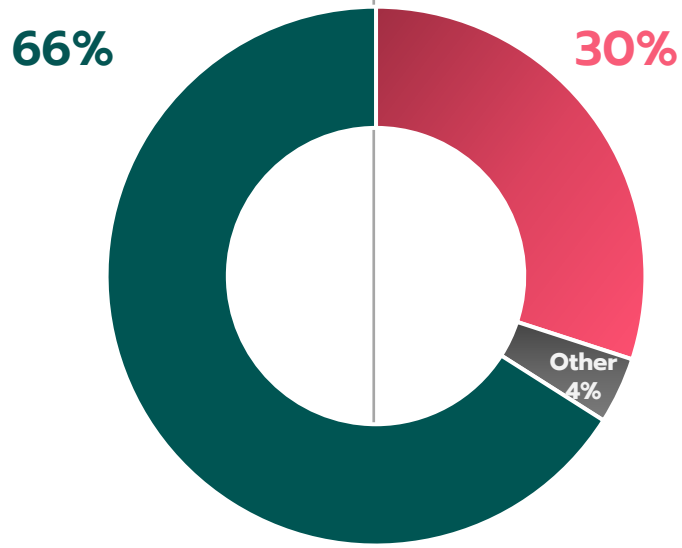
Business Overview



Main Business

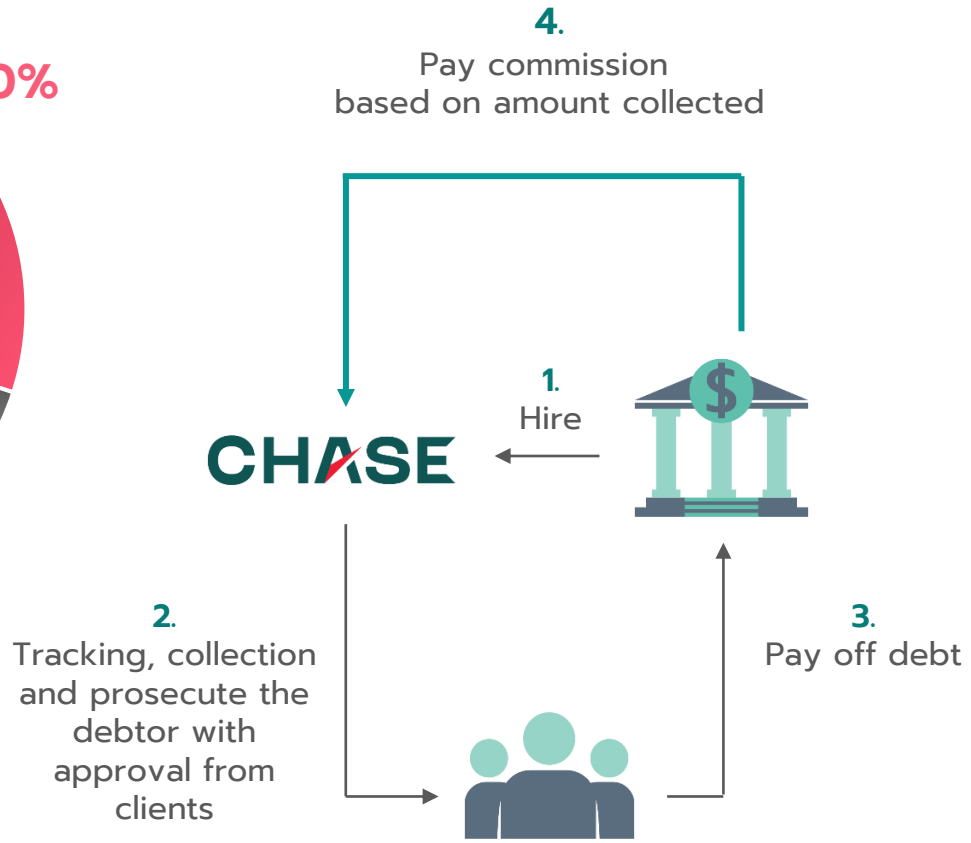
1 Asset Management Business (AMC)





Revenue contribution

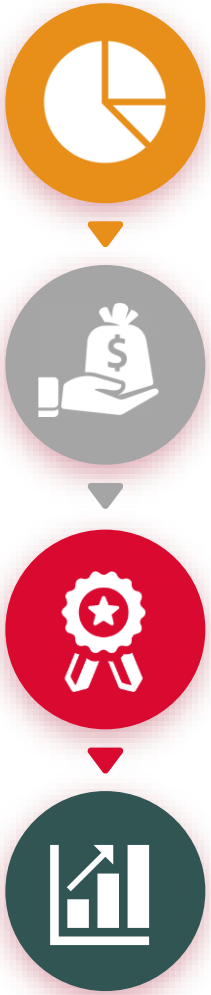
2 Debt Collection Service Business (Collection)



Key financial highlights



Key Highlights for 2Q23



NPL Portfolio

NPLs values reached to THB 27,522 mil due to an investment of THB 367 mil in new NPLs, with the outstanding claim amount of THB 4,157 mil for 1H23

Cash Collection

The debt collection 2Q23 has achieved its target, amounting to THB 123 mil, increased 24% QoQ and 29% YoY. Total cash collection for 1H23 reached THB 223 mil, increased 8% YoY

Commission Rate

Commission rate remains significantly higher than industry at 26%, compared to 20% in 2Q22.

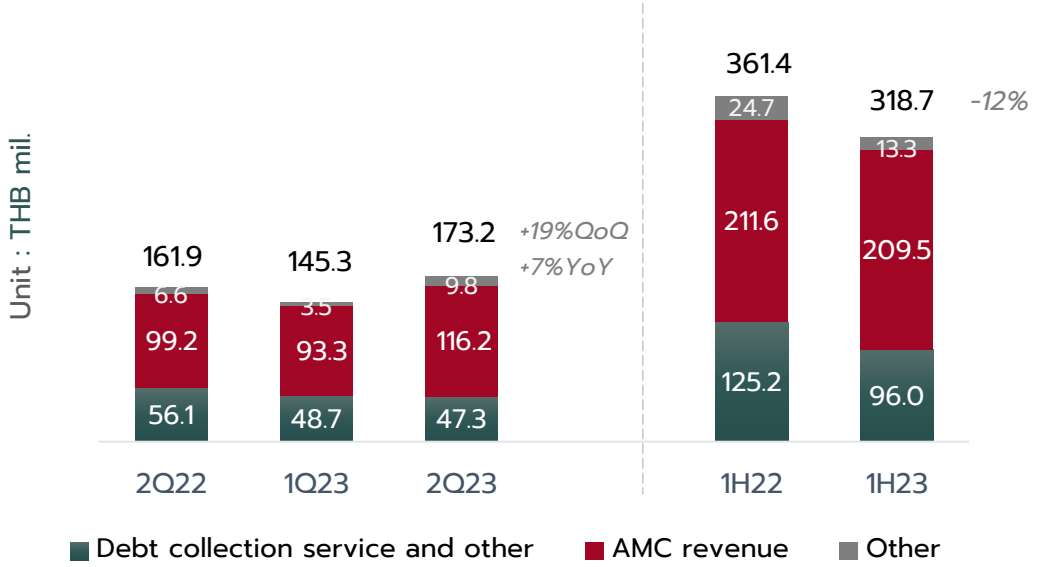
Net Profit

Net profit 2Q23 recorded THB 44 mil, grew by 256% QoQ and 71% YoY, thanks to enhanced cash collection efforts and the ongoing acquisition of unsecured loan portfolio.

Driving Revenue Growth: NPL portfolio expansion and enhanced collection efficiency in AMC business

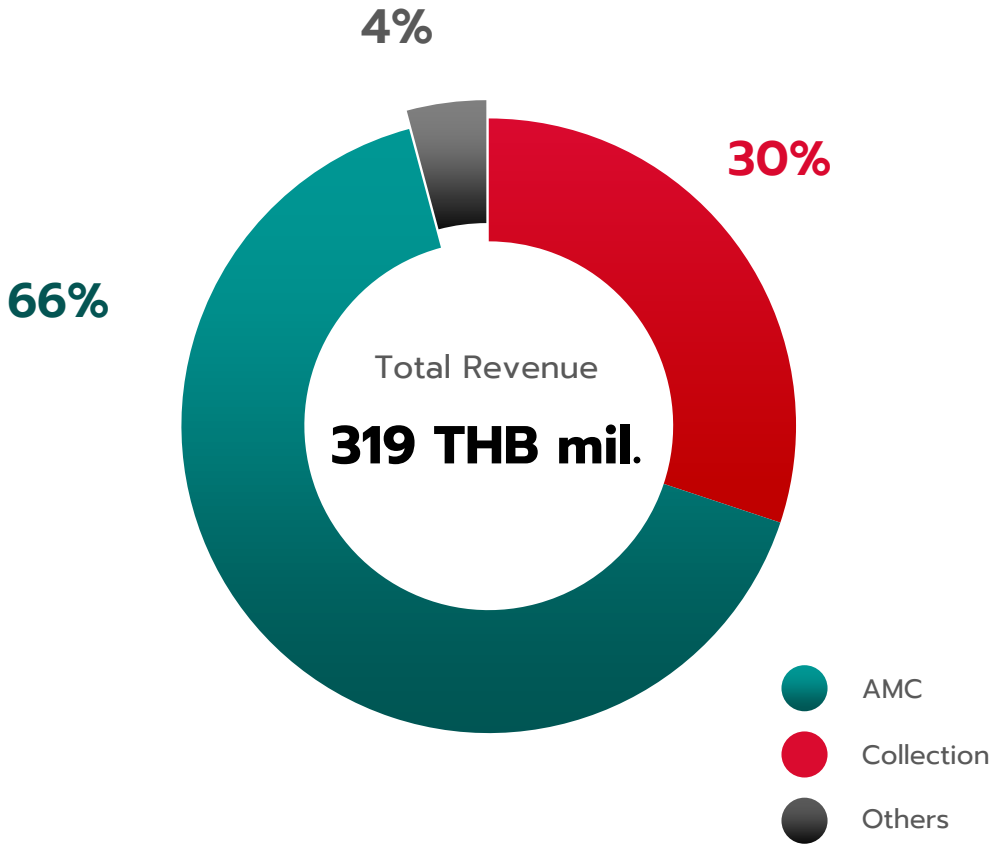
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Total revenue



- ✓ Total revenue 2Q23 grew by 19% QoQ and 7%YoY, primarily driven by the AMC business, thanks to its collection efficiency and continuous acquisition of NPL portfolios.
- ✓ Debt collection services business impacted by clients' portfolio management policy adjustments, with a shift towards selling more NPLs, thereby creating a future opportunity for our AMC.

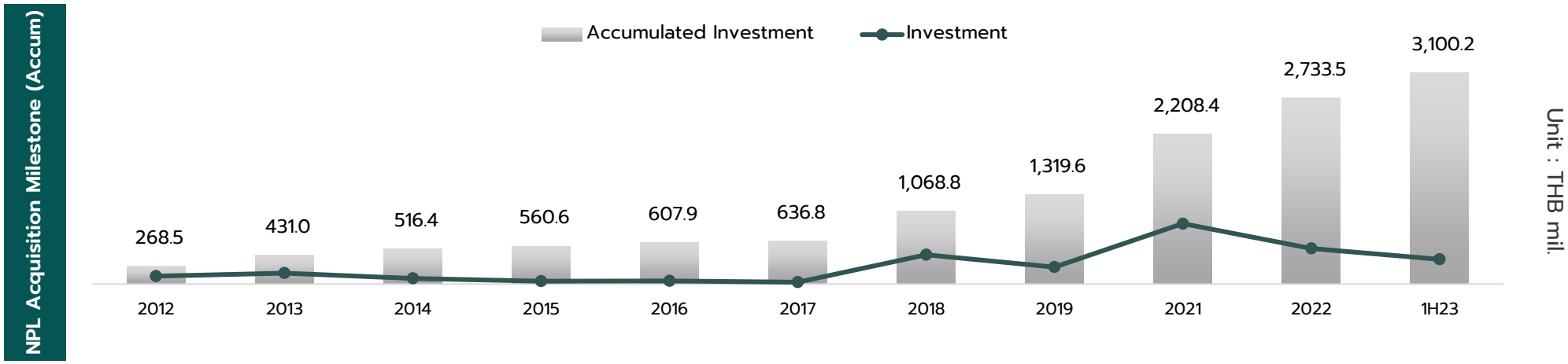
Revenue contribution 1H2023

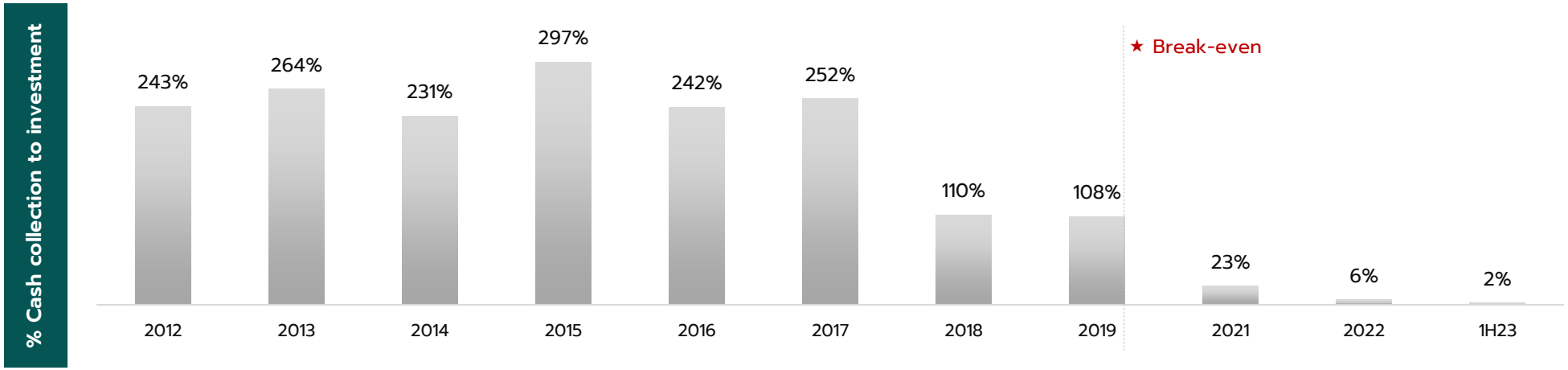


Outstanding AMC performance with less than 5-yr break-even

Asset Management Company (AMC)

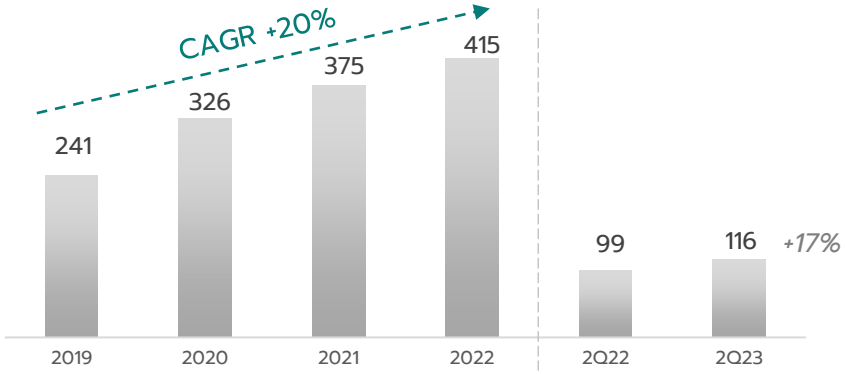
- On over 5-year portfolio, debt collection rate to cost of purchase ratio was 2.0x



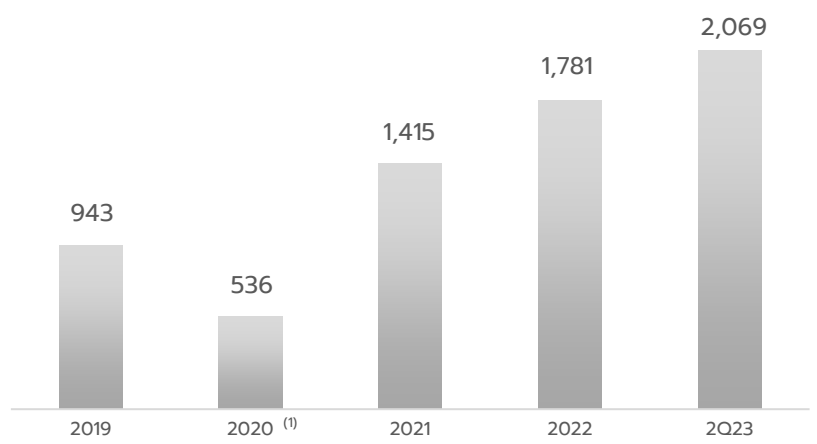


Focus on unsecured loan contributing 92% of AMC portfolio

Revenue from NPL Business (Unit : THB mil.)

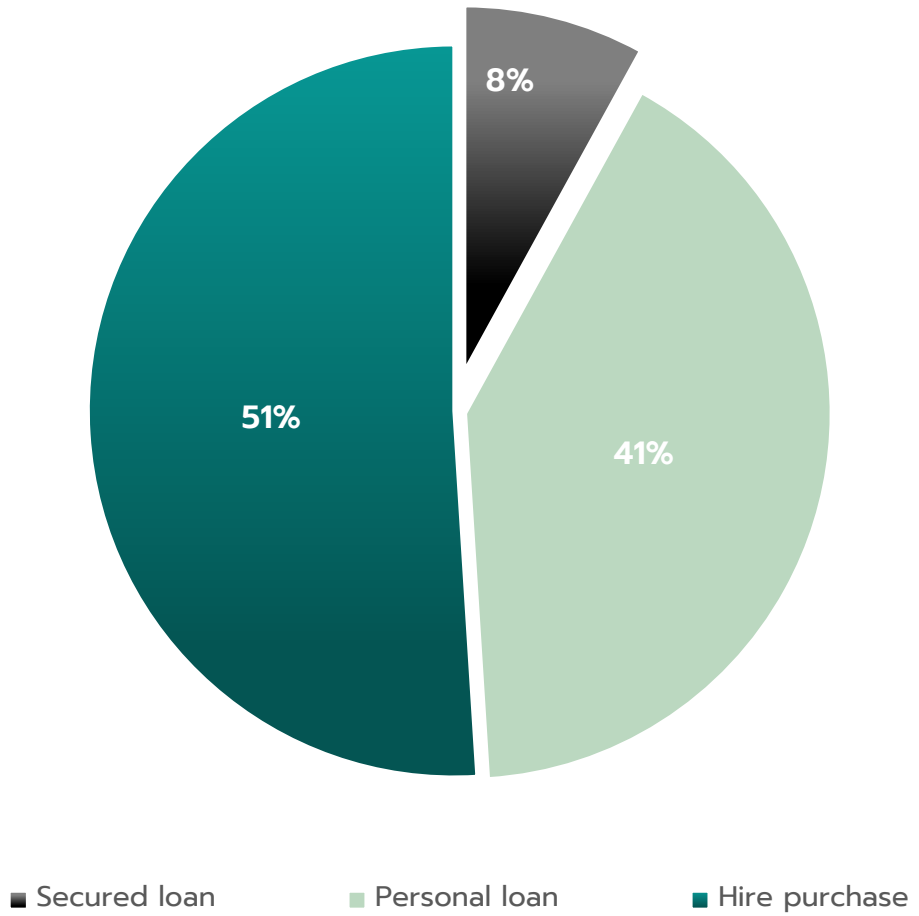


NPL – Net (Unit : THB mil.)



% Proportion of NPL– Net

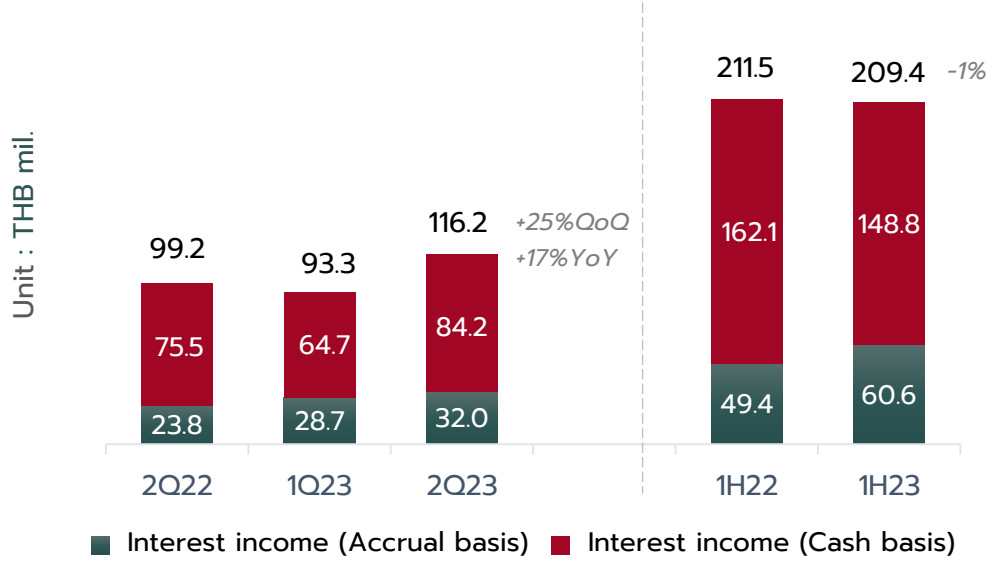
As of 30 June 2023



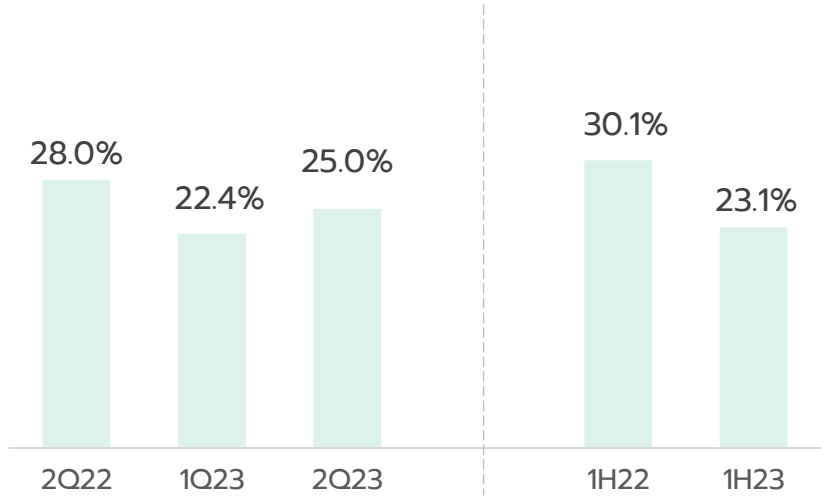
Note: (1) The company had adopted TFRS 9 in 2020, resulting in an expected credit loss (ECL) of 397.2 million baht as well as decreased NPL-Net

AMC revenue has exhibited outstanding growth from strategic unsecured loan investments and effective cash collection

Revenue from AMC business



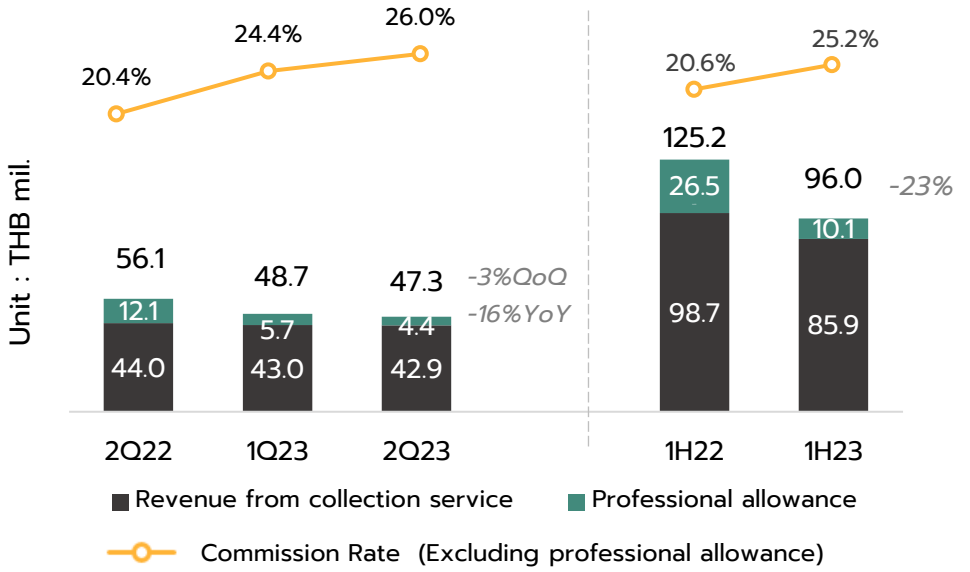
% Cash Collection to NPL - Net



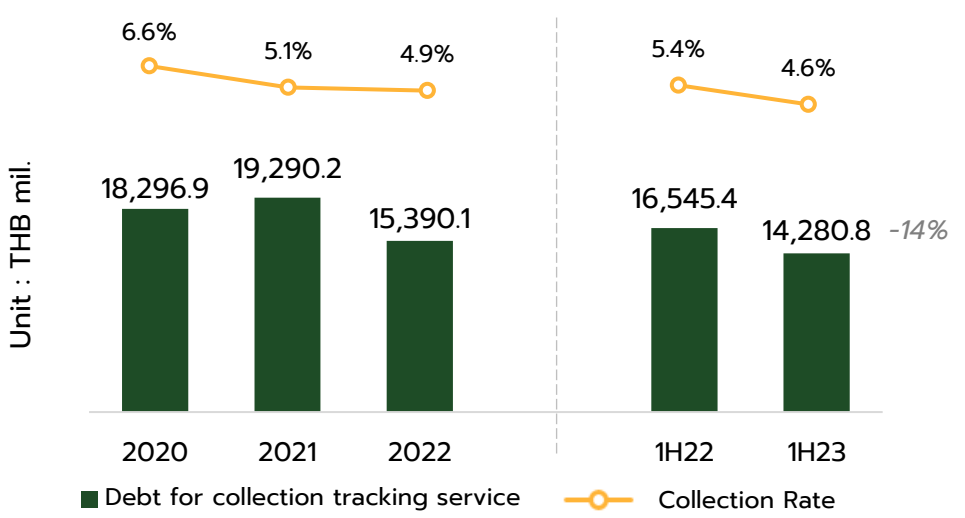
- ✓ High growth in AMC revenue 2Q23, driven by continuous investment in unsecured NPL assets and the efficient ability to collect cash.
- ✓ Excluding the one-off transaction of THB 17 mil in 2Q23 and THB 34 mil in 1H22 resulting from repayments by corporate customers, the AMC revenue is expected to increase by 41% YoY and 18% YoY, respectively.
- ✓ NPLs value continued to grow of THB 27.5 bil with 15% YoY due to an increase in the acquisition of NPL loans from financial institutions.
- ✓ Cash collection reached to 123 mil, increased by 29% YoY. As a result, total cash collection for 1H23 reached THB 222 mil, increased 8% YoY.
- ✓ Deliver high cash collection rate of 25% for 2Q23 and 23% for 1H23.

Slow down in debt collection service from clients' policy, while commission rate remains higher than industry

Revenue from debt collection Service Business and commission rate



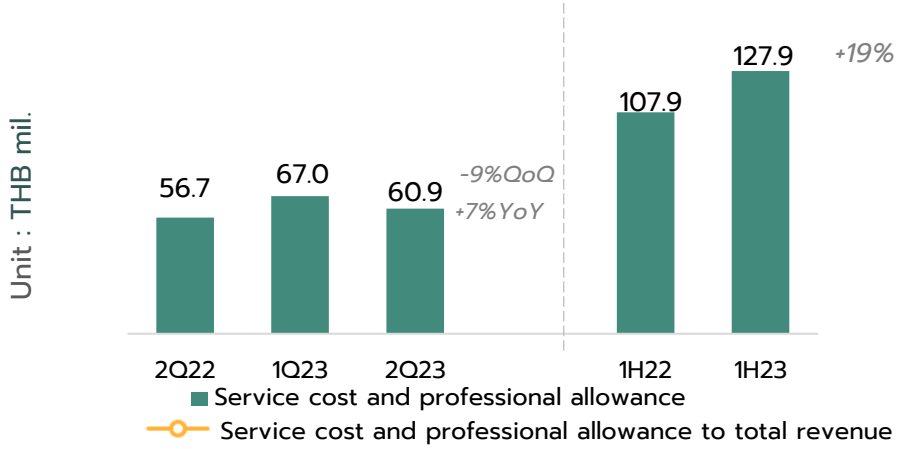
Debt for collection tracking service and collection rate



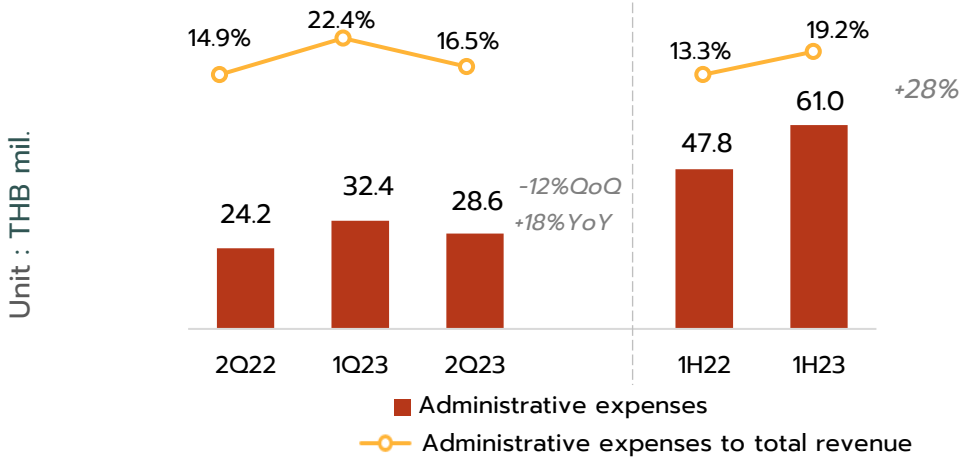
- ✓ Commission rate is still significantly higher than industry with 26% in 2Q23 from highly complicated portfolio assigned by clients.
- ✓ Drop in collection revenue in 2Q23 was caused by the decrease in the number of assignments from financial institutions, in line with the change in assignment policy, which leans towards selling more non-performing assets. However, this situation also presents an opportunity within the AMC business.
- ✓ Plan to expand the debt collection business by engaging new customers from non-bank and other industries.
- ✓ Raise efficiency of debt collection service by implementing Auto Dialer

Experienced a decrease in ECL due to efficient cash collection while total expenses increased following business expansion

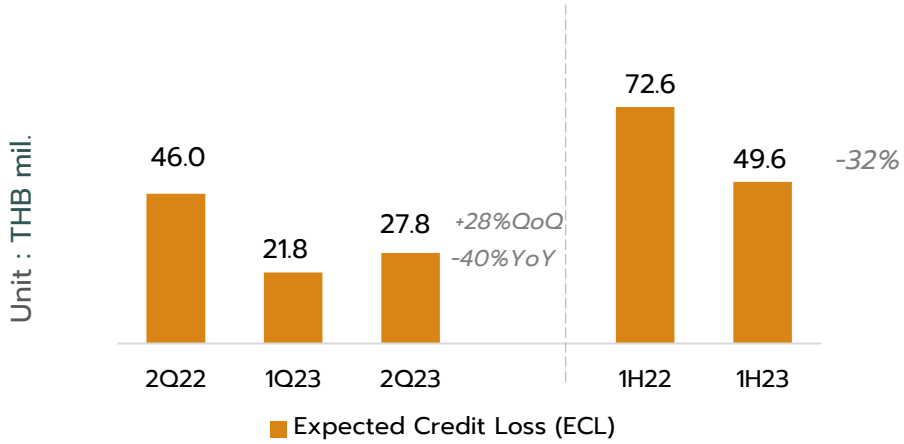
Service cost and professional allowance



Administrative expenses (Excluding NPL, Doubtful Debt and ECL)



Expected Credit Loss (ECL)

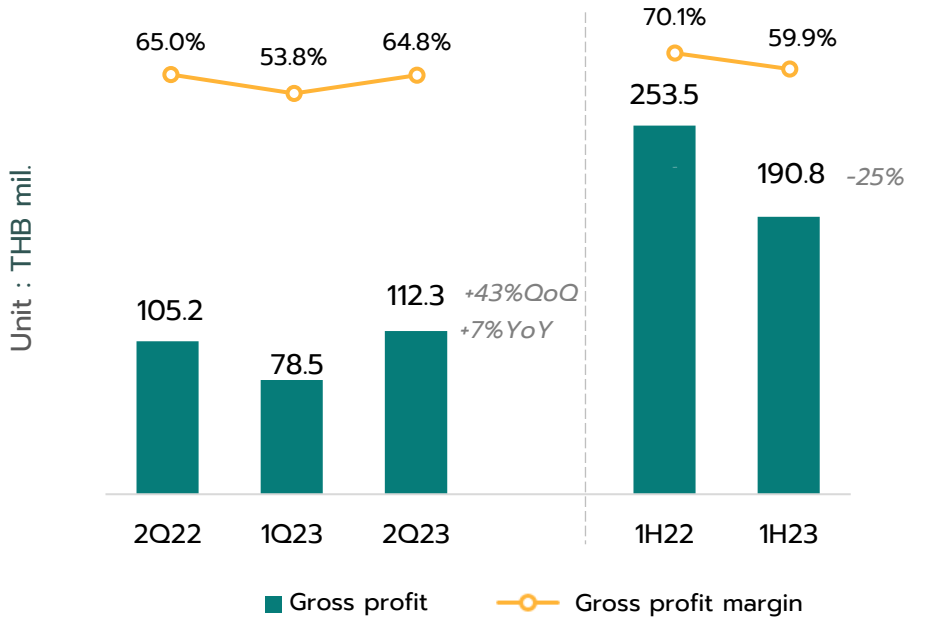


- ✓ Rise in total costs can be attributed to increased expenses related to litigation and personnel.
- ✓ Increase in SG&A is a result of expanding the management team to align with the ongoing growth of the non-performing asset management business.
- ✓ Drop in ECL 2Q23 was attributed to the improvements in cash collection and reversal of ECL from the repayments by hope loan customers.

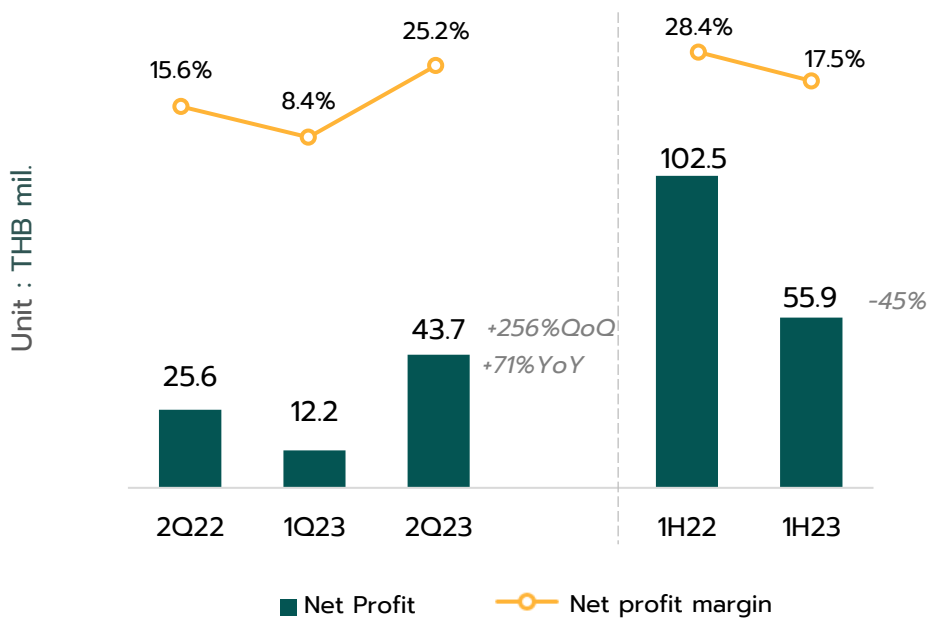
Robust net profit growth fueled by AMC Business, resulting in a surge of net profit margin to 25%

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Gross profit & Gross profit margin



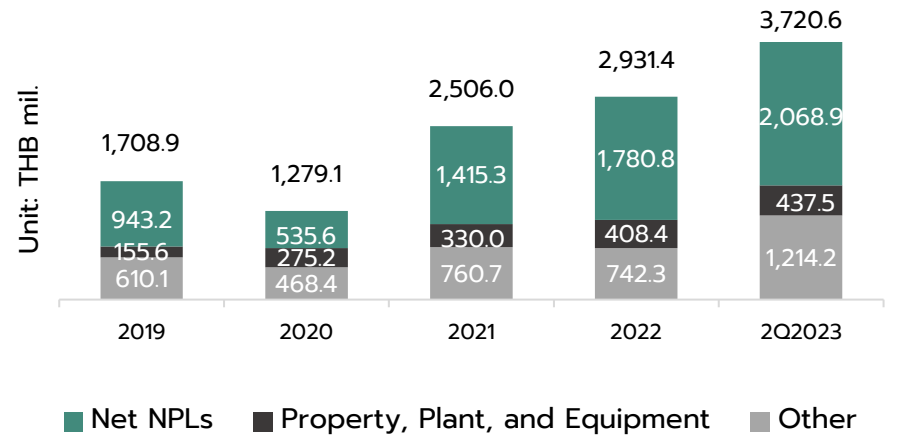
Net profit & Net profit margin



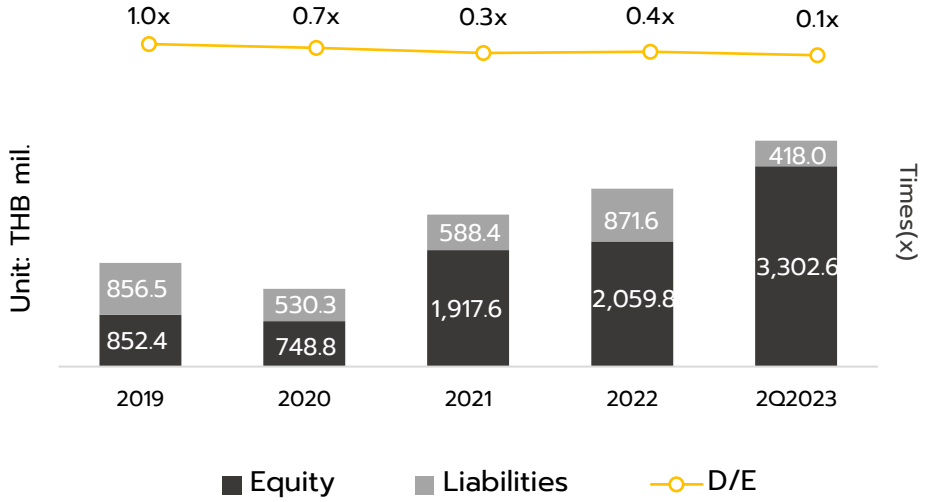
- ✓ Gross profit showed improvement in 2Q23, driven by increased interest income from loans to non-performing assets and effective cost management.
- ✓ Net profit for 2Q23 significantly increased, attributed to various factors such as enhanced cash collection, the continued acquisition of a portfolio of unsecured non-performing loans, and a reduction in expected credit losses.. Consequently, the net profit margin increased to 25% in 2Q23.

Assets continued growing from investing in new NPLs, while low leverage led to big room for bank borrowing

Assets



Liabilities and Equity



- ✓ The majority of the added assets is loan to non-performing assets, representing an increase of 16% from the end of last year due to the newly acquired net NPLs of THB 288 mil in 1H2023.
- ✓ Total liabilities decreased by 52% from the end of 2022, primarily due to the partial repayment of both short-term and long-term loans.
- ✓ Total equity increased by 60% due to the completion of its IPO and an increase in net profit from operations.
- ✓ Ready to capture investment opportunities through lending,
  D/E ratio as of Jun'23 remained at a consistently low level is approx. 0.13x

Key area to improve performance in 2H23

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1

Growth Opportunity in AMC Industry

- 2H23 is a high season for the AMC business, and the BOT relief measures will expire at the end of 2023. As a result, financial institutions will likely accelerate the sale of non-performing assets, more than in the first half of the year.

2

Capital Availability for NPL Asset Acquisition

- With a robust investment allocation dedicated to acquiring NPLs, we are well-positioned to attain the investment target of THB 1,000 mil. This aligns with the substantial volume of NPLs and the potential for further increases in supply.

3

Exiting Portfolio Boosts Solid Revenue Growth

- After strategically acquiring outstanding non-performing loans (NPLs) over the past 2 years, we anticipate a high rate of cash collection.

4

Maximizing Debt Collection Efficiency through Auto Dialer

- The implementation of Auto Dialer was aimed to enhance debt collection efficiency, reduce collection periods, and improve call success rates.

Q&A

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