

NGERN TID LOR TIDLOR TB

THAILAND / FINANCE & SECURITIES

BUY

UNCHANGED

TARGET PRICE	THB28.00
CLOSE	THB22.60
UP/DOWNSIDE	+23.9%
PRIOR TP	THB28.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+1.2%

Unimpressive 4Q23E profit

- 4Q23 net profit to still be pressured by accelerating ECL and seasonal operating expenses.
- Overall asset quality is still manageable with continued aggressive NPL write-offs.
- We reiterate our BUY call at current share price.

4Q23 profit to drop from rising ECL and expenses

We expect a 4Q23 net profit of THB928m, dropping by 7.8% q-q but increasing by 13.5% y-y. Key drags are from 1) rising ECL and credit cost; and 2) accelerating seasonal operating expenses, which include continued significant losses on the sale of repossessed cars. 4Q23E PPOP is THB1.98b, rising by 1.9% q-q and 19.0% y-y, supported by an increase in net interest income estimated at 4.5% q-q and 16.5% y-y. Thanks to seasonality, loans should continue to grow by 5.6% q-q and 19.6% y-y for car and motorcycle title loans. The 4Q23 spread should be softer q-q by 13bp to 14.95%, amid stable loan yields and a rising cost of funds (the magnitude of the rise is still in line with its guidance that 2H23 cost of funds would increase by no more than 50bp). 4Q23 insurance commission income should continue to grow, aligning with an increase in total written premiums, with a 2023 target of 20-25% y-y.

Manageable asset quality; credit cost rising

Overall asset quality is still manageable, with the 4Q23 NPL ratio expected to be relatively stable q-q at 1.53% (much lower than TIDLOR's guidance of no more than 1.80%). However, we expect 4Q23 credit cost to jump significantly to 3.52% (2023E's 3.20% is still in line with the 2023 guidance of 3.00-3.35%) to tackle NPL formation, which mainly comes from loans in the debt moratorium project (total portfolio THB400m-500m) and new NPLs in the vehicle title loan group. Meanwhile, increased NPLs from used truck hire purchases began stabilizing due to TIDLOR's credit quality control and proactive management.

More cautious view on its 2024 outlook

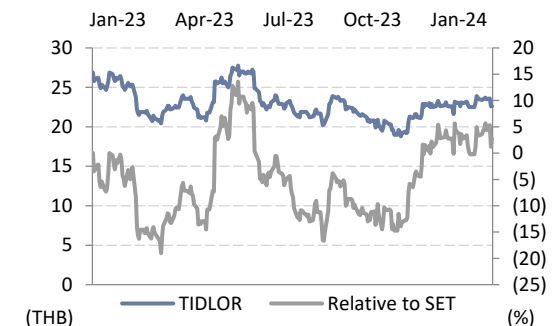
We retain our 2023 forecast but make minor revisions to our 2024-25E earnings, as shown in Exhibit 3, with 21% growth p.a. However, we have a more cautious view about the 2024 outlook due mainly to the rising losses on sales of repossessed cars from the oversupply of used cars, which could provide a negative downside to our forecast.

Reiterate BUY call at the current price

We reiterate our BUY call at the current price, which is trading below -1SD of its 3Y average P/BV. Our 2024 GGM-based TP of THB28 implies a P/BV of 2.39x (expected LT-ROE of 15.5% and COE of 10.2%).

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Operating profit	4,533	4,780	5,790	7,029
Net profit	3,640	3,817	4,632	5,623
EPS (THB)	1.46	1.36	1.65	2.00
vs Consensus (%)	-	(3.8)	(2.2)	(2.3)
Recurring net profit	3,640	3,817	4,632	5,623
Core EPS (THB)	1.46	1.36	1.65	2.00
Chg. In EPS est. (%)	-	0.0	0.4	(3.0)
EPS growth (%)	6.7	(6.8)	21.4	21.4
Core P/E (x)	15.5	16.6	13.7	11.3
Dividend yield (%)	3.3	1.2	1.5	1.8
Price/book (x)	2.2	2.2	2.0	1.7
ROE (%)	15.2	14.2	15.2	16.2
ROA (%)	4.8	4.1	4.3	4.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.2)	11.3	(18.0)
Relative to country (%)	(1.4)	15.6	(0.1)
Mkt cap (USD m)	1,789		
3m avg. daily turnover (USD m)	13.5		
Free float (%)	21		
Major shareholder	Bank of Ayudhya (30%)		
12m high/low (THB)	28.00/18.60		
Issued shares (m)	2,809		

Sources: Bloomberg consensus; FSSIA estimates



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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) 3) Asset quality bottomed out in 2Q23 due mainly to the company proactively managing NPLs efficiently under the highest coverage ratio relative to peers.

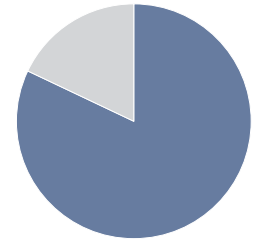
Company profile

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, 2022)

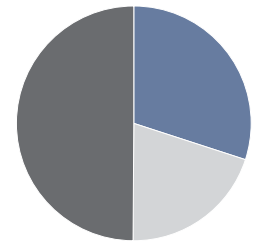
- Net interest income - 82.0 %
- Non-interest income - 18.0 %



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) 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
19 Feb 2024	2023 results announcement

Key assumptions

	2023E	2024E	2025E
Net profit (THB m)	3,817	4,632	5,623
Net profit growth (%)	4.9	21.4	21.4
Spread (%)	14.83	15.28	15.33
Loan growth (%)	19.6	16.1	13.8
Net interest income growth (%)	21.1	21.5	15.8
Fee growth (%)	20.6	21.8	18.0
Credit cost (%)	320	329	307
Cost to income (%)	55.40	55.50	55.50

Source: FSSIA estimates

Earnings sensitivity

		----- 2024E -----		
Loan growth	±2ppt	14.13	16.13	18.13
		(1)		1
Spread (%)	±10bp	15.18	15.28	15.38
		(1)		1
Credit cost (bp)	±10bp	319	329	339
		2		(2)

Source: FSSIA estimates

Unimpressive 4Q23E profit from rising ECL and expenses

We expect a 4Q23 net profit of THB928m, dropping by 7.8% q-q but increasing by 13.5% y-y. Key drags are from 1) rising ECL and credit cost; and 2) accelerating seasonal operating expenses, which include continued significant losses on the sale of repossessed cars. 4Q23E PPOP is THB1.98b, rising by 1.9% q-q and 19.0% y-y, supported by an increase in net interest income estimated at 4.5% q-q and 16.5% y-y. Thanks to seasonality, loans should continue to grow by 5.6% q-q and 19.6% y-y for car and motorcycle title loans. The 4Q23 spread should be softer q-q by 13bp to 14.95%, amid stable loan yields and a rising cost of funds (the magnitude of the rise is still in line with its guidance that 2H23 cost of funds would increase by no more than 50bp). 4Q23 insurance commission income should continue to grow, aligning with an increase in total written premiums, with a 2023 target of 20-25% y-y.

We estimate 2023 net profit to rise to THB3.82b, a slight increase of 4.9% y-y. Despite a significant rise in net interest income and insurance brokerage income, the positive impact should be offset by higher ECL to tackle the NPL write-offs, mainly from the used truck hire-purchase segment.

Exhibit 1: TIDLOR – 4Q23 earnings preview

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----		2022	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Interest income	3,260	3,520	3,567	3,744	4,000	4,219	5.5	19.9	12,532	15,531	23.9
Interest expense	(313)	(367)	(395)	(426)	(484)	(545)	12.7	48.7	(1,235)	(1,850)	49.8
Net interest income	2,947	3,154	3,172	3,317	3,517	3,674	4.5	16.5	11,297	13,681	21.1
Fee income	660	836	760	777	822	910	10.6	8.8	2,710	3,269	20.6
Other income	10	11	18	9	11	14	23.3	28.7	32	52	65.0
Total income	3,617	4,001	3,950	4,103	4,351	4,598	5.7	14.9	14,039	17,002	21.1
Operating expenses	(1,983)	(2,339)	(2,120)	(2,270)	(2,409)	(2,620)	8.7	12.0	(7,923)	(9,419)	18.9
Pre-provision operating profit	1,634	1,662	1,831	1,833	1,941	1,978	1.9	19.0	6,116	7,584	24.0
Expected credit loss	(513)	(646)	(635)	(670)	(681)	(818)	20.1	26.6	(1,583)	(2,804)	77.2
Profit after ECL	1,121	1,016	1,196	1,164	1,260	1,160	(7.9)	14.2	4,533	4,780	5.4
Operating profit	1,121	1,016	1,196	1,164	1,260	1,160	(7.9)	14.2	4,533	4,780	5.4
Income tax	(220)	(199)	(241)	(236)	(253)	(232)	(8.4)	16.8	(893)	(963)	7.8
Net profit	901	817	955	927	1,007	928	(7.8)	13.5	3,640	3,817	4.9
EPS (THB)	0.36	0.33	0.34	0.33	0.36	0.33	(7.8)	0.9	1.46	1.36	(6.8)
NPL	1,151	1,285	1,247	1,344	1,391	1,460	3.5	20.8	1,285	1,460	13.6
Loans	74,564	79,898	81,693	85,882	90,506	95,568	5.4	21.4	79,898	95,568	19.6
Interest bearing debt	52,333	56,613	59,872	61,527	64,664	72,165	5.1	23.6	56,613	72,165	27.5
Key ratios	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E			2022	2023E	
	(%)	(%)	(%)	(%)	(%)	(%)			(THB m)	(THB m)	
Yield on loan	18.11	18.23	17.66	17.87	18.14	18.14			17.87	17.70	
Cost of funds	2.48	2.69	2.71	2.81	3.07	3.19			2.51	2.87	
Spread	15.63	15.54	14.95	15.06	15.08	14.95			15.37	14.83	
Cost to income	54.81	58.46	53.66	55.32	55.38	56.98			56.44	55.40	
Credit cost	2.85	3.35	3.14	3.20	3.09	3.52			2.26	3.20	
NPL / Loan	1.54	1.61	1.53	1.56	1.54	1.53			1.61	1.53	
LLR / Loan	3.91	4.00	4.12	4.16	4.06	4.36			4.00	4.36	
Coverage ratio	254	249	270	266	264	285			249	285	
D/E (x)	2.22	2.33	2.37	2.40	2.43	2.61			2.33	2.61	
IBD/E (x)	2.13	2.23	2.27	2.32	2.35	2.53			2.23	2.53	
IBD/Total debt (%)	96.00	95.46	95.83	96.41	96.58	97.00			95.46	97.00	
S/T debt/IBD (%)	37.57	35.57	33.98	37.50	35.58	28.09			35.57	28.09	
Loan growth q-q	7.40	7.15	2.25	5.13	5.38	5.59					
Loan growth y-y	34.09	32.42	26.58	23.71	21.38	19.61			32.42	19.61	
Loan growth YTD	23.58	32.42	2.25	7.49	13.28	19.61					

Sources: TIDLOR; FSSIA estimates

Manageable asset quality; credit cost rising

Overall asset quality is still manageable, with the 4Q23 NPL ratio expected to be relatively stable q-q at 1.53% (much lower than TIDLOR's guidance of no more than 1.80%). However, we expect 4Q23 credit cost to jump significantly to 3.52% (2023E's 3.20% is still in line with the 2023 guidance of 3.00-3.35%) to tackle NPL formation, which mainly comes from loans in the debt moratorium project (total portfolio THB400m-500m) and new NPLs in the vehicle title loan group. Meanwhile, increased NPLs from used truck hire purchases began stabilizing due to TIDLOR's credit quality control and proactive management (aggressively writing off debts).

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.

Exhibit 2: Staged loans and ECL, 2019-3Q23

	2019	2020	2021	2022	2Q23	3Q23	2019	2020	2021	2022	2Q23	3Q23
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)	(%)	(%)	(%)
Loans and accrued interest	Staged loans % of TL											
Stage 1	43,014	38,410	47,769	65,700	70,865	75,294	89.6	74.8	77.7	80.8	81.2	81.9
Stage 2	4,350	12,072	12,957	14,280	15,037	15,203	9.1	23.5	21.1	17.6	17.2	16.5
Stage 3	616	850	732	1,285	1,344	1,391	1.3	1.7	1.2	1.6	1.5	1.5
Total loans	47,979	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	427	997	934	1,075	1,217	1,261	1.0	2.6	2.0	1.6	1.7	1.7
Stage 2	87	1,034	1,086	1,311	1,491	1,517	2.0	8.6	8.4	9.2	9.9	10.0
Stage 3	616	732	591	813	866	900	100.0	86.1	80.7	63.2	64.4	64.7
Total ECL	1,129	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	1.0	2.6	2.0	1.6	1.7	1.7						
Stage 2	2.0	8.6	8.4	9.2	9.9	10.0						
Stage 3	100.0	86.1	80.7	63.2	64.4	64.7						
Total LLR / Loans	2.4	5.4	4.2	3.9	4.1	4.0						
	(%)	(%)	(%)	(%)	(%)	(%)						
NPL / TL	1.28	1.66	1.19	1.58	1.54	1.51						
LLR / NPL	183	325	357	249	266	264						
NPL+S2/loans	10.35	25.17	22.27	19.15	18.77	18.06						
LLR/(NPL+S2)	23	21	19	21	22	22						

Sources: TIDLOR; FSSIA's compilation

More cautious view on 2024 outlook

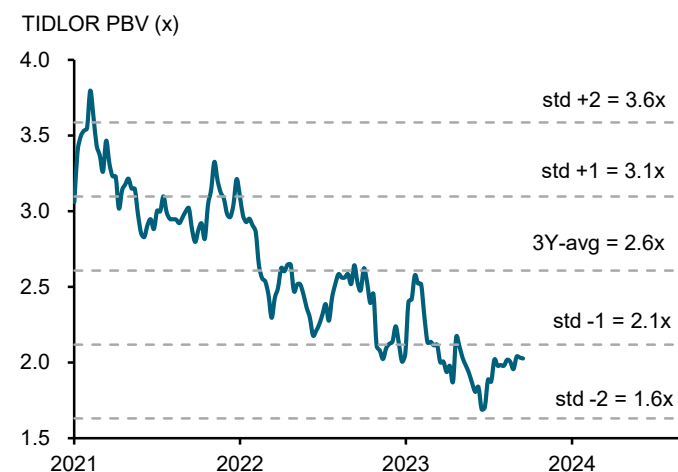
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Exhibit 3: 2023-25E earnings revisions

	New			Previous			Change		
	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (%)	2024E (%)	2025E (%)
Net profit	3,817	4,632	5,623	3,817	4,614	5,797	0.0	0.4	-3.0
EPS (THB)	1.36	1.65	2.00	1.36	1.64	2.06	0.0	0.4	-3.0
Fair value (THB)		28.00			28.00			-	
Target PBV (x)		2.4			2.4				
Expected long term ROE		15.5			15.5				
Cost of equity		10.2			10.2				
Key assumptions	(%)	(%)	(%)	(%)	(%)	(%)			
Loan growth	19.6	16.1	13.8	15.4	17.1	18.2			
Interest bearing debt growth	27.5	10.5	14.2	14.7	17.4	19.4			
Cost to income ratio	55.40	55.50	55.50	55.50	55.50	55.50			
Yields	17.70	18.38	18.53	18.19	18.02	18.20			
Cost of funds	2.87	3.10	3.20	2.95	3.80	3.90			
Interest spread	14.83	15.28	15.33	15.24	15.25	15.31			
Credit cost	3.20	3.29	3.07	3.39	3.32	3.08			

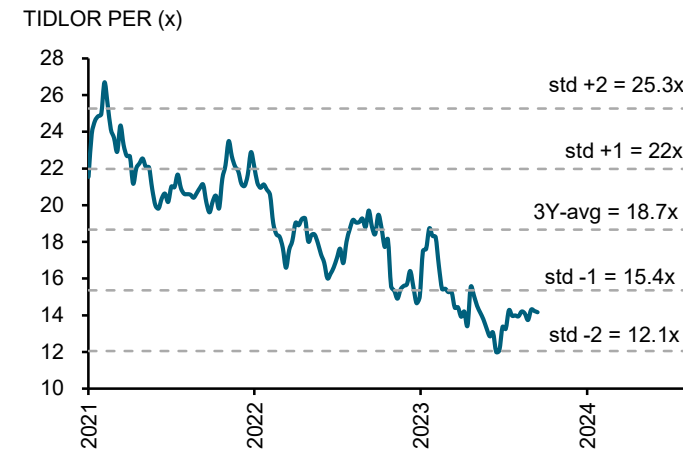
Source: FSSIA estimates

Exhibit 4: TIDLOR – one-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 5: TIDLOR – one-year prospective PER band



Sources: Bloomberg; FSSIA estimates

Exhibit 6: GGM-based 2024 TP

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%
ROE-g/COE-g (P/BV)	2.39

Sources: FSSIA estimates

Exhibit 7: Share price performance of non-bank companies under coverage, as of 17 Jan 2024

	Price performance				
	1M	3M	6M	1Y	YTD
	(%)	(%)	(%)	(%)	(%)
TIDLOR TB	(2.17)	14.80	(1.32)	(17.01)	0.00
MTC TB	(3.91)	19.44	15.44	3.61	(4.44)
SAWAD TB	(4.71)	(5.26)	(15.18)	(27.03)	0.00
AEONTS TB	(0.65)	(0.65)	(7.55)	(18.40)	(4.38)
KTC TB	(7.53)	(8.02)	(7.53)	(27.43)	(1.15)
JMT TB	(4.72)	(24.06)	(30.34)	(62.03)	(0.98)
BAM TB	0.62	(14.29)	(25.00)	(50.00)	(0.61)
SETFIN	(2.90)	(2.77)	(9.91)	(32.44)	(1.53)
SET	(0.76)	(3.82)	(9.93)	(17.95)	(2.33)

Source: Bloomberg

Exhibit 8: Peer comparison, as of 17 January 2024

Company name	BBG code	Rec	Share price (LCY)	Target price (LCY)	Up side (%)	PE		PBV		ROE		Div yld	
						23E (x)	24E (x)	23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)
AEON Thana Sinsap (Thailand)	AEONTS TB	HOLD	152.50	169.00	11	12.2	11.3	1.6	1.4	13.1	13.2	3.6	4.1
Krungthai Card	KTC TB	HOLD	42.50	49.00	15	15.0	13.8	3.1	2.7	21.7	20.7	2.6	2.7
Muangthai Capital	MTC TB	BUY	43.00	44.00	2	19.1	14.9	2.9	2.4	15.6	17.7	0.8	1.0
Srisawad Corp	SAWAD TB	BUY	40.25	54.00	34	10.3	8.8	1.9	1.7	19.7	20.7	4.5	5.0
Ngern Tid Lor	TIDLOR TB	BUY	22.60	28.00	24	16.6	13.7	2.2	2.0	14.2	15.2	1.2	1.5
Average						15.3	12.8	2.5	2.2	17.8	18.6	2.3	2.5

Sources: Bloomberg; 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	15,531	18,981	21,986
Interest expense	(1,121)	(1,235)	(1,850)	(2,355)	(2,733)
Net interest income	8,704	11,297	13,681	16,627	19,253
Net fees & commission	2,197	2,710	3,269	3,983	4,700
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	25	32	52	40	40
Non interest income	2,222	2,742	3,322	4,023	4,740
Total income	10,926	14,039	17,002	20,650	23,993
Staff costs	(6,559)	(7,923)	(9,419)	(11,461)	(13,316)
Other operating costs	-	-	-	-	-
Operating costs	(6,559)	(7,923)	(9,419)	(11,461)	(13,316)
Pre provision operating profit	4,367	6,116	7,584	9,189	10,677
Expected credit loss	(414)	(1,583)	(2,804)	(3,399)	(3,648)
Other provisions	0	0	0	0	0
Operating profit	3,953	4,533	4,780	5,790	7,029
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	4,780	5,790	7,029
Tax	(784)	(893)	(963)	(1,158)	(1,406)
Profit after tax	3,169	3,640	3,817	4,632	5,623
Non-controlling interest	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	3,169	3,640	3,817	4,632	5,623
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	3,169	3,640	3,817	4,632	5,623
Per share (THB)					
Recurring EPS *	1.37	1.46	1.36	1.65	2.00
Reported EPS	1.37	1.46	1.36	1.65	2.00
DPS	0.56	0.75	0.27	0.33	0.40
Growth					
Net interest income (%)	15.2	29.8	21.1	21.5	15.8
Non interest income (%)	21.9	23.4	21.1	21.1	17.8
Pre provision operating profit (%)	21.0	40.0	24.0	21.2	16.2
Operating profit (%)	30.6	14.7	5.4	21.1	21.4
Reported net profit (%)	31.2	14.9	4.9	21.4	21.4
Recurring EPS (%)	19.2	6.7	(6.8)	21.4	21.4
Reported EPS (%)	19.2	6.7	(6.8)	21.4	21.4
Income Breakdown					
Net interest income (%)	79.7	80.5	80.5	80.5	80.2
Net fees & commission (%)	20.1	19.3	19.2	19.3	19.6
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.2	0.2	0.3	0.2	0.2
Operating performance					
Gross interest yield (%)	17.68	17.87	17.70	18.38	18.53
Cost of funds (%)	2.75	2.51	2.87	3.10	3.20
Net interest spread (%)	14.93	15.36	14.83	15.28	15.33
Net interest margin (%)	15.7	16.1	15.6	16.1	16.2
Cost/income(%)	60.0	56.4	55.4	55.5	55.5
Cost/assets(%)	10.9	10.5	10.1	10.6	10.9
Effective tax rate (%)	19.8	19.7	20.1	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	16.2
ROE - COE (%)	7.8	4.4	3.4	4.4	5.4
ROA (%)	5.3	4.8	4.1	4.3	4.6
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	95,568	110,987	126,319
Allowance for expected credit loss	(2,611)	(3,199)	(4,165)	(4,406)	(4,934)
interest in suspense	1,120	1,367	1,461	1,724	1,982
Net customer loans	58,847	78,067	92,865	108,305	123,367
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	3,995	2,191	1,633	1,370	1,948
Other interesting assets	-	-	-	-	-
Tangible fixed assets	1,394	1,686	1,700	1,785	1,874
Associates	-	-	-	-	-
Goodwill	294	294	294	300	350
Other intangible assets	332	257	210	212	214
Other assets	1,663	2,232	4,554	2,532	2,924
Total assets	66,525	84,727	101,256	114,504	130,677
Customer deposits	3,300	3,600	6,000	6,000	6,000
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	38,594	53,013	66,165	73,750	85,050
Non interest bearing liabilities	2,226	2,692	2,232	2,385	2,548
Hybrid Capital	-	-	-	-	-
Total liabilities	44,120	59,305	74,397	82,135	93,598
Share capital	8,580	9,240	10,395	10,395	10,395
Reserves	13,825	16,182	18,098	21,974	26,683
Total equity	22,405	25,422	28,493	32,369	37,078
Non-controlling interest	0	0	0	0	0
Total liabilities & equity	66,525	84,727	102,890	114,504	130,677
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	55,573	70,118	87,733	103,278	118,653
Average interest bearing liabilities	40,795	49,254	64,389	75,957	85,400
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	1,460	1,696	1,882
Per share (THB)					
Book value per share	9.66	10.18	10.14	11.52	13.20
Tangible book value per share	9.39	9.96	9.96	11.34	13.00
Growth					
Gross customer loans	18.8	32.4	19.6	16.1	13.8
Average interest earning assets	12.9	26.2	25.1	17.7	14.9
Total asset (%)	24.7	27.4	19.5	13.1	14.1
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	26.9	9.1	66.7	-	-
Leverage & capital measures					
Customer loan/deposits (%)	1,783.3	2,168.5	1,547.7	1,805.1	2,056.1
Equity/assets (%)	33.7	30.0	28.1	28.3	28.4
Tangible equity/assets (%)	32.7	29.4	27.6	27.8	27.9
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	(13.9)	75.5	13.6	16.1	11.0
NPL/gross loans (%)	1.2	1.6	1.5	1.5	1.5
Allowance for ECL/gross loans (%)	4.3	4.0	4.4	4.0	3.9
Allowance for ECL/NPL (%)	356.6	248.9	285.3	259.9	262.2
Valuation					
Recurring P/E (x) *	16.5	15.5	16.6	13.7	11.3
Recurring P/E @ target price (x) *	20.5	19.2	20.6	17.0	14.0
Reported P/E (x)	16.5	15.5	16.6	13.7	11.3
Dividend yield (%)	2.5	3.3	1.2	1.5	1.8
Price/book (x)	2.3	2.2	2.2	2.0	1.7
Price/tangible book (x)	2.4	2.3	2.3	2.0	1.7
Price/tangible book @ target price (x)	3.0	2.8	2.8	2.5	2.2

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Ngern Tid Lor; FSSIA estimates

Ngern Tid Lor PCL (TIDLOR TB)

FSSIA ESG rating

★★

Exhibit 9: FSSIA ESG score implication

36.71 /100

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.
★★☆☆☆	>19-39	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 ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 10: 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 11: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.61	1.66
BESG environmental pillar score	0.00	—
BESG social pillar score	1.00	—
BESG governance pillar score	3.67	—
ESG disclosure score	30.71	—
Environmental disclosure score	1.75	—
Social disclosure score	6.59	—
Governance disclosure score	83.59	—
Environmental		
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 12: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2021	FY 2022
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
Social		
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
Governance		
Board size	12	12
No. of independent directors (ID)	4	4
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
No. of executives / company managers	9	9
No. of female executives	5	5
Executive share ownership guidelines	No	No
Size of audit committee	3	3
No. of ID on audit committee	3	3
Audit committee meetings	4	4
Audit meeting attendance %	100	100
Size of compensation committee	5	5
No. of ID on compensation committee	1	1
No. of compensation committee meetings	6	7
Compensation meeting attendance %	97	97
Size of nomination committee	5	5
No. of nomination committee meetings	6	7
Nomination meeting attendance %	97	97
Sustainability governance		
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 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 (50-59), 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%). <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&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.																											
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. <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.																											
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="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">AAA</td> <td>8.571-10.000</td> <td style="text-align: right;">Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td style="text-align: right;">AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">BBB</td> <td>4.286-5.713</td> <td style="text-align: right;">Average:</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 style="text-align: right;">BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">CCC</td> <td>0.000-1.428</td> <td style="text-align: right;">Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </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. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																												
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.																											

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) **"CG Score"**; 2) **"AGM Level"**; 3) **"Thai CAC"**; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

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

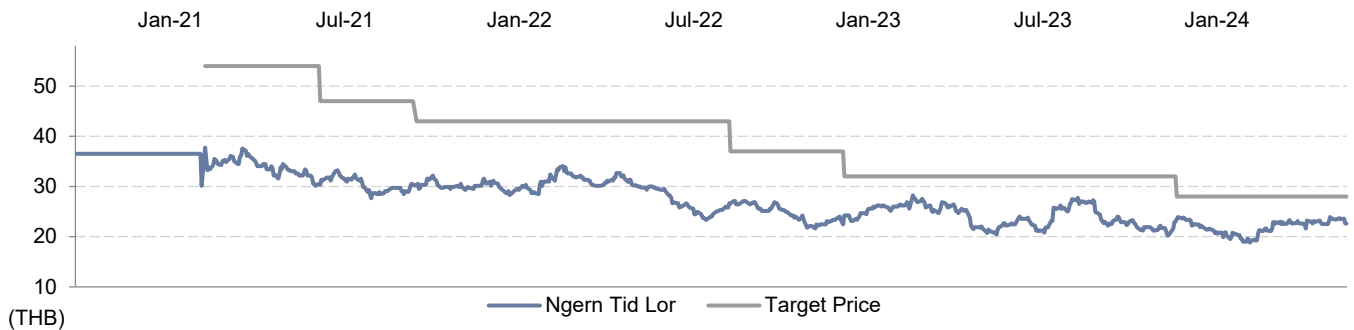
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History of change in investment rating and/or target price

Ngern Tid Lor (TIDLOR TB)



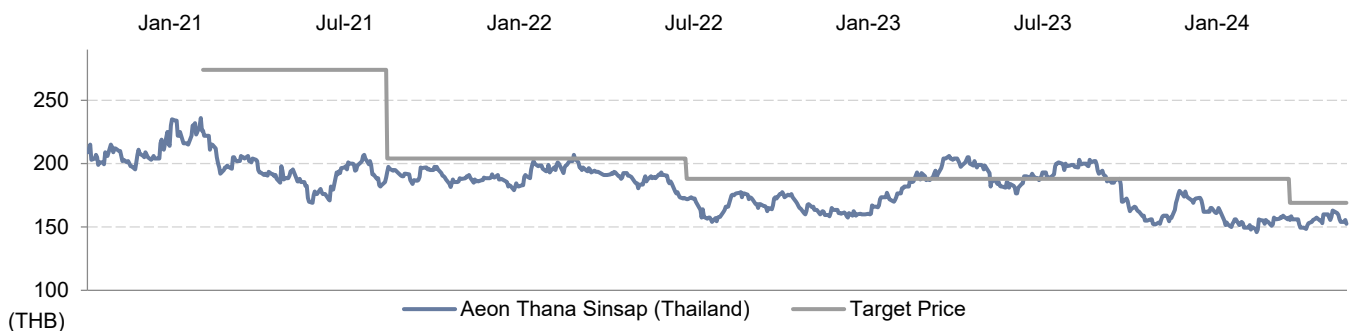
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-May-2021	BUY	54.00	05-Nov-2021	BUY	43.00	10-Nov-2022	BUY	32.00
16-Aug-2021	BUY	47.00	04-Aug-2022	BUY	37.00	23-Aug-2023	BUY	28.00

Usanee Liurut, CISA started covering this stock from 23-Aug-2023

Price and TP are in local currency

Source: FSSIA estimates

Aeon Thana Sinsap (Thailand) (AEONTS TB)



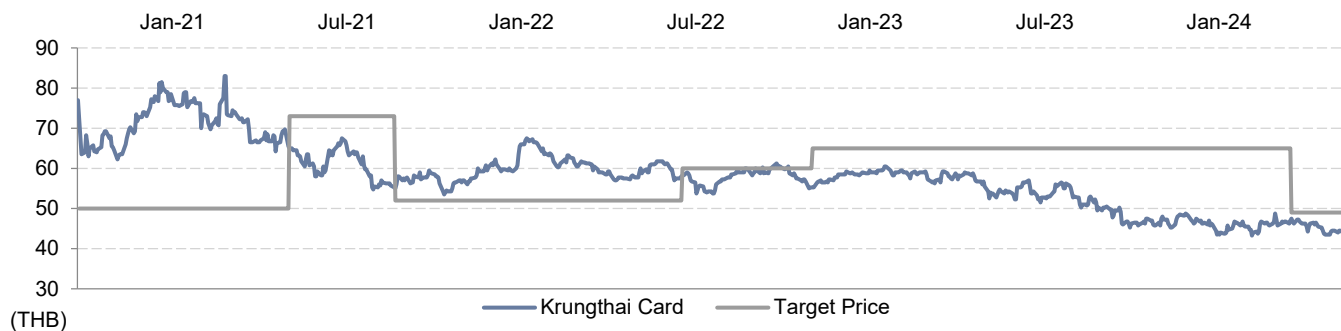
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
28-Apr-2021	BUY	274.00	22-Jun-2022	HOLD	188.00	-	-	-
05-Oct-2021	HOLD	204.00	28-Nov-2023	HOLD	169.00			

Usanee Liurut, CISA started covering this stock from 28-Nov-2023

Price and TP are in local currency

Source: FSSIA estimates

Krungthai Card (KTC TB)



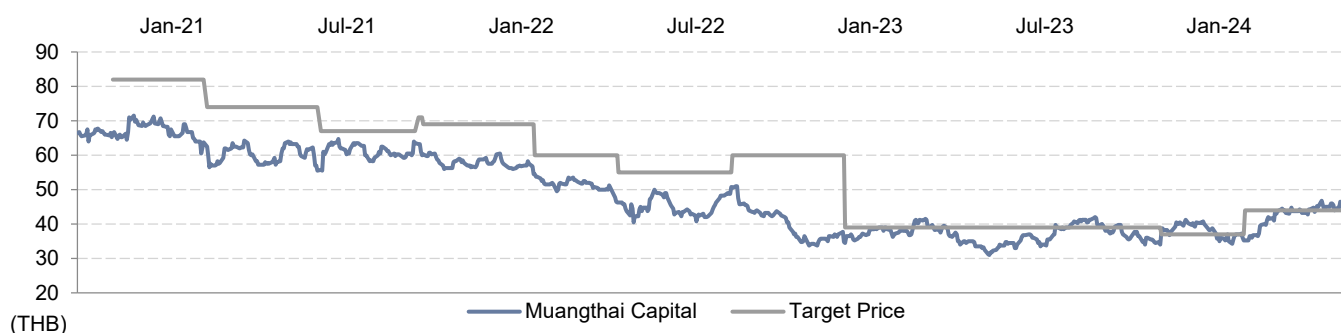
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Jan-2021	REDUCE	50.00	11-Apr-2022	REDUCE	52.00	28-Nov-2023	HOLD	49.00
19-Jul-2021	HOLD	73.00	22-Jun-2022	HOLD	60.00			
18-Oct-2021	HOLD	52.00	12-Oct-2022	BUY	65.00			

Usanee Liurut, CISA started covering this stock from 28-Nov-2023

Price and TP are in local currency

Source: FSSIA estimates

Muangthai Capital (MTC TB)



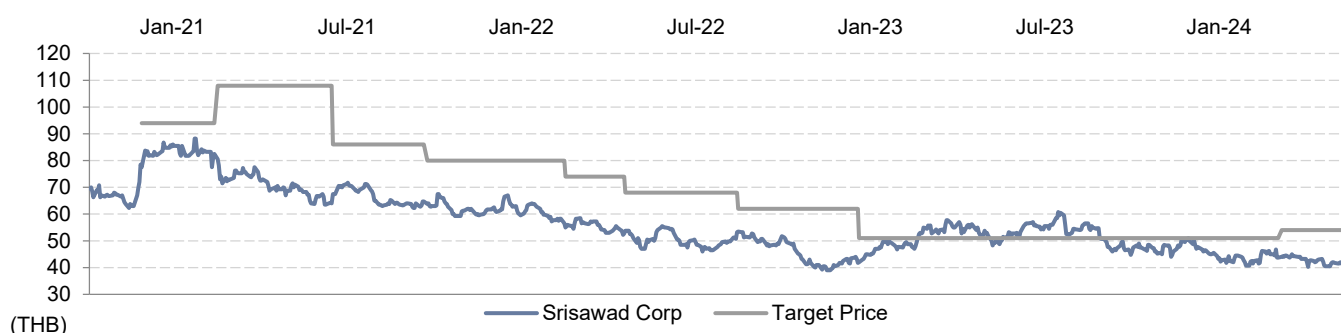
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
17-Feb-2021	BUY	82.00	11-Nov-2021	BUY	69.00	09-Nov-2022	HOLD	39.00
07-May-2021	BUY	74.00	15-Feb-2022	BUY	60.00	08-Aug-2023	HOLD	37.00
13-Aug-2021	BUY	67.00	28-Apr-2022	BUY	55.00	19-Oct-2023	BUY	44.00
05-Nov-2021	BUY	71.00	04-Aug-2022	BUY	60.00			

Usanee Liurut, CISA started covering this stock from 08-Aug-2023

Price and TP are in local currency

Source: FSSIA estimates

Srisawad Corp (SAWAD TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Mar-2021	BUY	94.00	05-Nov-2021	BUY	80.00	04-Aug-2022	BUY	62.00
07-May-2021	BUY	108.00	07-Mar-2022	BUY	74.00	17-Nov-2022	BUY	51.00
17-Aug-2021	BUY	86.00	28-Apr-2022	BUY	68.00	17-Nov-2023	BUY	54.00

Usanee Liurut, CISA started covering this stock from 17-Nov-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Ngern Tid Lor	TIDLOR TB	THB 22.60	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.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 152.50	HOLD	Downside risks are: 1) regulatory actions to curb industry growth; 2) a higher-than-expected policy rate; and 3) deteriorating asset quality. Upside risks are: 1) better-than-estimated economic improvement; 2) stronger-than-estimated improvement in the overall asset quality; and 3) less pressure from the market yield and cost of funds.
Krungthai Card	KTC TB	THB 42.50	HOLD	Downside risks are: 1) regulatory actions to curb industry growth; 2) a higher-than-expected policy rate; and 3) deteriorating asset quality. Upside risks are: 1) better-than-estimated economic improvement; 2) stronger-than-estimated improvement in the overall asset quality; and 3) less pressure from the market yield and cost of funds.
Muangthai Capital	MTC TB	THB 43.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
Srisawad Corp	SAWAD TB	THB 40.25	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.

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 17-Jan-2024 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.