

16 AUGUST 2021

THAILAND / DIVERSIFIED FINANCIALS

NGERN TID LOR TIDLOR TB

BUY

UNCHANGED

TARGET PRICE	THB47.00
CLOSE	THB36.50
UP/DOWNSIDE	+28.8%
PRIOR TP	THB54.00
CHANGE IN TP	-13.0%
TP vs CONSENSUS	-5.8%

สะดุดระยะสั้น แนวโน้มดีขึ้นใน 4Q21

ผลประกอบการ 2Q21 ดีพอใช้

TIDLOR รายงานกำไรสุทธิ 2Q21 จำนวน 777 ลบ. (+177 y-y, -1% q-q) ต่ำกว่าที่ตลาดคาด 6% กำไรสุทธิดังกล่าวพุ่งสูง y-y จากเหตุผล 3 ประการ ประการแรกรายได้ดอกเบี้ยสุทธิฟื้นตัวดีจากฐานที่อยู่ในระดับต่ำใน 2Q20 เนื่องจากบริษัท ให้ออกค่าพักชำระหนี้ในไตรมาสดังกล่าว ประการที่สองบริษัท จัดสรรสำรองผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ลดลงจากคุณภาพสินทรัพย์ที่ดีขึ้น ประการสุดท้ายค่าธรรมเนียมธุรกิจประกันภัยที่ไม่ใช่ชีวิตเพิ่มเป็นจำนวนมาก อย่างไรก็ตามกำไรสุทธิลดลงเล็กน้อย q-q จากค่าธรรมเนียมธุรกิจประกันภัยที่ไม่ใช่ชีวิตที่ลดลงหลังการแพร่ระบาด Covid ในด้านคุณภาพสินทรัพย์ หนี้ต่อคุณภาพเพิ่ม 7% q-q คิดเป็นอัตราส่วนหนี้ต่อคุณภาพที่ 1.6% ในขณะที่สัดส่วนสำรองต่อหนี้ต่อคุณภาพทรงตัวในระดับสูงที่ 306%

สะดุดในระยะสั้น แนวโน้มดีขึ้นใน 4Q21

เราคาดว่า TIDLOR จะรายงานกำไรสุทธิที่อ่อนตัวใน 3Q21 (ลดลงเล็กน้อย y-y, ก่อนช่วงทรงตัว q-q) โดยมีปัจจัยกดดันจากการกลับมาแพร่ระบาดของ Covid-19 เราคาดว่าค่าธรรมเนียมนายหน้าธุรกิจประกันภัย ซึ่งคิดเป็น 15-17% ของรายได้จากการดำเนินงาน จะลดลง y-y และ q-q จากกำลังซื้อของลูกค้าที่ลดลง นอกจากนี้เรายังคาดว่าด้วยว่าบริษัท จะจัดสรรสำรอง ECL เข้มงวดในระดับสูงในช่วง 2H21 โดยเฉพาะอย่างยิ่งใน 3Q21 กำไรควรฟื้นตัวในระดับสูงนับตั้งแต่ 4Q21 เป็นต้นไปเมื่อปัญหาการแพร่ระบาดลดน้อยลง

ปรับประมาณการกำไรและลดระดับการประเมินมูลค่า

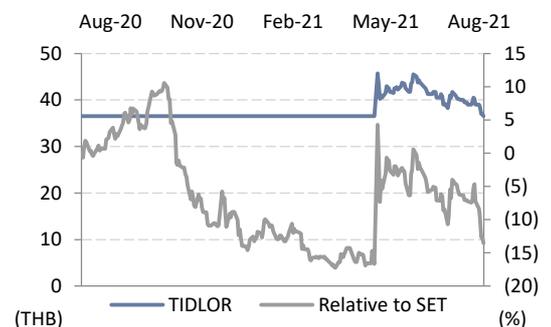
เราปรับลดประมาณการกำไรสุทธิปี 2021-23 ลง 4%/10%/10% ตามลำดับเพื่อสะท้อน 1) รายได้ค่าธรรมเนียมที่ลดลงจากยอดขายประกันภัยที่ชะลอตัวและข้อกำหนดใหม่เกี่ยวกับค่าธรรมเนียมการติดตามหนี้; และ 2) การเติบโตของสินเชื่อที่ลดลงจากปัญหาการแพร่ระบาด Covid ที่ยืดเยื้อ เราปรับลดราคาเป้าหมายปี 2022 เป็น 47 บาท (GGM) ตามการปรับลดประมาณการกำไรและค่า P/BV ในปี 2022 เป็น 4.3x จาก 5.0x เราเชื่อว่าระดับการประเมินมูลค่าที่สูงกว่าปกติของผู้ประกอบการสินเชื่อทะเบียนรถน่าจะปรับลดลงจากการแข่งขันด้านราคาที่มีรุนแรงอย่างต่อเนื่อง ทำให้แนวโน้มอัตราความสามารถในการทำกำไรลดลงและแนวโน้มการเติบโตของกำไรอยู่ในระดับที่นำพอใจน้อยลง

คงคำแนะนำซื้อ แต่ขาดปัจจัยบวกในไตรมาสถัดไป

เราไม่เห็นปัจจัยบวกที่จะผลักดันราคาหุ้นของ TIDLOR ในอีก 2-3 เดือนข้างหน้าจากแนวโน้มกำไร 3Q21 ที่อ่อนแอ อย่างไรก็ตามเราเชื่อว่าบริษัท อาจรายงานการเติบโตที่โดดเด่นเมื่อเทียบกับคู่แข่ง 3 อันดับแรกในระยะยาว โดยน่าจะอยู่ที่ 27% CAGR ในช่วงปี 2020-23 จาก 1) ความสามารถในการแข่งขันในระดับสูงในด้านการลงทุนในเทคโนโลยี ซึ่งทำให้เกิดผลิตภัณฑ์ที่มีนวัตกรรม; 2) ประโยชน์จากการเป็นส่วนหนึ่งของ Bank of Ayudhya (BAY TB, NR); และ 3) การมีคณะผู้บริหารมืออาชีพ เราคงคำแนะนำซื้อ

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	3,027	3,934	4,847	6,136
Net profit	2,416	3,147	3,878	4,909
EPS (THB)	1.15	1.40	1.67	2.12
vs Consensus (%)	-	0.2	(5.3)	(5.7)
Core net profit	2,416	3,147	3,878	4,909
Core EPS (THB)	1.15	1.40	1.67	2.12
Chg. In EPS est. (%)	-	(3.8)	(9.7)	(9.5)
EPS growth (%)	(15.0)	22.0	19.5	26.6
Core P/E (x)	31.8	26.1	21.8	17.2
Dividend yield (%)	-	0.6	0.7	0.9
Price/book (x)	6.5	3.7	3.4	2.9
ROE (%)	22.9	18.7	16.4	18.0
ROA (%)	4.7	5.4	5.8	6.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.0)	(11.0)	n/a
Relative to country (%)	(4.2)	(9.7)	n/a
Mkt cap (USD m)	2,540		
3m avg. daily turnover (USD m)	38.6		
Free float (%)	21		
Major shareholder	Bank of Ayudhya (30%)		
12m high/low (THB)	55.50/36.25		
Issued shares (m)	2,319		

Sources: Bloomberg consensus; FSSIA estimates



Yuvanart Suwanumphai

yuvanart.suw@fssia.com

+66 2611 3554

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 16 สิงหาคม 2021

Investment thesis

TIDLOR is one of the largest microfinance operators in Thailand. Unlike its peers, we believe that the company has three outstanding differences that will allow it to deliver superior and quality growth among the intense competition in the auto title loan industry and the upcoming price competition in certain segments, including 1) being a technology-driven microfinance operator; 2) having synergies from being part of BAY; and 3) providing sustainable growth.

We see muted catalysts to drive TIDLOR's share price in the next two to three months due to its soft 3Q21 earnings outlook. However, in the longer run, we believe it could deliver outstanding growth among its top three peers at a 27% CAGR from 2020-23, supported by 1) higher competitiveness in terms of technology investment; 2) synergies from being part of BAY; and 3) being helmed by professional executives. Maintain BUY.

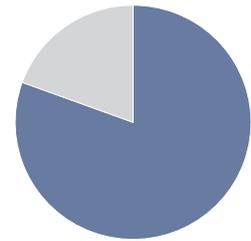
Company profile

TIDLOR, currently, has two main businesses, namely auto title loans and insurance brokerage services. In 2019, it was the largest auto title loan provider in Thailand, with a market share of 16%. Regarding its insurance broker businesses, it was one of top five insurance brokerages for retail segments and was the eighth-largest non-life insurance broker in Thailand.

www.ngerntidlor.com

Principal activities (revenue, 2020)

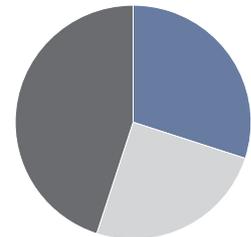
- Net interest income - 80.5 %
- Non-interest income - 19.5 %



Source: Ngerm Tid Lor

Major shareholders

- Bank of Ayudhya - 30.0 %
- Siam Asia Credit Access PTE Ltd - 25.0 %
- Others - 45.0 %



Source: Ngerm Tid Lor

Catalysts

Potential share price catalysts for TIDLOR include:

- Stronger non-life premium growth;
- The reversal of provisions;
- Effective cost control.

Risks to our call

Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank; 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.

Event calendar

Date	Event
Mid Nov 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Net profit (THB m)	3,147	3,878	4,909
Net profit growth (%)	30.3	23.2	26.6
NIM (%)	15.60	15.69	15.53
Loan growth (%)	16.0	18.0	18.0
Fee growth (%)	18.7	22.8	30.5
Non-NII growth (%)*	18.4	22.5	30.2
Credit cost (bp)	90	110	120
Cost to income (%)*	58.7	56.4	53.7

*Including share of profits from associates

Source: FSSIA estimates

Earnings sensitivity

		2021E		
		14.0	16.0	18.0
Loan growth	±2ppt			
% change in net profit		(2.2)	-	2.2
NIM (%)	±5bp	15.55	15.60	15.65
% change in net profit		(0.7)	-	0.7
Credit cost (bp)	±10bp	80	90	100
% change in net profit		1.4	-	(1.4)

Source: FSSIA estimates

Decent 2Q21 performance

TIDLOR reported a 2Q21 net profit of THB777m (+177 y-y, -1% q-q), which was 6% below Bloomberg's consensus forecast. Its net profit skyrocketed y-y due to three reasons. First, its NII recovered strongly from the low base in 2Q20, as the company provided a debt moratorium to its clients in that quarter. Second, the company set lower ECL due to better asset quality. Lastly, its non-life insurance fees increased substantially. However, its net profit fell slightly q-q, dragged down by a drop in its non-life insurance fees thanks to the Covid outbreak. Regarding its asset quality, its NPLs gradually rose by 7% q-q in 2Q21, implying a 1.6% NPL ratio. Its coverage ratio was still high at 306%.

2Q21 key highlights

- Total loan volume increased moderately by 2.7% q-q. Its motorcycle title loans increased strongly due to its innovative revolving cash card, 'Bart TIDLOR'. However, its truck segment posted soft performance q-q. We believe the company might lose its market share to its competitors such as Asia Sermkij (ASK TB, NR), Micro Leasing (MICRO TB, BUY, TP THB10.7), and Singer Thailand (SINGER TB, BUY, TP THB53).
- Its NIM was stable q-q at 15.8% as TIDLOR did not reduce its interest rate charge to compete with its rivals. The NIM significantly improved from 12.8% in 2Q20 as the company offered debt holidays and interest waivers for its impacted clients.
- Non-NII fell by 8% q-q, dragged down by a lower non-life insurance brokerage fee. We think the resurgence of the Covid pandemic has made it harder to sell insurance.
- The company was able to control its costs effectively; resulting in a decline in its cost to income ratio to 58% vs 61.4% in 1Q21.
- Its debt forbearance program increased from 1.7% of total loans in 1Q21 to 4% in 2Q21.

Exhibit 1: TIDLOR – summary of 2Q21 earnings

Year-end Dec 31	2Q20	1Q21	2Q21		1H21			2021E	Change	
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%21E	(THB m)	(y-y %)
Net interest income	1,509	2,041	2,113	40	4	4,154	14	49	8,558	13
Non-interest income*	322	552	506	57	(8)	1,058	36	49	2,160	18
Operating income*	1,831	2,593	2,619	43	1	5,212	18	49	10,717	14
Operating expenses	1,314	1,592	1,519	16	(5)	3,111	10	49	6,289	9
PPOP before tax	517	1,001	1,100	113	10	2,101	32	47	4,428	23
Expected credit loss	164	22	130	(21)	485	153	(58)	31	494	(15)
Income tax	72	195	192	168	(1)	388	57	49	787	29
Minority interest	0	0	0			0			0	
Normalised profit	281	783	777	177	(1)	1,561	59	50	3,147	30
Extraordinary items	0	0	0			0			0	
Net profit	281	783	777	177	(1)	1,561	59	50	3,147	30
EPS (THB)	0.13	0.37	0.34	151	(10)	0.71	52	51	1.40	22
Asset quality ratio (%)	(%)	(%)	(%)						(%)	
NPLs (THB m)	775	800	853	10	7				1,105	30
NPLs / loans	1.68	1.52	1.57						1.9	
Loan loss reserve/NPLs	357	329	306						271	
Credit cost (bps)	139	17	97						90	
Profitability ratio (%)	(%)	(%)	(%)						(%)	
Cost to income ratio	71.8	61.4	58.0						58.7	
Average yield	15.5	18.0	18.0						17.7	
Cost of funds	3.1	2.9	2.9						3.0	
Net interest margin (NIM)	12.8	15.8	15.8						15.6	
Non-int inc / total income	17.6	21.3	19.3						20.1	
Loan growth (%)	(%)	(%)	(%)						(%)	
y-y	Na.	8.9	17.3						16	
q-q	(4.7)	3.9	2.7							

*Including share of profits from associates

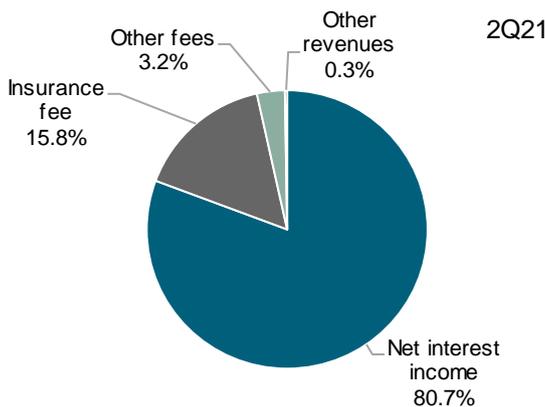
Sources: TIDLOR; FSSIA estimates

Short-term hiccup, better outlook in 4Q21

We expect TIDLOR to deliver a soft net profit in 3Q21 (slightly declining y-y, relatively flat q-q), pressured by the resurgence of Covid-19. We expect its insurance brokerage fees, 15-17% of its operating income, to drop y-y and q-q thanks to the lower purchasing power of its clients.

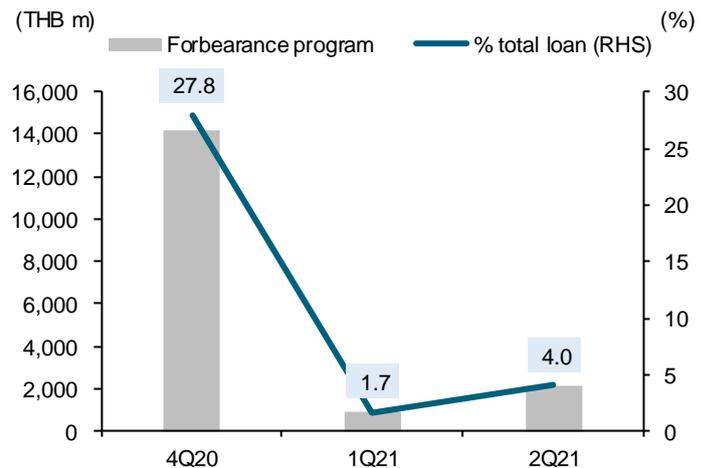
Moreover, we think TIDLOR could be one of the non-bank lending operators to provide the largest number of moratoriums to its clients. Last year, its forbearance program accounted for more than 30% of its total loans. As of 2Q21, it was at 4% of total loans vs 1.7% in 1Q21. According to management, if the Covid situation continues, this number could reach high single digits to early teen percentage levels. Therefore, we expect the company to proactively set high ECL in 2H21, especially in 3Q21.

Exhibit 2: TIDLOR's 2Q21 operating income breakdown



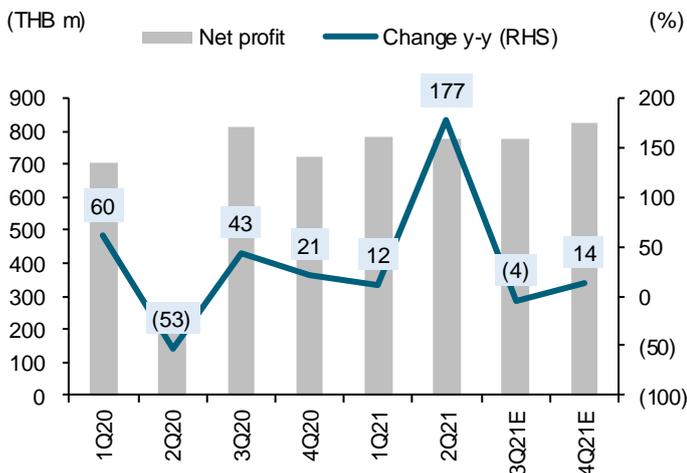
Sources: TIDLOR; FSSIA estimates

Exhibit 3: % forbearance program to total loans



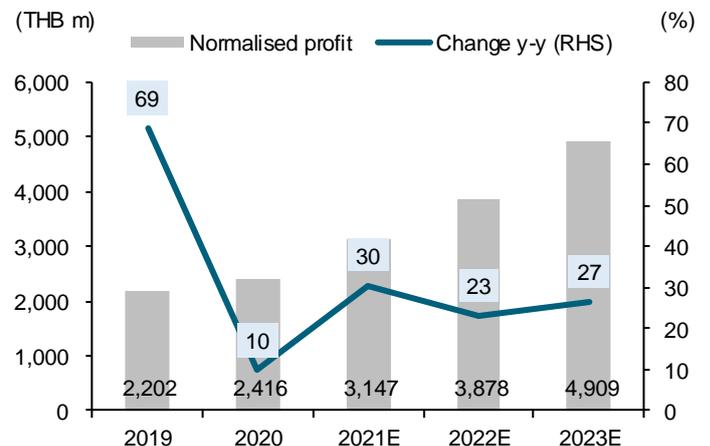
Sources: TIDLOR; FSSIA estimates

Exhibit 4: Quarterly earnings momentum



Sources: TIDLOR; FSSIA estimates

Exhibit 5: Yearly earnings momentum



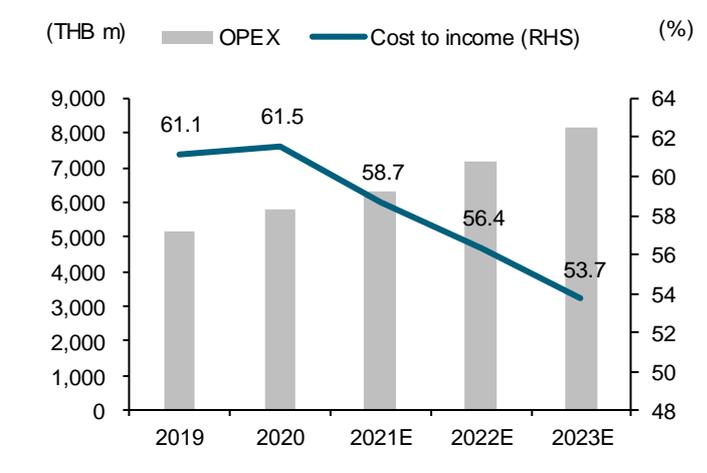
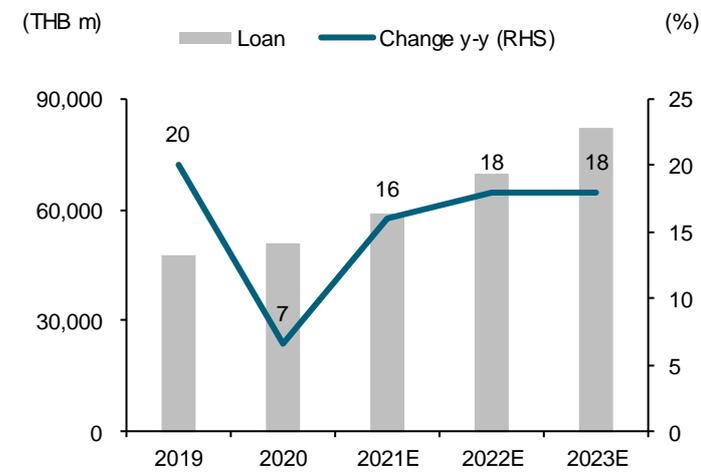
Sources: TIDLOR; FSSIA estimates

The strong recovery of its earnings momentum should materialise starting from 4Q21. Once the pandemic abates, we think its different products like Bart TIDLOR would allow its loan volume to generally increase. The features of this revolving cash card are nearly the same as a credit card. Simply put, Bart TIDLOR is a credit card for underbanked people. It enables motorbike title loan applicants to conveniently withdraw cash according to their credit limit through ATMs at leading commercial banks nationwide. This card provides more flexibility to access funds when needed. It also reduces the process of submitting new credit documents and reduces the time/cost of travelling to the branch. This product allows the company to expand its loan volume continuously without an interest rate charge reduction.

Additionally, we reiterate our view that its cost to income should continue to decline. TIDLOR had a significantly higher cost to income ratio vs its peers in the past due to its heavy IT and brand awareness investments. We believe the company has started to utilise its IT investment benefits, e.g. lower branch and staff costs.

Exhibit 6: TIDLOR's loan growth

Exhibit 7: TIDLOR's cost to income ratio



Sources: TIDLOR; FSSIA's estimates

Sources: TIDLOR; FSSIA's estimates

New restrictions on debt collection fees

On 13 Aug-21, new restrictions on debt collection fees were published in the Government Gazette. When debtors who have accumulated overdue debts of >THB1,000 default on payments, lenders may charge debt collection fees, including 1) <THB50/debt collection cycle for one period of overdue debt; and 2) <THB100 for more than one period. For vehicle hire purchases or leasing contracts for which debtors have more than one instalment overdue, lenders can charge visiting area fees of <THB400/time. The restrictions will take effect on 12 Sep-21. We think the new structure for debt collection fees will apply to all loan types. However, only hire purchases, leasing, auto title loans, credit cards and personal loans for the retail segment normally charge collection fees. Collection fees for the SME and corporate segments normally depend on the agreement between the borrower and lender.

Exhibit 8: New restrictions on debt collection fees

Details	Fee (THB / debt collection cycle)	Note
One period of overdue debt	<50	
More than one period of overdue debt	<100	
Visiting area	<400	For vehicle hire purchases or leasing contracts which debtors have more than one instalment overdue

Note that fees can be charged to only the debtors who have accumulated overdue debts >THB1,000

Sources: Government Gazette; FSSIA's compilation

Currently, TIDLOR's debt collection fees and visiting area fees are over the new restrictions. However, since the Covid outbreak last year, the company has waived some fees for its clients. According to management, the collection fees account for c2-3% of total income. We, thus, expect the new restrictions to have a moderate impact on TIDLOR.

Exhibit 9: Current debt collection fees for hire purchases, credit cards and personal loans, and loan classification of ten non-banks under our coverage

	Debt collection fee (THB / period)				Loan classification (%)		
	Auto title	Hire purchases	Credit cards	Personal loans	Stage 1	Stage 2	Stage 3
Unsecured-loan lender							
AEONTS	No service	na.	100	100	90.8	3.5	5.7
KTC	Visiting area fee 300	No service	100	100	81.6	16.5	0.0
Auto-title lender							
MTC	Motorcycle 99/Car 199	99	No service	89	93.5	5.4	1.1
SAWAD	1) debt collection fee 100-300*	New motorcycle HP; 200 for debt collection and	No service	100	76.8	18.6	4.6
	2) By staff 500-5,000*	visiting area fee <1,000					
	*For motorcycle, car and land						
SAK	No fee charge		No service	No fee charge	94.6	3.2	2.1
TIDLOR	1) Motorcycle 100 and 200 depends on overdue period/Car 200	na.	No service		77.2	21.2	1.6
	2) Outsourcing; charge the actual costs						
	3) Visiting areas; motorcycle 1,000-2,000/Car 3,000-6,000						
Truck lender							
MICRO	No service	Charge only penalty fee no debt collection fee	No service		81.5	14.7	3.7
SINGER	50-60% of its portfolios are small SME, thus, fee depends on agreement	Minimal fee charge, no specific details	No service		82.5	13.4	4.1
THANI	na.	Overdue 1 period 321	No service		85.4	11.1	3.5
		Overdue 2 period 535					
		Cancel contract 2,889					
		Outsourcing; according to the actual expenses incurred					
Hire purchase motorcycle							
NCAP	No service	200	No service	No service	94.5	4.1	1.4

Sources: Company data; the Bank of Thailand; FSSIA estimates

Exhibit 10: Summary of impact from new collection restrictions

Impact	Company	% negative impact on 2022 bottom line	Note
No impact	BAM, SAK		
Indirect impact	JMT, CHAYO		
Limited impact	All banks, especially big banks		
	AEONTS, KTC, SINGER	2-3%	
Moderate impact	MTC	3-5%	
	NCAP	3-5%	
	TIDLOR	4-6%*	*Before earnings revisions
	MICRO	4-6%	MICRO does not charge fees, but this impact is based on its tighter margin as it cannot pass all visiting area costs to its clients.
	THANI	4-6%	This impact is based on its tighter margin as it cannot pass visiting area costs to its clients.
Most impacted	SAWAD	8-10%	

Source: FSSIA estimates

Earnings revisions and valuation de-rating

We lower our net profit forecasts for 2021-23 by 4%/10%/10% to reflect 1) the lower fee income due to the slower insurance sales and new restrictions on debt collection fees; and 2) the slower loan growth due to the prolonged Covid outbreak and impact from tighter competition in the truck segment. Although its motorbike title loans should continue to increase substantially due to 'Bart TIDLOR', its truck segment might increase at slower rate than we had originally forecast, as the company might lose some of its market share to competitors.

Exhibit 11: Key changes in assumptions

	2021E				2022E			2023E		
	2020 (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Net interest income	7,557	8,632	8,558	(0.9)	10,347	10,078	(2.6)	12,181	11,775	(3.3)
Non-interest income*	1,824	2,473	2,160	(12.7)	3,127	2,646	(15.4)	3,961	3,445	(13.0)
Operating income*	9,381	11,106	10,717	(3.5)	13,474	12,724	(5.6)	16,142	15,220	(5.7)
Operating expenses	5,770	6,347	6,289	(0.9)	7,300	7,170	(1.8)	8,395	8,174	(2.6)
PPOP before tax*	3,611	4,759	4,428	(6.9)	6,174	5,554	(10.1)	7,747	7,045	(9.1)
Expected credit loss (Reversal)	583	671	494	(26.4)	805	707	(12.2)	966	910	(5.8)
Tax expenses	611	818	787	(3.8)	1,074	969	(9.7)	1,356	1,227	(9.5)
Minority interest	-	0	-		0	-		0	-	
Normalised profit	2,416	3,270	3,147	(3.8)	4,295	3,878	(9.7)	5,425	4,909	(9.5)
Extraordinary items	-	0	-		0	-		0	-	
Net profit	2,416	3,270	3,147	(3.8)	4,295	3,878	(9.7)	5,425	4,909	(9.5)
EPS (THB)	1.15	1.45	1.40	(3.8)	1.91	1.72	(9.7)	2.4	2.18	(9.5)
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	850	1,063	1,105	4.0	1,275	1,326	4.0	1,530	1,591	4.0
Gross NPLs / Loans (%)	1.67	1.7	1.9		1.7	1.9		1.7	1.9	
Loan loss reserve/NPLs (%)	325	297	271		276	255		259	247	
Credit cost (bps)	118	120	90		120	110		120	120	
Profitability ratio (%)										
Cost to income ratio*	61.5	57.2	58.7		54.2	56.4		52.0	53.7	
Average yield	17.7	17.6	17.7		17.4	17.6		17.2	17.5	
Cost of funds	3.1	3.0	3.0		3.0	3.0		3.1	3.0	
Net interest margin (NIM)	15.4	15.4	15.6		15.4	15.7		15.1	15.5	
Loan growth (%)										
y-y	6.7	20.0	16.0		20.0	18.0		20.0	18.0	

*Including share of profits from associates

Sources: MTC; FSSIA estimates

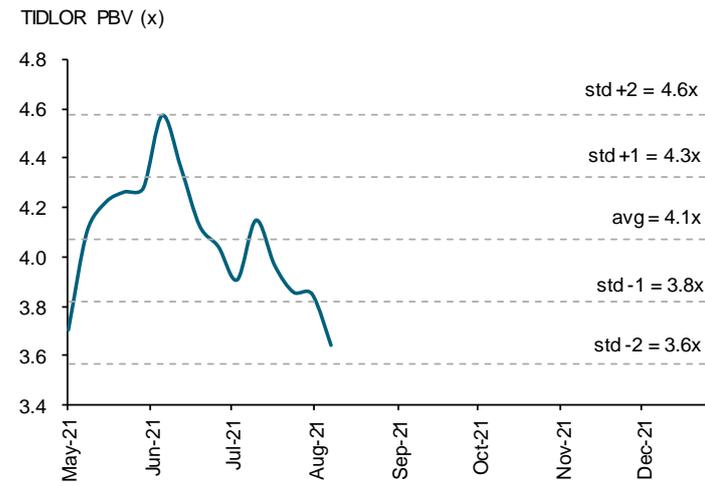
We revise down our 2022 GGM-based TP to THB47 from THB54, as we 1) cut our EPS forecast, leading to a lower book value; and 2) revise down our target 2022 P/BV to 4.3x from 5.0x as a result of our lower average long-term ROE target of 18.6% from 19.6%; our lower long-term growth to 8.4% from 8.5%; and our higher cost of equity assumption. We believe that auto title loan operators' premium valuations should de-rate due to the continued fierce price competition, leading to a lower profitability margin and a less satisfactory earnings growth outlook.

Exhibit 12: TIDLOR – GGM-derived target price

Target price (THB)	47 (from 54)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	10.8 (from 10.7)
Terminal growth (%)	8.4 (from 8.5)
ROE target (%)	18.6 (from 19.6)
Target PBV (x)	4.3 (from 5.0)
Implied PE (x)	28.1 (from 28.3)
Risk to TP	Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the BoT; and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.

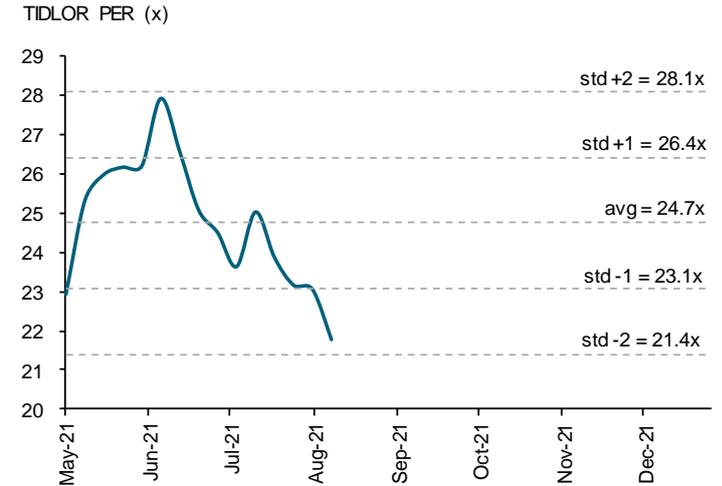
Source: FSSIA estimates

Exhibit 13: TIDLOR – prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 14: TIDLOR – prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: Thailand diversified financials – peers comparison

	BBG	Rec	---Share price---		Up	Market	EPS growth		--- P/E ---		--- ROE ---		--- PBV ---	
	code		Current	Target	side	Cap	21E	22E	21E	22E	21E	22E	21E	22E
			(THB)	(THB)	(%)	(USD m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)
Unsecured-loan lender						5,905	23.8	15.0	17.6	15.3	25.6	25.0	4.2	3.5
Aeon Thana Sinsap (Thailand)	AEONTS TB	BUY	176.00	274.00	56	1,320	20.9	14.3	9.9	8.6	24.0	23.2	2.2	1.9
Krungthai Card	KTC TB	HOLD	59.25	73.00	23	4,585	25.8	15.4	22.8	19.7	26.9	26.3	5.6	4.8
Auto-title lender						9,221	12.9	21.7	20.5	16.9	21.7	21.7	3.9	3.4
Muangthai Capital	MTC TB	BUY	55.50	67.00	21	3,531	3.1	23.5	21.9	17.7	23.4	23.8	4.7	3.9
Srisawad Corp	SAWAD TB	BUY	63.75	108.00	69	2,627	25.5	19.8	15.3	12.8	24.0	25.1	3.4	3.0
Saksiam Leasing	SAK TB	BUY	8.30	12.20	47	522	(17.3)	40.0	28.5	20.4	12.9	16.3	3.5	3.1
Ngern Tid Lor	TIDLOR TB	BUY	36.50	47.00	29	2,540	22.0	19.5	26.1	21.8	18.7	16.4	3.7	3.4
Truck lender						1,559	(9.4)	19.6	19.2	16.1	16.2	17.5	2.9	2.7
Micro Leasing	MICRO TB	BUY	7.70	10.70	39	216	23.1	33.5	35.3	26.5	10.8	13.2	3.7	3.3
Singer Thailand	SINGER TB	BUY	40.75	53.00	30	609	26.1	29.2	29.7	23.0	19.8	21.0	5.1	4.3
Ratchthani Leasing	THANI TB	BUY	4.32	5.20	20	734	(20.9)	15.8	13.6	11.7	16.0	17.0	2.1	1.9
Other						1,046	8.1	11.6	8.5	7.6	6.4	6.8	0.5	0.5
Thanachart Capital	TCAP TB	HOLD	33.25	35.00	5	1,046	8.1	11.6	8.5	7.6	6.4	6.8	0.5	0.5
Hire purchase motorcycle						321	55.9	33.4	34.0	25.5	17.4	19.8	5.5	4.7
Next Capital	NCAP TB	BUY	11.90	16.80	41	321	55.9	33.4	34.0	25.5	17.4	19.8	5.5	4.7

Share prices as of 13 Aug 2021

Sources: Bloomberg; FSSIA estimates

Financial Statements

Ngern Tid Lor

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	7,635	8,735	9,712	11,306	13,266
Interest expense	(1,006)	(1,178)	(1,154)	(1,228)	(1,491)
Net interest income	6,630	7,557	8,558	10,078	11,775
Net fees & commission	1,803	1,792	2,126	2,611	3,408
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	19	33	35	37	39
Non interest income	1,823	1,825	2,162	2,648	3,447
Total income	8,452	9,383	10,719	12,726	15,222
Staff costs	(5,168)	(5,772)	(6,291)	(7,172)	(8,176)
Other operating costs	-	-	-	-	-
Operating costs	(5,168)	(5,772)	(6,291)	(7,172)	(8,176)
Pre provision operating profit	3,284	3,611	4,428	5,554	7,045
Provision for bad and doubtful debt	(531)	(583)	(494)	(707)	(910)
Other provisions	-	-	-	-	-
Operating profit	2,753	3,027	3,934	4,847	6,136
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	2,753	3,027	3,934	4,847	6,136
Tax	(551)	(611)	(787)	(969)	(1,227)
Profit after tax	2,202	2,416	3,147	3,878	4,909
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	2,202	2,416	3,147	3,878	4,909
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	2,202	2,416	3,147	3,878	4,909
Per share (THB)					
Recurring EPS *	1.35	1.15	1.40	1.67	2.12
Reported EPS	1.35	1.15	1.40	1.67	2.12
DPS	1.84	0.00	0.22	0.26	0.33
Growth					
Net interest income (%)	15.9	14.0	13.2	17.8	16.8
Non interest income (%)	52.8	0.1	18.4	22.5	30.2
Pre provision operating profit (%)	23.4	9.9	22.6	25.4	26.9
Operating profit (%)	68.8	10.0	30.0	23.2	26.6
Reported net profit (%)	68.6	9.7	30.3	23.2	26.6
Recurring EPS (%)	21.6	(15.0)	22.0	19.5	26.6
Reported EPS (%)	21.6	(15.0)	22.0	19.5	26.6
Income Breakdown					
Net interest income (%)	78.4	80.5	79.8	79.2	77.4
Net fees & commission (%)	21.3	19.1	19.8	20.5	22.4
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.2	0.4	0.3	0.3	0.3
Operating performance					
Gross interest yield (%)	17.49	17.75	17.70	17.60	17.50
Cost of funds (%)	2.95	3.07	2.95	2.95	3.00
Net interest spread (%)	14.54	14.68	14.75	14.65	14.50
Net interest margin (%)	15.2	15.4	15.6	15.7	15.5
Cost/income(%)	61.1	61.5	58.7	56.4	53.7
Cost/assets(%)	11.7	11.3	10.9	10.7	10.3
Effective tax rate (%)	20.0	20.2	20.0	20.0	20.0
Dividend payout on recurring profit (%)	136.3	-	15.5	15.5	15.5
ROE (%)	26.4	22.9	18.7	16.4	18.0
ROE - COE (%)	15.6	12.1	7.9	5.6	7.2
ROA (%)	5.0	4.7	5.4	5.8	6.2
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ngern Tid Lor; FSSIA estimates

Financial Statements

Ngern Tid Lor

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	47,639	50,807	58,937	69,545	82,063
Total provisions	(2,702)	(2,763)	(2,992)	(3,386)	(3,926)
interest in suspense	340	524	589	695	821
Net customer loans	45,277	48,568	56,534	66,855	78,958
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	446	1,265	1,961	655	1,834
Other interesting assets	-	-	-	-	-
Tangible fixed assets	698	1,378	1,506	1,646	1,801
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	1,990	2,124	2,500	2,882	3,441
Total assets	48,411	53,336	62,501	72,038	86,035
Customer deposits	7,558	2,600	520	546	573
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	29,536	37,095	38,053	44,167	54,105
Non interest bearing liabilities	1,971	1,892	1,986	2,086	2,190
Hybrid Capital	-	-	-	-	-
Total liabilities	39,065	41,587	40,559	46,799	56,868
Share capital	7,800	7,800	8,580	8,580	8,580
Reserves	1,546	3,948	13,362	16,660	20,587
Total equity	9,346	11,749	21,942	25,240	29,167
Minority interests	0	0	0	0	0
Total liabilities & equity	48,411	53,336	62,501	72,038	86,035
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	43,656	49,223	54,872	64,241	75,804
Average interest bearing liabilities	34,086	38,395	39,134	41,643	49,696
Tier 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	616	850	1,105	1,326	1,591
Per share (THB)					
Book value per share	5.72	5.58	9.76	10.88	12.58
Tangible book value per share	5.72	5.58	9.76	10.88	12.58
Growth					
Gross customer loans	20.1	6.7	16.0	18.0	18.0
Average interest earning assets	32.1	12.8	11.5	17.1	18.0
Total asset (%)	20.8	10.2	17.2	15.3	19.4
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	42.6	(65.6)	(80.0)	5.0	5.0
Leverage & capital measures					
Customer loan/deposits (%)	599.0	1,868.0	10,872.0	12,244.6	13,772.6
Equity/assets (%)	19.3	22.0	35.1	35.0	33.9
Tangible equity/assets (%)	19.3	22.0	35.1	35.0	33.9
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	40.2	38.1	30.0	20.0	20.0
NPL/gross loans (%)	1.3	1.7	1.9	1.9	1.9
Total provisions/gross loans (%)	5.7	5.4	5.1	4.1	4.8
Total provisions/NPL (%)	438.8	325.1	270.7	255.3	246.7
Valuation					
Recurring P/E (x) *	27.1	31.8	26.1	21.8	17.2
Recurring P/E @ target price (x) *	34.8	41.0	33.6	28.1	22.2
Reported P/E (x)	27.1	31.8	26.1	21.8	17.2
Dividend yield (%)	5.0	-	0.6	0.7	0.9
Price/book (x)	6.4	6.5	3.7	3.4	2.9
Price/tangible book (x)	6.4	6.5	3.7	3.4	2.9
Price/tangible book @ target price (x)	8.2	8.4	4.8	4.3	3.7

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ngern Tid Lor; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Yuvanart Suwanumchai FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Ngern Tid Lor	TIDLOR TB	THB 36.50	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank; 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 176.00	BUY	Downside risks to our GGM-derived TP include 1) intense competition that could push marketing expenses higher; 2) regulatory actions to curb industry growth; and 3) deteriorating asset quality.
Krungthai Card	KTC TB	THB 59.25	HOLD	Upside risks to our GGM-derived TP include 1) stronger-than-expected KTBL growth; and 2) a better-than-expected bad debt recovery. Downside risks are 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 55.50	BUY	Downside risks to our GGM-based TP include the expansion into auto-title loans by the Government Savings Bank; further weakening asset quality could potentially hit both loan yield and credit cost.
Srisawad Corp	SAWAD TB	THB 63.75	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand.
Saksiam Leasing	SAK TB	THB 8.30	BUY	Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the BoT; and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.
Micro Leasing	MICRO TB	THB 7.70	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.
Singer Thailand	SINGER TB	THB 40.75	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Ratchthani Leasing	THANI TB	THB 4.32	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand.
Thanachart Capital	TCAP TB	THB 33.25	HOLD	Upside risks to our GGM-based target price are M&A completions and long-term synergy gained, leading to a higher contribution to its earnings. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TMB and THANI.
Next Capital	NCAP TB	THB 11.90	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for food delivery and logistics activities; 2) deteriorating asset quality; and 3) tighter competition from new players.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 13-Aug-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.