



Operating Performance

	1Q/2023	1Q/2024	Change
	THB Million	THB Million	%
Net profit	926.9	449.6	(51.5%)
Earnings per share (Baht)	0.80	0.37	(53.8%)
Net interest income	3,043.9	3,517.6	15.6%
Non-interest income	12.6	19.6	55.6%
Net operating income	3,056.5	3,537.2	15.7%
Total other operating expenses	1,123.0	1,331.4	18.6%
Expected credit loss	774.7	1,643.0	112.1%
Profit before tax expense	1,158.8	562.8	(51.4%)

Financial Position

	31 December 2023	31 March 2024	Change
	THB Million	THB Million	%
Gross loan	144,156.5	147,613.6	2.4%
Total assets	163,444.3	174,225.1	6.6%
Deposits	116,761.6	125,764.1	7.7%
Total liabilities	145,939.2	154,396.2	5.8%

Key performance ratio

	31 March 2023	31 March 2024
Net interest margin (NIM) ⁽¹⁾	8.8%	8.7%
Return on average assets (ROA)	2.07%	1.88%
Return on average equity (ROE)	22.1%	17.7%
Cost to Income Ratio	36.7%	37.6%

Notes: (1) Net interest margin is calculated by dividing net interest income from the last 12 months by average earning financial assets (Excluding accrued interest income).

Asset quality ratio / Financial policy ratio

	31 December 2023	31 March 2024
Gross NPLs ratio	4.2%	4.5%
NPL Coverage ratio	161.4%	153.1%
Loan to Deposit ratio	123.5%	117.4%
Tier 1 Capital ratio	13.8%	15.1%
Capital adequacy ratio (CAR)	16.3%	17.4%



In the first quarter year 2024, Thai Credit's net interest income increased 15.6 percent compared to the previous year, mainly from loans that are still growing. However, net profit attributable to owner recorded at THB 449.6 million, decreased 51.5 percent from the previous year. This decrease was caused by higher expected credit loss of loan stage 2. Moreover, Thai Credit also has efficient operations, the cost to income ratio remained at low level of 37.6 percent for the first quarter year 2024.

Net interest margin in the first quarter year 2024 is solid at 8.7 percent, slightly decreased from the previous year due to an increase in the average financial costs. This is consistent with the policy interest rate increased by the BoT. However, Thai Credit increased its allowance for expected credit losses by 2.3 percent due to the conservative operational policies to address potential future economic uncertainties.

Analysis of the operation results

	1Q/2023		1Q/2024		Change	
	THB Million	%	THB Million	%	THB Million	%
Interest income	3,615.6	118.3%	4,325.9	122.3%	710.3	19.6%
Interest expenses	(571.7)	(18.7%)	(808.3)	(22.9%)	236.6	41.4%
Net interest income	3,043.9	99.6%	3,517.6	99.5%	473.7	15.6%
Fee and service income	122.5	4.0%	121.0	3.4%	(1.5)	(1.2%)
Fee and service expenses	(147.1)	(4.8%)	(151.2)	(4.3%)	4.1	2.8%
Net fee and service income (expense)	(24.6)	(0.8%)	(30.2)	(0.9%)	5.6	22.8%
Net gain (loss) from foreign exchange transactions	-	0.0%	10.7	0.3%	10.7	100%
Net gain (loss) on investments	-	0.0%	-	0.0%	-	0.0%
Other operating income	37.2	1.2%	39.1	1.1%	1.9	5.1%
Total operating income	3,056.5	100.0%	3,537.2	100.0%	480.7	15.7%
Other operating expenses	1,123.0	36.7%	1,331.4	37.6%	208.4	18.6%
Expected credit loss	774.7	25.4%	1,643.0	46.5%	868.3	112.1%
Profits before income tax expenses	1,158.8	37.9%	562.8	15.9%	(596.0)	(51.4%)
Income tax	231.9	7.6%	113.2	3.2%	(118.7)	(51.2%)
Net profit	926.9	30.3%	449.6	12.7%	(477.3)	(51.5%)
Basic earnings per share (Baht)	0.80		0.37		(0.43)	



Interest income, interest expenses, and net interest income

	1Q/2023		1Q/2024		Change	
	THB Million	%	THB Million	%	THB Million	%
Interest income						
Interbank and money market items	58.1	1.6%	106.3	2.5%	48.2	83.0%
Investments in debt instruments	9.6	0.3%	36.5	0.8%	26.9	280.2%
Loan to customers	3,517.6	97.3%	4,153.4	96.0%	635.8	18.1%
Hire-purchase	30.3	0.8%	29.5	0.7%	(0.8)	(2.6%)
Others	-	0.0%	0.2	0.0%	0.2	N/A
Total interest income	3,615.6	100.0%	4,325.9	100.0%	710.3	19.6%
Interest expenses						
Deposits	416.7	72.9%	578.4	71.6%	161.7	38.8%
Interbank and money market items	1.1	0.2%	39.1	4.8%	38.0	3,454.5%
Debt issued and borrowings – subordinated debentures	19.4	3.4%	45.5	5.6%	26.1	134.5%
Contributions to the Deposit Protection Agency and the BOT	134.5	23.5%	145.1	18.0%	10.6	7.9%
Other	-	0.0%	0.2	0.0%	0.2	N/A
Total interest expenses	571.7	100.0%	808.3	100.0%	236.6	41.4%
Net interest income	3,043.9		3,517.6		473.7	15.6%

Gross Loan Structure

Unit: THB Million





Interest income

Thai Credit's interest income increased 19.6 percent from THB 3,615.6 million for the first quarter year 2023 to THB 4,325.9 million for the first quarter year 2024, primarily due to the increase in interest income from loan to customers equivalent to THB 635.8 million, as a result of the growth in all Thai Credit's key loan product segments, particularly micro SME loan. Additionally, the increase in the policy rate, as well as the increase in interest income from interbank and money market items and investments in debt instruments.

Interest expenses

Thai Credit's interest expenses increased 41.4 percent from THB 571.7 million for the first quarter year 2023 to THB 808.3 million for the first quarter year 2024, primarily attributable to interest expenses on deposits which increased by THB 161.7 million during the period, mainly from the increase in deposit interest rates following the BoT's policy rate, especially the fixed deposit and Thunjai programs, which resulted in the increase of THB 10.6 million in contribution to the Deposit Protection Agency and the BoT during the same period. However, Thai Credit has reduced the interest rates for the fixed deposit and Thunjai programs in February 2024.

Net interest income

As a result of the foregoing, Thai Credit's net interest income recorded at THB 3,517.6 million in the first quarter year 2024, increased by 15.6 percent, from the same period last year.

Non-interest income

Thai Credit's non-interest expenses recorded at THB 30.2 million, increased by THB 5.6 million or 22.8 percent from the same period last year, primarily due to the increase in fee and service expenses of THB 4.1 million mainly from TCG guarantee fee, in line with growth of nano and micro loan. While, Thai Credit's fee and service incomes slightly decreased.

Other operating expenses

	1Q/2023		1Q/2024		Change	
	THB Million	%	THB Million	%	THB Million	%
Employee expenses	778.6	69.3%	909.9	68.3%	131.3	16.9%
Directors' remuneration	4.4	0.4%	8.9	0.7%	4.5	102.3%
Premises and equipment expenses	137.9	12.3%	166.6	12.5%	28.7	20.8%
Taxes	125.3	11.2%	147.6	11.1%	22.3	17.8%
Others	76.8	6.8%	98.4	7.4%	21.6	28.1%
Total	1,123.0	100.0%	1,331.4	100.0%	208.4	18.6%
Cost-to-income ratio	36.7%		37.6%			0.9%



Other operating expenses increased by 18.6 percent, from THB 1,123.0 million for the first quarter year 2023 to THB 1,331.4 million for the first quarter year 2024, primarily due to the increase of THB 131.3 million in employee expenses following the addition of new branches and the increased number of relationship managers (RMs) to increase the ability to provide loan services and reach more customers, the increase of THB 28.7 million in premises and equipment expenses, as a result of Thai Credit's investment in the continued development of IT systems and equipment to improve its work efficiency, and the increase of THB 22.3 million in taxes, in line with the increase in contractual transactions and online marketing.

The cost to income ratio remained at low level of 37.6 percent for the first quarter year 2024.

Expected credit loss (ECL)

	1Q/2023		1Q/2024		Change	
	THB Million	%	THB Million	%	THB Million	%
Expected credit loss						
Investments in debt instruments measured at FVOCI	0.0	0.0%	0.7	0.0%	0.7	100.0%
Loan to customers, accrued interest receivables, and undue interest receivables	767.5	99.1%	1,626.8	99.0%	859.3	112.0%
Other financial assets	6.7	0.8%	15.7	1.0%	9.0	134.3%
Undrawn loan commitments and financial guarantee contracts	0.5	0.1%	(0.2)	(0.0%)	(0.7)	(140.0%)
Total expected credit loss	774.7	100.0%	1,643.0	100.0%	868.3	112.1%
Expected Credit Loss to Average Loan (credit cost) ⁽¹⁾ (basis points)	290		325			

Notes: ⁽¹⁾ Expected credit loss to average loan (credit cost) (expressed as basis points) is calculated by dividing expected credit loss at the beginning and the end of accounting period.

Thai Credit set its expected credit loss at 1,643.0 million, for the first quarter year 2024, representing an increase by 112.1 percent from the THB 774.7 million expected credit loss set for the first quarter year 2023, which was in line with the increase in loan to customers and an increase in loan stage 2 due to measures to assist debtors from the BoT as expected.

The setting of reserve above caused the expected credit loss to average loan of Thai Credit increase to 325 basis points for the first quarter year 2024.



Net profit

Thai Credit's net profit was THB 449.6 million, decreased by 51.5 percent from THB 926.9 million for the first quarter year 2024, from the reasons that mentioned above. As a result, the Thai Credit's earnings per share recorded at THB 0.37 per share in the first quarter year 2024.

Analysis of financial position

Assets

	31 December 2023		31 March 2024		Change	
	THB Million	%	THB Million	%	THB Million	%
Cash	513.5	0.3%	562.4	0.3%	48.9	9.5%
Net interbank and money market items	15,484.7	9.5%	17,135.1	9.8%	1,650.4	10.7%
Derivatives	-	-	117.1	0.1%	117.1	N/A
Net investment	2,993.7	1.8%	8,586.2	4.9%	5,592.5	186.8%
Net loans to customers and accrued interest receivables	140,180.6	85.8%	143,627.9	82.5%	3,447.3	2.5%
Net properties for sale	910.8	0.6%	909.6	0.5%	(1.2)	(0.1%)
Net premises and equipment	1,340.8	0.8%	1,342.1	0.8%	1.3	0.1%
Net intangible asset	245.3	0.1%	244.7	0.1%	(0.6)	(0.2%)
Deferred tax assets	211.5	0.1%	123.8	0.1%	(87.7)	(41.5%)
Net other assets	1,563.4	1.0%	1,576.2	0.9%	12.8	0.8%
Total assets	163,444.3	100.0%	174,225.1	100.0%	10,780.8	6.6%

Gross Loan and Allowance for Expected Credit Loss

	31 December 2023		31 March 2024	
	Loans	Allowance for expected credit loss	Loans	Allowance for expected credit loss
Stage 1 (Performing)	128,753.6	3,173.7	129,974.0	2,676.3
Stage 2 (Under-Performing)	14,262.7	2,383.7	16,188.0	3,331.9
Stage 3 (Non-Performing)	7,037.5	4,315.8	7,564.2	4,090.1
Total	150,053.8	9,873.2	153,726.2	10,098.3

The allowance for expected credit loss was THB 10,098.3 million as of 31 March 2024, an increase of 225.1 million baht or 2.3 percent from the same period last year. This is in line with the growth of loan to customers and an increase in loan stage 2 due to measures to assist debtors from the BoT as expected. However, the ratio of expected credit losses to non-performing loans was 153.1 percent as of 31 March 2024, slightly decreased from 161.4 percent as of 31 December 2023.



Thai Credit remains prudent in loan portfolio quality monitor and risk management, including set aside management overlay (balance) of THB 289.0 million as of 31 March 2024 to preserve the bank's financial stability and improve the capacity to withstand threats in the future.

Gross NPLs before allowance for expected credit loss and gross NPL ratio before allowance for expected credit loss

Gross NPLs before allowance for expected credit loss increased by 7.8 percent, from THB 6,115.6 million as of 31 December 2023, to THB 6,594.6 million as of 31 March 2024, while the gross NPLs ratio before allowance for expected credit loss increased from 4.2 percent as of 31 December 2023 to 4.5 percent as of 31 March 2024 as expected, which is still within a manageable range. The increase primarily due to the measures to assist debtors implemented by the BoT have begun to expire, resulting in an increase in non-performing loans, as well as a downturn in the overall economic situation due to macroeconomic factors that impacted credit quality and abilities to repay debts, including continuously high inflation, the impact of the Iran-Israel, the slow recovery of domestic economy.

Liabilities

	31 December 2023		31 March 2024		Change	
	THB Million	%	THB Million	%	THB Million	%
Deposits	116,761.6	80.0%	125,764.1	81.5%	9,002.5	7.7%
Interbank and money market items	22,757.4	15.6%	22,388.9	14.5%	(368.5)	(1.6%)
Liabilities payable on demand	145.6	0.1%	190.0	0.1%	44.4	30.5%
Derivative liabilities	152.1	0.1%	-	-	(152.1)	(100.0%)
Debt issued and borrowings	2,611.8	1.8%	2,617.5	1.7%	5.7	0.2%
Provisions	296.4	0.2%	315.5	0.2%	19.1	6.4%
Other liabilities	3,214.3	2.2%	3,120.2	2.0%	(94.1)	(2.9%)
Total liabilities	145,939.2	100.0%	154,396.2	100.0%	8,457.0	5.8%

Thai Credit's deposits recorded at THB 125,764.1 million as of 31 March 2024, increased THB 9,002.5 million or 7.7 percent from the year ended 31 December 2023, primarily due to significant rose in term deposit, which increased THB 8.3 million or 10.4 percent from the previous year from the opening of deposit branches. The Rollover Rate of depositors for all product groups for the first quarter year 2024 remained high at 94.6 percent.

Current deposits and savings account (CASA) to total deposits ratio (CASA ratio) recorded at 29.6 percent, similar to the year end 31 December 2023. However, loan-to-deposit ratio remained high at 117.4 percent for the first quarter year 2024.



Equity

	31 December 2023		31 March 2024		Change	
	THB Million	%	THB Million	%	THB Million	%
Authorized share capital	6,174.2	35.3%	6,174.2	31.1%	-	-
Paid-up capital	5,822.9	33.2%	6,146.4	31.0%	323.5	5.6%
Premium on share capital	768.2	4.4%	2,279.6	11.5%	1,511.4	196.8%
Interest - other capital	-	-	11.6	0.1%	11.6	-
Other reserves	(12.2)	(0.1%)	15.4	0.1%	27.6	(226.2%)
Retained earnings						
Appropriated						
Legal reserves	569.4	3.3%	569.4	2.9%	-	-
Unappropriated	10,356.8	59.2%	10,806.4	54.5%	449.6	4.3%
Total	17,505.1	100.0%	19,828.8	100.0%	2,323.7	13.3%

As of 31 March 2024, Thai Credit's equity stood at THB 19,828.8 million, representing an increase by 13.3 percent from THB 17,505.1 million as of 31 December 2023, primarily due to common shares and the premium on share capital increasing from Initial Public Offering (IPO) in February 2024, and profits earned during the period.

Maintenance of statutory capital fund

	31 December 2023		31 March 2024		Change	
	THB Million	%	THB Million	%	THB Million	%
Common Equity Tier 1 capital (CET1)	15,431.4	80.3%	17,381.5	82.3%	1,950.1	12.6%
Additional Tier 1 capital (financial instruments)	861.1	4.5%	861.1	4.1%	0.0	0.0%
Total Tier 1 capital	16,292.5	84.8%	18,242.6	86.4%	1,950.1	12.0%
Tier 2 capital	2,919.3	15.2%	2,862.4	13.6%	(56.9)	(1.9%)
Total capital	19,211.8	100.0%	21,105.0	100.0%	1,893.2	9.9%
Risk weighted assets	118,002.6		121,170.0		3,167.4	2.7%

As of 31 March 2024, Thai Credit's capital, as required under applicable law, pursuant to the principles of Basel III, stood at THB 21,105.0 million, consisting of THB 18,242.6 million of Tier 1 capital, increase from the year ended 31 December 2023, driven by common shares and the premium on share capital increasing from Initial Public Offering (IPO); and THB 2,862.4 million of Tier 2 capital.

The total capital to total risk-weighted asset ratio was 17.4 percent. The Tier 1 capital to total risk-weighted asset ratio was 15.1 percent. The CET1 to total risk-weighted asset ratio was 14.3 percent. These ratios were higher than the minimum ratios required by the BoT (11.0%, 8.5%, and 7.0%, respectively).