

# Management Discussion and Analysis Q1 2025

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## *Executive Summary*

As the financial information of Tidlor Holdings Public Company Limited (“TIDLOR”) has not reflected the financial position and operating performance for the post-restructuring of TIDLOR and its subsidiary, which is Ngern Tid Lor Public Company Limited (“NTL”) for the first quarter of 2025. Therefore, the management discussion and analysis for the first quarter of 2025 of TIDLOR will be solely based on the financial position and operating performance of NTL according to its financial statements for the first quarter ended March 31, 2025.

## **Business Overview and Economic and Industry Factors Impacting Operations**

For the first quarter of 2025 (“1Q25”), NTL continued to deliver strong profit growth, achieving a record-high net profit of Baht 1,218.0 million, an increase of 10.3% (YoY) and 16.6% (QoQ). This growth was driven by higher revenue from both lending and insurance brokerage businesses, along with efficient cost management. Total revenue amounted to Baht 5,640.4 million, increasing 6.2% (YoY), mainly from a 6.5% (YoY) increase in interest income on loans and hire purchase receivables and a 5.4% (YoY) rise in fee and service income. Total expenses were Baht 4,119.5 million, an increase of 4.7% (YoY), primarily due to higher service and administrative expenses aligned with business expansion and elevated funding costs compared to the previously matured borrowings and debentures. However, credit losses decreased, resulting in a reduction in the credit cost ratio to 2.96%, down from 3.28% in the same quarter last year. Furthermore, the cost-to-income ratio stood at 54.2%, remaining broadly in line with the prior-year level.

As of the end of 1Q25, NTL’s outstanding loan portfolio reached Baht 104,719.4 million, expanding by 4.6% (YoY) and 0.8% (QoQ). Meanwhile, the number of lending customers rose by 10% YoY, reflecting a continued customer base expansion through both its extensive 1,801 nationwide branches and the advancement of technology to enhance customer service, primarily through the use of Tidlor Cards. Notably, as of the end of March 2025, over 741,000 Tidlor Cards had been issued, up 7% YoY, while more than 71% of total credit line withdrawals were conducted via the E-Withdrawal service through the NTL mobile application. These outcomes underscore the effectiveness of leveraging digital innovation to enhance accessibility and efficiency in the NTL’s lending operations. NTL is still focused on maintaining loan portfolio quality. As of the end of 1Q25, the non-performing loan (NPL) ratio stood at 1.78%, down slightly from 1.81% in the previous quarter. Despite a slower-than-expected economic recovery, credit quality remained well-managed, supported by prudent loan approval policies and a comprehensive risk management strategy. The NPL coverage ratio stood at 255.7%, reflecting the strength of reserves in supporting future business expansion and withstanding potential future risks.

The insurance brokerage business continued to deliver strong growth, with total non-life insurance premiums reaching Baht 2,772.2 million in 1Q25, an increase of 8.7% (YoY). The growth was supported by the wide-range and accessible distribution channels, along with a well-curated product suite that effectively addresses diverse customer needs.

The tender offer period for NTL's securities from 10 March 2025 to 30 April 2025 had been completed with high participation rate. NTL's shareholders accepted the tender offer for a total number of 2,895,929,570 shares, which was equivalent to 99.4% of NTL's total issued and paid-up shares. Furthermore, TIDLOR's ordinary shares will be listed as securities on the Stock Exchange of Thailand (the "SET") in replacement of NTL's ordinary shares, which will be delisted from the SET on 15 May 2025.

## Financial Highlights

Unit: THB million	1Q24	1Q25	% YoY Increase/ (Decrease)
Interest income on loans and hire-purchase receivables	4,374.1	4,658.2	6.5%
Fee and service income	921.9	971.6	5.4%
Other income	13.1	10.6	(19.2%)
<b>Total revenues</b>	<b>5,309.1</b>	<b>5,640.4</b>	<b>6.2%</b>
Service and administrative expenses	(2,569.3)	(2,717.2)	5.8%
Finance costs	(556.6)	(630.8)	13.3%
<b>Profit before credit loss</b>	<b>2,183.2</b>	<b>2,292.4</b>	<b>5.0%</b>
Credit loss	(809.3)	(771.5)	(4.7%)
Loss arising from derecognition of financial assets measured at amortized cost	(561.8)	(600.3)	6.9%
Impairment loss determined in accordance with TFRS 9	(247.5)	(171.2)	(30.8%)
<b>Profit before income tax expense</b>	<b>1,373.9</b>	<b>1,520.9</b>	<b>10.7%</b>
Income tax expenses	(269.8)	(302.9)	12.3%
<b>Net profit for the period</b>	<b>1,104.1</b>	<b>1,218.0</b>	<b>10.3%</b>

## Key Financial Ratio

	2022	2023	2024	1Q24	1Q25
NPL Ratio (%)	1.6	1.5	1.8	1.6	1.8
NPL Coverage Ratio (%)	248.9	282.1	242.7	264.1	255.7
Credit Cost (%)	2.2	3.3	3.4	3.3	3.0
Debt to Equity (D/E) Ratio (times)	2.3	2.5	2.5	2.5	2.4
Cost to Income (C/I) Ratio (%)	56.4	54.9	55.9	54.1	54.2

## Economic Overview

In 1Q25, the Thai economy continued its gradual recovery, supported primarily by the tourism sector, which showed sustained improvement. Approximately 9.5 million international tourists entered the country during the quarter, marking a 1.9% (YoY), reflecting confidence in and the readiness of Thailand's tourism infrastructure. Private consumption showed signs of recovery, aided by series of government stimulus measures such as the Easy E-Receipt program and Digital Wallet Program (Phase 2). Meanwhile, the export sector remains subject to downside risks, particularly from potential shifts in U.S. trade policy in the second half of the year. Despite ongoing economic headwinds from high household debt levels and cautious lending behavior among financial institutions, the used car market continues to show positive momentum. Notably, used car prices have consistently improved since October of the previous year, indicating healthy demand and supporting positive collateral valuations for title loan products.

For the monetary policy, in the February 2025 meeting, the Monetary Policy Committee (MPC) resolved to reduce the policy interest rate by 0.25% to 2.00% per annum. The rate cut aimed to align financial conditions with the economy's lower-than-expected growth trajectory, addressed inflationary dynamics, and maintained overall financial stability.

## Summary of Key Events and Developments

At the Extraordinary General Meeting of Shareholders of NTL (e-EGM) on June 11, 2024, the meeting resolved to approve the plan to restructure the shareholding and management structure of NTL

- *The completion of the restructuring plan*

TIDLOR made a tender offer for all of NTL's securities to the shareholders of the NTL by issuing and offering TIDLOR's newly issued ordinary shares in exchange for NTL's ordinary shares. The swap ratio equals one ordinary share of NTL to one new ordinary share of TIDLOR. The tender offer period ended on 30 April 2025, and the shareholders of NTL accepted the tender offer for a total number of 2,895,929,570 shares, which was equivalent to 99.4% of the total issued and paid-up shares of NTL. TIDLOR's ordinary shares will be listed as securities on the Stock Exchange of Thailand (the "SET") in replacement of NTL's ordinary shares, which will be delisted from the SET on 15 May 2025.

- *Following phases of the shareholding restructuring plan*

TIDLOR will acquire 99.99% of the shares in a new company established to obtain the InsurTech insurance brokerage business from NTL.

## *Operating Result for Q1 2025*

### Summary of Operating Results

**Revenue:** NTL recorded total revenue for 1Q25 of Baht 5,640.4 million, representing a 6.2% increase (YoY). Interest income remained the primary revenue contributor, accounting for 82.6% of total revenue. Interest income on loans amounted to Baht 4,353.5 million, increasing 8.8% (YoY), driven by the continued growth of the title loan portfolio, a shift in loan portfolio composition, and the adoption of risk-based pricing strategies.

Meanwhile, interest income on hire-purchase receivables was Baht 304.7 million, declining 18.0% (YoY) in line with the ongoing contraction of the hire-purchase portfolio since the second quarter of 2024. Fee and service income totaled Baht 971.6 million, rising 5.4% (YoY) and accounting for 17.2% of total revenue. The growth was mainly supported by the continued expansion of the insurance brokerage business, which remains a key revenue stream contributing to NTL's overall performance.

In 1Q25, NTL's yield on loans stood at 17.86%, rising from 17.71% in the same period last year. The increase was driven by the implementation of risk-based pricing strategies and a shift in the loan portfolio mix. Meanwhile, the cost of funds increased to 2.42% from 2.25% in the same quarter last year, reflecting higher market interest rates relative to previously matured borrowings and debentures. As a result, the net interest margin (NIM) was 15.44%, remaining broadly in line with the same period last year.

(Unit: %)	1Q24	4Q24	1Q25	% YoY Increase/ (Decrease)	% QoQ Increase/ (Decrease)
Interest income ratio (Yield on loans)	17.71	18.20	17.86	0.8%	(1.9%)
Interest expense ratio (Cost of funds)	2.25	2.53	2.42	7.6%	(4.3%)
Net interest margin (NIM)	15.46	15.67	15.44	(0.1%)	(1.5%)

The insurance brokerage business remains one of NTL's core operations, consistently contributing to revenue and supporting overall performance. This has been driven by the integration of technology to improve customer access and service delivery. In 1Q25, NTL recorded total non-life insurance premiums of Baht 2,772.2 million, representing an 8.7% increase (YoY). This growth reflects the effectiveness of the NTL's diverse and comprehensive distribution channels in addressing the varied needs of customers. The business currently operates under three primary brands: 1) Shield Insurance: A face-to-face insurance brokerage business operated through licensed non-life and life insurance branch staff, 2) Areegator: An online insurance platform operated through a network of affiliated member brokers, and 3) heygoody: A fully digital insurance brokerage platform

**Expenses:** In 1Q25, NTL reported total expenses of Baht 4,119.5 million. The majority of this amount was service and administrative expenses, which totaled Baht 2,717.2 million, an increase of 5.8% (YoY), in line with the expansion of both the lending and insurance brokerage businesses. NTL continued to manage costs efficiently, with the cost-to-income ratio standing at 54.2% in 1Q25, comparable to 54.1% in the same period last year. Finance costs totaled Baht 630.8 million, increasing by 13.3% (YoY), primarily due to higher interest rates in the money market compared to the previous year, as well as increased borrowing to support business growth. Credit losses amounted to Baht 771.5 million, decreasing 4.7% (YoY), due to lower amount of provision compared to the same period last year, when NTL had increased reserves to prudently cover potential asset deterioration.

### Summary of Financial Position

At the end of 1Q25, the total outstanding loan portfolio reached Baht 104,719.4 million, marking a 4.6% increase (YoY) and 0.8% (QoQ). The portfolio comprised of two main segments: loans to customers and accrued interest

receivables totaling Baht 96,113.9 million, which increased by 1.2% (QoQ), while hire-purchase receivables of Baht 8,605.5 million, which declined by 3.7% (QoQ). These movements were in line with NTL's prudent loan approval strategy, which is continuously adjusted to align with prevailing economic conditions and customers' repayment capacity. NTL remains committed to enhancing its products and services through innovation and technology across 1,801 branches nationwide and non-branch platforms, to broaden financial accessibility and better meet customer needs. Moreover, Tidlor card and E-Withdrawal service continued to be key drivers of lending business growth.

The non-performing loan (NPL) ratio at the end of 1Q25 declined to 1.78%, from 1.81% in the previous quarter. The overall loan portfolio quality remained sound and well-controlled, supported by improved quality of new loan originations. This was driven by the prudent loan approval policies implemented over the past year, along with enhanced collection efficiency through proactive branch resource allocation to strengthen debt collection efforts. NTL's allowance for expected credit losses amounted to Baht 4,772.2 million, resulting in the NPL coverage ratio of 255.7%. This robust level of reserves remains sufficient to support future business expansion while cushioning against potential external uncertainties.

**Assets:** As of March 31, 2025, NTL's total assets amounted to Baht 106,260.2 million, a slight decrease of 0.3% from Baht 106,534.5 million as of year-end 2024. The decline was primarily due to a reduction in cash and cash equivalents, which had been set aside in advance for dividend payments in January.

**Liabilities:** As of March 31, 2025, NTL's total liabilities stood at Baht 74,559.5 million, decreased 1.9% from Baht 76,007.5 million at the end of 2024. This decrease was mainly attributable to lower accrued expenses and other current payables. Meanwhile, borrowings increased to support loan portfolio expansion and working capital for business operations. As of the end of 1Q25, NTL's total borrowings and debentures amounted to Baht 70,691.2 million, representing a 0.1% increase year-on-year (YoY). The funding mix comprised of 45% borrowings from financial institutions and 55% debentures. NTL continues to pursue a diversified funding strategy to enhance financial flexibility and mitigate concentration risk. As of the end of March 2025, NTL maintained a low debt-to-equity ratio of 2.4 times and had over Baht 24,000 million in available credit facilities, ensuring stable liquidity and funding capacity for future business needs.

**Shareholders' equity:** As of March 31, 2025, NTL's total shareholders' equity was at Baht 31,700.7 million, increasing by 3.8% from Baht 30,527.0 million as of December 31, 2024. This growth was attributed to the increase in net profit for the three months ended March 2025

(Unit: THB million)	31 December 2024	31 March 2025	%YTD Increase/ (Decrease)
Cash and cash equivalents	1,770.1	1,235.7	(30.2%)
Loans and hire purchase receivables	103,933.7	104,719.4	0.8%
Allowance for expected credit loss	(4,553.8)	(4,772.2)	4.8%
Other current assets	1,491.3	1,178.8	(21.0%)
Other non-current assets	3,893.2	3,898.5	0.1%
<b>Total assets</b>	<b>106,534.5</b>	<b>106,260.2</b>	<b>(0.3%)</b>
Current liabilities	70,506.9	70,691.2	0.3%
Non-current liabilities	5,500.6	3,868.3	(29.7%)
<b>Total liabilities</b>	<b>76,007.5</b>	<b>74,559.5</b>	<b>(1.9%)</b>
<b>Total shareholders' equity</b>	<b>30,527.0</b>	<b>31,700.7</b>	<b>3.8%</b>
<b>Total liabilities and shareholders' equity</b>	<b>106,534.5</b>	<b>106,260.2</b>	<b>(0.3%)</b>

### Sustainability Developments

In 1Q25, NTL was awarded with the “Climate Action Leaders Recognition” certificate from the international organization AFMA (under the FAO – UN) and the Sustainism network, recognizing its leadership in climate and environmental restoration. NTL was selected as one of 50 global sustainability partner organizations acknowledged at the Climate Action Forum held at the United Nations in Thailand.

Further details are available on the website at <https://www.tidlorinvestor.com/en/tidlor-sustainability/social-and-environmental>.