

NGERN TID LOR TIDLOR TB
THAILAND / FINANCE & SECURITIES

BUY

UNCHANGED

กำไร 3Q23 ฟิ้นตัวตามคาด

- กำไรสุทธิ 3Q23 โต q-q และ y-y แม้ว่า ECL จะเร่งตัวขึ้น
- คุณภาพสินทรัพย์มีพัฒนาการเชิงบวกใน 3Q23 พร้อมสัดส่วนหนี้ต่อคุณภาพ (NPL ratio) และต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ที่ต่ำกว่าคาด
- เราคงแนะนำซื้อพร้อมแนวโน้มนำ 4Q23 ที่สดใสยิ่งขึ้น

TARGET PRICE	THB28.00
CLOSE	THB21.10
UP/DOWNSIDE	+32.7%
PRIOR TP	THB28.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	1.8%

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

กำไร 3Q23 ออกมาใกล้เคียงกับที่เราและตลาดคาด

TIDLOR รายงานกำไรสุทธิ 3Q23 อยู่ที่ 1 พัน ลบ. (+8.6% q-q, +11.7% y-y) แม้ว่าผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) เพิ่มสูงขึ้น ผลขาดทุนจากการขายรถยึดต่ำกว่าคาดมากซึ่งทำให้ Credit cost ออกมาต่ำกว่าคาดด้วย กำไรก่อนหักสำรองอยู่ที่ 1.94 พัน ลบ. (+5.9% q-q, +18.8% y-y) โดยได้ปัจจัยหนุนจากรายได้ดอกเบี้ยสุทธิที่เพิ่มขึ้น (+6.0% q-q, +19.3% y-y) จากสินเชื่อที่โตดีเกินคาด (หลังเข้าฤดูสินเชื่อ) ทั้งจากสินเชื่อทะเบียนรถยนต์และรถจักรยานยนต์ในทางตรงกันข้ามบริษัท ยังใช้ความระมัดระวังและควบคุมสินเชื่อเข้าซื้อรถบรรทุกอย่างต่อเนื่อง Spread ยังทรงตัวที่ 15.08% แม้ว่าอัตราดอกเบี้ยเงินกู้สำหรับลูกค้าความเสี่ยงสูงจะปรับตัวขึ้นซึ่งส่งผลกระทบต่อผลตอบแทนสินเชื่อโดยช่วยหักล้างผลกระทบจากต้นทุนในการระดมเงินกู้ยืมที่ปรับขึ้นสูง (แต่ยังใกล้เคียงกับเป้าหมายการของบริษัท ที่คาดว่าต้นทุนในการระดมเงินฝากในช่วง 2H23 น่าจะเพิ่มไม่เกิน 50bp) รายได้จากธุรกิจนายหน้าขายประกันโตต่อเนื่องพร้อมเบี้ยประกันรับรวมที่เพิ่มขึ้น 25.6% y-y ในภาพรวมสัดส่วนค่าใช้จ่ายในการดำเนินงานต่อรายได้ยังทรงตัวที่ 55.38% กำไรสุทธิ 9M23 คิดเป็น 76% ของประมาณการทั้งปีของเรา

คุณภาพสินทรัพย์ออกจากจุดต่ำสุดตั้งแต่ 2Q23

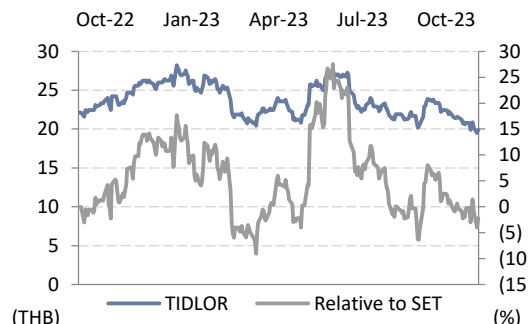
คุณภาพสินทรัพย์รวมมีพัฒนาการเชิงบวกพร้อม NPL ratio และ Credit cost ที่ต่ำกว่าคาด ใน 3Q23 NPL ratio ลดลงเหลือ 1.54% (ต่ำกว่าเป้าหมายของ TIDLOR ที่ไม่เกิน 1.80% อยู่มาก) ในขณะที่ Credit cost ลดลงเหลือ 3.09% (ยังใกล้เคียงกับเป้าหมายปี 2023 ที่ 3.00-3.35%) สินเชื่อจัดชั้นลำดับที่ 2 เพิ่มเล็กน้อยจาก 2Q23 อย่างไรก็ดีสัดส่วนเมื่อเทียบกับสินเชื่อรวมลดลงเหลือ 16.5% จาก 17.2% ใน 2Q23 สัดส่วนสำรองหนี้ต่อคุณภาพ (Coverage ratio) ต่ำกว่าช่วงตัวจาก 2Q23 ที่ 264.4%

แนวโน้มกำไรและคุณภาพสินทรัพย์ใน 4Q23 สดใสนั้น

เราคงประมาณการกำไรปี 2023-25 จากเป้าหมายการของผู้บริหารกำไร 4Q23 อาจสูงกว่าใน 3Q23 ในขณะที่ตัวชี้วัดคุณภาพสินทรัพย์น่าจะไม่เป็นประเด็นที่น่ากังวลหลังแตะระดับสูงสุดใน 2Q23 TIDLOR คาดว่า NPL และ Credit cost จะลดลงใน 4Q23 และลดต่อเนื่องไปในปี 2024

คงคำแนะนำซื้อที่ราคาปัจจุบัน

เราคงคำแนะนำซื้อที่ราคาปัจจุบัน ราคาเป้าหมายปี 2024 ของเราที่ 28 บาท (GGM, เท่ากับราคาเป้าหมายปี 2023) คิดเป็นค่า P/BV ได้ที่ 2.39x (ลดลงจาก 2.76x จากการปรับ Risk-free rate ให้สูงขึ้นเป็น 3.0% จาก 2.5%)



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 7 พฤศจิกายน 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 bottomed out since 2Q23 due mainly to the company proactively managing NPLs efficiently under the highest coverage ratio relative to peers.

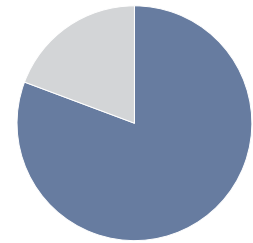
Company profile

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

Principal activities (revenue, 9M23)

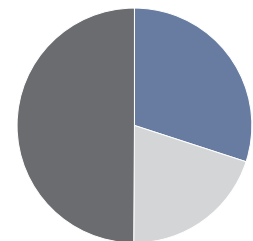
- Net interest income - 80.7 %
- Non-interest income - 19.3 %



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) Upcoming economic stimulus from the new government;
- 3) Higher-than-expected growth of non-life insurance premiums.

Risks to our call

Downside risks to our GGM-based TP include 1) more fierce competition in auto-title loans from commercial banks' subsidiaries; 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
13 November 2023	3Q23 analyst meeting

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 (%)	3.39	3.32	3.08
Cost to income (%)	55.50	55.50	55.50

Source: FSSIA estimates

Earnings sensitivity

		----- 2024E -----		
Loan growth	±2ppt	15.1%	17.1%	19.1%
% change in net profit		(1)		+1
Spread (%)	±10bp	15.15%	15.25%	15.35%
% change in net profit		(1)		+1
Credit cost (bp)	±10bp	3.22	3.32	3.42
% change in net profit		+2		(2)

Source: FSSIA estimates

Exhibit 1: TIDLOR – 3Q23 operations summary

	3Q22	4Q22	1Q23	2Q23	3Q23	----- Change -----		9M22	9M23	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	4,000	6.9	22.7	9,012	11,312	25.5	72	12,532	15,650	3,260
Interest expense	(313)	(367)	(395)	(426)	(484)	13.5	54.3	(869)	(1,305)	50	73	(1,235)	(1,793)	(313)
Net interest income	2,947	3,154	3,172	3,317	3,517	6.0	19.3	8,144	10,007	23	72	11,297	13,857	2,947
Fee income	660	836	760	777	822	5.9	24.6	1,874	2,359	26	70	2,710	3,375	660
Other income	10	11	18	9	11	25.5	12.0	21	38	84	96	32	40	10
Total income	3,617	4,001	3,950	4,103	4,351	6.0	20.3	10,039	12,404	24	72	14,039	17,272	3,617
Operating expenses	(1,983)	(2,339)	(2,120)	(2,270)	(2,409)	6.1	21.5	(5,584)	(6,799)	22	71	(7,923)	(9,586)	(1,983)
Pre-provision operating profit	1,634	1,662	1,831	1,833	1,941	5.9	18.8	4,454	5,606	26	73	6,116	7,686	1,634
Expected credit loss	(242)	(343)	(467)	(418)	(588)	40.8	142.8	(601)	(1,473)	145	71	(944)	(2,065)	(242)
Profit after ECL	1,392	1,319	1,364	1,415	1,353	(4.4)	(2.8)	3,853	4,132	7	74	5,172	5,621	1,392
Other expenses	(271)	(303)	(168)	(252)	(93)	(63.2)	(65.7)	(336)	(513)	53	60	(639)	(850)	(271)
Operating profit	1,121	1,016	1,196	1,164	1,260	8.3	12.4	3,517	3,620	3	76	4,533	4,771	1,121
Income tax	(220)	(199)	(241)	(236)	(253)	7.1	15.0	(695)	(731)	5	77	(893)	(954)	(220)
Net profit	901	817	955	927	1,007	8.6	11.7	2,823	2,889	2.3	76	3,640	3,817	901
EPS (THB)	0.36	0.33	0.34	0.33	0.36	8.6	(0.7)	1.13	1.03	(9.0)	76	1.46	1.36	0.36
NPL	1,151	1,285	1,247	1,344	1,391	3.5	20.8	984	1,391	41.3		1,285	1,649	1,151
Loans	74,564	79,898	81,650	85,867	90,455	5.3	21.3	69,424	90,455	30.3		79,898	92,190	74,564
Interest bearing debt	52,333	56,613	59,872	61,527	64,664	5.1	23.6	48,746	64,664	32.7		56,613	64,950	52,333
Key ratios	3Q22	4Q22	1Q23	2Q23	3Q23E			9M22	9M23E			2022	2023E	Change
	(%)	(%)	(%)	(%)	(%)			(%)	(%)			(THB m)	(THB m)	(ppt)
Yield on loan	18.11	18.23	17.67	17.88	18.15			19.22	18.87			17.87	18.19	
Cost of funds	2.48	2.69	2.71	2.81	3.07			2.66	3.07			2.51	2.95	
Spread	15.63	15.54	14.95	15.07	15.08			16.56	15.80			15.37	15.24	
Cost to income	54.81	58.46	53.66	55.32	55.38			55.63	54.81			56.44	55.50	
Credit cost	1.35	1.78	2.31	2.00	2.67			1.28	2.46			1.35	2.40	
Credit cost incl. gain (loss) from car repossesses	2.85	3.35	3.14	3.20	3.09			1.97	3.31			2.26	3.39	
NPL / Loan	1.54	1.61	1.53	1.56	1.54			1.54	1.54			1.61	1.79	
LLR / Loan	3.91	4.00	4.12	4.16	4.07			3.91	4.07			4.00	4.72	
Coverage ratio	253.52	248.90	269.72	265.95	264.44			253.52	264.44			248.90	264.01	
D/E (x)	2.22	2.33	2.37	2.40	2.43			2.22	2.43			2.33	2.37	
IBD/E (x)	2.13	2.23	2.27	2.32	2.35			2.13	2.35			2.23	2.28	
IBD/Total debt (%)	96.00	95.46	95.83	96.41	96.58			96.00	96.58			95.46	96.12	
S/T debt/IBD (%)	37.57	35.57	33.98	37.50	35.58			37.57	35.58			35.57	25.33	
Loan growth q-q	7.40	7.15	2.19	5.16	5.34									
Loan growth y-y	34.09	32.42	26.51	23.69	21.31			24.84	30.29			32.42	15.38	
Loan growth YTD	23.58	32.42	2.19	7.47	13.21			23.58	13.21					

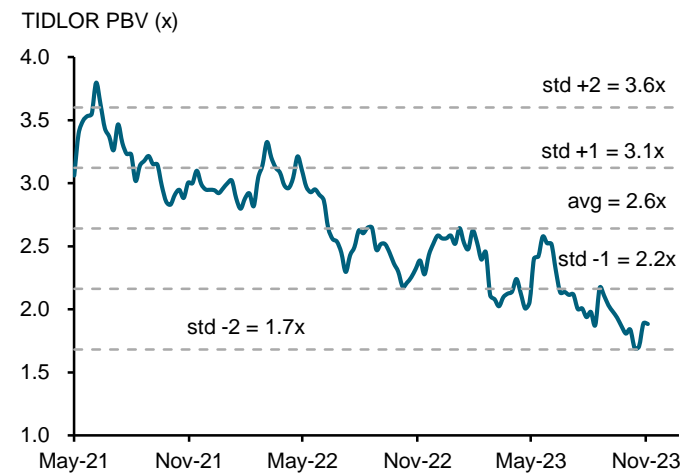
Sources: TIDLOR; FSSIA estimates

Exhibit 2: Stage loans and Allowances for ECL by stages and coverage ratio (%) 2020-3Q23

	2020	2021	2022	2Q23	3Q23	2019	2020	2021	2022	2Q23	3Q23
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Loans and accrued interest						Staged loans % of TL					
Stage 1	38,410	47,769	65,700	70,865	75,294	89.6	74.8	77.7	80.8	81.2	81.9
Stage 2	12,072	12,957	14,280	15,037	15,203	9.1	23.5	21.1	17.6	17.2	16.5
Stage 3	850	732	1,285	1,344	1,391	1.3	1.7	1.2	1.6	1.5	1.5
Total loans	51,331	61,458	81,265	87,246	91,888	100.0	100.0	100.0	100.0	100.0	100.0
Expected credit loss (ECL)						ECL % of stage loans					
Stage 1	997	934	1,075	1,217	1,261	1.0	2.6	2.0	1.6	1.7	1.7
Stage 2	1,034	1,086	1,311	1,491	1,517	2.0	8.6	8.4	9.2	9.9	10.0
Stage 3	732	591	813	866	900	100.0	86.1	80.7	63.2	64.4	64.7
Total ECL	2,763	2,611	3,199	3,573	3,678	2.4	5.4	4.2	3.9	4.1	4.0
LLR / Loans	(%)	(%)	(%)	(%)	(%)						
Stage 1	2.6	2.0	1.6	1.7	1.7						
Stage 2	8.6	8.4	9.2	9.9	10.0						
Stage 3	86.1	80.7	63.2	64.4	64.7						
Total LLR / Loans	5.4	4.2	3.9	4.1	4.0						
	(%)	(%)	(%)	(%)	(%)						
NPL / TL	1.66	1.19	1.58	1.54	1.51						
LLR / NPL	325	357	249	266	264						
NPL+S2/loans	25.17	22.27	19.15	18.77	18.06						
LLR/(NPL+S2)	21	19	21	22	22						

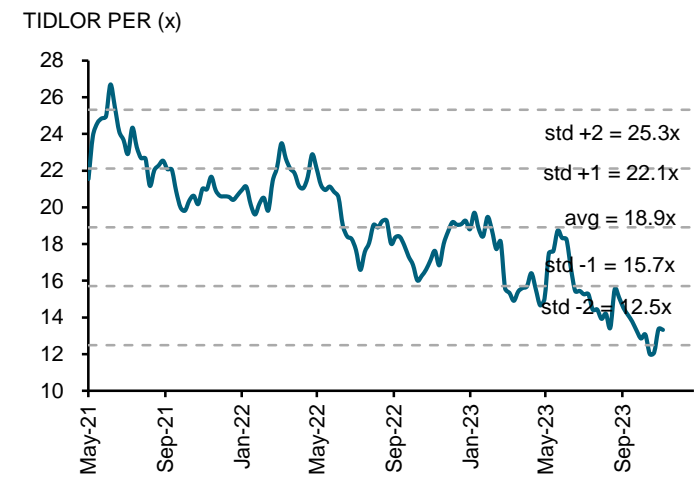
Sources: Company data; FSSIA's compilation

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; FSSIA estimates

Exhibit 5: GGM-derived TP, 2024E

Gordon growth model	New	Previous
Sustainable ROE	15.5%	15.5%
g	6.4%	6.4%
ROE-g	9.1%	9.1%
Beta	1.20	1.20
Risk free rate	3.0%	2.5%
Risk premium	6.0%	6.0%
COE	10.2%	10.2%
COE-g	3.8%	3.8%
ROE-g/COE-g	2.39	2.76

Source: FSSIA estimates

Financial Statements

Ngerm 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
Per share (THB)					
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
Growth					
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
Income Breakdown					
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
Operating performance					
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: Ngerm 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
Net customer loans	58,847	78,067	89,449	104,796	123,970
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
Total assets	66,525	84,727	96,065	111,342	131,223
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	-	-	-	-	-
Total liabilities	44,120	59,305	67,570	78,977	93,944
Share capital	8,580	9,240	10,395	10,395	10,395
Reserves	13,825	16,182	18,100	21,970	26,884
Total equity	22,405	25,422	28,495	32,366	37,279
Non-controlling interest	0	0	0	0	0
Total liabilities & equity	66,525	84,727	96,065	111,342	131,223
Supplementary items					
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
Per share (THB)					
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
Growth					
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	-	-
Leverage & capital measures					
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 (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
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
Valuation					
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 6: 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.
★★	20-39	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.
★	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 7: 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; FSSIA's compilation

Exhibit 8: ESG score by Bloomberg as of 10 October 2023

FY ending Dec 31	FY 2021	FY 2022
ESG financial materiality scores – ESG score	1.61	--
BESG environmental pillar score	0.00	--
BESG social pillar score	1.00	--
BESG governance pillar score	3.67	--
ESG disclosure scores	30.71	--
Environmental disclosure score	1.75	--
Social disclosure score	6.59	--
Governance disclosure score	83.59	--
Environmental		
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 9: ESG score by Bloomberg as of 10 October 2023 (cont.)

FY ending Dec 31	FY 2021	FY 2022
ESG financial materiality scores – ESG score	1.61	—
ESG disclosure scores	30.71	—
Social		
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
Governance		
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
Size of audit committee	3	3
Number of independent directors on audit committee	3	3
Audit committee meetings	4	4
Audit committee meeting attendance percentage	100	100
Size of compensation committee	5	5
Number of independent directors on compensation committee	1	1
Number of compensation committee meetings	6	7
Compensation committee meeting attendance %	97	97
Size of nomination committee	5	5
Number of independent directors on nomination committee	1	1
Number of nomination committee meetings	6	7
Nomination committee meeting attendance percentage	97	97
Sustainability governance		
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 THSI inclusion , 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. SETTHSI Index 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.																				
CG Score 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%).																				
AGM level 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%). (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&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)	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.																				
Thai CAC 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. (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.)	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.																				
Morningstar Sustainalytics	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. 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 & peer reviews.	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+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	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.																				
MSCI	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>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</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>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	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.																					
Refinitiv ESG rating	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. (Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)																					
S&P Global	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.																					
Bloomberg	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

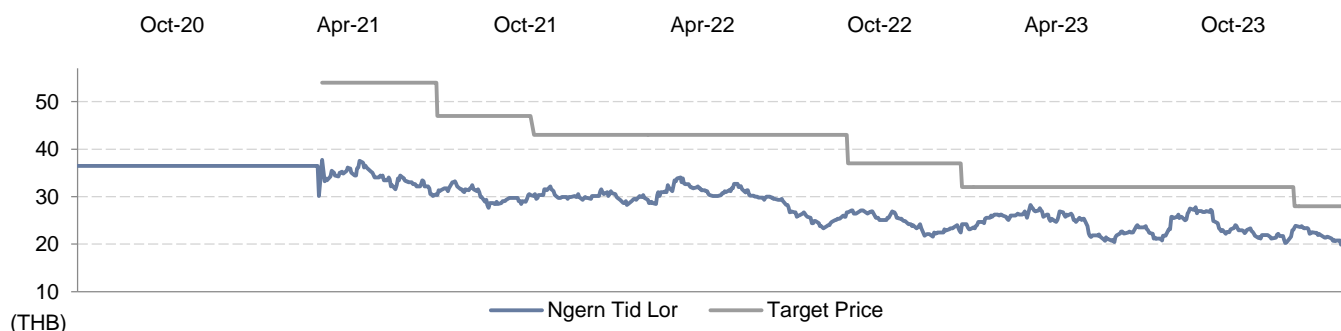
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History of change in investment rating and/or target price

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 21.10	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 6-Nov-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.