

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 September 30, 2022 as follows:

- **The Number of branches** across all 74 provinces nationwide as of September 30, 2022 was 1,574, increased by 288 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 September 30, 2022 recorded THB 901.1 million, which increased by 10.9% from THB 812.7 million at the same period of the previous year, which was due to an increase in interest income from portfolio expansion and an increase in fee and service income which was mainly from life and non-life insurance brokerage businesses.
- **Non-performing loan ratio** as of September 30, 2022 was 1.5%, increased from 1.2% as of December 31, 2021. The Company still managed asset quality effectively although facing with uncertainty from macroeconomic factors, rising inflation rate and the end of debt relief program.
- **Debt-to-equity ratio** as of September 30, 2022 was 2.2 times, which increased from 2.0 times as of December 31, 2021 and aligned with loan portfolio expansions.

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

Unit: THB million	3Q22	3Q21	Increase/ (Decrease)	%Increase/ (Decrease)
Interest income on hire-purchase receivables	383.2	249.1	134.1	53.8%
Interest income on loans	2,876.9	2,206.0	670.9	30.4%
Fee and service income	660.1	459.7	200.4	43.6%
Other income	10.1	6.9	3.2	46.4%
Total revenues	3,930.3	2,921.7	1,008.6	34.5%
Service and administrative expenses	1,982.5	1,490.1	492.4	33.0%
Total expenses	1,982.5	1,490.1	492.4	33.0%
Loss arising from derecognition of financial assets measured at amortized cost	(242.3)	(164.7)	77.6	47.1%
Finance costs	(313.5)	(268.1)	45.4	16.9%
(Impairment loss) reversal of impairment loss determined in accordance with TFRS 9	(270.6)	13.2	(283.8)	(2,150.0%)
Profit before income tax expense	1,121.4	1,012.0	109.4	10.8%
Income tax expenses	(220.3)	(199.3)	21.0	10.5%
Net profit for the period	901.1	812.7	88.4	10.9%

Total revenues for the three-month period ended of September 30, 2022 reported at THB 3,930.3 million, increased by 34.5% from the same period of the previous year which was at THB 2,921.7 million due to the economic recovery after the COVID-19 outbreak has eased. Moreover, another key factor is the success of “TIDLOR” card which increases convenience for customers and 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. The Company has been serving around 446,000 TIDLOR cards by the end of September this year. Fee and service income increased by 43.6% from the same period of the previous year mainly from the continuous expansion of insurance brokerage businesses.

Expenses

- **Service and administrative expenses** were THB 1,982.5 million, increased by 33.0% as compared with the same period of the previous year of THB 1,490.1 million, which aligned with branch expansions and the ongoing growth of lending and insurance brokerage businesses.
- **Loss arising from de-recognition of financial assets measured at amortized cost** was THB 242.3 million, increased by 47.1% from the same period of the previous year of THB 164.7 million, which aligned with overall portfolio expansions and reflected the asset quality after the end of the debt relief program.
- **(Impairment loss) reversal of impairment loss determined in accordance with TFRS9** was THB (270.6) million, increased from the same period of the previous year by THB 283.8 million, which aligned with portfolio expansion and prudent increasing of an impairment loss in accordance with slowing down of economic recovery.
- **Finance costs** were THB 313.5 million which increased by 16.9% from the same period of the previous year of THB 268.1 million, which was mainly due to an increase in borrowings from financial institutions to support the continuous overall portfolio expansion.

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

Unit: THB million	3Q22	3Q21	Increase/ (Decrease)	%Increase/ (Decrease)
Cash and cash equivalents	1,814.4	3,994.7	(2,180.3)	(54.6%)
Loans and hire purchase receivables	75,864.9	61,458.2	14,406.7	23.4%
Allowance for expected credit loss	(2,918.4)	(2,610.9)	(307.5)	11.8%
Other current assets	1,455.4	944.8	510.6	54.0%
Other non-current assets	2,897.7	2,738.6	159.1	5.8%
Total assets	79,114.0	66,525.4	12,588.6	18.9%
Current liabilities	21,600.5	22,503.3	(902.8)	(4.0%)
Non-current liabilities	32,913.5	21,617.1	11,296.4	52.3%
Total liabilities	54,514.0	44,120.4	10,393.6	23.6%
Total shareholders' equity	24,600.0	22,405.0	2,195.0	9.8%
Total liabilities and shareholders' equity	79,114.0	66,525.4	12,588.6	18.9%

Total assets were THB 79,114.0 million, increased by 18.9% from THB 66,525.4 million as of December 31, 2021, mainly due to the increase in total lending receivables, while better efficiency in liquidity management resulted in a decline in cash and cash equivalents.

Total liabilities were THB 54,514.0 million, increased by 23.6% 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 24,600.0 million, increased by 9.8% from THB 22,405.0 million as of December 31, 2021, due to the increase in net profit for the nine-month ended September this year deducted by dividend payment in the second quarter of 2022.

Key Financial Figures

	30-Sep-22	31-Dec-21	30-Sep-21
<u>Profitability Ratio</u>			
Interest Income (%)	17.8	17.4	17.6
Funding cost (%)	1.7	2.0	1.9
Net interest margin (%)	16.1	15.4	15.7
Return on asset (ROA) (%)	4.7	5.3	5.2
<u>Financial Ratio</u>			
Debt to equity ratio (time)	2.2	2.0	1.9
<u>Asset Quality Ratio</u>			
NPL to total lending receivables (%)	1.5	1.2	1.4
NPL coverage ratio (%)	253.5	356.6	326.0
Credit cost (%)	2.8	0.7	1.1

For the three-month period ended September 30, 2022, the interest income ratio from lending businesses increased from the same period of the previous year, while funding costs were lower from effective managing the cost of borrowings. 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. However, the Return on Asset (ROA) declined from the previous year due to booking more reserves to align with portfolio growth.

The overall financial ratio slightly rose from the previous year as a result of portfolio expansions with effective managing liabilities leading to the Debt to Equity ratio hovering around 2.2 times as of September 30, 2022.

Non-Performing Loan to the total lending receivables as of September 30, 2022 was 1.5%, 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 253.5% as of September 30, 2022, which was still at a high level reflecting prudent business operating.