

Executive Summary

Ngern Tid Lor Public Company Limited (“the Company”) would like to report an overview and performance summary for the year ended December 31, 2021 as follows:

- **The Number of branches** across all 74 provinces nationwide as of December 31, 2021 was 1,286, increased by 210 branches from the 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 year ended of December 31, 2021 recorded THB 3,168.9 million, which increased by 31.2% from the same period of the previous year of THB 2,416.1 million, which was due to an increase of interest income from lending businesses, and fee and service income that mainly came from the growth in life and non-life insurance businesses.
- **Non-performing loan** as of December 31, 2021 was 1.2%, decreased by 0.5% 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 December 31, 2021 was 2.0 times, significantly decreased from the 3.5 times as of December 31, 2020, which decreased continuously due to capital increase from being listed in the Stock Exchange of Thailand since May 2021, and effective borrowing management.

The Company’s Operating Results for the Year Ended December 31, 2021

Unit: THB million	2021	2020	Change	%Change
Interest income on hire-purchase receivables	1,111.6	1,204.8	(93.2)	(7.7%)
Interest income on loans	8,713.1	7,530.5	1,182.6	15.7%
Fee and service income	2,197.1	1,792.0	405.1	22.6%
Other income	25.3	31.6	(6.3)	(19.9%)
Total revenues	12,047.1	10,558.9	1,488.2	14.1%
Service and administrative expenses	6,558.9	5,772.0	786.9	13.6%
Total expenses	6,558.9	5,772.0	786.9	13.6%
Loss arising from derecognition of financial assets measured at amortized cost	(624.8)	(583.3)	41.5	7.1%
Finance costs	(1,121.1)	(1,178.0)	(56.9)	(4.8%)
Reversal of impairment loss determined in accordance with TFRS 9	210.7	1.7	209.0	12,605.4%
Profit before income tax expense	3,953.0	3,027.3	925.7	30.6%
Income tax expenses	(784.1)	(611.2)	172.9	28.3%
Net profit for the year	3,168.9	2,416.1	752.8	31.2%

Total revenues for the year ended of December 31, 2021 reported at THB 12,047.1 million, increased by 14.1% from the same period of the previous year which was at THB 10,558.9 million. Despite COVID-19 impact, the Company still showed an increase in interest income on loans, mainly from the success of the lending product “TIDLOR” card which allows customers to 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 the COVID-19 outbreak. The Company has distributed almost 285,000 TIDLOR cards for customers by the end of December 2021. Fee and service income increased by 22.6% 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 grow continuously from the expansion of insurance businesses.

Expenses

- **Service and administrative expenses** were THB 6,558.9 million, increased by 13.6% from the same period of the previous year which were at THB 5,772.0 million, which aligned with branch expansions and the expansion of lending businesses, insurance business, and Tidor 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 624.8 million, increased by 7.1% from the same period of the previous year of THB 583.3 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, and also increased due to growth of the lending portfolio in the year 2021.
- **Reversal of impairment loss determined in accordance with TFRS9** was THB 210.7 million, increased from the same period of the previous year of THB 1.7 million, as a result of an increase in the loan portfolio in conjunction with maintaining favorable loan quality over time, resulted in reducing Expected Credit Loss level to be at an appropriate level, which reflected an improvement of portfolio quality.
- **Finance costs** were THB 1,121.1 million which decreased by 4.8% from the same period of the previous year of THB 1,178.0 million, which was due to effective managing finance costs and reducing overall finance costs continuously. In addition, TRIS Ratings has upgraded the company’s credit rating to “A” in May 2021.

The Company's Financial Position as of December 31, 2021

Unit: THB million	31-Dec-21	31-Dec-20	Change	%Change
Cash and cash equivalents	3,994.7	1,265.2	2,729.5	215.7%
Loans and hire purchase receivables	61,458.2	51,331.2	10,127.0	19.7%
Allowance for expected credit loss	(2,610.9)	(2,763.2)	(152.3)	(5.5%)
Other current assets	944.8	776.2	168.6	21.7%
Other non-current assets	2,738.6	2,726.1	12.5	0.5%
Total assets	66,525.4	53,335.5	13,189.9	24.7%
Current liabilities	22,503.3	12,597.6	9,905.7	78.6%
Non-current liabilities	21,617.1	28,989.4	(7,372.3)	(25.4%)
Total liabilities	44,120.4	41,587.0	2,533.4	6.1%
Total shareholders' equity	22,405.0	11,748.5	10,656.5	90.7%
Total liabilities and shareholders' equity	66,525.4	53,335.5	13,189.9	24.7%

Total assets were THB 66,525.4 million, increased by 24.7% from THB 53,335.5 million as of December 31, 2020, mainly due to the increase in receivables of loans to customers and hire purchase receivables.

Total liabilities were THB 44,120.4 million, increased by 6.1% from THB 41,587.0 million as of December 31, 2020, mainly due to the increase in long-term debentures.

Total shareholders' equity was THB 22,405.0 million, increased by 90.7% from THB 11,748.5 million as of December 31, 2020, mainly due to the increase in retained earnings for the year ended December 2021 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

	31-Dec-21	31-Dec-20
<u>Profitability Ratio</u>		
Interest margin (%)	17.4	17.6
Funding cost (%)	2.0	2.4
Net interest margin (%)	15.4	15.2
Return on equity (ROE) (%)	18.6	22.9
Return on asset (ROA) (%)	5.3	4.7
<u>Financial Ratio</u>		
Debt to equity ratio (time)	2.0	3.5
<u>Asset Quality Ratio</u>		
NPL to total Hire-purchase and loan receivables (%)	1.2	1.7
NPL coverage ratio (%)	356.6	325.1
Credit cost (%)	0.7	1.2

For the year ended December 31, 2021, Net Interest Margin (NIM) increased from the same period of the previous year as a result of the decrease in funding costs from effective managing cost of borrowings, which has diversified funding sources appropriately by borrowings from financial institutions and debt instrument issuances to match asset-liability duration and keeps interest rate spread so that the company can generate profit consistently. The Return on Equity 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 in Debt to Equity ratio from 3.5 times to 2.0 times as of December 31, 2021.

Non-Performing Loan to the total receivables as of December 31, 2021 was 1.2%, which has improved from the previous year which was at 1.7% resulting in NPL coverage ratio of 356.6%, which was better than the previous year which was at 325.1% and aligned with an overall improvement in credit cost as well.