

Executive Summary

Ngern Tid Lor Public Company Limited (“the Company”) would like to provide an overview and performance summary for the three-month period ended June 30, 2022 as follows:

- **The Number of branches** across all 74 provinces nationwide as of June 30, 2022 was 1,484, increased by 198 branches from December 31, 2021 which was in line with the Company’s strategy to continue expanding 500 branches within 2023.
- **Net profit** for the three-month period ended of June 30, 2022 recorded THB 981.4 million, which increased by 26.2% from THB 777.5 million at the same period of the previous year, which was due to an increase in interest income from portfolio expansion, an increase in fee and service income from life and non-life insurance brokerage businesses, and lower finance costs.
- **Non-performing loan ratio** as of June 30, 2022 was 1.4%, slightly increased from 1.2% as of December 31, 2021. Despite the surging of the COVID-19 outbreak and the impacts from macroeconomic factors, the Company still managed asset quality effectively.
- **Debt-to-equity ratio** as of June 30, 2022 was 2.1 times, which increased from 2.0 times as of December 31, 2021 and aligned with portfolio expansions.

The Company’s Operating Results for the Three-Month Period Ended June 30, 2022

Unit: THB million	2Q22	2Q21	Increase/ (Decrease)	%Increase/ (Decrease)
Interest income on hire-purchase receivables	355.2	279.1	76.1	27.3%
Interest income on loans	2,632.0	2,133.3	498.7	23.4%
Fee and service income	623.0	498.9	124.1	24.9%
Other income	6.3	6.8	(0.5)	(7.1%)
Total revenues	3,616.5	2,918.1	698.4	23.9%
Service and administrative expenses	1,823.1	1,518.8	304.3	20.0%
Total expenses	1,823.1	1,518.8	304.3	20.0%
Loss arising from derecognition of financial assets measured at amortized cost	(214.2)	(170.3)	43.9	25.8%
Finance costs	(286.3)	(299.0)	(12.7)	(4.2%)
(Impairment loss) reversal of impairment loss determined in accordance with TFRS 9	(69.8)	40.0	(109.8)	(274.6%)
Profit before income tax expense	1,223.1	970.0	253.1	26.1%
Income tax expenses	(241.7)	(192.5)	49.2	25.6%
Net profit for the period	981.4	777.5	203.9	26.2%

Total revenues for the three-month period ended of June 30, 2022 reported at THB 3,616.5 million, increased by 23.9% from the same period of the previous year which was at THB 2,918.1 million. Despite COVID-19 impact, the Company showed an increase in interest income on loans and hire-purchase receivables, 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 400,000 TIDLOR cards by the end of June this year. Fee and service income increased by 24.9% from the same period of the previous year mainly due to a continuous improvement from the continuous expansion of insurance brokerage businesses.

Expenses

- **Service and administrative expenses** were THB 1,823.1 million, increased by 20.0% as compared with the same period of the previous year of THB 1,518.8 million, which aligned with branch expansions and the expansion of lending businesses and insurance brokerage business.
- **Loss arising from de-recognition of financial assets measured at amortized cost** was THB 214.2 million, increased by 25.8% from the same period of the previous year of THB 170.3 million, which aligned with overall portfolio expansions.
- **(Impairment loss) reversal of impairment loss determined in accordance with TFRS9** was THB (69.9) million, increased from the same period of the previous year of THB 40.0 million, mainly due to portfolio expansion and prudent increasing of impairment loss due to slowing down of economic recovery.
- **Finance costs** were THB 286.3 million which decreased by 4.2% from the same period of the previous year of THB 299.0 million, which was due to the upgrade of TRIS ratings from A- to “A” in May 2021 and better efficient finance cost management.

The Company's Financial Position as at June 30, 2022

Unit: THB million	30-Jun-22	30-Jun-21	Increase/ (Decrease)	%Increase/ (Decrease)
Cash and cash equivalents	2,447.3	3,994.7	(1,547.4)	(38.7%)
Loans and hire purchase receivables	70,659.2	61,458.2	9,201.0	15.0%
Allowance for expected credit loss	(2,655.2)	(2,610.9)	(44.3)	1.7%
Other current assets	1,171.3	944.8	226.5	24.0%
Other non-current assets	2,811.2	2,738.6	72.6	2.7%
Total assets	74,433.8	66,525.4	7,908.4	11.9%
Current liabilities	24,951.0	22,503.3	2,447.7	10.9%
Non-current liabilities	25,771.0	21,617.1	4,153.9	19.2%
Total liabilities	50,722.0	44,120.4	6,601.6	15.0%
Total shareholders' equity	23,711.8	22,405.0	1,306.8	5.8%
Total liabilities and shareholders' equity	74,433.8	66,525.4	7,908.4	11.9%

Total assets were THB 74,433.8 million, increased by 11.9% from THB 66,525.4 million as of December 31, 2021, mainly due to the increase in total lending receivables, while better efficient in liquidity management resulted in a decline in cash and cash equivalents

Total liabilities were THB 50,722.0 million, increased by 15.0% from THB 44,120.4 million as of December 31, 2021, mainly due to the increase in borrowings from financial institutions and debentures to support portfolio growth and working capital.

Total shareholders' equity was THB 23,711.8 million, increased by 5.8% from THB 22,405.0 million as of December 31, 2021, mainly due to the increase in net profit for the six-month ended June this year deducted by dividend payment in the second quarter of 2022.

Key Financial Figures

	30-Jun-22	31-Dec-21	30-Jun-21
Profitability Ratio			
Interest Income (%)	17.5	17.4	17.8
Funding cost (%)	1.7	2.0	2.2
Net interest margin (%)	15.8	15.4	15.6
Return on asset (ROA) (%)	5.4	5.3	5.2
Financial Ratio			
Debt to equity ratio (time)	2.1	2.0	2.0
Asset Quality Ratio			
NPL to total lending receivables (%)	1.4	1.2	1.6
NPL coverage ratio (%)	269.8	356.6	305.9
Credit cost (%)	1.7	0.7	1.0

For the three-month period ended June 30, 2022, interest income ratio from lending businesses slightly decreased from the same period of the previous year while funding costs were significantly lower from effective managing cost of borrowings, which the Company 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 overall financial ratio was slightly better from the previous year as a result of portfolio expansions with effective managing liabilities leading to the debt to equity ratio hovered around 2.1 times as of June 30, 2022.

Non-Performing Loan to the total receivables as of June 30, 2022 was 1.4%, which slightly increased from 1.2% as of December 31, 2021 and aligned with portfolio expansion under risk management policy. NPL coverage ratio reduced to 269.8% as of June 30, 2022, which was still at high level reflecting prudent business operating.