

Executive Summary

Ngern Tid Lor Public Company Limited (“the Company”) would like to provide an overview and performance summary for the year ended December 31, 2022 as follows:

- **The Number of branches** across all 74 provinces nationwide as of December 31, 2022 was 1,628, increased by 342 branches from December 31, 2021
- **Net profit** for the year ended December 31, 2022 recorded THB 3,640.2 million, increased by 14.9% from the previous year of which THB 3,168.9 million, 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 December 31, 2022 was 1.6%, increased from 1.2% as of December 31, 2021. The Company still managed asset quality well although facing with uncertainty from macroeconomic factors, rising inflation rate and the end of debt relief program.
- **Debt-to-equity ratio** as of December 31, 2022 was 2.3 times, which increased from 2.0 times as of December 31, 2021 and aligned with lending portfolio expansions.

The Company’s Operating Results for the Year Ended December 31, 2022

Unit: THB million	2022	2021	Change	%Change
Interest income on hire-purchase receivables	1,474.5	1,111.6	362.9	32.6%
Interest income on loans	11,057.8	8,713.1	2,344.7	26.9%
Fee and service income	2,710.5	2,197.1	513.4	23.4%
Other income	31.6	25.3	6.3	24.9%
Total revenues	15,274.4	12,047.1	3,227.3	26.8%
Service and administrative expenses	7,923.2	6,558.9	1,364.3	20.8%
Total expenses	7,923.2	6,558.9	1,364.3	20.8%
Loss arising from derecognition of financial assets measured at amortized cost	(943.6)	(624.8)	(318.8)	51.0%
Finance costs	(1,235.1)	(1,121.1)	(114.0)	10.2%
(Impairment loss) reversal of impairment loss determined in accordance with TFRS 9	(639.1)	210.7	(849.8)	(403.3%)
Profit before income tax expense	4,533.4	3,953.0	580.4	14.7%
Income tax expenses	(893.2)	(784.1)	(109.1)	13.9%
Net profit for the year	3,640.2	3,168.9	471.3	14.9%

Total revenues for the year ended December 31, 2022 reported at THB 15,274.4 million, increased by 26.8% from the previous year which was at THB 12,047.1 million due to the economic recovery after the COVID-19 outbreak has eased. Moreover, 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 498,000 TIDLOR cards at the end of December 2022. Fee and service income increased by 23.4% from the previous year mainly from the increase of insurance fee income that grows continuously from the expansion of insurance brokerage businesses.

Expenses

- **Service and administrative expenses** were THB 7,923.2 million, increased by 20.8% when compared with the previous year of THB 6,558.9 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 943.6 million, increased by 51.0% from the previous year of THB 624.8 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 (639.1) million, increased from the previous year by THB 849.8 million, which aligned with portfolio expansion and prudent reserve increasing in accordance with uncertain macroeconomic factors and inflation
- **Finance costs** were THB 1,235.1 million which increased by 10.2% from the previous year of THB 1,121.1 million, which was mainly due to the increase in borrowings from financial institutions and debentures to support the continuous overall lending portfolio expansion.

The Company's Financial Position as of December 31, 2022

Unit: THB million	31-Dec-22	31-Dec-21	เปลี่ยนแปลง	%เปลี่ยนแปลง
Cash and cash equivalents	2,191.2	3,994.7	(1,803.5)	(45.1%)
Loans and hire purchase receivables	81,265.4	61,458.2	19,807.2	32.2%
Allowance for expected credit loss	(3,198.9)	(2,610.9)	(588.0)	22.5%
Other current assets	1,263.1	944.8	318.3	33.7%
Other non-current assets	3,206.2	2,738.6	467.6	17.1%
Total assets	84,727.0	66,525.4	18,201.6	27.4%
Current liabilities	22,601.2	22,503.3	97.9	0.4%
Non-current liabilities	36,703.9	21,617.1	15,086.8	69.8%
Total liabilities	59,305.1	44,120.4	15,184.7	34.4%
Total shareholders' equity	25,421.9	22,405.0	3,016.9	13.5%
Total liabilities and shareholders' equity	84,727.0	66,525.4	18,201.6	27.4%

Total assets were THB 84,727.0 million, increased by 27.4% from THB 66,525.4 million as of December 31, 2021, mainly due to the increase in total lending receivables, while better efficiency in management resulted in the decline in cash and cash equivalents.

Total liabilities were THB 59,305.1 million, increased by 34.4% 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 25,421.9 million, increased by 13.5% from THB 22,405.0 million as of December 31, 2021, due to the increase in net profit for the year 2022 deducted by dividend payment in the second quarter of 2022.

Key Financial Figures

	31-Dec-22	31-Dec-21
<u>Profitability Ratio</u>		
Interest margin (%)	17.6	17.4
Funding cost (%)	1.7	2.0
Net interest margin (%)	15.8	15.4
Return on asset (ROA) (%)	4.8	5.3
<u>Financial Ratio</u>		
Debt to equity ratio (time)	2.3	2.0
<u>Asset Quality Ratio</u>		
NPL to total Hire-purchase and loan receivables (%)	1.6	1.2
NPL coverage ratio (%)	248.9	356.6
Credit cost (%)	2.2	0.7

For the year ended December 31, 2022, the interest income ratio from lending businesses increased from 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 and economic uncertainty.

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 2.3 times as of December 31, 2022.

Non-Performing Loan to the total lending receivables as of December 31, 2022 was 1.6%, which increased from 1.2% as of December 31, 2021 and aligned with portfolio expansion under risk management policy and reflected the asset quality after the expiration of debt relief program. NPL coverage ratio reduced to 248.9% as of December 31, 2022, which was still at a high level reflecting risk management policy and prudent business operating.