

# NGERN TID LOR TIDLOR TB

## THAILAND / FINANCE & SECURITIES

# BUY

UNCHANGED

## ทำไมมีแนวโน้มดีต่อเนื่อง

- เราคาดว่ากำไรสุทธิ 3Q23 จะโต q-q และ y-y แม้ว่าการก่อตัวของผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) และหนี้ต่อคุณภาพ (NPL) จะเร่งตัวขึ้น
- คุณภาพสินทรัพย์น่าจะแตะระดับสูงสุดใน 3Q23 แต่ยังคงต่ำกว่าเป้าของบริษัทฯ อยู่มาก
- เราคงคำแนะนำซื้อจากแนวโน้มที่ดีขึ้นใน 4Q23

### คาดการณ์กำไร 3Q23 จะโตต่อเนื่องแม้ว่า ECL จะเร่งตัวขึ้น

เราคาดว่ากำไรสุทธิ 3Q23 ที่ 972 ลบ. (+4.8% q-q, +7.9% y-y) แม้ว่าจะ ECL และต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) น่าจะปรับตัวขึ้น กำไรก่อนหักสำรองน่าจะอยู่ที่ 1.92 พัน ลบ. (+4.7% q-q, +17.5% y-y) โดยได้ปัจจัยหนุนจากรายได้ดอกเบี้ยสุทธิ (NII) ที่คาดว่าจะเพิ่มขึ้น 4.8% q-q และ 18.0% y-y จากสินเชื่อที่โตต่อเนื่อง (หลังเข้าสู่ฤดูการปล่อยสินเชื่อ) ทั้งในด้านสินเชื่อทะเบียนรถยนต์และรถจักรยานยนต์ ในทางตรงกันข้ามบริษัทฯ ยังใช้ความระมัดระวังและควบคุมสินเชื่อเช่าซื้อรถบรรทุกอย่างต่อเนื่อง ใน 3Q23 Spread น่าจะยังทรงตัวที่ 15.05% แม้ว่าอัตราดอกเบี้ยสินเชื่อสำหรับลูกค้าความเสี่ยงสูงจะปรับขึ้นซึ่งจะเป็นบวกต่อผลตอบแทนสินเชื่อโดยจะช่วยชดเชยผลกระทบจากต้นทุนในการระดมเงิน (Cost of funds) ที่เพิ่มสูง (ยังใกล้เคียงกับเป้าของบริษัทฯ ที่คาดว่า Cost of funds ในช่วง 2H23 จะเพิ่มไม่เกิน 50bp) รายได้ค่านายหน้าจากการขายประกันน่าจะโตต่อเนื่องพร้อมตัวเลขเบี้ยประกันรับรวมที่สูงขึ้นโดยบริษัทฯ มีเป้าการเติบโตในปี 2023 อยู่ที่ 20-25% y-y สัดส่วนค่าใช้จ่ายดำเนินงานต่อรายได้น่าจะค่อนข้างทรงตัวที่ 55.45%

### คุณภาพสินทรัพย์และระดับสูงสุดทั้งในด้าน NPL และ Credit costs

ในภาพรวมคุณภาพสินทรัพย์ยังเป็นประเด็นที่ต้องกังวล ใน 3Q23 สัดส่วน NPL น่าจะแตะระดับสูงที่ 1.63% (ต่ำกว่าเป้าของบริษัทฯ ที่ไม่เกิน 1.80%) ในขณะที่ Credit costs น่าจะทรงตัวที่ 3.20% (ยังสอดคล้องกับเป้าปี 2023 ที่ 3.00-3.35%) NPL ก่อตัวขึ้นส่วนมากจากสินเชื่อในโครงการพักชำระหนี้ (พอร์ตรวม 400-500 ลบ.) และ NPL ใหม่ในกลุ่มสินเชื่อทะเบียนรถยนต์ NPL ที่เพิ่มขึ้นจากการเช่าซื้อรถบรรทุกมือสองเริ่มทรงตัวจากการควบคุมคุณภาพสินทรัพย์และการบริหารเชิงรุก โดยตัดจำหน่ายหนี้เป็นจำนวนมาก) TIDLOR คาดว่า NPL และ Credit costs จะลดลงใน 4Q23 และลดต่อเนื่องไปในปี 2024

### กำไรและคุณภาพสินทรัพย์มีแนวโน้มปรับตัวดีขึ้นใน 4Q23

จากเป้าประมาณการของบริษัทฯ คาดกำไรใน 4Q23 มีแนวโน้มที่จะสูงกว่าใน 3Q23 โดยอาจมี Upside ต่อประมาณการกำไรปี 2023 ในปัจจุบันของเราที่ 1.8-3.9% นอกจากนี้คุณภาพสินทรัพย์ยังน่าจะสร้างความกังวลน้อยลงหลังแตะระดับสูงสุดไปใน 3Q23

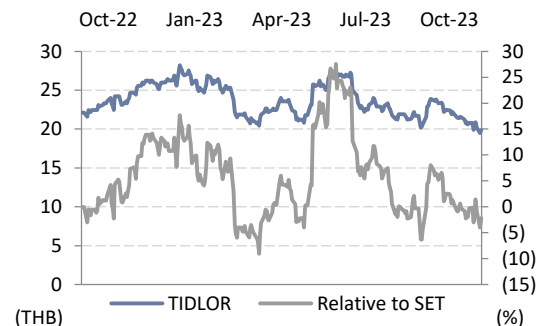
### คงคำแนะนำซื้อที่ราคาปัจจุบัน

เราคงคำแนะนำซื้อที่ราคาปัจจุบัน จากการกระจายความเสี่ยงของธุรกิจที่ดีเมื่อเทียบกับคู่แข่ง ราคาเป้าหมายปี 2023 ของเราที่ 28 บาท (GGM) คิดเป็นค่า P/BV อยู่ที่ 2.76x

TARGET PRICE	THB28.00
CLOSE	THB19.90
UP/DOWNSIDE	+40.7%
PRIOR TP	THB28.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	0.0%

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Operating profit	4,533	4,771	5,768	7,246
Net profit	3,640	3,817	4,614	5,797
EPS (THB)	1.46	1.36	1.64	2.06
vs Consensus (%)	-	(3.3)	(3.4)	(1.0)
Recurring net profit	3,640	3,817	4,614	5,797
Core EPS (THB)	1.46	1.36	1.64	2.06
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	6.7	(6.8)	20.9	25.6
Core P/E (x)	13.7	14.6	12.1	9.6
Dividend yield (%)	3.8	1.4	1.7	2.1
Price/book (x)	2.0	2.0	1.7	1.5
ROE (%)	15.2	14.2	15.2	16.6
ROA (%)	4.8	4.2	4.4	4.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(11.6)	(13.1)	(8.6)
Relative to country (%)	(4.6)	(9.3)	0.0
Mkt cap (USD m)	1,522		
3m avg. daily turnover (USD m)	13.3		
Free float (%)	21		
Major shareholder	Bank of Ayudhya (30%)		
12m high/low (THB)	28.44/19.20		
Issued shares (m)	2,809		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 11 ตุลาคม 2023

### Investment thesis

We reiterate our BUY call on TIDLOR at the current price due to:

- 1) TIDLOR's leadership and professionalism in the vehicle title loan business distinguish the company from its competitors (MTC, SAWAD). Technology-intensive investment coupled with branch expansion reflects positive results from its branches' performance over competitors (both loans and net profit per branch).
- 2) The insurance brokerage business is another source of income that supports growth (high margins) and diversifies the risk of long-term profits.
- 3) Asset quality may be a short-term pressure, but TIDLOR can proactively manage NPLs efficiently under the highest coverage ratio relative to peers.
- 4) A potential return of 42.1% p.a. (40.7% potential upside plus an expected dividend yield of 1.4% p.a.)

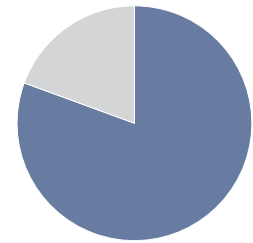
### Company profile

TIDLOR, founded in October 2006, is a non-bank financial services provider and an operator of technology-enabled, inclusive financial services. The company offers a full suite of vehicle title loans (motorcycles, cars, pickup trucks and tractors), hire-purchase financing for used trucks, and insurance brokerages services under the brand "Ngern Tid Lor".

[www.ngerntidlor.com](http://www.ngerntidlor.com)

### Principal activities (revenue, 1H23)

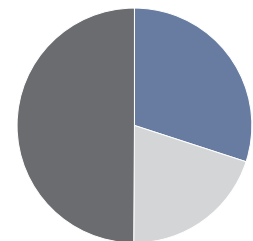
- Net interest income - 80.6 %
- Non-interest income - 19.4 %



Source: Ngern Tid Lor

### Major shareholders

- Bank of Ayudhya - 30.0 %
- Siam Asia Credit Access PTE Ltd - 20.1 %
- Others - 49.9 %



Source: Ngern Tid Lor

### Catalysts

- 1) A faster-than-expected economic recovery in Thailand;
- 2) A faster-than-expected new government formation;
- 3) Upcoming economic stimulus from the new government;
- 4) A higher-than-expected growth of non-life insurance premium

### 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 X); 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
6 November 2023	3Q23 results announcement

### Key assumptions

	2023E	2024E	2025E
	(%)	(%)	(%)
Net profit (THB m)	3,817	4,614	5,797
Net profit growth (%)	4.85	20.89	25.64
Spread (%)	15.24	15.25	15.31
Loan growth (%)	15.38	17.08	18.23
Net interest income growth (%)	22.66	16.71	18.25
Fee growth (%)	24.53	24.82	25.10
Credit cost (%)	2.40	2.40	2.40
Cost to income (%)	55.50	55.50	55.50

Source: FSSIA estimates

### Earnings sensitivity

		----- 2023E -----		
<b>Loan growth</b>	<b>±2ppt</b>	<b>13.4%</b>	<b>15.4%</b>	<b>17.4%</b>
% change in net profit		(1)		+1
<b>Spread (%)</b>	<b>±10bp</b>	<b>15.14%</b>	<b>15.24%</b>	<b>15.34%</b>
% change in net profit		(1)		+1
<b>Credit cost (bp)</b>	<b>±10bp</b>	<b>3.29</b>	<b>3.39</b>	<b>3.49</b>
% change in net profit		+2		(2)

Source: FSSIA estimates

## Exhibit 1: TIDLOR – 3Q23E operations summary

	3Q22	4Q22	1Q23	2Q23	3Q23E	----- Change -----		9M22	9M23E	Change	% of	2022	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	23E	(THB m)	(THB m)	(y-y%)
Interest income	3,260	3,520	3,567	3,744	3,946	5.4	21.0	9,012	11,257	24.9	71.9	12,532	15,650	24.9
Interest expense	(313)	(367)	(395)	(426)	(470)	10.2	49.9	(869)	(1,291)	49	72.0	(1,235)	(1,793)	45.2
<b>Net interest income</b>	<b>2,947</b>	<b>3,154</b>	<b>3,172</b>	<b>3,317</b>	<b>3,476</b>	<b>4.8</b>	<b>18.0</b>	<b>8,144</b>	<b>9,966</b>	<b>22</b>	<b>71.9</b>	<b>11,297</b>	<b>13,857</b>	<b>22.7</b>
Fee income	660	836	760	777	823	6.0	24.7	1,874	2,360	26	69.9	2,710	3,375	24.5
Other income	10	11	18	9	10	10.6	(1.4)	21	37	77	92.1	32	40	26.4
<b>Total income</b>	<b>3,617</b>	<b>4,001</b>	<b>3,950</b>	<b>4,103</b>	<b>4,309</b>	<b>5.0</b>	<b>19.1</b>	<b>10,039</b>	<b>12,363</b>	<b>23</b>	<b>71.6</b>	<b>14,039</b>	<b>17,272</b>	<b>23.0</b>
Operating expenses	(1,983)	(2,339)	(2,120)	(2,270)	(2,389)	5.3	20.5	(5,584)	(6,779)	21	70.7	(7,923)	(9,586)	21.0
Pre-provision operating profit	1,634	1,662	1,831	1,833	1,920	4.7	17.5	4,454	5,584	25	72.6	6,116	7,686	25.7
Expected credit loss	(242)	(343)	(467)	(418)	(430)	2.9	77.5	(601)	(1,315)	119	63.7	(944)	(2,065)	118.8
Profit after ECL	1,392	1,319	1,364	1,415	1,490	5.2	7.0	3,853	4,269	11	75.9	5,172	5,621	8.7
Other expenses	(271)	(303)	(168)	(252)	(270)	7.2	(0.2)	(336)	(690)	105	81.2	(639)	(850)	33.0
Operating profit	1,121	1,016	1,196	1,164	1,220	4.8	8.8	3,517	3,579	2	75.0	4,533	4,771	5.2
Income tax	(220)	(199)	(241)	(236)	(248)	4.7	12.4	(695)	(725)	4	76.0	(893)	(954)	6.8
<b>Net profit</b>	<b>901</b>	<b>817</b>	<b>955</b>	<b>927</b>	<b>972</b>	<b>4.8</b>	<b>7.9</b>	<b>2,823</b>	<b>2,854</b>	<b>1.1</b>	<b>74.8</b>	<b>3,640</b>	<b>3,817</b>	<b>4.9</b>
EPS (THB)	0.36	0.33	0.34	0.33	0.35	4.8	(4.1)	1.13	1.02	(10.1)	74.8	1.46	1.36	(6.8)
NPL	1,151	1,285	1,247	1,344	1,450	7.9	26.0	984	1,450	47.4		1,285	1,649	28.3
Loans	74,564	79,898	81,693	85,882	88,847	3.5	19.2	69,424	88,847	28.0		79,898	92,190	15.4
Interest bearing debt	52,333	56,613	59,872	61,527	63,176	2.7	20.7	48,746	63,176	29.6		56,613	64,950	14.7
<b>Key ratios</b>	<b>3Q22</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23E</b>	<b>(q-q)</b>	<b>(y-y)</b>	<b>9M22</b>	<b>9M23E</b>			<b>2022</b>	<b>2023E</b>	<b>Change</b>
	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)			(THB m)	(THB m)	(ppt)
Yield on loan	18.11	18.23	17.66	17.87	18.07	0.2	(0.0)	19.22	18.97			17.87	18.19	0.32
Cost of funds	2.48	2.69	2.71	2.81	3.02	0.2	0.5	2.66	3.08			2.51	2.95	0.44
Spread	15.63	15.54	14.95	15.06	15.05	(0.0)	(0.6)	16.56	15.89			15.37	15.24	(0.13)
Cost to income	54.81	58.46	53.66	55.32	55.45	0.1	0.6	58.49	55.63			56.44	55.50	(0.94)
Credit cost	1.35	1.78	2.31	2.00	1.97	(0.0)	0.6	1.28	2.22			1.35	2.40	1.05
Credit cost incl. gain (loss) from car repossesses	2.85	3.35	3.14	3.20	3.20	0.0	0.4	2.95	5.03			2.26	3.39	1.13
NPL / Loan	1.54	1.61	1.53	1.56	1.63	0.1	0.1	1.54	1.63			1.61	1.79	0.18
LLR / Loan	3.91	4.00	4.12	4.16	4.32	0.2	0.4	3.91	4.32			4.00	4.72	0.72
Coverage ratio	253.52	248.90	269.72	265.95	264.50	(1.46)	10.98	253.52	264.50			248.90	264.01	
D/E (x)	2.22	2.33	2.37	2.40	2.37			2.22	2.37			2.33	2.37	
IBD/E (x)	2.13	2.23	2.27	2.32	2.29			2.13	2.29			2.23	2.28	
IBD/Total debt (%)	96.00	95.46	95.83	96.41	96.80			96.00	96.80			95.46	96.12	
S/T debt/IBD (%)	37.57	35.57	33.98	37.50	34.63			37.57	34.63			35.57	25.33	
Loan growth q-q	7.40	7.15	2.25	5.13	3.45							0.00		
Loan growth y-y	34.09	32.42	26.58	23.71	19.16			24.84	27.98			32.42	15.38	
Loan growth YTD	23.58	32.42	2.25	7.49	11.20			23.58	11.20			0.00		

Sources: TIDLOR; FSSIA estimates

**Exhibit 2: Comparison of operating performance**

	MTC				SAWAD				TIDLOR			
	2020	2021	2022	2Q23	2020	2021	2022	2Q23	2020	2021	2022	2Q23
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Loan	70,098	90,701	119,084	131,257	39,450	33,668	55,147	86,983	50,807	60,339	79,898	85,882
Net profit	5,168	4,945	5,093	1,200	4,508	4,722	4,476	1,146	2,416	3,169	3,640	927
Branch (no.)	4,884	5,799	6,668	7,260	4,750	4,908	5,316	5,385	1,076	1,286	1,628	1,629
Increase (no.)	777	915	869	592	670	158	408	69	76	210	342	1
Loans per branch	14.35	15.64	17.86	18.85	8.31	6.86	10.37	16.15	7.30	8.67	11.48	12.34
Net profit per branch	1.06	0.85	0.76	0.17	0.95	0.96	0.84	0.21	2.25	2.46	2.24	0.57
Vehicle title loans	49,069	63,491	78,595	89,255	20,483	12,694	16,812	36,533	42,317	51,426	69,323	75,585
Market share (%)	41.5	42.6	37.5	36.3	17.3	8.5	8.0	14.9	35.8	34.5	33.1	30.8
Loan growth y-y (%)	17.8	29.4	31.3	23.6	9.9	(14.7)	63.8	113.5	6.7	18.8	32.4	23.7
Yields (%)	21.5	18.9	18.3	18.0	21.7	18.8	19.8	18.2	17.7	17.7	17.9	17.9
Cost of funds (%)	3.7	3.4	3.4	3.5	4.7	4.3	3.3	3.5	3.1	2.7	2.5	2.8
Interest spread (%)	17.8	15.5	14.9	14.5	17.0	14.5	16.5	14.7	14.7	14.9	15.4	15.1
Operating expense	6,144	6,961	8,462	2,463	3,787	3,476	5,442	1,776	5,772	6,559	7,923	2,270
Cost to income (%)	47.6	50.0	46.8	48.0	37.5	36.8	48.5	45.5	61.5	60.0	56.4	55.3
ECL	291	748	2,433	4,699	321	(455)	78	575	2,763	2,611	3,199	3,573
Credit cost (%)	0.45	0.93	2.70	3.18	0.85	(1.24)	0.18	3.04	1.18	1.12	1.35	2.00
Net profit	5,168	4,945	5,093	1,200	4,508	4,722	4,476	1,146	2,416	3,169	3,640	927
ROE (%)	28.2	21.7	18.9	16.1	22.3	20.2	17.8	17.5	22.9	18.6	15.2	14.0
D/E ratio (x)	2.73	2.96	3.40	3.71	1.16	0.85	1.40	2.55	3.54	1.97	2.33	2.40
IBD/E ratio (x)	2.64	2.87	3.30	3.62	1.08	0.71	1.26	2.42	3.38	1.87	2.23	2.32

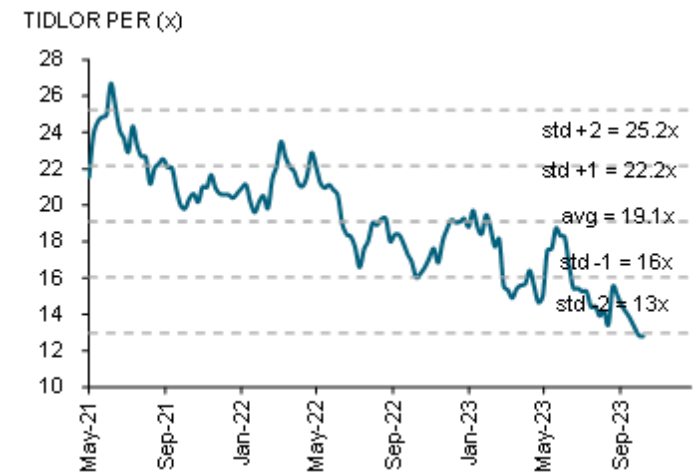
Sources: Company data; FSSIA's compilation

**Exhibit 3: One-year forward rolling P/BV (avg. since 2021)**



Sources: Bloomberg, FSSIA estimates

**Exhibit 4: One-year forward rolling PER (avg. since 2021)**



Sources: Bloomberg estimates

## Financial Statements

Ngern Tid Lor

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Interest Income	9,825	12,532	15,650	18,361	21,800
Interest expense	(1,121)	(1,235)	(1,793)	(2,189)	(2,677)
Net interest income	8,704	11,297	13,857	16,172	19,123
Net fees & commission	2,197	2,710	3,375	4,213	5,271
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	25	32	40	40	40
Non interest income	2,222	2,742	3,415	4,253	5,311
Total income	10,926	14,039	17,272	20,425	24,434
Staff costs	(6,559)	(7,923)	(9,586)	(11,336)	(13,561)
Other operating costs	-	-	-	-	-
Operating costs	(6,559)	(7,923)	(9,586)	(11,336)	(13,561)
Pre provision operating profit	4,367	6,116	7,686	9,089	10,873
Expected credit loss	(625)	(944)	(2,065)	(2,402)	(2,827)
Other provisions	211	(639)	(850)	(920)	(800)
Operating profit	3,953	4,533	4,771	5,768	7,246
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	-	-	-	-	-
Profit before tax	3,953	4,533	4,771	5,768	7,246
Tax	(784)	(893)	(954)	(1,154)	(1,449)
Profit after tax	3,169	3,640	3,817	4,614	5,797
Non-controlling interest	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	3,169	3,640	3,817	4,614	5,797
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	3,169	3,640	3,817	4,614	5,797
<b>Per share (THB)</b>					
Recurring EPS *	1.37	1.46	1.36	1.64	2.06
Reported EPS	1.37	1.46	1.36	1.64	2.06
DPS	0.56	0.75	0.27	0.33	0.41
<b>Growth</b>					
Net interest income (%)	15.2	29.8	22.7	16.7	18.2
Non interest income (%)	21.9	23.4	24.6	24.5	24.9
Pre provision operating profit (%)	21.0	40.0	25.7	18.3	19.6
Operating profit (%)	30.6	14.7	5.2	20.9	25.6
Reported net profit (%)	31.2	14.9	4.9	20.9	25.6
Recurring EPS (%)	19.2	6.7	(6.8)	20.9	25.6
Reported EPS (%)	19.2	6.7	(6.8)	20.9	25.6
<b>Income Breakdown</b>					
Net interest income (%)	79.7	80.5	80.2	79.2	78.3
Net fees & commission (%)	20.1	19.3	19.5	20.6	21.6
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.2	0.2	0.2	0.2	0.2
<b>Operating performance</b>					
Gross interest yield (%)	17.68	17.87	18.19	18.35	18.51
Cost of funds (%)	2.75	2.51	2.95	3.10	3.20
Net interest spread (%)	14.93	15.36	15.24	15.25	15.31
Net interest margin (%)	15.7	16.1	16.1	16.2	16.2
Cost/income(%)	60.0	56.4	55.5	55.5	55.5
Cost/assets(%)	10.9	10.5	10.6	10.9	11.2
Effective tax rate (%)	19.8	19.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	40.9	51.8	20.0	20.0	20.0
ROE (%)	18.6	15.2	14.2	15.2	16.6
ROE - COE (%)	7.8	4.4	3.4	4.4	5.8
ROA (%)	5.3	4.8	4.2	4.4	4.8
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	2021	2022	2023E	2024E	2025E
Gross customer loans	60,339	79,898	92,190	107,940	127,620
Allowance for expected credit loss	(2,611)	(3,199)	(4,355)	(5,064)	(5,955)
interest in suspense	1,120	1,367	1,614	1,920	2,304
<b>Net customer loans</b>	<b>58,847</b>	<b>78,067</b>	<b>89,449</b>	<b>104,796</b>	<b>123,970</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	3,995	2,191	2,186	1,708	1,907
Other interesting assets	-	-	-	-	-
Tangible fixed assets	1,394	1,686	1,770	1,858	1,951
Associates	-	-	-	-	-
Goodwill	294	294	294	300	350
Other intangible assets	332	257	260	262	265
Other assets	1,663	2,232	2,106	2,417	2,780
<b>Total assets</b>	<b>66,525</b>	<b>84,727</b>	<b>96,065</b>	<b>111,342</b>	<b>131,223</b>
Customer deposits	3,300	3,600	5,500	5,500	5,500
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	38,594	53,013	59,450	70,750	85,550
Non interest bearing liabilities	2,226	2,692	2,620	2,727	2,894
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>44,120</b>	<b>59,305</b>	<b>67,570</b>	<b>78,977</b>	<b>93,944</b>
Share capital	8,580	9,240	10,395	10,395	10,395
Reserves	13,825	16,182	18,100	21,970	26,884
<b>Total equity</b>	<b>22,405</b>	<b>25,422</b>	<b>28,495</b>	<b>32,366</b>	<b>37,279</b>
Non-controlling interest	0	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>66,525</b>	<b>84,727</b>	<b>96,065</b>	<b>111,342</b>	<b>131,223</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	55,573	70,118	86,044	100,065	117,780
Average interest bearing liabilities	40,795	49,254	60,781	70,600	83,650
CET 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	732	1,285	1,649	1,895	2,230
<b>Per share (THB)</b>					
Book value per share	9.66	10.18	10.14	11.52	13.27
Tangible book value per share	9.39	9.96	9.95	11.32	13.05
<b>Growth</b>					
Gross customer loans	18.8	32.4	15.4	17.1	18.2
Average interest earning assets	12.9	26.2	22.7	16.3	17.7
Total asset (%)	24.7	27.4	13.4	15.9	17.9
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	26.9	9.1	52.8	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	1,783.3	2,168.5	1,626.3	1,905.4	2,254.0
Equity/assets (%)	33.7	30.0	29.7	29.1	28.4
Tangible equity/assets (%)	32.7	29.4	29.1	28.6	27.9
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality (FSSIA's calculation)</b>					
Change in NPL (%)	(13.9)	75.5	28.3	14.9	17.7
NPL/gross loans (%)	1.2	1.6	1.8	1.8	1.7
Allowance for ECL/gross loans (%)	4.3	4.0	4.7	4.7	4.7
Allowance for ECL/NPL (%)	356.6	248.9	264.0	267.2	267.0
<b>Valuation</b>					
Recurring P/E (x) *	14.6	13.7	14.6	12.1	9.6
Recurring P/E @ target price (x) *	20.5	19.2	20.6	17.0	13.6
Reported P/E (x)	14.6	13.7	14.6	12.1	9.6
Dividend yield (%)	2.8	3.8	1.4	1.7	2.1
Price/book (x)	2.1	2.0	2.0	1.7	1.5
Price/tangible book (x)	2.1	2.0	2.0	1.8	1.5
Price/tangible book @ target price (x)	3.0	2.8	2.8	2.5	2.1

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ngern Tid Lor; FSSIA estimates

# NGERN TID LOR (TIDLOR TB)

**FSSIA ESG rating**

★★

**28.6/100**

## Exhibit 5: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	80-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	60-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	40-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	<b>20-39</b>	<b>Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.</b>
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

## Exhibit 6: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings						Bloomberg	
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	62.0	5.34	4.40	4.39	5	5	4	Medium	51.88	BBB	20.70	58.88	65.53	3.72	42.79
Coverage	59.2	5.15	4.13	4.13	5	5	4	Medium	52.06	BBB	16.73	57.46	62.63	3.39	46.63
AEONTS	25.8	--	--	--	4	4	3	Medium	5.01	BBB	--	3.45	2.13	n/a	n/a
BAM	47.7	--	Y	Y	5	5	4	Medium	5.89	B	--	6.19	1.75	2.88	81.10
JMT	27.9	--	--	--	4	4	5	Medium	--	BBB	--	1.59	1.63	0.00	86.79
KTC	64.3	--	Y	Y	5	5	5	Low	7.15	A	--	8.04	7.38	4.96	81.10
MTC	59.9	--	Y	Y	5	5	5	Low	5.27	AA	--	7.25	5.25	3.31	n/a
SAK	37.3	--	Y	Y	4	4	4	High	5.01	--	--	5.49	--	2.02	71.76
SAWAD	37.5	--	Y	Y	4	4	5	Medium	5.50	BB	--	2.54	1.63	1.93	81.10
TIDLOR	28.6	--	--	--	4	4	4	Medium	4.63	--	--	2.99	2.38	1.66	n/a
TK	5.0	--	--	--	5	5	5	--	--	--	--	--	--	n/a	n/a

Sources: [SETTRADE.com](http://SETTRADE.com); FSSIA's compilation

## Exhibit 7: ESG score by Bloomberg as of 10 October 2023

FY ending Dec 31	FY 2021	FY 2022
<b>ESG financial materiality scores – ESG score</b>	<b>1.61</b>	<b>--</b>
BESG environmental pillar score	0.00	--
BESG social pillar score	1.00	--
BESG governance pillar score	3.67	--
<b>ESG disclosure scores</b>	<b>30.71</b>	<b>--</b>
Environmental disclosure score	1.75	--
Social disclosure score	6.59	--
Governance disclosure score	83.59	--
<b>Environmental</b>		
Climate change policy	No	n/a
Climate change opportunities discussed	No	n/a
GHG scope 2 location-based	--	5
Biodiversity policy	No	n/a
Energy efficiency policy	Yes	n/a
Total energy consumption	--	8,923
Electricity used	--	9
Fuel used - crude oil/diesel	--	1
Waste reduction policy	Yes	n/a
Total waste	--	0
Environmental supply chain management	No	n/a
Water policy	Yes	n/a
Water consumption	--	21



Sources: Bloomberg; FSSIA's compilation

**Exhibit 8: ESG score by Bloomberg as of 10 October 2023 (cont.)**

FY ending Dec 31	FY 2021	FY 2022
<b>ESG financial materiality scores – ESG score</b>	<b>1.61</b>	<b>—</b>
<b>ESG disclosure scores</b>	<b>30.71</b>	<b>—</b>
<b>Social</b>		
Human rights policy	No	n/a
Policy against child labor	No	n/a
Quality assurance and recall policy	No	n/a
Consumer data protection policy	Yes	n/a
Equal opportunity policy	No	n/a
Gender pay gap breakout	No	n/a
Pct women in workforce	—	74
Business ethics policy	Yes	n/a
Anti-bribery ethics policy	Yes	Yes
Health and safety policy	No	n/a
Lost time incident rate - employees	—	0
Training policy	No	n/a
Fair remuneration policy	No	n/a
Number of employees - csr	—	6,654
Total hours spent by firm - employee training	—	309,979
Social supply chain management	No	n/a
<b>Governance</b>		
Board size	12	12
Number of independent directors	4	4
Number of women on board	1	1
Number of board meetings for the year	14	13
Board meeting attendance pct	96	92
Company conducts board evaluations	Yes	Yes
Number of non-executive directors on board	11	11
Director share ownership guidelines	No	No
Board age limit	75	75
Age of the youngest director	30	36
Age of the oldest director	61	62
Number of executives / company managers	9	9
Company has executive share ownership guidelines	No	No
Number of female executives	5	5
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>
Number of independent directors on audit committee	3	3
Audit committee meetings	4	4
Audit committee meeting attendance percentage	100	100
<b>Size of compensation committee</b>	<b>5</b>	<b>5</b>
Number of independent directors on compensation committee	1	1
Number of compensation committee meetings	6	7
Compensation committee meeting attendance %	97	97
<b>Size of nomination committee</b>	<b>5</b>	<b>5</b>
Number of independent directors on nomination committee	1	1
Number of nomination committee meetings	6	7
Nomination committee meeting attendance percentage	97	97
<b>Sustainability governance</b>		
Verification type	No	n/a
Employee CSR training	No	n/a
Board duration (years)	3	3

Sources: Bloomberg; FSSIA's compilation





Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
<b>AGM level</b> by Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
<b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
<b>Morningstar Sustainalytics</b>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
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0-10	10-20	20-30	30-40	40+																		
<b>ESG Book</b>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
<b>MSCI</b>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.																					
	<table border="1"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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<b>Moody's ESG solutions</b>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
<b>Refinitiv ESG rating</b>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
<b>S&amp;P Global</b>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

Source: FSSIA's compilation

**GENERAL DISCLAIMER**

**ANALYST(S) CERTIFICATION**

Usanee Liurut, CISA FSS International Investment Advisory Securities Co., Ltd

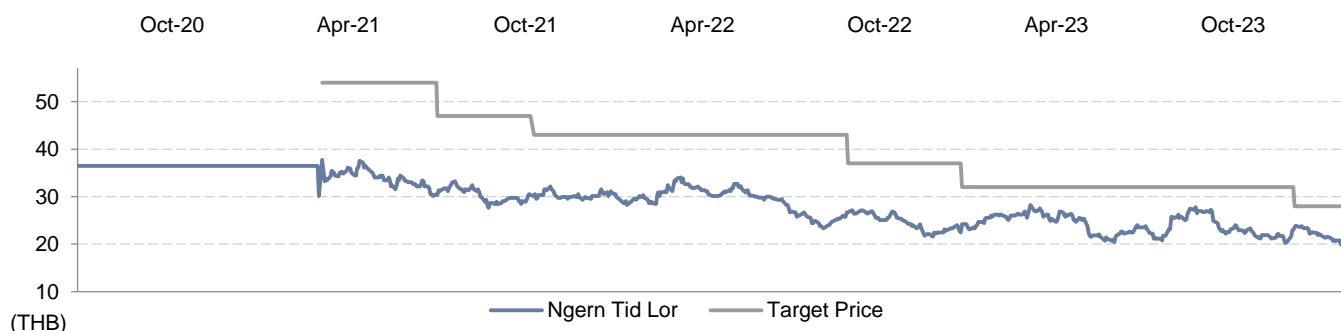
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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**History of change in investment rating and/or target price**

**Ngern Tid Lor (TIDLOR TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-May-2021	BUY	54.00	05-Nov-2021	BUY	43.00	10-Nov-2022	BUY	32.00
16-Aug-2021	BUY	47.00	04-Aug-2022	BUY	37.00	23-Aug-2023	BUY	28.00

Usanee Liurut, CISA started covering this stock from 07-May-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Ngern Tid Lor	TIDLOR TB	THB 19.90	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 X); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.

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

All share prices are as at market close on 10-Oct-2023 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.