

NGERN TID LOR TIDLOR TB

THAILAND / DIVERSIFIED FINANCIALS

BUY

UNCHANGED

3Q22 earnings missed on high ECL

- TIDLOR reported a 3Q22 net profit of THB901m, which was 6% below the Bloomberg consensus estimate. The strong top line was dragged down by a high ECL.
- Expect a rise y-y but decline q-q in 4Q22 net profit.
- Cut 2022-24E net profit by 4-7% and lower 2023 TP to THB32 from THB37. Maintain BUY.

TARGET PRICE	THB32.00
CLOSE	THB25.75
UP/DOWNSIDE	+24.3%
PRIOR TP	THB37.00
CHANGE IN TP	-13.5%
TP vs CONSENSUS	-16.1%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	3,953	4,534	5,314	6,309
Net profit	3,169	3,641	4,251	5,047
EPS (THB)	1.41	1.51	1.70	2.02
vs Consensus (%)	-	(1.9)	(9.9)	(11.4)
Core net profit	3,169	3,641	4,251	5,047
Core EPS (THB)	1.41	1.51	1.70	2.02
Chg. In EPS est. (%)	-	(3.8)	(7.3)	(5.7)
EPS growth (%)	22.9	7.2	12.6	18.7
Core P/E (x)	18.3	17.0	15.1	12.7
Dividend yield (%)	1.1	1.2	1.3	1.2
Price/book (x)	2.6	2.5	2.2	1.9
ROE (%)	18.6	15.0	15.3	15.9
ROA (%)	5.3	4.8	4.6	4.7

3Q22 net profit slightly missed expectations

TIDLOR posted a 3Q22 net profit of THB901m (+11% y-y, -8% q-q), which was 6% below the Bloomberg consensus from a higher provisioning setup. Its 9M22 net profit accounts for 78% of our 2022 net profit forecast.

3Q22: Strong top line but high NPLs

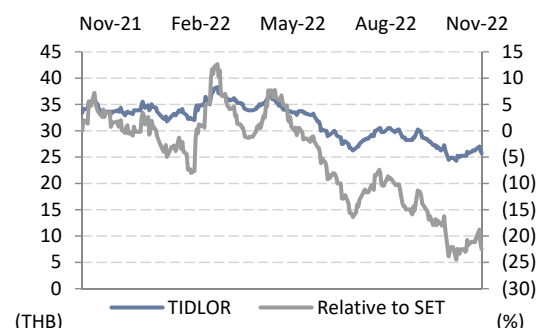
We see a mixed bag in TIDLOR's performance, with three positives. First, its loan volume continued to rise by 34% y-y and 7% q-q. Second, its NIM rose q-q to 16.4% following a higher loan yield after the end of its promotional campaign for truck lending and motorcycle cash cards. Lastly, its fee income rose strongly y-y and q-q due to a rise in its insurance commissions. All in all, TIDLOR's top line increased solidly, resulting in a higher pre-provision profit by 40% y-y and 8% q-q. However, on the negative side, its NPLs increased continuously by 17% q-q due to the end of the debt forbearance program and high inflation, with an elevated NPL formation level (based on our calculation) of 2.2% vs 2.3% in 2Q22. Accordingly, its credit cost jumped significantly y-y and q-q to 285 bps. Meanwhile, its coverage ratio gradually declined to 254%.

Expect a rise y-y but decline q-q in 4Q22 net profit

We expect TIDLOR's net profit to increase y-y continuously from strong top-line growth. This should completely offset a significant rise in ECL. We think its net profit will fall q-q in 4Q22 on higher seasonal OPEX and an elevated credit cost, as we think its NPLs might gradually increase.

Maintain BUY with lower 2023 GGM-based TP to THB32

We lower our net profit forecasts for 2022/23/24 by 4%/7%/6% to mainly reflect a rise in credit cost from the higher NPLs. We also lower our 2023 GGM-based TP to THB32 from THB37. We maintain our BUY call on TIDLOR due to 1) its stringent asset quality control and highest coverage ratio among auto title lenders; 2) its strong insurance brokerage business; and 3) its strategy to not engage in price wars but instead use unique product strategies, e.g. TIDLOR cash card, to take on competitors.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.9)	(15.6)	(25.1)
Relative to country (%)	(4.5)	(15.8)	(24.6)
Mkt cap (USD m)	1,743		
3m avg. daily turnover (USD m)	8.5		
Free float (%)	21		
Major shareholder	Bank of Ayudhya (30%)		
12m high/low (THB)	38.54/23.80		
Issued shares (m)	2,319		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

TIDLOR is one of the largest microfinance operators in Thailand. Unlike its peers, we believe it has three outstanding differences that will allow it to deliver superior and quality growth amid 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 Bank of Ayudhya (BAY TB, NR); and 3) providing sustainable growth.

We maintain BUY on TIDLOR due to 1) its stringent asset quality control and highest coverage ratio among auto title lenders; 2) its strong insurance brokerage business; and 3) its strategy to not engage in price wars but instead use unique product strategies, e.g. TIDLOR cash card, to take on competitors.

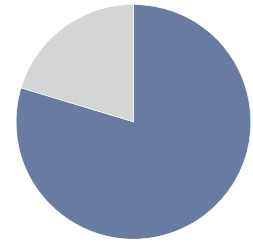
Company profile

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, 2021)

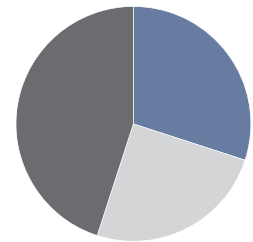
- Net interest income - 79.7 %
- Non-interest income - 20.3 %



Source: Ngern Tid Lor

Major shareholders

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



Source: Ngern Tid Lor

Catalysts

Potential share price catalysts for TIDLOR include:

1. Stronger non-life premium growth;
2. The reversal of provisions;
3. 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 and Auto X (subsidiary of SCB); 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
16 November 2022	Post-3Q22 results analyst meeting
End-February 2023	4Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Net profit (THB m)	3,641	4,251	5,047
Net profit growth	14.9	16.8	18.7
NIM	16.10	15.52	15.45
Loan growth	31.0	18.0	18.0
Non-NII growth	15.9	8.0	8.0
Credit cost (bp)	190	180	160
Cost to income	57.5	57.5	57.6

Source: FSSIA estimates

Earnings sensitivity

		2023E		
Loan growth	±2ppt	16.0	18.0	20.0
% change in net profit		(2.1)	-	2.1
NIM (%)	±5bp	15.47	15.52	15.57
% change in net profit		(0.8)	-	0.8
Credit cost (bp)	±10bp	170	180	190
% change in net profit		1.3	-	(1.3)

Source: FSSIA estimates

3Q22: Strong top line but high NPLs

TIDLOR posted a 3Q22 net profit of THB901m (+11% y-y, -8% q-q), which was 6% below the Bloomberg consensus estimate. We see a mixed bag in its performance, with three positives. First, its loan volume continued to rise by 34% y-y and 7% q-q. Second, its NIM rose q-q to 16.4% following a higher loan yield after the end of its promotional campaign for truck lending and motorcycle cash cards. Lastly, its fee income rose strongly y-y and q-q due to a rise in its insurance commissions. All in all, TIDLOR's top line increased solidly, resulting in a higher pre-provision profit by 40% y-y and 8% q-q. However, on the negative side, its NPLs increased continuously by 17% q-q due to the end of the debt forbearance program and high inflation, with an elevated NPL formation level (based on our calculation) of 2.2% vs 2.3% in 2Q22. Accordingly, its credit cost jumped significantly y-y and q-q to 285 bps. Meanwhile, its coverage ratio gradually declined to 254%.

3Q22 highlights

- NII increased by 35% y-y and 9% q-q following a rise in its loan volume and a higher NIM at 16.4%, up from 16.1% in 2Q22.
- Non-NII increased 44% y-y and 6% q-q, driven mainly by a rise in insurance commissions.
- The cost to income ratio was at 55% from better cost control and the strong top-line growth.
- The NPL ratio was at 1.54% vs 1.42% in 2Q22.

Exhibit 1: TIDLOR – summary of 3Q22 operations

Year end Dec 31	3Q21	2Q22	3Q22		9M22			2022E		Comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%22E	(THB m)	
Net interest income	2,187	2,701	2,947	35	9	8,144	28	73	11,220	29
Non-interest income	467	629	670	44	6	1,895	24	74	2,575	16
Operating income	2,654	3,330	3,617	36	9	10,039	28	73	13,795	26
Operating expenses	1,490	1,823	1,983	33	9	5,584	21	70	7,936	21
PPOP before tax	1,163	1,507	1,634	40	8	4,454	36	76	5,859	34
Expected credit loss	151	284	513	239	81	937	208	71	1,324	220
Income tax	199	242	220	11	(9)	695	18	78	893	14
Minority interest	0	0	0	-	-	0	-	-	0	-
Normalised profit	813	981	901	11	(8)	2,823	19	78	3,641	15
Extraordinary items	0	0	0	-	-	0	-	-	0	-
Net profit	813	981	901	11	(8)	2,823	19	78	3,641	15
EPS (THB)	0.35	0.39	0.36	3	(8)	1.16	10	77	1.51	7
Asset quality ratio	(%)	(%)	(%)						(%)	
NPLs (THB m)	801	984	1,151	44	17				1,245	70
NPLs / Loans	1.44	1.42	1.54						1.57	
Loan loss reserve/NPLs	326	270	254						265	
Credit cost (bps)	110	170	285						190	
Profitability ratio	(%)	(%)	(%)						(%)	
Cost to income ratio	56.2	54.7	54.8						57.5	
Average yield	17.88	17.84	18.11						17.9	
Cost of fund	2.70	2.40	2.48						2.5	
Net interest margin (NIM)	15.93	16.13	16.37						16.1	
Non-int inc/total income	17.58	18.90	18.53						18.7	
Loan growth	(%)	(%)	(%)						(%)	
y-y	15.5	28.1	34.1						31.0	
q-q	2.6	7.6	7.4							

Sources: TIDLOR; FSSIA estimates

Earnings and target price revisions

We lower our net profit forecasts for 2022/23/24 by 4%/7%/6% to mainly reflect a rise in credit cost from the higher NPLs. Details of our earnings revisions are as follows:

- 1) We increase our credit cost assumptions in 2022/23/24 to 190/180/160 bps from 160/141/145 bps;
- 2) We raise our OPEX assumptions in 2022/23/24 by 3%/4%/4%.

Exhibit 2: Key changes in assumptions

	2022E				2023E			2024E		
	2021 (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	8,704	11,013	11,220	1.9	12,944	13,370	3.3	15,214	15,705	3.2
Non-interest income	2,222	2,487	2,575	3.5	2,858	2,780	(2.7)	3,227	3,002	(7.0)
Operating income	10,926	13,500	13,795	2.2	15,802	16,150	2.2	18,441	18,707	1.4
Operating expenses	6,559	7,707	7,936	3.0	8,901	9,285	4.3	10,325	10,771	4.3
PPOP before tax	4,367	5,793	5,859	1.1	6,900	6,865	(0.5)	8,116	7,936	(2.2)
Expected credit loss (Reversal)	414	1,091	1,324	21.4	1,166	1,551	33.0	1,422	1,627	14.4
Tax expenses	784	917	893	(2.6)	1,147	1,063	(7.3)	1,339	1,262	(5.7)
Minority interest	-	0	-		0	-		-	-	
Normalised profit	3,169	3,785	3,641	(3.8)	4,587	4,251	(7.3)	5,355	5,047	(5.7)
Extraordinary items	-	0	-		0	-		-	-	
Net profit	3,169	3,785	3,641	(3.8)	4,587	4,251	(7.3)	5,355	5,047	(5.7)
EPS (THB)	1.41	1.57	1.51	(3.8)	1.8	1.70	(7.3)	2.14	2.02	(5.7)
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	732	930	1,245	33.9	1,088	1,456	33.9	1,251	1,675	33.9
Gross NPLs / Loans (%)	1.21	1.22	1.57		1.21	1.56		1.18	1.52	
Loan loss reserve/NPLs (%)	357	333	265		367	314		407	350	
Credit cost (bps)	75	160	190		141	180		145	160	
Profitability ratio (%)										
Cost to income ratio	60.0	57.1	57.5		56.3	57.5		56.0	57.6	
Average yield	17.7	17.86	17.86		17.60	17.60		17.60	17.60	
Cost of funds	2.7	2.50	2.50		2.90	2.90		3.00	3.00	
Net interest margin (NIM)	15.7	16.15	16.10		15.62	15.52		15.56	15.45	
Loan growth (%)										
y-y	18.8	26.0	31.0		18.0	18.0		18.0	18.0	

Sources: TIDLOR; FSSIA estimates

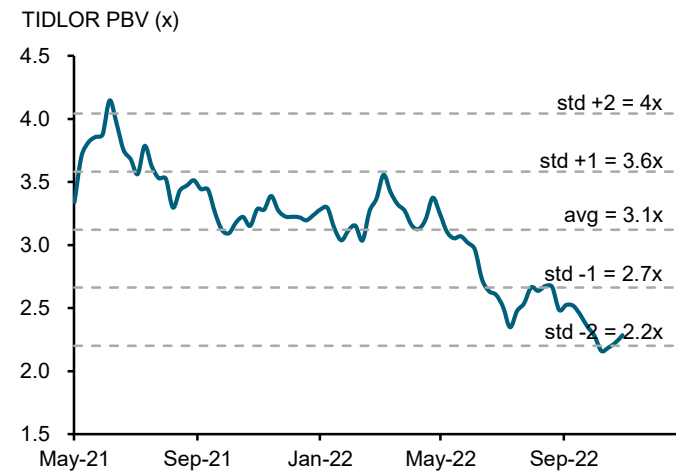
We lower our 2023 GGM-based TP to THB32, down from our previous TP of THB37, as we 1) cut our EPS forecast, leading to a lower book value; and 2) revise down our target 2023 P/BV to 2.7x from 3.1x, as we lower our ROE and terminal growth estimates to reflect our downward earnings revision and increase our cost of equity to reflect the higher NPL risks from the slow economic recovery. We maintain our BUY call.

Exhibit 3: TIDLOR – GGM-derived target price

Target price (THB)	32 (from 37.0)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3.0 (unchanged)
Market risk premium (%)	8.0 (unchanged)
Cost to equity (%)	10.9 (from 10.8)
Terminal growth (%)	7.8 (from 8.0)
ROE target (%)	16.2 (from 16.4)
Target PBV (x)	2.7 (from 3.1)

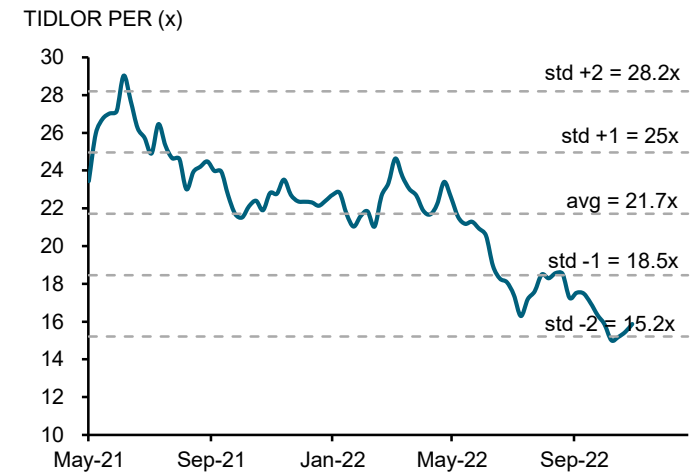
Source: FSSIA estimates

Exhibit 4: TIDLOR – prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 5: TIDLOR – prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 6: Diversified financial companies under coverage – summary of key valuations

	BBG code	Rec	---Share price---		Up side (%)	Market Cap (USD m)	EPS growth		---- P/E ----		---- ROE ----		---- PBV ----	
			Current (THB)	Target (THB)			22E (%)	23E (%)	22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)
Diversified financials						18,371	8.0	19.2	21.3	17.3	15.7	16.1	2.9	2.5
Unsecured-loan lender						5,164	19.6	7.9	17.9	16.6	24.5	22.9	4.2	3.6
Aeon Thana Sinsap (Thailand)	AEONTS TB	HOLD	158.50	188.00	19	1,074	19.0	7.0	9.4	8.8	19.8	18.5	1.7	1.5
Krungthai Card	KTC TB	BUY	58.50	65.00	11	4,089	19.8	8.1	20.2	18.6	25.8	24.1	4.8	4.2
Auto-title lender						5,684	5.4	16.1	15.0	12.9	17.1	17.6	2.4	2.1
Muangthai Capital	MTC TB	HOLD	34.75	39.00	12	1,997	3.8	14.6	14.3	12.5	19.0	18.5	2.5	2.2
Srisawad Corp	SAWAD TB	BUY	41.75	62.00	49	1,554	0.8	19.3	12.4	10.4	17.8	19.4	2.1	1.9
Saksiam Leasing	SAK TB	BUY	6.85	9.70	42	389	23.1	26.3	19.2	15.2	14.5	16.4	2.7	2.4
Ngern Tid Lor	TIDLOR TB	BUY	25.75	32.00	24	1,743	7.2	12.6	17.0	15.1	15.0	15.3	2.5	2.2
Truck lender						2,072	(0.3)	27.6	22.0	16.9	10.0	11.6	1.9	1.8
Micro Leasing	MICRO TB	HOLD	4.44	4.00	(10)	113	(39.1)	39.1	36.3	26.1	5.7	7.6	2.0	1.9
Singer Thailand	SINGER TB	BUY	34.25	59.00	72	1,297	(4.1)	35.2	25.5	18.9	7.2	9.4	1.8	1.7
Ratchthani Leasing	THANI TB	BUY	4.32	5.20	20	663	13.8	10.7	12.6	11.4	16.2	16.7	2.0	1.8
Asset management						4,186	4.7	37.6	37.4	26.5	8.2	10.2	3.0	2.8
Bangkok Commercial Asset Mngt.	BAM TB	BUY	15.20	20.00	32	1,332	5.2	21.0	18.0	14.8	6.4	7.2	1.1	1.0
Chayo Group	CHAYO TB	BUY	8.00	10.60	33	231	(1.6)	25.9	35.7	28.4	9.6	8.0	3.2	1.7
JMT Network Services	JMT TB	BUY	63.25	84.00	33	2,502	2.7	48.4	47.7	32.2	8.9	12.0	3.9	3.8
Knight Club Capital Asset Mngt.	KCC TB	HOLD	7.15	7.10	(1)	120	53.1	21.9	41.0	33.6	11.7	10.1	3.7	3.1
Other						1,151	4.1	8.5	7.7	7.1	8.0	8.2	0.6	0.6
Thanachart Capital	TCAP TB	HOLD	40.50	43.00	6	1,151	4.1	8.5	7.7	7.1	8.0	8.2	0.6	0.6
Hire purchase motorcycle						113	(70.5)	(28.1)	30.4	42.2	3.8	2.4	1.0	1.0
Next Capital	NCAP TB	REDUCE	3.10	2.50	(19)	113	(70.5)	(28.1)	30.4	42.2	3.8	2.4	1.0	1.0

Share prices as of 9 Nov 2022
Sources: Bloomberg; FSSIA estimates

Financial Statements

Ngern Tid Lor

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	8,735	9,825	12,450	15,164	17,893
Interest expense	(1,178)	(1,121)	(1,230)	(1,794)	(2,189)
Net interest income	7,557	8,704	11,220	13,370	15,705
Net fees & commission	1,792	2,197	2,549	2,753	2,973
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	32	25	27	28	29
Non interest income	1,824	2,222	2,575	2,780	3,002
Total income	9,381	10,926	13,795	16,150	18,707
Staff costs	(5,772)	(6,559)	(7,936)	(9,285)	(10,771)
Other operating costs	-	-	-	-	-
Operating costs	(5,772)	(6,559)	(7,936)	(9,285)	(10,771)
Pre provision operating profit	3,609	4,367	5,859	6,865	7,936
Provision for bad and doubtful debt	(582)	(414)	(1,324)	(1,551)	(1,627)
Other provisions	-	-	-	-	-
Operating profit	3,027	3,953	4,534	5,314	6,309
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	3,027	3,953	4,534	5,314	6,309
Tax	(611)	(784)	(893)	(1,063)	(1,262)
Profit after tax	2,416	3,169	3,641	4,251	5,047
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	2,416	3,169	3,641	4,251	5,047
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	2,416	3,169	3,641	4,251	5,047
Per share (THB)					
Recurring EPS *	1.15	1.41	1.51	1.70	2.02
Reported EPS	1.15	1.41	1.51	1.70	2.02
DPS	0.00	0.28	0.30	0.34	0.30
Growth					
Net interest income (%)	14.0	15.2	28.9	19.2	17.5
Non interest income (%)	0.1	21.9	15.9	8.0	8.0
Pre provision operating profit (%)	9.9	21.0	34.2	17.2	15.6
Operating profit (%)	10.0	30.6	14.7	17.2	18.7
Reported net profit (%)	9.7	31.2	14.9	16.8	18.7
Recurring EPS (%)	(15.0)	22.9	7.2	12.6	18.7
Reported EPS (%)	(15.0)	22.9	7.2	12.6	18.7
Income Breakdown					
Net interest income (%)	80.6	79.7	81.3	82.8	84.0
Net fees & commission (%)	19.1	20.1	18.5	17.0	15.9
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.3	0.2	0.2	0.2	0.2
Operating performance					
Gross interest yield (%)	17.75	17.68	17.86	17.60	17.60
Cost of funds (%)	3.07	2.75	2.50	2.90	3.00
Net interest spread (%)	14.68	14.93	15.36	14.70	14.60
Net interest margin (%)	15.4	15.7	16.1	15.5	15.4
Cost/income(%)	61.5	60.0	57.5	57.5	57.6
Cost/assets(%)	11.3	10.9	10.5	10.1	10.1
Effective tax rate (%)	20.2	19.8	19.7	20.0	20.0
Dividend payout on recurring profit (%)	-	20.1	20.0	20.0	15.0
ROE (%)	22.9	18.6	15.0	15.3	15.9
ROE - COE (%)	12.1	7.8	4.2	4.5	5.1
ROA (%)	4.7	5.3	4.8	4.6	4.7
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	2020	2021	2022E	2023E	2024E
Gross customer loans	50,807	60,339	79,044	93,271	110,060
Total provisions	(2,763)	(2,611)	(3,303)	(4,574)	(5,870)
interest in suspense	524	1,120	1,581	933	1,101
Net customer loans	48,568	58,847	77,322	89,630	105,291
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	1,265	3,995	2,735	3,993	4,224
Other interesting assets	-	-	-	-	-
Tangible fixed assets	1,378	1,453	1,539	1,635	1,740
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	2,124	2,230	3,400	3,969	3,859
Total assets	53,336	66,525	84,995	99,228	115,114
Customer deposits	2,600	3,300	990	1,040	1,091
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	37,095	38,594	55,513	66,178	77,600
Non interest bearing liabilities	1,892	2,226	2,337	2,454	2,577
Hybrid Capital	-	-	-	-	-
Total liabilities	41,587	44,120	58,840	69,672	81,268
Share capital	7,800	8,580	9,240	9,240	9,240
Reserves	3,948	13,825	16,915	20,316	24,606
Total equity	11,749	22,405	26,155	29,556	33,846
Minority interests	0	0	0	0	0
Total liabilities & equity	53,336	66,525	84,995	99,228	115,114
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	49,223	55,573	69,691	86,158	101,666
Average interest bearing liabilities	38,395	40,795	49,199	61,860	72,954
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)	850	732	1,245	1,456	1,675
Per share (THB)					
Book value per share	5.58	9.97	10.47	11.83	13.55
Tangible book value per share	5.58	9.97	10.47	11.83	13.55
Growth					
Gross customer loans	6.7	18.8	31.0	18.0	18.0
Average interest earning assets	12.8	12.9	25.4	23.6	18.0
Total asset (%)	10.2	24.7	27.8	16.7	16.0
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	(65.6)	26.9	(70.0)	5.0	5.0
Leverage & capital measures					
Customer loan/deposits (%)	1,868.0	1,783.3	7,810.3	8,622.5	9,646.6
Equity/assets (%)	22.0	33.7	30.8	29.8	29.4
Tangible equity/assets (%)	22.0	33.7	30.8	29.8	29.4
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	38.1	(13.9)	70.0	17.0	15.0
NPL/gross loans (%)	1.7	1.2	1.6	1.6	1.5
Total provisions/gross loans (%)	5.4	4.3	4.2	4.2	5.3
Total provisions/NPL (%)	325.1	356.6	265.3	314.0	350.5
Valuation					
Recurring P/E (x) *	22.4	18.3	17.0	15.1	12.7
Recurring P/E @ target price (x) *	27.9	22.7	21.2	18.8	15.8
Reported P/E (x)	22.4	18.3	17.0	15.1	12.7
Dividend yield (%)	-	1.1	1.2	1.3	1.2
Price/book (x)	4.6	2.6	2.5	2.2	1.9
Price/tangible book (x)	4.6	2.6	2.5	2.2	1.9
Price/tangible book @ target price (x)	5.7	3.2	3.1	2.7	2.4

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ngern Tid Lor; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPP	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIKK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER**ANALYST(S) CERTIFICATION****Rawisara Suwanumphai 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.

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Company	Ticker	Price	Rating	Valuation & Risks
Ngern Tid Lor	TIDLOR TB	THB 25.75	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB); 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 158.50	HOLD	Downside risks to our GGM-derived TP include 1) intense competition; 2) regulatory actions to curb industry growth; and 3) deteriorating asset quality. The upside risk is stronger-than-expected asset quality.
Krungthai Card	KTC TB	THB 58.50	BUY	Downside risks are: 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 34.75	HOLD	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 and the Office of Consumer Protection Board. Upside risks to our TP include 1) a better asset quality control; and 2) an increase interest rate charge to clients.
Srisawad Corp	SAWAD TB	THB 41.75	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 and the Office of Consumer Protection Board.
Saksiam Leasing	SAK TB	THB 6.85	BUY	Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the Bank of Thailand (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 4.44	HOLD	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) higher-than-expected policy rate hikes. Upside risks include 1) efficient asset quality control; and 2) the faster ramping up of its new businesses, including new motorcycle hire purchase loans, truck title loans, and insurance brokerage
Singer Thailand	SINGER TB	THB 34.25	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.
Bangkok Commercial Asset Mngt.	BAM TB	THB 15.20	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.
Chayo Group	CHAYO TB	THB 8.00	BUY	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.
JMT Network Services	JMT TB	THB 63.25	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.
Knight Club Capital Asset Mngt.	KCC TB	THB 7.15	HOLD	Upside risks to our GGM-based TP include 1) higher NPL acquisitions; and 2) higher corporate NPL settlements. Downside risks to our GGM-based TP include 1) lower cash collection due to the slow economic recovery; and 2) lower-than-expected bad debt acquisition.
Thanachart Capital	TCAP TB	THB 40.50	HOLD	An upside risk to our GGM-based target price is a faster-than-expected net profit contribution from Thanachart Plus. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TTB and THANI.
Next Capital	NCAP TB	THB 3.10	REDUCE	Upside risks to our TP include 1) strong demand for motorcycles; and 2) a lower commission paid to dealers.

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 Finansia 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 Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 09-Nov-2022 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.