

# NGERN TID LOR TIDLOR TB

THAILAND / FINANCE & SECURITIES

**BUY**  
UNCHANGED

## Key takeaways from analyst meeting

The 3Q23 analyst meeting mainly focused on asset quality and business outlook. TIDLOR maintains its 2023 guidance except for the NPL ratio target, which has declined to 1.65% from 1.80%. In contrast, the credit cost target remained at a high level of 3.00-3.35% (3Q23 was at 3.09%), following a cautious policy under the current economic situation.

### Highlights

**(0) Asset quality:** TIDLOR disclosed that it would be necessary to maintain the high credit cost level to tackle NPL formation due to concerns about the near-term outlook, especially the increasing supply of auctioned vehicles in the market. Moreover, the company confirmed that it would not grant more loans to debtors in the debt-relief program, which could potentially become NPLs amounting to cTHB400m. Our 2023 credit cost estimate, including losses from repossessed cars, at 3.39% is still in line with TIDLOR's guidance.

**(0) Cost-to-income ratio:** TIDLOR guided that its 2024 cost-to-income ratio should remain relatively stable at the 2023E level at 55-56% due primarily to the IT investment for regular new branch openings and business platforms. In addition, the insurance brokerage business usually has higher operating expenses than lending, leading to a higher cost-to-income ratio than peers.

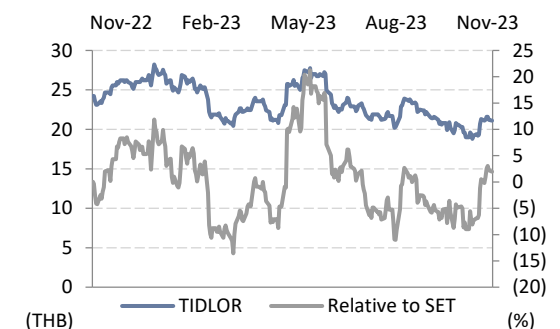
**(0) New product:** TIDLOR plans to launch a new product, a land title loan, within late November 2023. The interest rate charge will not exceed 15% p.a., LTV will be lower than 50%, and it will have a tenor of 24-36 months. Although it could boost the company's loan growth, it would drag its loan yield simultaneously (from an average loan yield of 15.80% p.a. in 9M23). TIDLOR explained that it would balance the land title loan exposure by not putting pressure on the company's total loan yields. However, given that there is no current guidance, we have yet to include this product in our forecast.

We maintain our 2023-25 earnings forecast and reiterate our BUY call at the current price. Our 2024 GGM-based TP of THB28 implies a P/BV of 2.39x.

TARGET PRICE THB28.00  
CLOSE THB21.10  
UP/DOWNSIDE +32.7%  
TP vs CONSENSUS +3.2%

### 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 (%)	-	(3.1)	(1.6)	1.7
Recurring net profit	3,640	3,817	4,614	5,797
Core EPS (THB)	1.46	1.36	1.64	2.06
EPS growth (%)	6.7	(6.8)	20.9	25.6
Core P/E (x)	14.5	15.5	12.8	10.2
Dividend yield (%)	3.6	1.3	1.6	2.0
Price/book (x)	2.1	2.1	1.8	1.6
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 (%)	2.4	(2.8)	(12.9)
Relative to country (%)	7.1	7.6	2.8
Mkt cap (USD m)	1,646		
3m avg. daily turnover (USD m)	14.9		
Free float (%)	21		
Major shareholder	Bank of Ayudhya (30%)		
12m high/low (THB)	28.44/18.60		
Issued shares (m)	2,809		

Sources: Bloomberg consensus; FSSIA estimates



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## Exhibit 1: Summary of 3Q23 operations

	3Q22	4Q22	1Q23	2Q23	3Q23	----- Change -----		9M23	Change	% of	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	23E	(THB m)	(y-y%)
Interest income	3,260	3,520	3,567	3,744	4,000	6.9	22.7	11,312	25.5	72	15,650	24.9
Interest expense	(313)	(367)	(395)	(426)	(484)	13.5	54.3	(1,305)	50	73	(1,793)	45.2
Net interest income	2,947	3,154	3,172	3,317	3,517	6.0	19.3	10,007	23	72	13,857	22.7
Fee income	660	836	760	777	822	5.9	24.6	2,359	26	70	3,375	24.5
Other income	10	11	18	9	11	25.5	12.0	38	84	96	40	26.4
Total income	3,617	4,001	3,950	4,103	4,351	6.0	20.3	12,404	24	72	17,272	23.0
Operating expenses	(1,983)	(2,339)	(2,120)	(2,270)	(2,409)	6.1	21.5	(6,799)	22	71	(9,586)	21.0
Pre-provision operating profit	1,634	1,662	1,831	1,833	1,941	5.9	18.8	5,606	26	73	7,686	25.7
Expected credit loss	(242)	(343)	(467)	(418)	(588)	40.8	142.8	(1,473)	145	71	(2,065)	118.8
Profit after ECL	1,392	1,319	1,364	1,415	1,353	(4.4)	(2.8)	4,132	7	74	5,621	8.7
Other expenses	(271)	(303)	(168)	(252)	(93)	(63.2)	(65.7)	(513)	53	60	(850)	33.0
Operating profit	1,121	1,016	1,196	1,164	1,260	8.3	12.4	3,620	3	76	4,771	5.2
Income tax	(220)	(199)	(241)	(236)	(253)	7.1	15.0	(731)	5	77	(954)	6.8
<b>Net profit</b>	<b>901</b>	<b>817</b>	<b>955</b>	<b>927</b>	<b>1,007</b>	<b>8.6</b>	<b>11.7</b>	<b>2,889</b>	<b>2.3</b>	<b>76</b>	<b>3,817</b>	<b>4.9</b>
EPS (THB)	0.36	0.33	0.34	0.33	0.36	8.6	(0.7)	1.03	(9.0)	76	1.36	(6.8)
NPL	1,151	1,285	1,247	1,344	1,391	3.5	20.8	1,391	41.3		1,649	28.3
Loans	74,564	79,898	81,650	85,867	90,455	5.3	21.3	90,455	30.3		92,190	15.4
Interest bearing debt	52,333	56,613	59,872	61,527	64,664	5.1	23.6	64,664	32.7		64,950	14.7
<b>Key ratios</b>	<b>3Q22</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>			<b>9M23</b>			<b>2023E</b>	
	(%)	(%)	(%)	(%)	(%)			(%)			(THB m)	
Yield on loan	18.11	18.23	17.67	17.88	18.15			18.87			18.19	
Cost of funds	2.48	2.69	2.71	2.81	3.07			3.07			2.95	
Spread	15.63	15.54	14.95	15.07	15.08			15.80			15.24	
Cost to income	54.81	58.46	53.66	55.32	55.38			54.81			55.50	
Credit cost	1.35	1.78	2.31	2.00	2.67			2.46			2.40	
Credit cost incl. gain (loss) from car repossesses	2.85	3.35	3.14	3.20	3.09			3.31			3.39	
NPL / Loan	1.54	1.61	1.53	1.56	1.54			1.54			1.79	
LLR / Loan	3.91	4.00	4.12	4.16	4.07			4.07			4.72	
Coverage ratio	253.52	248.90	269.72	265.95	264.44			264.44			264.01	
D/E (x)	2.22	2.33	2.37	2.40	2.43			2.43			2.37	
IBD/E (x)	2.13	2.23	2.27	2.32	2.35			2.35			2.28	
IBD/Total debt (%)	96.00	95.46	95.83	96.41	96.58			96.58			96.12	
S/T debt/IBD (%)	37.57	35.57	33.98	37.50	35.58			35.58			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			30.29			15.38	
Loan growth YTD	23.58	32.42	2.19	7.47	13.21			13.21				

Sources: TIDLOR; FSSIA estimates

## Exhibit 2: TIDLOR's 2023 guidance

	TIDLOR	
	2023E	2023E
	Previous	Revised
Loan growth	10-20%	10-20%
Non-life insurance premium growth	20-25%	20-25%
NPL	< 1.8%	< 1.65%
Credit cost	3.00-3.35%	3.00-3.35%

Source: TIDLOR

## Exhibit 3: GGM-derived TP, 2024E

Gordon growth model	
Sustainable ROE	15.5%
g	6.4%
ROE-g	9.1%
Beta	1.20
Risk free rate	3.0%
Risk premium	6.0%
COE	10.2%
COE-g	3.8%
<b>ROE-g/COE-g (P/BV)</b>	<b>2.39</b>

Source: FSSIA 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) *	15.4	14.5	15.5	12.8	10.2
Recurring P/E @ target price (x) *	20.5	19.2	20.6	17.0	13.6
Reported P/E (x)	15.4	14.5	15.5	12.8	10.2
Dividend yield (%)	2.6	3.6	1.3	1.6	2.0
Price/book (x)	2.2	2.1	2.1	1.8	1.6
Price/tangible book (x)	2.2	2.1	2.1	1.9	1.6
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 PCL (TIDLOR TB)

**FSSIA ESG rating**

★★

**36.71 /100**

## Exhibit 4: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	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>&gt;19-39</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 ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

## Exhibit 5: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
MTC	68.21	--	Y	Y	5.00	5.00	Certified	Low	42.19	AA	--	58.09	42.00	3.31	--
SAWAD	46.52	--	Y	Y	4.00	5.00	--	Medium	43.97	BB	--	20.18	13.00	1.93	40.04
TIDLOR	36.71	--	--	--	4.00	4.00	Certified	Medium	37.03	--	--	23.69	19.00	1.66	--
SAK	45.28	--	Y	Y	4.00	4.00	Certified	High	40.10	--	--	43.87	--	2.02	36.23
TK	15.00	--	--	--	5.00	5.00	--	--	--	--	--	--	--	--	--
HENG	20.00	--	--	--	5.00	5.00	Certified	--	--	--	--	--	--	--	--
S11	13.00	--	--	--	4.00	4.00	--	--	--	--	--	--	--	--	--
NCAP	18.00	--	--	--	4.00	4.00	Certified	--	--	--	--	--	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

## Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>1.61</b>	<b>1.66</b>
BESG environmental pillar score	0.00	—
BESG social pillar score	1.00	—
BESG governance pillar score	3.67	—
<b>ESG disclosure score</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>		
Emissions reduction initiatives	No	No
Climate change policy	No	No
Climate change opportunities discussed	No	No
Risks of climate change discussed	No	No
GHG scope 1	—	2
GHG scope 2 location-based	—	5
GHG Scope 3	—	1
Carbon per unit of production	—	—
Biodiversity policy	No	No
Energy efficiency policy	Yes	No
Total energy consumption	—	8,923
Renewable energy use	—	—
Electricity used	—	9
Fuel used - natural gas	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 7: ESG score by Bloomberg (cont.)**

<b>FY ending Dec 31</b>	<b>FY 2021</b>	<b>FY 2022</b>
Fuel used - crude oil/diesel	No	No
Waste reduction policy	Yes	No
Hazardous waste	—	0
Total waste	—	0
Waste recycled	—	—
Waste sent to landfills	—	—
Environmental supply chain management	No	No
Water policy	Yes	No
Water consumption	—	21
<b>Social</b>		
Human rights policy	No	No
Policy against child labor	No	No
Quality assurance and recall policy	No	No
Consumer data protection policy	Yes	No
Equal opportunity policy	No	No
Gender pay gap breakout	No	No
Pct women in workforce	—	74
Pct disabled in workforce	—	—
Business ethics policy	Yes	No
Anti-bribery ethics policy	Yes	Yes
Health and safety policy	No	No
Lost time incident rate - employees	—	0
Total recordable incident rate - employees	—	—
Training policy	No	No
Fair remuneration policy	No	No
Number of employees – CSR	—	6,654
Employee turnover pct	—	—
Total hours spent by firm - employee training	—	309,979
Social supply chain management	No	No
<b>Governance</b>		
<b>Board size</b>	<b>12</b>	<b>12</b>
<b>No. of independent directors (ID)</b>	<b>4</b>	<b>4</b>
No. of women on board	1	1
No. of non-executive directors on board	11	11
Company conducts board evaluations	Yes	Yes
No. of board meetings for the year	14	13
Board meeting attendance pct	96	92
Board duration (years)	3	3
Director share ownership guidelines	No	No
Age of the youngest director	30	36
Age of the oldest director	61	62
<b>No. of executives / company managers</b>	<b>9</b>	<b>9</b>
No. of female executives	5	5
Executive share ownership guidelines	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3
Audit committee meetings	4	4
Audit meeting attendance %	100	100
<b>Size of compensation committee</b>	<b>5</b>	<b>5</b>
No. of ID on compensation committee	1	1
No. of compensation committee meetings	6	7
Compensation meeting attendance %	97	97
<b>Size of nomination committee</b>	<b>5</b>	<b>5</b>
No. of nomination committee meetings	6	7
Nomination meeting attendance %	97	97
<b>Sustainability governance</b>		
Verification type	No	No

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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<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" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>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> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>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> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></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

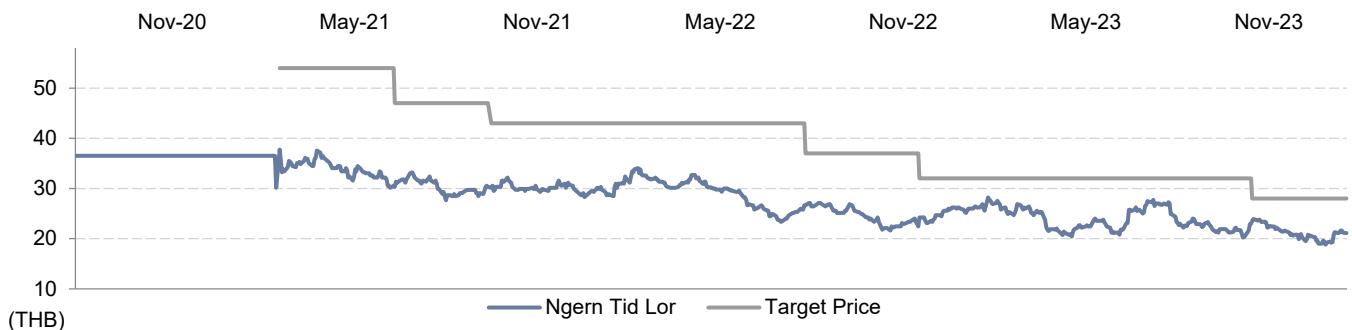
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### History of change in investment rating and/or target price

#### 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 23-Aug-2023

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

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All share prices are as at market close on 13-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.