

TARGET PRICE	THB43.00
CLOSE	THB41.75
UP/DOWNSIDE	+3.0%
PRIOR TP	THB44.00
CHANGE IN TP	-2.3%
TP vs CONSENSUS	-5.8%

## Manageable 4Q23E asset quality

- We expect a q-q lower 4Q23 net profit, dragged by rising OPEX and ECL.
- We have less concern about asset quality since it is manageable and in line with the 2023 guidance.
- Downgrade recommendation to HOLD on limited potential upside.

### 4Q23 net profit to drop q-q, pressured by rising OPEX and ECL

We expect MTC to post a 4Q23 net profit of THB1.22b, falling by 4.9% q-q but growing by 8.0% y-y. It should see critical pressure from rising seasonal operating expenses and ECL. Typically, operating expenses would accelerate in 4Q due to management's annual seminar and other costs related to new year activities and increase higher in 1Q from the annual salary adjustment. The 4Q23 cost-to-income ratio would climb to 46.5%, bringing the 2023 ratio to 47.1%, in line with the guidance. In 4Q23, PPOP would equal THB2.87b, slightly down by 1.2% q-q but up by 8.3% y-y. However, the interest spread would dip by 49bp, pressured by an accelerating cost of funds by 44bp to 4.11%, bringing the 2023 cost of funds to 3.75%, in line with its 2023 guidance of 3.60-3.80%. Hence, the 2023 net profit would climb to THB4.79b but still dip by 6.2% y-y, its four-year trough.

### Controllable 2023E asset quality in line with guidance

We expect the 4Q23 NPL ratio to finish at 3.31%, a slight increase from 3.29% in 3Q23, in line with MTC's guidance of not exceeding 3.50%. Meanwhile, we predict 4Q23 credit cost, including losses from sales of repossessed cars of 3.83%, decreasing from 3.87% in 3Q23, in line with the guidance that credit cost has passed its peak in 3Q23 and not exceeding 4%. We expect the 2023 coverage ratio to end at 107.6%, a slight drop from 110.3% in 3Q23, in line with the guidance of not lower than 100% from its continued proactive NPLs management.

### Trim 2024-25E earnings to reflect 2024 guidance

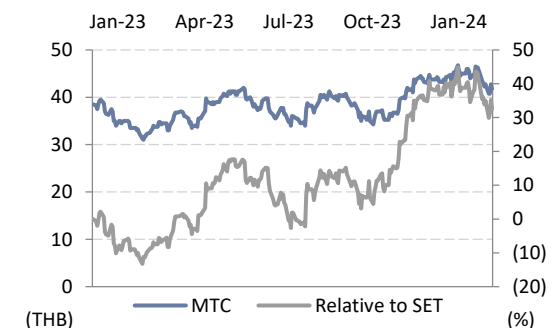
We retain our 2023 earnings forecast. However, we have decreased our 2024-25E earnings by 2.7-3.2% to reflect the 2024 guidance, as shown in Exhibit 3. In particular, we lowered our interest spread assumption, while other items are pretty in line. We expect the 2024-25 earnings growth to remain solid at 24.8% y-y and 29.2% y-y, driven by an average loan growth of 19.1-19.5% and lower credit costs, continually declining to the expected c3% in 2025.

### Downgrade recommendation to HOLD

We have decreased our rating to HOLD (from Buy). MTC is currently fairly valued since it is approaching our 2024 GGM-based TP of THB43 (from THB44), which implies a P/BV of 2.42x (from 2.49x) under expected L-T ROE of 17.3% (from 17.6%) and COE of 10.2%.

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Operating profit	6,360	5,973	7,457	9,635
Net profit	5,093	4,778	5,965	7,708
EPS (THB)	2.40	2.25	2.81	3.64
vs Consensus (%)	-	(1.4)	0.5	5.9
Recurring net profit	5,093	4,778	5,965	7,708
Core EPS (THB)	2.40	2.25	2.81	3.64
Chg. In EPS est. (%)	-	-	(2.7)	(3.2)
EPS growth (%)	3.0	(6.2)	24.8	29.2
Core P/E (x)	17.4	18.5	14.8	11.5
Dividend yield (%)	2.3	0.8	1.0	1.3
Price/book (x)	3.0	2.8	2.4	2.0
ROE (%)	18.9	15.6	17.2	19.0
ROA (%)	4.5	3.4	3.6	3.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(10.7)	14.4	7.1
Relative to country (%)	(8.6)	16.5	30.9
Mkt cap (USD m)	2,479		
3m avg. daily turnover (USD m)	11.9		
Free float (%)	21		
Major shareholder	Petaumpai Family (67%)		
12m high/low (THB)	47.00/30.75		
Issued shares (m)	2,120		

Sources: Bloomberg consensus; FSSIA estimates


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### Investment thesis

We have lowered our recommendation to HOLD from BUY due to:

- We have cut 2024-25E earnings by 2.7-3.2% to reflect the 2024 guidance, as shown in exhibit 3. In particular, we decreased our interest spread assumption, while other items are pretty in line.
- However, we expect the 2024-25 earnings growth to remain solid at 24.8% y-y and 29.2% y-y, driven by an average loan growth of 19.1-19.5% and lower credit costs, continually declining to the expected c3% in 2025.
- MTC is currently fairly valued since it is approaching our 2024 GGM-based TP of THB43 (from THB44), implying a P/BV of 2.42x (from 2.49x) under expected L-T ROE of 17.3% (from 17.6%) and COE of 10.2%).

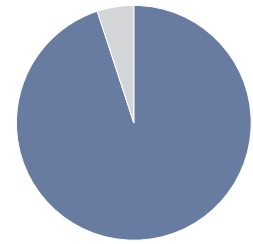
### Company profile

MTC has been providing lending services since 1992, focusing on motorcycle title loans, and commands the highest market share in Thailand. It has also expanded its business to personal and other title loans such as car, agricultural, and land title loans.

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

### Principal activities (revenue, 2022)

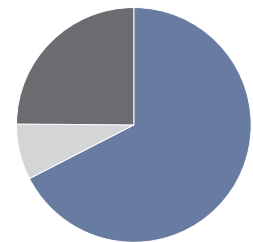
- Net interest income - 95.0 %
- Non-interest income - 5.0 %



Source: Muangthai Capital

### Major shareholders

- Petaumpai Family - 67.5 %
- Thai NVDR Co., Ltd. - 7.7 %
- Others - 24.9 %



Source: Muangthai Capital

### Catalysts

- 1) A faster-than-expected economic recovery in Thailand;
- 2) Upcoming economic stimulus from the government.
- 3) A stronger-than-expected improvement in asset quality
- 4) A better-than-expected control on operating costs

### Risks to our call

Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board. Upside risks are 1) a positive development of asset quality, which could bring down the credit costs, and 2) a lower market interest rate, which could alleviate its cost-of-funds burden.

### Event calendar

Date	Event
20 Feb 2024	2023 result announcement

### Key assumptions

Key assumptions	2023E	2024E	2025E
Net profit (THB m)	4,778	5,965	7,708
Net profit growth (%)	(6.2)	24.8	29.2
Spread (%)	14.62	14.41	14.42
Loan growth (%)	20.9	19.1	19.5
Net interest income growth (%)	20.7	18.8	19.4
Fee growth (%)	28.9	4.0	4.0
Credit cost (included losses from car repossessed) (%)	3.79	3.48	3.04
Cost to income (%)	48.0	48.0	48.0

Source: FSSIA estimates

### Earnings sensitivity

		----- 2024E -----		
<b>Loan growth</b>	<b>±2ppt</b>	<b>17.1</b>	<b>19.1</b>	<b>21.1</b>
<i>% change in net profit</i>		<i>(1.3)</i>		<i>1.3</i>
<b>Interest spread (%)</b>	<b>±5bp</b>	<b>14.36</b>	<b>14.41</b>	<b>14.46</b>
<i>% change in net profit</i>		<i>(0.4)</i>	<i>-</i>	<i>0.4</i>
<b>Credit cost (bp)</b>	<b>±10bp</b>	<b>3.38</b>	<b>3.48</b>	<b>3.58</b>
<i>% change in net profit</i>		<i>2.1</i>	<i>-</i>	<i>(2.1)</i>

Source: FSSIA estimates

## 4Q23 net profit to drop q-q, pressured by rising OPEX and ECL

We expect MTC to report a 4Q23 net profit of THB1.22b, falling by 4.9% q-q but growing by 8.0% y-y. It should see critical pressures from rising seasonal operating expenses and ECL. Typically, operating expenses would accelerate in 4Q due to management's annual seminar and other costs related to new year activities and increase higher in 1Q from the annual salary adjustment. The 4Q23 cost-to-income ratio would climb to 46.5%, bringing the 2023 ratio to 47.1%, in line with the guidance. 4Q23 PPOP would equal THB2.87b, slightly down by 1.2% q-q but up by 8.3% y-y.

The expected q-q contraction is mainly from rising operating expenses and decreasing fee income despite growing net interest income from expected continued loan growth of 4.1% q-q and 19.8% y-y, in line with the 2023 guidance of c20% y-y. The title loan segments would remain a crucial growth engine as motorcycle hire-purchase and other high-yield loans continued to shrink due mainly to their poor asset quality and MTC's more stringent credit policy for these segments.

However, we expect the 4Q23 interest spread to dip by 49bp, pressured by an accelerating cost of funds by 44bp to 4.11%, bringing the 2023 cost of funds to 3.75%, in line with its 2023 guidance of 3.60-3.80%.

Hence, the 2023 net profit would climb to THB4.79b, dipping by 6.2% y-y, its four-year trough. Key drags would be from rising ECL and losses from sales of repossessed cars. However, PPOP would be solid from increasing net interest income and fees despite growing operating expenses aligning with the opening of 869 new branches, bringing the year-end number to 7,537.

### Exhibit 1: MTC – 4Q23 earnings preview

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	Change	Change	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)
Interest income	4,959	5,338	5,397	5,754	6,063	6,300	3.9	18.0	23,514	22.5
Interest expense	(737)	(810)	(848)	(909)	(1,004)	(1,156)	15.1	42.7	(3,917)	39.2
Net interest income	4,222	4,528	4,549	4,845	5,059	5,144	1.7	13.6	19,597	19.6
Fee and other income	226	273	233	287	236	215	(9.0)	(21.3)	972	11.8
Total income	4,448	4,801	4,783	5,132	5,295	5,359	1.2	11.6	20,569	19.2
Operating expenses	(2,008)	(2,152)	(2,352)	(2,463)	(2,391)	(2,491)	4.2	15.8	(9,697)	20.2
PPOP before taxes	2,440	2,649	2,431	2,669	2,904	2,868	(1.2)	8.3	10,872	18.3
Expected credit losses	(959)	(781)	(954)	(1,017)	(965)	(1,010)	4.6	29.3	(3,946)	62.2
Profit after ECL	1,481	1,868	1,477	1,653	1,939	1,858	(4.2)	(0.5)	6,926	2.6
Gain (loss) from car repossessed	35	(493)	(112)	(183)	(334)	(330)	(1.2)	(33.1)	(959)	143.5
Operating profit	1,517	1,375	1,365	1,469	1,605	1,528	(4.8)	11.1	5,967	n/a
Income tax	(312)	(243)	(295)	(269)	(320)	(306)	(4.4)	25.6	(1,190)	(6.1)
<b>Net profit</b>	<b>1,205</b>	<b>1,132</b>	<b>1,070</b>	<b>1,200</b>	<b>1,285</b>	<b>1,222</b>	<b>(4.9)</b>	<b>8.0</b>	<b>4,778</b>	<b>(6.2)</b>
EPS (THB)	0.57	0.53	0.50	0.57	0.61	0.58	(4.9)	8.0	2.25	(6.2)
Loans	113,231	119,084	124,200	131,257	137,081	142,663	4.4	21.1	141,483	20.9
Interest bearing debt	93,232	96,143	98,536	106,327	112,329	112,809	5.6	20.5	116,110	20.8
<b>Key ratios</b>	<b>3Q22</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23E</b>			<b>2023E</b>	
	(%)	(%)	(%)	(%)	(%)	(%)			(%)	
Yield on loan	18.08	18.38	17.75	18.02	18.08	18.02			17.97	
Cost of funds	3.27	3.42	3.48	3.55	3.67	4.11			3.75	
Spread	14.81	14.96	14.26	14.47	14.40	13.91			14.22	
Cost to Income ratio	45.14	44.82	49.18	47.99	45.15	46.48			47.14	
Credit cost (included losses from car repossessed)	3.37	4.39	3.50	3.76	3.87	3.83			3.75	
NPL / Loan	2.33	3.00	3.28	3.48	3.29	3.31			3.31	
LLR / Loan	2.38	3.15	3.44	3.66	3.63	3.56			3.56	
Coverage ratio	102.3	105.1	105.0	105.1	110.3	107.6			107.6	
D/E (x)	3.4	3.4	3.4	3.7	3.7	3.6			3.6	
IDBE (x)	3.3	3.3	3.3	3.6	3.7	3.5			3.5	
S/T debt/total debt (x)	7.6	8.3	4.9	5.3	7.7	8.9			8.9	
Loan growth q-q	6.7	5.2	4.3	5.7	4.4	4.1				
Loan growth y-y	35.7	32.2	27.5	23.6	21.1	19.8			19.8	
Loan growth YTD	25.7	32.2	4.3	10.2	15.1	19.8				

Sources: MTC; FSSIA estimates

**Exhibit 2: MTC – outstanding L-T debentures and maturity by quarter**

	----- Outstanding debentures -----				----- Maturity of debentures by period -----				Total (THB m)
	1Q (THB m)	2Q (THB m)	3Q (THB m)	4Q (THB m)	1Q (THB m)	2Q (THB m)	3Q (THB m)	4Q (THB m)	
2024	60,758	58,258	55,288	48,839	6,386	2,500	2,970	6,449	18,306
2025	41,360	33,050	25,930	22,700	7,479	8,310	7,120	3,229	26,138
2026	19,144	12,606	10,210	8,146	3,556	6,538	2,396	2,064	14,555

Sources: ThaiBMA; FSSIA's compilation

**Controllable 2023E asset quality in line with guidance**

We expect the 4Q23 NPL ratio to finish at 3.31%, a slight increase from 3.29% in 3Q23, in line with MTC's guidance of not exceeding 3.50%. Meanwhile, we predict 4Q23 credit cost, including losses from sales of repossessed cars of 3.83%, decreasing from 3.87% in 3Q23, in line with the guidance that credit cost has passed its peak in 3Q23 and not exceeding 4%. We expect the 2023 coverage ratio to end at 107.6%, a slight drop from 110.3% in 3Q23, in line with the guidance of not lower than 100% from its continued proactive NPLs management, write-off, and sales.

**Exhibit 3: MTC – Staged loans and ECL, 2020-3Q23**

MTC	2020 (THB m)	2021 (THB m)	2022 (THB m)	3Q23 (THB m)	2020 (THB m)	2021 (THB m)	2022 (THB m)	3Q23 (THB m)
<b>Loans and accrued interest</b>					<b>Staged loans % of total loans</b>			
Stage 1	65,372	81,837	105,097	120,804	92.6%	93.4%	87.1%	87.1%
Stage 2	4,489	4,578	12,009	13,526	6.4%	5.2%	10.0%	9.7%
Stage 3	747	1,187	3,506	4,411	1.1%	1.4%	2.9%	3.2%
<b>Total</b>	<b>70,607</b>	<b>87,602</b>	<b>120,613</b>	<b>138,741</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Expected credit loss (ECL)</b>					<b>ECL % of stage loans</b>			
Stage 1	538	709	767	1,071	0.8%	0.9%	0.7%	0.9%
Stage 2	307	349	682	1,003	6.8%	7.6%	5.7%	7.4%
Stage 3	481	729	2,237	2,791	64.4%	61.4%	63.8%	63.3%
<b>Total</b>	<b>1,326</b>	<b>1,788</b>	<b>3,686</b>	<b>4,865</b>	<b>1.9%</b>	<b>2.0%</b>	<b>3.1%</b>	<b>3.5%</b>
<b>LLR / Loans</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>				
Stage 1	0.8	0.9	0.7	0.9				
Stage 2	6.8	7.6	5.7	7.4				
Stage 3	64.4	61.4	63.8	63.3				
<b>Total</b>	<b>1.9</b>	<b>2.0</b>	<b>3.1</b>	<b>3.5</b>				
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>				
NPL / TL	1.06%	1.36%	2.91%	3.18%				
NPL vs. Stage 2 loans / TL	7.42%	6.58%	12.86%	12.93%				
LLR / NPL	177.50%	150.59%	105.12%	110.27%				
LLR / (NPL vs. Stage 2 loans)	25.32%	31.01%	23.76%	27.12%				

Sources: MTC; FSSIA's compilation

### Trim 2024-25E earnings to reflect 2024 guidance

We retain our 2023 earnings forecast. However, we have decreased our 2024-25E earnings by 2.7-3.2% to reflect the 2024 guidance, as shown in Exhibit 4. In particular, we lowered our interest spread assumption, while other items are pretty in line. We expect the 2024-25 earnings growth to remain solid at 24.8% y-y and 29.2% y-y, driven by an average loan growth of 19.1-19.5% and lower credit costs, continually declining to the expected c3% in 2025.

#### Exhibit 4: 2024-26E earnings revision

Key assumptions	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Net profit (THB m)	4,778	5,965	7,708	4,778	6,130	7,965	0.0%	-2.7%	-3.2%
EPS (THB)	2.25	2.81	3.64	2.25	2.89	3.76	0.0%	-2.7%	-3.2%
Net profit growth (%)	(6.2)	24.8	29.2	(6.2)	28.3	29.9			
Average yields	18.42%	18.61%	18.62%	18.42%	18.66%	18.87%			
Cost of funds	3.80%	4.20%	4.20%	3.80%	3.95%	4.10%			
Spread (%)	14.62	14.41	14.42	14.62	14.71	14.77			
Loan growth (%)	20.9	19.1	19.5	20.9	19.1	19.5			
Net interest income growth (%)	20.7	18.8	19.4	20.7	20.8	20.0			
Fee growth (%)	28.9	4.0	4.0	28.9	4.0	4.0			
Credit cost (included losses from car repossessed) (%)	3.79	3.48	3.04	3.79	3.48	3.04			
Cost to income (%)	48.0	48.0	48.0	48.0	48.0	48.0			

Source: FSSIA estimates

#### Exhibit 5: GGM-based 2024 TP

Gordon growth model	New	Previous
Sustainable ROE	17.3%	17.6%
g	5.3%	5.3%
ROE-g	12.0%	12.3%
Beta	1.21	1.29
Risk free rate	3.0%	2.5%
Risk premium	6.0%	6.0%
COE	10.2%	10.2%
COE-g	4.9%	4.9%
ROE-g/COE-g (x)	2.42	2.49

Source: FSSIA estimates

#### Exhibit 6: 2024 FSSIA estimate vs. MTC guidance

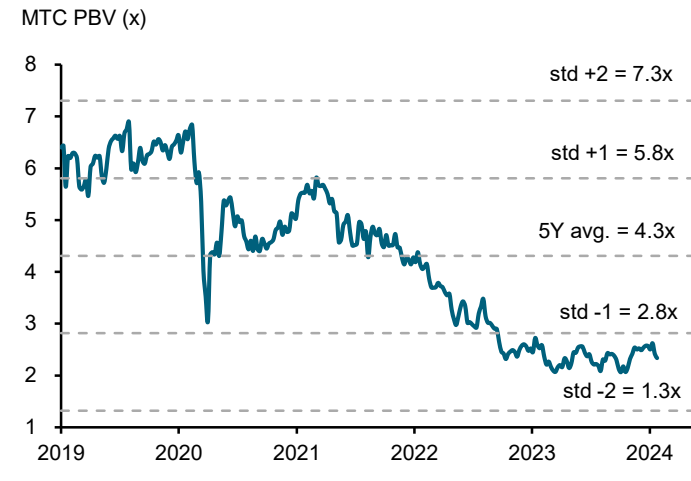
	FSSIA	MTC
	2024E	2024E
Loan growth (%)	19.08	±20.00
Cost of funds (%)	4.20	4.00-4.20
Yield (%)	18.61	Stable
NPL ratio (%)	3.52	< 3.50
Credit cost (bp)	348	±300
Coverage ratio (%)	105	>100

Sources: MTC; FSSIA estimates

### Downgrade recommendation to HOLD

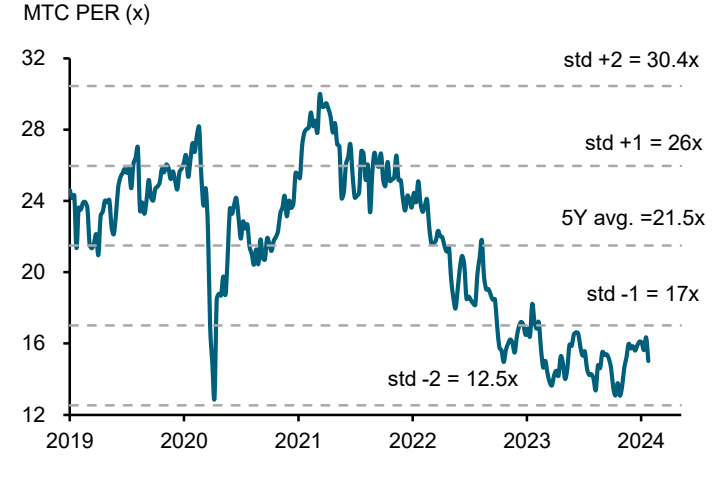
We have decreased our rating to HOLD (from Buy). MTC is currently fairly valued since it is approaching our 2024 GGM-based TP of THB43 (from THB44), which implies a P/BV of 2.42x (from 2.49x) under expected L-T ROE of 17.3% (from 17.6%) and COE of 10.2%).

**Exhibit 7: MTC – one-year prospective PBV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 8: MTC – one-year prospective PER band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 9: Peer comparisons, as of 25 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	152.00	169.00	11	12.2	11.3	1.5	1.4	13.1	13.2	3.6	4.1
Krungthai Card	KTC TB	HOLD	44.00	49.00	11	15.6	14.3	3.2	2.8	21.8	20.7	2.3	2.6
<b>Muangthai Capital</b>	<b>MTC TB</b>	<b>BUY</b>	<b>41.75</b>	<b>43.00</b>	<b>3</b>	<b>18.5</b>	<b>14.8</b>	<b>2.8</b>	<b>2.4</b>	<b>15.6</b>	<b>17.2</b>	<b>0.8</b>	<b>1.0</b>
Srisawad Corp	SAWAD TB	BUY	38.00	54.00	42	9.8	8.3	1.8	1.6	19.7	20.7	4.7	5.3
Ngern Tid Lor	TIDLOR TB	BUY	21.70	28.00	29	16.0	13.2	2.1	1.9	14.2	15.2	1.3	1.5
<b>Average</b>						<b>15.0</b>	<b>12.7</b>	<b>2.5</b>	<b>2.2</b>	<b>17.8</b>	<b>18.5</b>	<b>2.3</b>	<b>2.6</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Muangthai Capital

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Interest Income	15,195	19,199	23,813	28,846	34,417
Interest expense	(2,127)	(2,813)	(4,033)	(5,343)	(6,360)
Net interest income	13,068	16,386	19,780	23,503	28,058
Net fees & commission	769	792	1,020	1,061	1,103
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	20	0	0	0	0
Other income	55	78	120	150	180
Non interest income	843	869	1,140	1,211	1,283
Total income	13,911	17,255	20,920	24,714	29,341
Staff costs	(6,961)	(8,069)	(10,042)	(11,863)	(14,084)
Other operating costs	-	-	-	-	-
Operating costs	(6,961)	(8,069)	(10,042)	(11,863)	(14,084)
Pre provision operating profit	6,949	9,187	10,878	12,851	15,257
Expected credit loss	(748)	(2,433)	(4,106)	(4,494)	(4,622)
Other provisions	-	(394)	(800)	(900)	(1,000)
Operating profit	6,201	6,360	5,973	7,457	9,635
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	6,201	6,360	5,973	7,457	9,635
Tax	(1,257)	(1,267)	(1,195)	(1,491)	(1,927)
Profit after tax	4,945	5,093	4,778	5,965	7,708
Non-controlling interest	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	4,945	5,093	4,778	5,965	7,708
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	4,945	5,093	4,778	5,965	7,708
<b>Per share (THB)</b>					
Recurring EPS *	2.33	2.40	2.25	2.81	3.64
Reported EPS	2.33	2.40	2.25	2.81	3.64
DPS	0.37	0.95	0.34	0.42	0.55
<b>Growth</b>					
Net interest income (%)	8.0	25.4	20.7	18.8	19.4
Non interest income (%)	4.4	3.1	31.1	6.2	6.0
Pre provision operating profit (%)	2.8	32.2	18.4	18.1	18.7
Operating profit (%)	(4.2)	2.6	(6.1)	24.8	29.2
Reported net profit (%)	(4.3)	3.0	(6.2)	24.8	29.2
Recurring EPS (%)	(4.3)	3.0	(6.2)	24.8	29.2
Reported EPS (%)	(4.3)	3.0	(6.2)	24.8	29.2
<b>Income Breakdown</b>					
Net interest income (%)	93.9	95.0	94.6	95.1	95.6
Net fees & commission (%)	5.5	4.6	4.9	4.3	3.8
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	0.1	-	-	-	-
Other income (%)	0.4	0.5	0.6	0.6	0.6
<b>Operating performance</b>					
Gross interest yield (%)	19.02	18.54	18.42	18.61	18.62
Cost of funds (%)	3.38	3.36	3.80	4.20	4.20
Net interest spread (%)	15.64	15.18	14.62	14.41	14.42
Net interest margin (%)	16.4	15.8	15.3	15.2	15.2
Cost/income(%)	50.0	46.8	48.0	48.0	48.0
Cost/assets(%)	7.9	7.1	7.2	7.2	7.2
Effective tax rate (%)	20.3	19.9	20.0	20.0	20.0
Dividend payout on recurring profit (%)	15.9	39.5	15.0	15.0	15.0
ROE (%)	21.7	18.9	15.6	17.2	19.0
ROE - COE (%)	10.9	8.1	4.8	6.4	8.2
ROA (%)	5.6	4.5	3.4	3.6	3.9
RORWA (%)	-	-	-	-	-

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

Sources: Muangthai Capital; FSSIA estimates



## Financial Statements

### Muangthai Capital

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Gross customer loans	90,701	119,084	145,112	172,743	206,305
Allowance for expected credit loss	(1,832)	(3,686)	(5,198)	(6,237)	(7,485)
interest in suspense	1,200	1,675	2,020	2,423	2,908
<b>Net customer loans</b>	<b>90,069</b>	<b>117,073</b>	<b>141,934</b>	<b>168,929</b>	<b>201,728</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	1,306	3,213	1,458	1,463	1,127
Other interesting assets	-	-	-	-	-
Tangible fixed assets	2,054	2,037	2,241	2,465	2,712
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	4,961	5,743	6,118	7,010	8,043
<b>Total assets</b>	<b>98,390</b>	<b>128,066</b>	<b>151,751</b>	<b>179,867</b>	<b>213,609</b>
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	71,325	96,143	116,110	138,340	164,502
Non interest bearing liabilities	2,197	2,833	3,662	4,300	5,067
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>73,521</b>	<b>98,976</b>	<b>119,773</b>	<b>142,640</b>	<b>169,569</b>
Share capital	2,120	2,120	2,120	2,120	2,120
Reserves	22,749	26,971	29,858	35,107	41,920
<b>Total equity</b>	<b>24,869</b>	<b>29,091</b>	<b>31,978</b>	<b>37,227</b>	<b>44,040</b>
Non-controlling interest	-	-	-	-	-
<b>Total liabilities &amp; equity</b>	<b>98,390</b>	<b>128,066</b>	<b>151,751</b>	<b>179,867</b>	<b>213,609</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	79,897	103,571	129,278	154,982	184,875
Average interest bearing liabilities	62,931	83,734	106,127	127,225	151,421
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)	1,276	3,507	4,948	5,938	7,126
<b>Per share (THB)</b>					
Book value per share	11.73	13.72	15.08	17.56	20.77
Tangible book value per share	11.73	13.72	15.08	17.56	20.77
<b>Growth</b>					
Gross customer loans	29.4	31.3	21.9	19.0	19.4
Average interest earning assets	24.4	29.6	24.8	19.9	19.3
Total asset (%)	27.4	30.2	18.5	18.5	18.8
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	25.3	22.7	21.1	20.7	20.6
Tangible equity/assets (%)	25.3	22.7	21.1	20.7	20.6
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality (FSSIA's calculation)</b>					
Change in NPL (%)	70.8	174.8	41.1	20.0	20.0
NPL/gross loans (%)	1.4	2.9	3.4	3.4	3.5
Allowance for ECL/gross loans (%)	2.0	3.1	3.6	3.6	3.6
Allowance for ECL/NPL (%)	143.6	105.1	105.0	105.0	105.0
<b>Valuation</b>					
Recurring P/E (x) *	17.9	17.4	18.5	14.8	11.5
Recurring P/E @ target price (x) *	18.4	17.9	19.1	15.3	11.8
Reported P/E (x)	17.9	17.4	18.5	14.8	11.5
Dividend yield (%)	0.9	2.3	0.8	1.0	1.3
Price/book (x)	3.6	3.0	2.8	2.4	2.0
Price/tangible book (x)	3.6	3.0	2.8	2.4	2.0
Price/tangible book @ target price (x)	3.7	3.1	2.9	2.4	2.1

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

Sources: Muangthai Capital; FSSIA estimates



# Muangthai Capital PCL (MTC TB)

**FSSIA ESG rating**

★ ★ ★ ★

**68.21 /100**

## Exhibit 10: 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.
★ ★ ★ ★ ★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★ ★ ★	>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 11: 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 12: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>1.36</b>	<b>1.51</b>	<b>2.07</b>	<b>2.16</b>	<b>2.39</b>	<b>4.00</b>	<b>3.27</b>	<b>3.31</b>
BESG environmental pillar score	0.00	0.00	0.00	0.00	0.12	0.02	0.03	—
BESG social pillar score	0.37	0.58	1.37	1.37	1.69	4.57	3.27	—
BESG governance pillar score	4.42	4.41	4.57	4.91	4.95	4.95	4.82	—
<b>ESG disclosure score</b>	<b>26.85</b>	<b>32.18</b>	<b>32.89</b>	<b>35.76</b>	<b>39.62</b>	<b>44.88</b>	<b>50.20</b>	<b>52.08</b>
Environmental disclosure score	0.00	0.00	0.00	0.33	7.28	15.22	32.74	34.40
Social disclosure score	11.67	15.84	17.41	25.70	30.35	31.92	30.35	34.34
Governance disclosure score	68.72	80.52	81.10	81.10	81.10	87.36	87.36	87.36
<b>Environmental</b>								
Emissions reduction initiatives	No	No	No	No	No	No	No	No
Climate change policy	No	No	No	No	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	Yes	Yes	Yes	Yes	Yes
GHG scope 1	—	—	—	—	2	7	6	8
GHG scope 2 location-based	—	—	—	—	—	16	18	21
GHG Scope 3	—	—	—	—	—	1	1	1
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	No	No	No	No	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	9	55	36	69
Renewable energy use	—	—	—	—	—	—	0	—
Electricity used	—	—	—	—	—	32	36	42
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 13: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	No	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	—	—	—
Waste recycled	—	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	No	Yes	Yes
Water policy	No	No	No	No	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	987	—	—
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	No	No	No	No	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	Yes
Pct women in workforce	—	—	—	—	—	11	11	10
Pct disabled in workforce	—	—	0	0	0	0	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	0
Total recordable incident rate - employees	—	—	—	—	1	1	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	2,617	4,185	5,893	7,660	9,576	10,328	11,460	13,005
Employee turnover pct	—	—	—	—	—	—	—	29
Total hours spent by firm - employee training	—	—	—	70,395	60,328	34,082	34,036	78,030
Social supply chain management	No	No	No	No	No	No	No	Yes
<b>Governance</b>								
<b>Board size</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>
No. of women on board	2	2	3	3	3	3	3	3
No. of non-executive directors on board	5	5	5	5	6	6	5	5
Company conducts board evaluations	No	No	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	5	7	7	6	9	8	8
Board meeting attendance pct	100	100	96	100	94	96	100	100
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	56	57	58	59	36	39	40	41
Age of the oldest director	67	68	69	70	71	72	73	74
<b>No. of executives / company managers</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>12</b>	<b>13</b>	<b>13</b>
No. of female executives	3	3	3	3	3	3	3	3
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	4	4	4	4	4	4	4	7
Audit meeting attendance %	100	100	92	100	92	100	100	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	3	3	3	3	3	3	2	2
No. of compensation committee meetings	—	1	2	2	2	2	3	2
Compensation meeting attendance %	—	100	83	100	83	83	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	—	1	2	2	2	2	1	2
Nomination meeting attendance %	—	100	83	100	83	83	100	100
<b>Sustainability governance</b>								
Verification type	No	No	No	No	No	Yes	Yes	Yes

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.										
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%). <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.										
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. <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+
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: 20px;"> <tr> <td style="vertical-align: top;"> <b>AAA</b> 8.571-10.000  <b>AA</b> 7.143-8.570  <b>A</b> 5.714-7.142  <b>BBB</b> 4.286-5.713  <b>BB</b> 2.857-4.285  <b>B</b> 1.429-2.856  <b>CCC</b> 0.000-1.428                 </td> <td style="vertical-align: top; padding-left: 10px;"> <b>Leader:</b> leading its industry in managing the most significant ESG risks and opportunities   <b>Average:</b> a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers   <b>Laggard:</b> lagging its industry based on its high exposure and failure to manage significant ESG risks                 </td> </tr> </table>	<b>AAA</b> 8.571-10.000 <b>AA</b> 7.143-8.570 <b>A</b> 5.714-7.142 <b>BBB</b> 4.286-5.713 <b>BB</b> 2.857-4.285 <b>B</b> 1.429-2.856 <b>CCC</b> 0.000-1.428	<b>Leader:</b> leading its industry in managing the most significant ESG risks and opportunities  <b>Average:</b> a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers  <b>Laggard:</b> 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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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**

**ANALYST(S) CERTIFICATION**

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

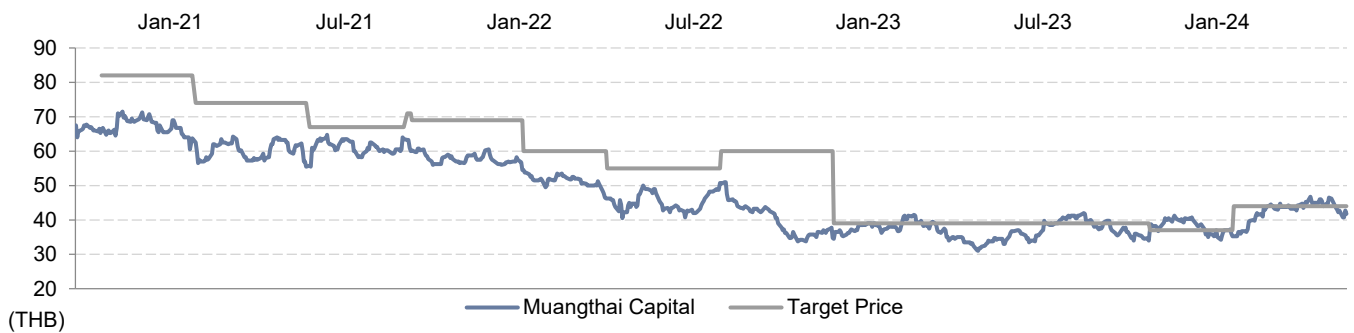
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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

**Muangthai Capital (MTC TB)**



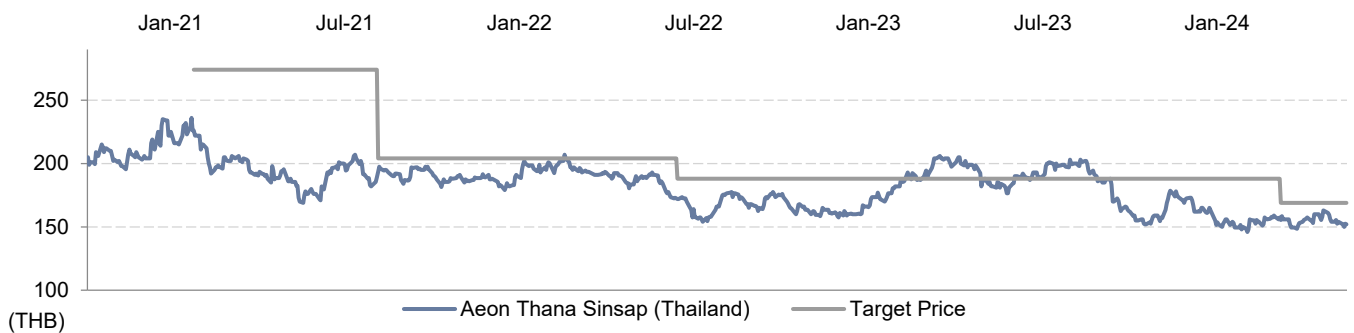
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
17-Feb-2021	BUY	82.00	11-Nov-2021	BUY	69.00	09-Nov-2022	HOLD	39.00
07-May-2021	BUY	74.00	15-Feb-2022	BUY	60.00	08-Aug-2023	HOLD	37.00
13-Aug-2021	BUY	67.00	28-Apr-2022	BUY	55.00	19-Oct-2023	BUY	44.00
05-Nov-2021	BUY	71.00	04-Aug-2022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

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

Price and TP are in local currency

Source: FSSIA estimates

**Aeon Thana Sinsap (Thailand) (AEONTS TB)**



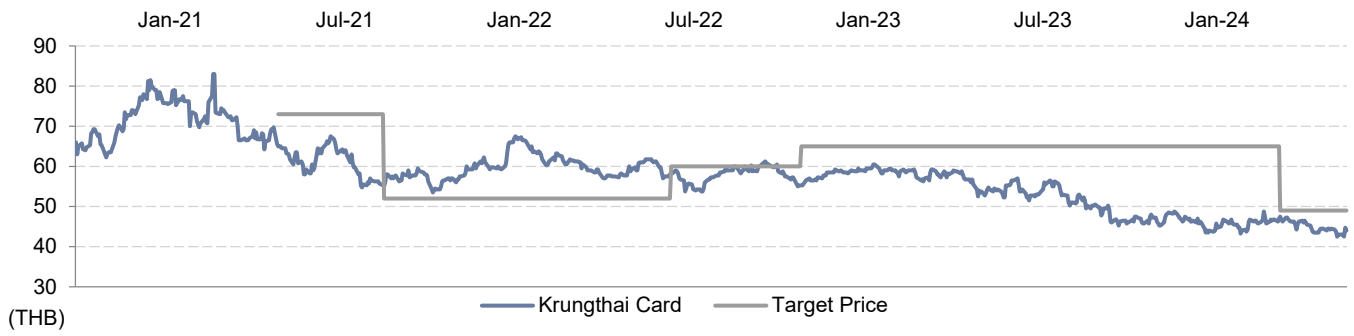
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
28-Apr-2021	BUY	274.00	22-Jun-2022	HOLD	188.00	-	-	-
05-Oct-2021	HOLD	204.00	28-Nov-2023	HOLD	169.00			

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)**



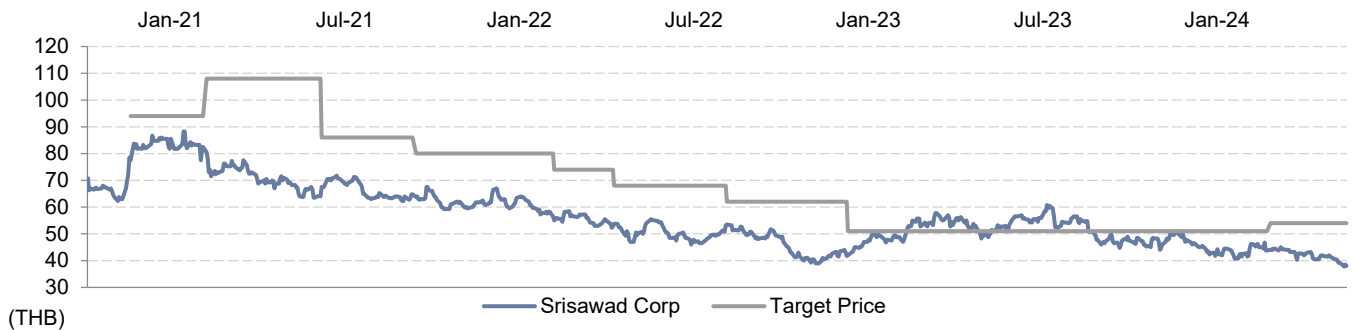
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Jul-2021	HOLD	73.00	11-Apr-2022	REDUCE	52.00	12-Oct-2022	BUY	65.00
18-Oct-2021	HOLD	52.00	22-Jun-2022	HOLD	60.00	28-Nov-2023	HOLD	49.00

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

Price and TP are in local currency

Source: FSSIA estimates

**Srisawad Corp (SAWAD TB)**



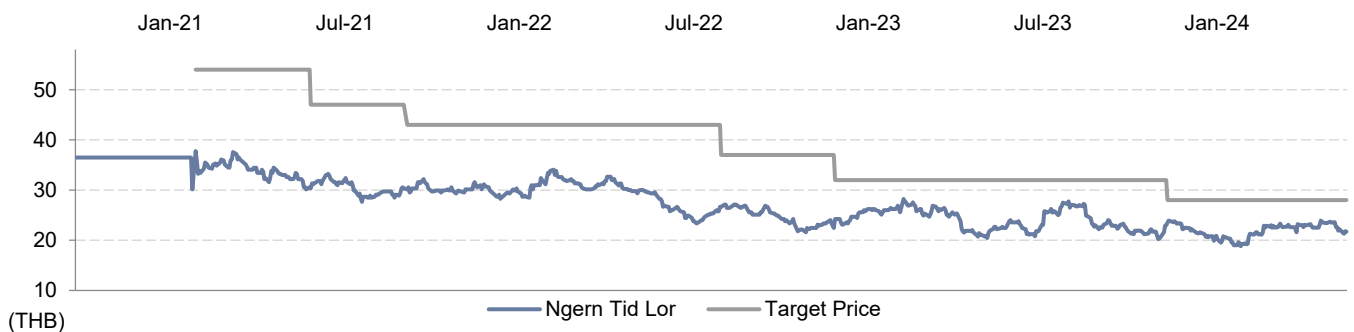
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Mar-2021	BUY	94.00	05-Nov-2021	BUY	80.00	04-Aug-2022	BUY	62.00
07-May-2021	BUY	108.00	07-Mar-2022	BUY	74.00	17-Nov-2022	BUY	51.00
17-Aug-2021	BUY	86.00	28-Apr-2022	BUY	68.00	17-Nov-2023	BUY	54.00

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

Price and TP are in local currency

Source: FSSIA estimates

**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
Muangthai Capital	MTC TB	THB 41.75	HOLD	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board. Upside risks are 1) a positive development of asset quality which could bring down its credit costs and 2) a decreasing market interest rate which could alleviate its cost of funds burden.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 152.00	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 44.00	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.
Srisawad Corp	SAWAD TB	THB 38.00	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.
Ngern Tid Lor	TIDLOR TB	THB 21.70	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 25-Jan-2024 unless otherwise stated.

**RECOMMENDATION STRUCTURE**

**Stock ratings**

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / 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.