

Executive Summary

Ngern Tid Lor Public Company Limited (“the Company”) would like to provide an overview and performance summary for the nine month period ended September 30, 2021 as follows:

- **The Number of branches** across all 74 provinces nationwide as of September 30, 2021 was 1,260, increased by 184 branches from end of the previous year which is in line with the Company’s strategy to continue expanding 500 branches within 2023.
- **Net profit** for the nine-month period ended of 2021 recorded THB 2,373.5 million, which increased by 32.4% from the same period of the previous year of THB 1,792.9 million, which was due to an increase of interest income from lending businesses, and fee and service income from non-life insurance and life insurance businesses.
- **Non-performing loan** as of September 30, 2021 was 1.4%, decreased by 0.3% from 1.7% as of December 31, 2020. Despite the surging of the third wave of COVID-19 outbreak, the Company managed asset quality effectively.
- **Debt-to-equity ratio** as of September 30, 2021 was 1.9 times, significantly decreased from the 3.5 times as of December 31, 2020, which was due to capital increase from being listed in the Stock Exchange of Thailand since May 2021, and effectively manage borrowings.

The Company’s Operating Results for the Nine-Month Period Ended September 30, 2021

Unit: THB million	2021	2020	Change	%Change
Interest income on hire-purchase receivables	810.8	921.5	(110.7)	(12.0%)
Interest income on loans	6,387.5	5,543.2	844.3	15.2%
Fee and service income	1,503.5	1,218.4	285.1	23.4%
Other income	20.7	23.2	(2.5)	(10.8%)
Total revenues	8,722.5	7,706.3	1,016.2	13.2%
Service and administrative expenses	4,600.8	4,138.1	462.7	11.2%
Total expenses	4,600.8	4,138.1	462.7	11.2%
Loss arising from derecognition of financial assets measured at amortized cost	(508.1)	(396.6)	(111.5)	28.1%
Finance costs	(856.9)	(895.5)	38.6	(4.3%)
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	204.0	(27.1)	231.1	(852.8%)
Profit before income tax expenses	2,960.7	2,249.0	711.7	31.6%
Income tax expenses	(587.2)	(456.1)	(131.1)	28.7%
Net profit for the periods	2,373.5	1,792.9	580.6	32.4%

Total revenues for the nine-month period ended of 2021 reported at THB 8,722.5 million, increased by 13.2% from the same period of the previous year which was at THB 7,706.3 million. Despite COVID-19 impact, the Company showed an increase in interest income on loans, mainly due to the success of “TIDLOR” card which allows customers access to cash 24 hours a day, the Company continues to deliver superior services through all channels, including online, offline and mobile application services with convenience and safety amid COVID-19 outbreak. The Company has been serving around 218,000 TIDLOR cards for customers and the utilization rate of the card was over 61% by the end of September this year. Fee and service income increased by 23.4% from the same period of the previous year mainly due to the increase of life insurance fee income and non-life insurance fee income that improved continuously from the expansion of insurance businesses.

Expenses

- **Service and administrative expenses** were THB 4,600.8 million, increased by 11.2% as compared with the same period of the previous year of THB 4,138.1 million, which aligned with branch expansions and the expansion of lending businesses, insurance business, and Tidlors cards, as well as increasing in information technology and digital transformation related expenses.
- **Loss arising from de-recognition of financial assets measured at amortized cost** was THB 508.1 million, increased by 28.1% from the same period of the previous year of THB 396.6 million, mainly due to unusually low figures in the previous year from massive debt relief measures given out to impacted customers during the first wave of COVID-19 outbreak.
- **(Reversal of impairment loss) impairment loss determined in accordance with TFRS 9** was THB (204.0) million, decreased from the same period of the previous year of THB 27.1 million, as a result of a reduction in allowance for expected credit loss during the nine-month period ended 2021 reflected improving loan quality over time.
- **Finance costs** were THB 856.9 million which decreased by 4.3% from the same period of the previous year of THB 895.5 million, which was due to effective managing finance costs and reducing overall finance costs continuously. In addition, TRIS Ratings has upgraded the credit rating to “A” in May 2021.

The Company's Financial Position as at September 30, 2021

Unit: THB million	30-Sep-21	31-Dec-20	Change	%Change
Cash and cash equivalents	4,119.1	1,265.2	2,853.9	225.6%
Loans and hire purchase receivables	56,610.5	51,331.2	5,279.3	10.3%
Allowance for expected credit loss	(2,610.9)	(2,763.2)	152.3	(5.5%)
Other current assets	720.5	776.2	(55.7)	(7.2%)
Other non-current assets	2,807.3	2,726.1	81.2	3.0%
Total assets	61,646.5	53,335.5	8,311.0	15.6%
Current liabilities	19,633.9	12,597.6	7,036.3	55.9%
Non-current liabilities	20,394.7	28,989.4	(8,594.7)	(29.6%)
Total liabilities	40,028.6	41,587.0	(1,558.4)	(3.7%)
Total shareholders' equity	21,617.9	11,748.5	9,869.4	84.0%
Total liabilities and shareholders' equity	61,646.5	53,335.5	8,311.0	15.6%

Total assets were THB 61,646.5 million, increased by 15.6% from THB 53,335.5 million as of December 31, 2020, mainly due to the increase in receivables of loans to customers and cash from capital increase in relation to being listed in the Stock Exchange of Thailand in May this year.

Total liabilities were THB 40,028.6 million, increased by 3.7% from THB 41,587.0 million as of December 31, 2020, mainly due to a reduction in short-term borrowings and long-term borrowings from financial institutions.

Total shareholders' equity was THB 21,617.9 million, increased by 84.0% from THB 11,748.5 million as of December 31, 2020, mainly due to the increase in retained earnings for the nine-month ended September 2021 by 32.4% from the same period of the previous year and the increase in paid-up capital and share premium from being listed in the Stock Exchange of Thailand in May this year.

Key Financial Figures

	30-Sep-21	31-Dec-20
Profitability Ratio		
Interest margin (%)	17.8	17.6
Funding cost (%)	2.1	2.4
Net interest margin (%)	15.7	15.2
Return on equity (ROE) (%)	19.0	22.9
Return on asset (ROA) (%)	5.5	4.7
Financial Ratio		
Debt to equity ratio (time)	1.9	3.5
Asset Quality Ratio		
NPL to total Hire-purchase and loan receivables (%)	1.4	1.7
NPL coverage ratio (%)	326.0	325.1
Credit cost (%)	0.8	1.2

For the nine-month period ended September 2021, interest from lending businesses increased from the same period of the previous year mainly due to an increase in interest margin. Funding costs also decreased from effective managing cost of borrowings, which has diversified funding sources appropriately by borrowings from financial institutions and debt instruments as well as matching asset-liability durations to keep interest rate spread at a consistent level that the company can generate profit. As a result, Net Interest Margin (NIM) rose from the previous year and aligned with the increase in Return on Asset. The Return on Equity was reduced from the previous year due to capital increase from being listed in the Stock Exchange of Thailand in May 2021.

The overall financial ratio was better from the previous year as a result of effective managing liabilities and the increase in paid-up capital and share premium from being listed in the Stock Exchange of Thailand, which led to a decrease of the Debt to Equity ratio from 3.54 times to 1.85 times as of September 30, 2021.

Non-Performing Loan to the total receivables as of December 2020 was 1.7%, which reduced to 1.4% as of September 2021 and resulted in better NPL coverage ratio which kept stable from the end of last year as well as overall improvement in credit cost.