

NGERN TID LOR PLC

No. 82/2025
22 May 2025

FINANCIAL INSTITUTIONS

Company Rating:	A+
Issue Ratings:	
Senior unsecured	A+
Outlook:	Stable

Last Review Date: 08/05/25

Company Rating History:

Date	Rating	Outlook/Alert
27/05/21	A	Stable
11/01/21	A-	Alert Developing
06/12/18	A-	Stable
12/10/18	A	Alert Developing
19/09/16	A	Stable
24/04/14	A-	Stable

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RATIONALE

TRIS Rating upgrades the company rating on Ngern Tid Lor PLC (NTL) and the ratings on NTL's outstanding senior unsecured debentures to "A+" from "A" with a "stable" outlook.

The upgrade follows the assessment of the group credit profile (GCP) of TIDLOR Group at 'a+'. The rating on NTL is equivalent to the group's GCP as NTL is considered a 'core' subsidiary within TIDLOR Group, according to TRIS Rating's "Group Rating Methodology". NTL constitutes the majority of the assets and earnings of TIDLOR Group, which is anticipated to remain unchanged in the foreseeable future.

KEY RATING CONSIDERATIONS

Core subsidiary of TIDLOR

Following NTL's corporate restructuring, NTL became a core subsidiary of the newly established TIDLOR Holdings PCL (TIDLOR, rated 'A+/Stable'), which currently holds a 99.4% share in NTL. NTL continues to serve as the main operating entity within the group, with a focus on auto title loans under the 'Ngern Tid Lor' brand and non-life insurance brokerage. The company accounts for over 95% of the group's total assets and net profit.

Solid auto title loan operators

NTL maintains a strong market position as the one of the largest title loan operators by outstanding loans as of March 2025, demonstrating its long-standing presence and expertise in the auto title loan business. Following a period of strong loan growth in 2021-2022, the company saw a moderation in new loan origination in 2023-2024, in line with broader industry trends. This strategic shift reflects a proactive focus on strengthening asset quality, consistent with peers.

As of March 2025, NTL's outstanding loans stood at THB104.7 billion, reflecting a 0.8% year-to-date (YTD) and 4.5% year-on-year (y-o-y) growth. Considering the weak macroeconomic outlook in Thailand, we expect the company to remain cautious in its loan expansion, with growth likely staying below 10% in 2025 and 2026.

Revenue diversification provides ongoing stability

NTL's revenue diversification is expected to continue in the long term. Among title loan operators, NTL stands out for generating meaningful non-interest income from its non-life insurance brokerage business, accounting for 17% of total income. This success can be attributed to consistent marketing efforts, extensive product variety, and effective multi-channel distribution approaches.

Currently NTL provides insurance brokerage through its branches, telesales, and online channel under 'Shield Insurance' or 'Prakantidloh' together with 'Areegator' and 'heygoody' trademark. Insurance brokerage fees from NTL contribute about 80% of the total brokerage fees of TIDLOR group. NTL's strong revenue diversification should continue to support the group's business position.

Ample funding and liquidity

NTL, as the main operating entity within TIDLOR Group, is likely to continue receiving funding support from Bank of Ayudhya, BAY (rated 'AAA/Stable'). We expect the company to be able to access credit facilities directly and on a timely basis from BAY in times of need. The company should also be able to maintain existing strong relationships with domestic and foreign commercial banks, and international development financial institutions, including the International Finance Corporation (IFC) and the Asian Development Bank (ADB). These connections are broader than most title loan operators and other rated non-bank financial institutions.

As of December 2024, NTL had total credit lines of around THB67 billion. The company has ample liquidity to repay outstanding debentures of THB19.4 billion maturing in 2025. The committed credit lines from BAY and other financial institutions should be more than sufficient to meet the company's liquidity needs.

Manageable asset quality despite economic uncertainties

We believe NTL is positioned to maintain relatively stable asset quality amid ongoing economic uncertainties. Our view is underpinned by the extensive experience of management, adequate database capabilities, and established risk management practices that should help the company navigate through challenging conditions.

NTL's ability to manage asset quality is reflected in the company's improving performance metrics. Non-performing loan (NPL) formation has declined steadily from the peak of 4.3% in 2Q24 to 2.1% in 4Q24 and 1Q25. The improvement suggests the effectiveness of the more conservative underwriting standards and enhanced collection process implemented during the past 18 months.

Meanwhile, the company has maintained prudent reserve levels, with allowance for expected credit loss (ECL) to total loans rising above 4% throughout 2024 and 1Q25, compared to the 2%-3% range typical among major peers. This approach has resulted in NTL having the highest NPL coverage in the title loan sector at 256% as of 1Q25. Management has indicated the likelihood of additional reserve strengthening in 2025.

BASE-CASE ASSUMPTIONS

TRIS Rating's base-case assumption is that NTL will remain a core subsidiary of TIDLOR.

RATING OUTLOOK

The "stable" outlook reflects the rating outlook of TIDLOR.

RATING SENSITIVITIES

The ratings and/or outlook on NTL move in tandem with the ratings and/or outlook on TIDLOR.

COMPANY OVERVIEW

NTL's main business covers title loans secured against vehicles. The company also offers other financial services including insurance brokerage. NTL provides lending services for low-income customers (underbanked) who have little or no formal income documentation. NTL's customers can use their vehicles' title on cars, pick-up trucks, commercial trucks, motorcycles, and tractors, as collateral.

BAY, the ultimate parent bank of TIDLOR Group, is a foreign majority-owned commercial bank. Thus, NTL's status is also that of foreign company. Under the Foreign Business Act, NTL is required to maintain enough capital to keep the amount of debt equal to or no more than 7 times the amount of registered capital.

In May 2021, NTL was listed on the Stock Exchange of Thailand (SET). The company received new capital from its IPO of around THB7.5 billion. BAY's shareholdings in NTL declined to 30%.

In May 2025, NTL completed a corporate restructuring plan. Under the new structure, NTL is 99.4% owned by Tidlor Holdings. On 15 May 2025, NTL was delisted from the Stock Exchange of Thailand (SET).

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS

Unit: Mil. THB

	Jan-Mar 2025	----- Year Ended 31 December -----			
		2024	2023	2022	2021
Total assets	106,260	106,535	100,148	84,727	66,525
Total loans	104,719	103,934	97,457	81,265	61,458
Allowance for expected credit loss	4,772	4,554	3,981	3,199	2,611
Short-term debts	28,509	28,435	32,779	20,149	20,527
Long-term debts	43,276	43,131	36,399	36,602	21,498
Shareholders' equity	31,701	30,527	28,424	25,422	22,405
Net interest income	4,027	15,945	13,703	11,297	8,704
Expected credit loss	772	34,21	2,986	1,583	414
Non-interest income	982	3,792	3,427	2,742	2,222
Operating expenses	2,717	11,033	9,401	7,923	6,559
Earnings before taxes	1,512	5,283	4,744	4,533	3,953
Net profit	1,218	4,230	3,790	3,640	3,169

Unit: %

	Jan-Mar 2025	----- Year Ended 31 December -----			
		2024	2023	2022	2021
Profitability					
Net interest income/average assets	15.14*	15.43	14.82	14.94	14.52
Non-interest income/average assets	3.69*	3.67	3.71	3.63	3.71
Operating expenses/total income	48.17	49.79	49.55	51.87	54.44
Operating profit/average assets	5.72*	5.11	5.13	5.99	6.60
Earnings before taxes/average risk-weighted assets	5.83*	5.23	5.27	6.30	6.98
Return on average assets	4.58*	4.09	4.10	4.81	5.29
Return on average equity	15.66*	14.35	14.08	15.22	18.56
Asset Quality					
Non-performing loans (NPL)/total loans	1.78	1.81	1.45	1.58	1.19
Expected credit loss/average loans	2.96*	3.40	3.34	2.22	0.73
Allowance for expected credit loss/NPL	255.74	242.67	282.07	248.90	356.57
Capitalization					
Risk-adjusted capital ratio	29.80	28.73	28.46	30.34	35.18
Debt to equity (times)	2.35	2.49	2.52	2.33	1.97
Funding and Liquidity					
Stable funding ratio	108.12	106.60	98.64	115.38	112.36
Liquidity coverage measure (times)	0.04	0.06	0.05	0.11	0.19
Short-term debts/total liabilities	38.24	37.41	45.70	33.97	46.52

* Annualized

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Financial Institution Rating Methodology, 25 September 2024
- Group Rating Methodology, 7 September 2022

Ngern Tid Lor PLC (NTL)

Company Rating:	A+
Issue Ratings:	
NTL258A: THB1,850 million senior unsecured debentures due 2025	A+
NTL258B: THB2,350 million senior unsecured debentures due 2025	A+
NTL259A: THB6,500 million senior unsecured debentures due 2025	A+
NTL25NA: THB1,900 million senior unsecured debentures due 2025	A+
NTL267A: THB3,400 million senior unsecured debentures due 2026	A+
NTL268A: THB1,000 million senior unsecured debentures due 2026	A+
NTL26OA: THB1,035 million senior unsecured debentures due 2026	A+
NTL26NA: THB2,100 million senior unsecured debentures due 2026	A+
NTL26DA: THB1,500 million senior unsecured debentures due 2026	A+
NTL273A: THB2,000 million senior unsecured debentures due 2027	A+
NTL274A: THB1,500 million senior unsecured debentures due 2027	A+
NTL278A: THB800 million senior unsecured debentures due 2027	A+
NTL278B: THB2,000 million senior unsecured debentures due 2027	A+
NTL27NA: THB1,000 million senior unsecured debentures due 2027	A+
NTL283A: THB500 million senior unsecured debentures due 2028	A+
NTL288A: THB600 million senior unsecured debentures due 2028	A+
NTL28OA: THB465 million senior unsecured debentures due 2028	A+
Up to THB5,000 million senior unsecured debentures due within 4 years	A+
Rating Outlook:	Stable

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