



Executive Summary for the 2nd Quarter 2023

“ The overall revenue maintains its upward trajectory, driven by growth in both lending and insurance brokerage businesses while well-managing asset quality ”

In the second quarter of 2023, Ngern Tid Lor Public Company Limited (“TIDLOR” or “the Company”) recorded a net profit of Baht 927.2 million, indicating a 5.5% (YoY) decrease from Baht 981.4 million at the same period of the previous year. This decline can partly be attributed in part to an elevated provision that aligns with the ongoing expansion of the total loan portfolio.

The outstanding loan portfolio at the end of the second quarter in 2023 reached Baht 87,245.7 million, showcasing a 23.5% (YoY) expansion. The primary drivers of this business growth remain the success of the TIDLOR card, which continues to penetrate the market, and a noteworthy 28.9% (YoY) surge in non-life insurance premiums. Additionally, the Company's well-managed portfolio quality, with non-performing loans (NPLs) standing at 1.54%, a slight increase from 1.50% in the first quarter, positioning it favorably compared to the industry average.

Moreover, in the second quarter of 2023, the Company achieved total revenue of Baht 4,529.7 million, marking a 25.3% (YoY) increase. This growth was underpinned by a 25.3% (YoY) rise in interest income from loans and hire-purchase receivables, as well as a 24.7% (YoY) increase in fee and service income. However, total expenses amounted to Baht 3,366.0 million, came from credit loss increased by 135.8% (YoY), financial costs increased by 48.9% (YoY), and service and administrative expenses increased by 24.5% (YoY).

Throughout the second quarter, the Company's total lending portfolio continued its expansion and the non-life insurance brokerage business demonstrated consistent growth. These contributed to robust revenue generation from both interest income and fee and service income. The Company's prudent management of assets and provision levels facilitated its ability to accommodate business growth and economic uncertainties. Despite increased operating expenses due to the expansion of the lending and insurance brokerage business, as well as rising

funding costs aligned with policy interest rates and market conditions, the Company remained steadfast in its commitment to foster portfolio growth within the boundaries of effective risk management. This approach enabled the Company to generate decent profit while maintaining a healthy financial position.

Operating Result for 2nd Quarter 2023

Unit: THB million	2Q22	2Q23	% YoY Increase/ (Decrease)
Interest income on loans and hire-purchase receivables	2,987.2	3,743.9	25.3%
Fee and service income	623.0	776.8	24.7%
Other income	6.3	9.0	42.9%
Total revenues	3,616.5	4,529.7	25.3%
Service and administrative expenses	(1,823.1)	(2,269.8)	24.5%
Finance costs	(286.3)	(426.4)	48.9%
Profit before credit loss	1,507.1	1,833.5	21.7%
Credit loss	(284.0)	(669.8)	135.8%
Loss arising from de-recognition of financial assets measured at amortized cost	(214.2)	(418.0)	95.1%
Impairment loss determined in accordance with TFRS 9	(69.8)	(251.8)	260.7%
Profit before income tax expense	1,223.1	1,163.7	(4.9%)
Income tax expenses	(241.7)	(236.5)	(2.2%)
Net profit for the period	981.4	927.2	(5.5%)
Earnings per Share (Baht)	0.41	0.35	(14.6%)

“ The total lending portfolio and non-life insurance premium have successfully met the growth targets while maintaining a consistent interest rate spread ”

At the end of the second quarter in 2023, the total lending portfolio amounted to Baht 87,245.7 million, marking a 23.5% (YoY) increase. This growth was driven by heightened loan demand



spurred by the ongoing economic recovery, especially evident in the slightly continual revival of the tourism sector. It's important to note that this expansion was achieved the target while adhering to stringent credit approval policies.

The success of the TIDLOR card remains a pivotal driver of our business growth, enhancing customer convenience by enabling cash access 24 hours a day. The Company's commitment to excellence transcends channels, encompassing online, offline, and mobile application. This dedication is reflected in the expanding usage of the TIDLOR card, reaffirming the Company's capacity to deliver exceptional financial solutions. At the end of June 2023, The Company has served TIDLOR card to approximately 576,000 cards, showcasing a notable 15.9% surge in cardholders compared to the end of 2022. Concurrently, the non-life insurance brokerage business still has robust growth, with the second quarter of 2023 witnessing a substantial increase of non-life insurance premium of 28.9% YoY, amounting to Baht 1,916.5 million.

In the second quarter of 2023, the Company's interest income ratio from lending businesses reached 17.6%, slightly up from the same period in the previous year at 17.5%. Conversely, funding costs experienced an increase to 2.0% from 1.7% in the second quarter of 2022, mainly due to rising policy rates. However, it's important to highlight that the Company maintains a diversified funding strategy to support business expansions, encompassing borrowing from financial institutions and debt instruments. Additionally, a focus on matching asset-liability durations effectively contributes to sustaining a consistent interest rate spread, ensuring the company's profitability.

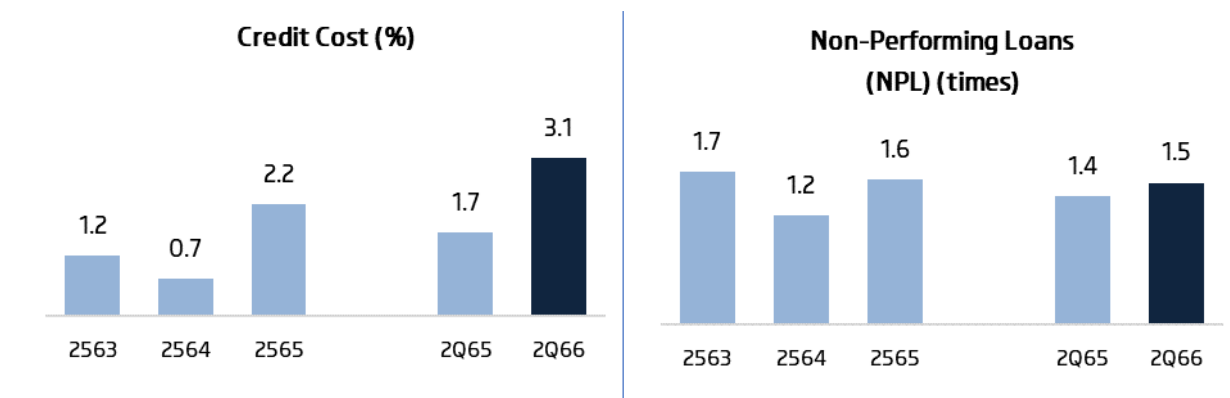
“ The Company maintains a well-handled portfolio quality, with a low NPL at 1.54%, while NPL Coverage Ratio remains strong at a high level of 266.0% ”

As of June 30, 2023, the Non-Performing Loans to total lending receivables ratio (%NPL) was at 1.54%, showing a marginal reduction from the 1.58% recorded as of December 31, 2022. Despite contending with uncertainty stemming from macroeconomic factors, inflation rates, and the expiration of the debt relief program, the Company well-maintained the quality of its assets.

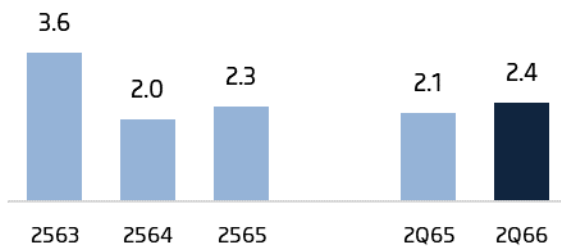
Furthermore, the Company maintains a commitment to preserving asset quality and continued to enhance the loan approval process for customer segments deemed to carry higher risk. This includes those directly affected by economic uncertainties. This strategic approach aims to uphold the total portfolio quality at an appropriate level, aligned with the Company's rigorous risk management policy.

By the end of the second quarter in 2023, the NPL coverage ratio was 266.0%, experiencing a slight decrease from the corresponding period in 2022 when it was at 269.8%. Nevertheless, even though the ratio may decrease, it is still considered to be at a high level., which mirrors the Company's dedication to risk management policies and prudent business operating.

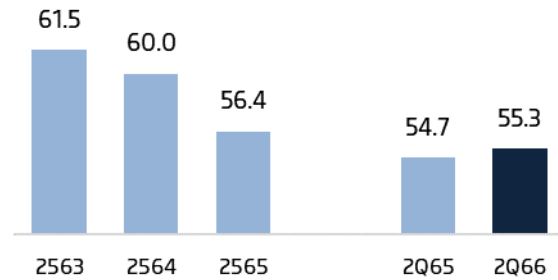
Key Financial Ratio



Debt to Equity (D/E) Ratio (times)



Cost to Income (C/I) Ratio (%)



Low D/E Ratio at 2.4 times

At the end of the second quarter in 2023, the Company's total borrowing and debentures reached Baht 60,680.1 million, an increase of 27% (YoY). The composition of funding sources was distributed with a ratio of 54:46 between bank loans and debentures.

The Company continues to emphasize a diversified funding strategy, encompassing borrowing from financial institutions as well as utilizing debt instruments. This multifaceted approach serves to enhance the Company's financial resilience. Additionally, the debt-to-equity ratio remained at a low level of 2.4 times, affirming the Company's prudent financial management and its ability to maintain a healthy balance between debt and equity.

Revenue and Expense

“ Interest income and fee and service income grew well, while overall expenses increased aligned with business expansion and rising interest rate environment ”

Revenue: In the second quarter of 2023, the Company achieved total revenue of Baht 4,529.7 million. This was divided into interest income from hire-purchase receivables, amounting to Baht 386.6 million, reflecting an 8.8% (YoY) increase, and interest income from loans, totaling Baht



3,357.3 million, signifying a 27.6% (YoY) growth. This growth in interest income can be attributed to the expansion of the total lending portfolio and increased demand for loans driven by the ongoing economic recovery, particularly the slightly positive resurgence of the tourism sector.

Additionally, for the second quarter of 2023, fee and service income reached Baht 776.8 million, marking a noteworthy 24.7% (YoY) increase. This increase was primarily attributed to the sustained robust performance of insurance brokerage businesses, particularly from the digital, online, and Areegator platforms.

Unit: THB million	2Q22	% Total Revenue	2Q23	% Total Revenue	% YoY Increase/ (Decrease)
Interest income on hire-purchase receivables	355.2	9.8%	386.6	8.5%	8.8%
Interest income on loans	2,632.0	72.4%	3,357.3	74.1%	27.6%
Fee and service income	623.0	17.6%	776.8	17.2%	24.7%
Other income	6.3	0.2%	9.0	0.2%	42.9%
Total revenues	3,616.5	100%	4,529.7	100%	25.3%

Expense: In the second quarter of 2023, the Company recorded total expenses of Baht 3,366.0 million, mainly stemming from service and administrative expenses totaling Baht 2,269.8 million, indicating a 24.5% (YoY) increase. This rise was in line with the continued expansion of lending and insurance brokerage activities. The Cost-to-Income ratio for this period stood at 55.3%. The financial costs reached Baht 426.4 million, marking a 48.9% (YoY) increase. This escalation was attributed to heightened funding costs resulting from the upsurge in policy interest rates.

Additionally, credit loss amounted to Baht 669.8 million, reflecting a 135.8% (YoY) increase. This increase correlated with total portfolio expansion, write-offs, and a prudent increase in reserves in response to uncertainties arising from macroeconomic factors and inflation. Furthermore, it also takes into account the asset quality following the expiration of the debt relief program.



Unit: THB million

	2Q22	% Total Revenue	2Q23	% Total Revenue	% YoY Increase/ (Decrease)
Service and administrative expenses	1,823.1	50.4%	2,269.8	50.1%	24.5%
Finance costs	286.3	7.9%	426.4	9.4%	48.9%
Credit loss	284.0	7.9%	669.8	14.8%	135.8%
Loss arising from de-recognition of financial assets measured at amortized cost	214.2	5.9%	418.0	9.2%	95.1%
Impairment loss determined in accordance with TFRS 9	69.8	1.9%	251.8	5.6%	260.7%

Financial Position

As of June 30, 2023, the total assets of the Company had reached THB 90,391.2 million, marking an increase of 6.7% from the THB 84,727.0 million reported as of December 31, 2022. This growth can be attributed to the augmentation in total lending receivables.

Total liabilities amounted to THB 63,819.8 million, reflecting an increase of 7.6% from the THB 59,305.1 million reported as of December 31, 2022. This growth was primarily fueled by the increase in debenture and borrowings, which were secured to facilitate portfolio expansion and support working capital.

The total shareholders' equity amounted to THB 26,571.4 million, experiencing an increase of 4.5% from the THB 25,421.9 million reported as of December 31, 2022. This growth can be attributed to the increase in net profit for the six months ending June of the current year, deducted by dividend payments made in the second quarter of 2023.

Unit: THB million	31-Dec-22	30-Jun-23	%Increase/ (Decrease)
Cash and cash equivalents	2,191.2	2,007.9	(8.4%)
Loans and hire purchase receivables	81,265.4	87,245.7	7.4%
Allowance for expected credit loss	(3,198.9)	(3,573.3)	11.7%
Other current assets	1,263.1	1,094.2	(13.4%)
Other non-current assets	3,206.2	3,616.7	12.8%
Total assets	84,727.0	90,391.2	6.7%
Current liabilities	22,601.2	25,137.4	11.2%
Non-current liabilities	36,703.9	38,682.4	5.4%
Total liabilities	59,305.1	63,819.8	7.6%
Total shareholders' equity	25,421.9	26,571.4	4.5%
Total liabilities and shareholders' equity	84,727.0	90,391.2	6.7%

Total lending portfolio expanded by 23.5% YoY

At the end of the second quarter in 2023, the total lending portfolio demonstrated continuous growth, expanding by 23.5% (YoY). This expansion resulted in a total portfolio value of Baht 87,245.7 million, divided into two categories: loans to customers and accrued interest receivables, amounting to Baht 76,948.3 million, and hire-purchase receivables, totaling Baht 10,297.4 million consecutively. Additionally, the total allowance for expected credit loss amounted to Baht 3,573.3 million. A detailed breakdown is presented in the table below.

Unit: THB million	Loans to customers and accrued interest receivables	Hire-purchase receivables*	Total
Stage 1 (Performing)	64,524.1	6,341.3	70,865.4
Stage 2 (Under-performing)	11,373.8	3,662.9	15,036.7
Stage 3 (Non-performing)	1,050.4	293.2	1,343.6
Total loans and hire purchase receivables and accrued interest receivables	76,948.3	10,297.4	87,245.7
Less Allowance for expected credit loss	(3,142.5)	(430.8)	(3,573.3)
Net total loans and hire purchase receivables and accrued interest receivables	73,805.8	9,866.6	83,672.4

*after deduction of unearned interest income