

NGERN TID LOR TIDLOR TB  
THAILAND / FINANCE & SECURITIES

BUY

UNCHANGED

## Coverage ratio ดีพร้อม NPL ที่ลดลง

- TIDLOR รายงานกำไรสุทธิ 4Q23 อยู่ที่ 901 ลบ. (-10.5% q-q, +10.3% y-y) ต่ำกว่าที่เราและตลาดคาดเล็กน้อย
- คุณภาพสินทรัพย์ส่งสัญญาณปรับตัวดีขึ้นด้วยสัดส่วนหนี้ด้อยคุณภาพ (NPL ratio) ที่ลดลงและสัดส่วนสำรองต่อหนี้ด้อยคุณภาพ (Coverage ratio) ที่เพิ่มขึ้น
- คงคำแนะนำซื้อที่ราคาเป้าหมายปี 2024 ที่ 27 บาท

TARGET PRICE	THB27.00
CLOSE	THB23.10
UP/DOWNSIDE	+16.9%
PRIOR TP	THB28.00
CHANGE IN TP	-3.6%
TP vs CONSENSUS	-1.3%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Operating profit	4,744	5,839	6,938	8,086
Net profit	3,790	4,671	5,551	6,469
EPS (THB)	1.35	1.60	1.91	2.22
vs Consensus (%)	-	14.1	14.0	7.8
Recurring net profit	3,790	4,671	5,551	6,469
Core EPS (THB)	1.35	1.60	1.91	2.22
Chg. In EPS est. (%)	-	(2.8)	(4.8)	(4.7)
EPS growth (%)	(7.4)	18.8	18.8	16.5
Core P/E (x)	17.1	14.4	12.1	10.4
Dividend yield (%)	1.8	2.1	2.5	2.9
Price/book (x)	2.3	2.1	1.8	1.6
ROE (%)	14.1	15.4	16.2	16.7
ROA (%)	4.1	4.3	4.5	4.6

## ค่าใช้จ่าย ECL ที่สูงขึ้น ทำให้กำไรสุทธิ 4Q23 พลาดเป้าไปเล็กน้อย

TIDLOR รายงานกำไรสุทธิ 4Q23 อยู่ที่ 901 ลบ. (-10.5% q-q, +10.3% y-y) ต่ำกว่าที่เราและตลาดคาด 3% และ 4% ตามลำดับโดยมีปัจจัยถ่วงสำคัญอยู่ที่ค่าใช้จ่ายผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ที่สูงขึ้นเป็น 1 พัน ลบ. คิดเป็นต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ที่สูงเกินคาดที่ 4.29% อย่างไรก็ตามได้ค่าธรรมเนียมที่เกินคาด (+24% q-q, +22% y-y) ซึ่งส่วนมากมาจากรายได้ค่าธรรมเนียมนายหน้าขายประกันภัยที่อยู่ในเกณฑ์ดีช่วยชดเชย Downside ที่กล่าวมาข้างต้นได้บางส่วน ใน 4Q23 กำไรก่อนหักสำรองอยู่ในเกณฑ์ดีที่ 2.1 พัน ลบ. (+9.4% q-q, +27.8% y-y) สอดคล้องกับการเติบโตของสินเชื่อที่ 6.1% q-q และ 20.2% y-y ใกล้เคียงกับเป้าประมาณการของผู้บริหารที่ 10-20% y-y ผลตอบแทนสินเชื่อค่อนข้างทรงตัว q-q ในขณะที่ต้นทุนดอกเบี้ยจ่ายปรับตัวขึ้นแตะ 3.21% จาก 3.07% ใน 3Q23 ใกล้เคียงกับเป้าประมาณการของบริษัทที่ 3-3.35% อย่างไรก็ตามตัวเลขที่ปรับขึ้นดังกล่าวได้สร้างแรงกดดันต่อ Loan spread ให้ลดลงไปที่ 14.94% ใน 4Q23 เทียบกับ 15.08% ใน 3Q23 ในปี 2023 กำไรสุทธิอยู่ที่ 3.79 พัน ลบ. (+4.1% y-y) ใกล้เคียงกับที่เราคาด

## คุณภาพสินทรัพย์ดีขึ้นต่อเนื่อง

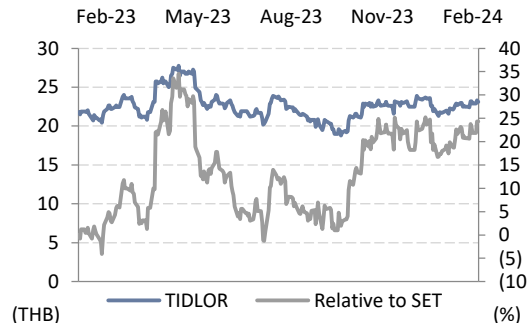
คุณภาพสินทรัพย์อยู่ในระดับที่จัดการได้และใกล้เคียงกับที่เราคาด แม้ Credit costs จะปรับขึ้นเล็กน้อย NPL ratio ใน 4Q23 ที่ 1.47% ดีกว่าที่คาดเล็กน้อย ลดลงจาก 1.54% ใน 3Q23 และต่ำกว่ามากเมื่อเทียบกับเป้าประมาณการของบริษัทที่ 1.80% Coverage ratio เพิ่มขึ้นเป็น 282% จาก 264% ใน 3Q23 จาก NPL ratio ที่ลดลงและ Credit costs ที่สูงขึ้น สัดส่วนหนี้จัดชั้นชั้นที่ 2 ค่อนข้างทรงตัวเมื่อเทียบกับ 16.4% ใน 3Q23

## ปรับประมาณการกำไรปี 2024-26 เพื่อสะท้อนหุ้นปันผลในปี 2023

เราปรับประมาณการกำไรปี 2024-26 เล็กน้อยเพื่อสะท้อนการประกาศจ่ายหุ้นปันผลในปี 2023 (27 หุ้นเก่าต่อ 1 หุ้นใหม่) คิดเป็นอัตราการจ่ายเงินปันผลที่ประมาณ 30% และอัตราผลตอบแทนในรูปเงินปันผลที่ 1.76% ต่อปี เราคาดว่ากำไรสุทธิปี 2024-26 จะโต 19.9% CAGR บนอัตราการเติบโตของสินเชื่อที่ 15% CAGR

## คงคำแนะนำซื้อที่ราคาเป้าหมายปี 2024 ที่ 27 บาท

เราคงคำแนะนำซื้อหลังปรับลดราคาเป้าหมายปี 2024 ลงเป็น 27 บาทเพื่อสะท้อนมูลค่าทางบัญชีต่อหุ้นที่ลดลง ราคาเป้าหมายดังกล่าวอิงวิธี GGM เทียบเท่า P/BV 2.39x (LT-ROE ที่ 15.5% และ COE ที่ 10.2%)



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.5	0.4	4.0
Relative to country (%)	5.4	1.8	22.0
Mkt cap (USD m)	1,800		
3m avg. daily turnover (USD m)	9.3		
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) Asset quality bottomed out in 2Q23 due mainly to the company proactively managing NPLs efficiently under the highest coverage ratio relative to peers.

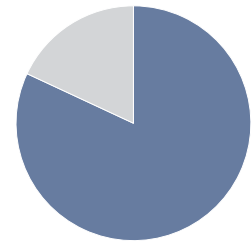
### Company profile

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

### Principal activities (revenue, 2023)

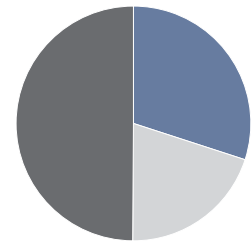
- Net interest income - 81.9 %
- Non-interest income - 18.1 %



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
Mar 2024	4Q23 post-results analyst meeting

### Key assumptions

	2024E	2025E	2026E
Net profit (THB m)	4,671	5,551	6,469
Net profit growth (%)	15.61	14.48	14.46
Spread (%)	15.28	15.33	15.26
Loan growth (%)	16.12	13.84	13.95
Net interest income growth (%)	22.32	15.44	13.58
Fee growth (%)	17.83	18.00	18.00
NPL ratio (%)	1.53	1.49	1.47
Credit cost (%)	3.29	3.17	3.08
Cost to income (%)	55.50	55.50	55.50

Source: FSSIA estimates

### Earnings sensitivity

		----- 2024E -----		
Loan growth	±2ppt	14.12	16.12	18.12
		(1)		1
Spread (%)	±10bp	15.18	15.28	15.38
		(1)		1
Credit cost (bp)	±10bp	319	329	339
		2		(2)

Source: FSSIA estimates

## ECL expenses led 4Q23 net profit to miss expectations slightly

TIDLOR reported a 4Q23 net profit of THB901m, decreasing by 10.5% q-q but rising by 10.3% y-y. The figure was below our projection and BBG's consensus estimate by 3% and 4%, respectively. The critical drag was from a larger ECL expense of THB1b, implying a higher-than-estimated credit cost of 4.29% following the proactive NPL management, the expiration of the debt moratorium, and the prudent provisioning to accommodate uncertainties from macroeconomic factors. However, the downside was partially offset by stronger-than-expected fee income (grew 24% q-q and 22% y-y), which was mostly from the firm's solid performance in non-life insurance brokerage fee income (2023 insurance premium was THB8.7, increasing 25.3% y-y). The 4Q23 PPOP was solid at THB2.1b (up 9.4% q-q and 27.8% y-y), aligning with its loan growth of 6.1% q-q and 20.2% y-y, finishing in line with management's guidance of 10-20% y-y. Loan yield was relatively stable q-q, while the cost of funds exhibited a rising trend and reached 3.21% from 3.07% in 3Q23, in line with the guidance of 3-3.35%, but inevitably led to pressure on the loan spread, which finished at 14.94% in 4Q23 from 15.08% in 3Q23. For 2023, net profit amounted to THB3.79b, rising 4.1% y-y in line with our estimate.

### Exhibit 1: TIDLOR – 4Q23 operating results

	4Q22	1Q23	2Q23	3Q23	4Q23	----- Change -----		2023	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)
Interest income	3,520	3,567	3,744	4,000	4,233	5.8	20.3	15,545	24.0
Interest expense	(367)	(395)	(426)	(484)	(537)	11.0	46.4	(1,842)	49.1
Net interest income	3,154	3,172	3,317	3,517	3,696	5.1	17.2	13,703	21.3
Fee income	836	760	777	822	1,021	24.1	22.1	3,380	24.7
Other income	11	18	9	11	9	(21.4)	(17.9)	47	48.9
Total income	4,001	3,950	4,103	4,351	4,726	8.6	18.1	17,130	22.0
Operating expenses	(2,339)	(2,120)	(2,270)	(2,409)	(2,602)	8.0	11.3	(9,401)	18.6
Pre-provision operating profit	1,662	1,831	1,833	1,941	2,124	9.4	27.8	7,729	26.4
Expected credit loss	(646)	(635)	(670)	(681)	(1,000)	46.8	54.8	(2,986)	88.6
Profit after ECL	1,016	1,196	1,164	1,260	1,124	(10.8)	10.6	4,744	4.6
Operating profit	1,016	1,196	1,164	1,260	1,124	(10.8)	10.6	4,744	4.6
Income tax	(199)	(241)	(236)	(253)	(223)	(12.1)	12.2	(953)	6.7
<b>Net profit</b>	<b>817</b>	<b>955</b>	<b>927</b>	<b>1,007</b>	<b>901</b>	<b>(10.5)</b>	<b>10.3</b>	<b>3,790</b>	<b>4.1</b>
EPS (THB)	0.33	0.34	0.33	0.36	0.32	(10.5)	(2.0)	1.35	(7.4)
NPL	1,285	1,247	1,344	1,391	1,412	1.5	9.8	1,412	9.8
Loans	79,898	81,693	85,882	90,506	96,020	6.1	20.2	96,020	20.2
Interest bearing debt	56,613	59,872	61,527	64,664	68,980	6.7	21.8	68,980	21.8
<b>Key ratios</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23</b>			<b>2023</b>	
	(%)	(%)	(%)	(%)	(%)			(THB m)	
Yield on loan	18.23	17.66	17.87	18.14	18.16			17.67	
Cost of funds	2.69	2.71	2.81	3.07	3.21			2.93	
Spread	15.54	14.95	15.06	15.08	14.94			14.74	
Cost to income	58.46	53.66	55.32	55.38	55.06			54.88	
Credit cost	3.35	3.14	3.20	3.09	4.29			3.39	
NPL / Loan	1.61	1.53	1.56	1.54	1.47			1.47	
LLR / Loan	4.00	4.12	4.16	4.06	4.15			4.15	
Coverage ratio	248.9	269.7	266.0	264.4	282.1			282.1	
D/E (x)	2.3	2.4	2.4	2.4	2.5			2.5	
IBD/E (x)	2.2	2.3	2.3	2.3	2.4			2.4	
IBD/Total debt (%)	95.5	95.8	96.4	96.6	96.2			96.2	
S/T debt/IBD (%)	35.6	34.0	37.5	35.6	47.5			47.5	
Loan growth q-q	7.2	2.2	5.1	5.4	6.1				
Loan growth y-y	32.4	26.6	23.7	21.4	20.2			20.2	
Loan growth YTD	32.4	2.2	7.5	13.3	20.2				

Sources: TIDLOR; FSSIA's compilation

## Positive progress in asset quality continues

Asset quality was manageable and in line with our forecast. Despite an uptick in 4Q23 credit costs, the 4Q23 NPL ratio at 1.47% was slightly better than expected and lower than the 1.54% level in 3Q23, which finished far below management's guidance of not exceeding 1.80%. The coverage ratio rose sharply to 282% from 264% in 3Q23 due to a lower NPL ratio and higher credit costs. The stage 2 loan ratio was relatively stable with 3Q23's at 16.4%.

### Exhibit 2: TIDLOR – staged loans and ECL, 2021-2023

	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)	(%)	(%)
<b>Loans and accrued interest</b>						<b>% Staged loans to total</b>				
Stage 1	43,014	38,410	47,769	65,700	80,023	89.6	74.8	77.7	80.8	82.1
Stage 2	4,350	12,072	12,957	14,280	16,022	9.1	23.5	21.1	17.6	16.4
Stage 3	616	850	732	1,285	1,412	1.3	1.7	1.2	1.6	1.4
Total loans	47,979	51,331	61,458	81,265	97,457	100.0	100.0	100.0	100.0	100.0
<b>Expected credit loss (ECL)</b>						<b>% ECL to staged loans</b>				
Stage 1	427	997	934	1,075	1,390	1.0	2.6	2.0	1.6	1.7
Stage 2	87	1,034	1,086	1,311	1,604	2.0	8.6	8.4	9.2	10.0
Stage 3	616	732	591	813	988	100.0	86.1	80.7	63.2	70.0
Total ECL	1,129	2,763	2,611	3,199	3,981	2.4	5.4	4.2	3.9	4.1
<b>LLR / Loans</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>					
Stage 1	1.0	2.6	2.0	1.6	1.7					
Stage 2	2.0	8.6	8.4	9.2	10.0					
Stage 3	100.0	86.1	80.7	63.2	70.0					
Total LLR / Loans	2.4	5.4	4.2	3.9	4.1					
<b>NPL / TL</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>					
NPL / TL	1.28	1.66	1.19	1.58	1.45					
LLR / NPL	183	325	357	249	282					
NPL+S2/loans	10.35	25.17	22.27	19.15	17.89					
LLR/(NPL+S2)	23	21	19	21	23					

Sources: TIDLOR; FSSIA's compilation

### 2024-26E earnings revisions to reflect 2023 stock dividend

We have made minor 2024-26E earnings revisions to reflect the firm's announcement of the 2023 stock dividend (27 existing shares:1 stock dividend), implying a payout ratio of c30% and a yield of 1.76% p.a. We expect 2024-26 net profit to grow at a rate of 19.9% CAGR over the backdrop of 15% CAGR loan growth.

### Exhibit 3: 2024-26E earnings revisions

(THB m)	Current			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
<b>Net profit</b>	<b>4,671</b>	<b>5,551</b>	<b>6,469</b>	<b>4,632</b>	<b>5,623</b>	<b>6,547</b>	<b>0.8%</b>	<b>-1.3%</b>	<b>-1.2%</b>
EPS (THB)	1.60	1.91	2.22	1.65	2.00	2.33	-2.8%	-4.8%	-4.7%
Target price (THB)	27.00			28.00			-3.6%		
Target P/BV (x)	2.4			2.4					
Expected long-term ROE	15.5%			15.5%					
Cost of equity	10.2%			10.2%					
<b>Key assumptions (%)</b>									
Loan growth	16.1%	13.8%	14.0%	16.1%	13.8%	13.9%			
Interest bearing debt growth	15.6%	14.5%	14.5%	10.5%	14.2%	13.2%			
Cost to income ratio	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%			
Yields	18.0%	18.2%	18.2%	18.0%	18.2%	18.2%			
Cost of funds	3.80%	3.90%	3.90%	3.80%	3.90%	3.90%			
Interest spread	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%			
Credit cost	3.29%	3.17%	3.08%	3.29%	3.07%	2.99%			
No. of shares	2,914	2,914	2,914	2,809	2,809	2,809	3.7%	3.7%	3.7%

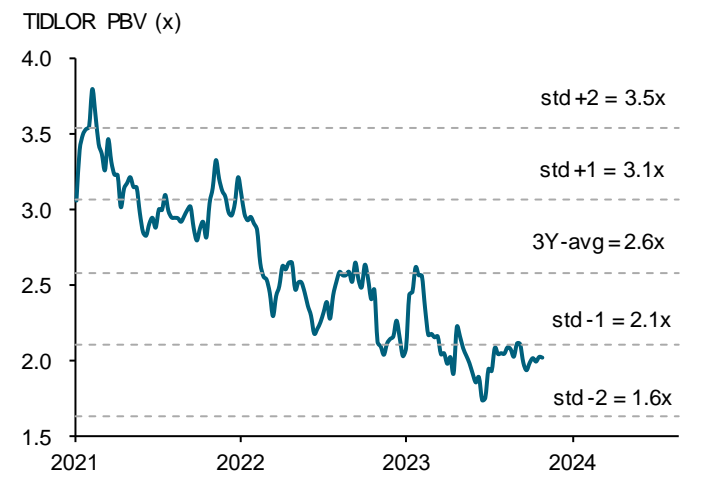
Source: FSSIA estimates

**Exhibit 4: GGM-based 2024 TP**

Gordon Growth Model	New	Previous
Sustainable ROE	15.5%	15.5%
g	6.4%	6.4%
ROE-g	9.1%	9.1%
Beta	1.20	1.20
Risk free rate	3.0%	3.0%
Risk premium	6.0%	6.0%
COE	10.2%	10.2%
COE-g	3.8%	3.8%
ROE-g/COE-g (P/BV)	2.4	2.4
BVS	11.22	11.52
<b>Fair value</b>	<b>27.0</b>	<b>28.0</b>

Source: FSSIA estimates

**Exhibit 6: TIDLOR – one-year prospective P/BV band**



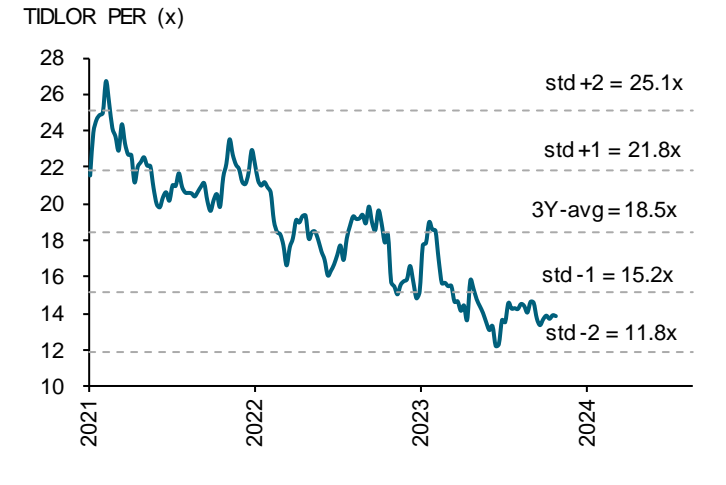
Sources: Bloomberg; FSSIA estimates

**Exhibit 5: Share price performance of non-banks under coverage, as of 28 February 2024**

	Price performance				
	1M	3M	6M	1Y	YTD
	(%)	(%)	(%)	(%)	(%)
<b>TIDLOR TB</b>	<b>3.67</b>	<b>(1.31)</b>	<b>(4.24)</b>	<b>1.70</b>	<b>0.44</b>
MTC TB	8.24	5.14	12.88	31.43	2.22
SAWAD TB	(3.16)	(13.56)	(25.00)	(29.17)	(5.56)
AEONTS TB	(2.97)	(7.26)	(16.00)	(27.23)	(8.13)
KTC TB	(1.71)	(8.02)	(11.34)	(26.81)	(1.15)
JMT TB	10.73	(12.69)	(51.18)	(51.18)	(10.98)
BAM TB	7.59	3.03	(28.57)	(42.57)	4.29
<b>SETFIN</b>	<b>8.82</b>	<b>0.91</b>	<b>(27.42)</b>	<b>(39.85)</b>	<b>1.83</b>
<b>SET</b>	<b>0.96</b>	<b>(4.90)</b>	<b>(19.86)</b>	<b>(26.55)</b>	<b>(3.32)</b>

Source: Bloomberg

**Exhibit 7: TIDLOR – one-year prospective PER band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 8: Peer comparisons, as of 28 February 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	147.50	169.00	15	11.8	11.0	1.5	1.4	13.1	13.2	3.7	4.2
Krungthai Card	KTC TB	HOLD	43.25	46.00	6	15.3	14.6	3.1	2.8	21.8	20.2	2.9	3.1
Muangthai Capital	MTC TB	HOLD	45.75	43.00	(6)	19.8	16.7	3.0	2.6	16.1	16.8	0.5	0.5
Srisawad Corp	SAWAD TB	HOLD	39.75	40.00	1	10.9	11.0	1.9	1.9	18.6	18.4	4.5	4.5
<b>Ngern Tid Lor</b>	<b>TIDLOR TB</b>	<b>BUY</b>	<b>23.10</b>	<b>27.00</b>	<b>17</b>	<b>17.1</b>	<b>14.4</b>	<b>2.3</b>	<b>2.1</b>	<b>14.1</b>	<b>15.4</b>	<b>1.8</b>	<b>2.1</b>
JMT Network services	JMT TB	HOLD	22.80	25.70	13	16.6	13.9	1.3	1.2	8.1	9.0	4.7	5.8
Bangkok Commercial Asset Mgmt.	BAM TB	HOLD	8.50	8.75	3	17.9	15.4	0.6	0.6	3.5	4.1	6.5	4.4
Chayo Group	CHAYO TB	HOLD	5.55	5.70	3	16.1	16.2	1.9	1.6	12.4	10.7	0.5	0.9
<b>Average</b>						<b>15.7</b>	<b>14.2</b>	<b>2.0</b>	<b>1.8</b>	<b>13.5</b>	<b>13.5</b>	<b>3.1</b>	<b>3.2</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

Ngerm Tid Lor

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Interest Income	12,532	15,545	19,067	22,085	25,207
Interest expense	(1,235)	(1,842)	(2,305)	(2,737)	(3,231)
Net interest income	11,297	13,703	16,761	19,349	21,976
Net fees & commission	2,710	3,380	3,983	4,700	5,546
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	32	47	40	40	40
Non interest income	2,742	3,427	4,023	4,740	5,586
Total income	14,039	17,130	20,784	24,088	27,562
Staff costs	(7,923)	(9,401)	(11,535)	(13,369)	(15,297)
Other operating costs	-	-	-	-	-
Operating costs	(7,923)	(9,401)	(11,535)	(13,369)	(15,297)
Pre provision operating profit	6,116	7,729	9,249	10,719	12,265
Expected credit loss	(1,583)	(2,986)	(3,410)	(3,781)	(4,179)
Other provisions	0	0	0	0	0
Operating profit	4,533	4,744	5,839	6,938	8,086
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	-	-	-	-	-
Profit before tax	4,533	4,744	5,839	6,938	8,086
Tax	(893)	(953)	(1,168)	(1,388)	(1,617)
Profit after tax	3,640	3,790	4,671	5,551	6,469
Non-controlling interest	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	3,640	3,790	4,671	5,551	6,469
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	3,640	3,790	4,671	5,551	6,469
<b>Per share (THB)</b>					
Recurring EPS *	1.46	1.35	1.60	1.91	2.22
Reported EPS	1.46	1.35	1.60	1.91	2.22
DPS	0.75	0.41	0.48	0.57	0.67
<b>Growth</b>					
Net interest income (%)	29.8	21.3	22.3	15.4	13.6
Non interest income (%)	23.4	25.0	17.4	17.8	17.8
Pre provision operating profit (%)	40.0	26.4	19.7	15.9	14.4
Operating profit (%)	14.7	4.6	23.1	18.8	16.5
Reported net profit (%)	14.9	4.1	23.2	18.8	16.5
Recurring EPS (%)	6.7	(7.4)	18.8	18.8	16.5
Reported EPS (%)	6.7	(7.4)	18.8	18.8	16.5
<b>Income Breakdown</b>					
Net interest income (%)	80.5	80.0	80.6	80.3	79.7
Net fees & commission (%)	19.3	19.7	19.2	19.5	20.1
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	0.2	0.3	0.2	0.2	0.1
<b>Operating performance</b>					
Gross interest yield (%)	17.87	17.67	18.38	18.53	18.56
Cost of funds (%)	2.51	2.93	3.10	3.20	3.30
Net interest spread (%)	15.36	14.74	15.28	15.33	15.26
Net interest margin (%)	16.1	15.6	16.2	16.2	16.2
Cost/income(%)	56.4	54.9	55.5	55.5	55.5
Cost/assets(%)	10.5	10.2	10.7	10.9	11.0
Effective tax rate (%)	19.7	20.1	20.0	20.0	20.0
Dividend payout on recurring profit (%)	51.8	30.2	30.2	30.2	30.2
ROE (%)	15.2	14.1	15.4	16.2	16.7
ROE - COE (%)	4.4	3.3	4.6	5.4	5.9
ROA (%)	4.8	4.1	4.3	4.5	4.6
RORWA (%)	-	-	-	-	-

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

Sources: Ngerm Tid Lor; FSSIA estimates

## Financial Statements

Ngern Tid Lor

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Gross customer loans	79,898	96,020	111,500	126,928	144,640
Allowance for expected credit loss	(3,199)	(3,981)	(4,425)	(4,957)	(5,628)
interest in suspense	1,367	1,436	1,695	1,949	2,242
<b>Net customer loans</b>	<b>78,067</b>	<b>93,475</b>	<b>108,770</b>	<b>123,921</b>	<b>141,253</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	2,191	1,656	689	742	781
Other interesting assets	-	-	-	-	-
Tangible fixed assets	1,686	1,623	1,704	1,789	1,878
Associates	-	-	-	-	-
Goodwill	294	294	300	300	300
Other intangible assets	257	252	255	258	260
Other assets	2,232	2,848	2,930	3,370	3,888
<b>Total assets</b>	<b>84,727</b>	<b>100,148</b>	<b>114,648</b>	<b>130,379</b>	<b>148,361</b>
Customer deposits	3,600	6,643	6,000	6,000	6,000
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	53,013	62,337	73,750	85,300	98,500
Non interest bearing liabilities	2,692	2,745	2,583	2,687	2,801
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>59,305</b>	<b>71,724</b>	<b>82,333</b>	<b>93,987</b>	<b>107,301</b>
Share capital	9,240	10,395	10,780	10,780	10,780
Reserves	16,182	18,028	21,535	25,612	30,279
<b>Total equity</b>	<b>25,422</b>	<b>28,424</b>	<b>32,315</b>	<b>36,393</b>	<b>41,059</b>
Non-controlling interest	0	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>84,727</b>	<b>100,148</b>	<b>114,648</b>	<b>130,379</b>	<b>148,361</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	70,118	87,959	103,760	119,214	135,784
Average interest bearing liabilities	49,254	62,796	74,365	85,525	97,900
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)	1,285	1,412	1,704	1,892	2,122
<b>Per share (THB)</b>					
Book value per share	10.18	10.12	11.09	12.49	14.09
Tangible book value per share	9.96	9.92	10.90	12.30	13.90
<b>Growth</b>					
Gross customer loans	32.4	20.2	16.1	13.8	14.0
Average interest earning assets	26.2	25.4	18.0	14.9	13.9
Total asset (%)	27.4	18.2	14.5	13.7	13.8
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	9.1	84.5	(9.7)	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	2,168.5	1,407.1	1,812.8	2,065.3	2,354.2
Equity/assets (%)	30.0	28.4	28.2	27.9	27.7
Tangible equity/assets (%)	29.4	27.8	27.7	27.5	27.3
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality (FSSIA's calculation)</b>					
Change in NPL (%)	75.5	9.8	20.7	11.0	12.1
NPL/gross loans (%)	1.6	1.5	1.5	1.5	1.5
Allowance for ECL/gross loans (%)	4.0	4.1	4.0	3.9	3.9
Allowance for ECL/NPL (%)	248.9	282.1	259.6	261.9	265.3
<b>Valuation</b>					
Recurring P/E (x) *	15.8	17.1	14.4	12.1	10.4
Recurring P/E @ target price (x) *	18.5	20.0	16.8	14.2	12.2
Reported P/E (x)	15.8	17.1	14.4	12.1	10.4
Dividend yield (%)	3.3	1.8	2.1	2.5	2.9
Price/book (x)	2.3	2.3	2.1	1.8	1.6
Price/tangible book (x)	2.3	2.3	2.1	1.9	1.7
Price/tangible book @ target price (x)	2.7	2.7	2.5	2.2	1.9

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

Sources: Ngern Tid Lor; FSSIA estimates

# Ngern Tid Lor PCL (TIDLOR TB)

**FSSIA ESG rating**

★★

**36.71 /100**

## Exhibit 9: FSSIA ESG score implication

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

Sources: FSSIA estimates

## Exhibit 10: ESG – peer comparison

	FSSIA	----- Domestic ratings -----						----- Global ratings -----						--- Bloomberg ---	
	ESG score	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](http://SETTRADE.com); FSSIA's compilation

## Exhibit 11: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>1.61</b>	<b>1.66</b>
BESG environmental pillar score	0.00	—
BESG social pillar score	1.00	—
BESG governance pillar score	3.67	—
<b>ESG disclosure score</b>	<b>30.71</b>	<b>—</b>
Environmental disclosure score	1.75	—
Social disclosure score	6.59	—
Governance disclosure score	83.59	—
<b>Environmental</b>		
Emissions reduction initiatives	No	No
Climate change policy	No	No
Climate change opportunities discussed	No	No
Risks of climate change discussed	No	No
GHG scope 1	—	2
GHG scope 2 location-based	—	5
GHG Scope 3	—	1
Carbon per unit of production	—	—
Biodiversity policy	No	No
Energy efficiency policy	Yes	No
Total energy consumption	—	8,923
Renewable energy use	—	—
Electricity used	—	9
Fuel used - natural gas	—	—

Sources: Bloomberg; FSSIA's compilation



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

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
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="width:100%; text-align:center; border-collapse: collapse;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="width:100%; border-collapse: collapse;"> <tbody> <tr> <td style="text-align:center;"><b>AAA</b></td> <td style="text-align:center;">8.571-10.000</td> <td rowspan="3" style="text-align:center;"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td style="text-align:center;"><b>AA</b></td> <td style="text-align:center;">7.143-8.570</td> </tr> <tr> <td style="text-align:center;"><b>A</b></td> <td style="text-align:center;">5.714-7.142</td> </tr> <tr> <td style="text-align:center;"><b>BBB</b></td> <td style="text-align:center;">4.286-5.713</td> <td rowspan="3" style="text-align:center;"><b>Average:</b></td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td style="text-align:center;"><b>BB</b></td> <td style="text-align:center;">2.857-4.285</td> </tr> <tr> <td style="text-align:center;"><b>B</b></td> <td style="text-align:center;">1.429-2.856</td> </tr> <tr> <td style="text-align:center;"><b>CCC</b></td> <td style="text-align:center;">0.000-1.428</td> <td style="text-align:center;"><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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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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Company	Ticker	Price	Rating	Valuation & Risks
Ngern Tid Lor	TIDLOR TB	THB 23.10	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB X); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Srisawad Corp	SAWAD TB	THB 39.75	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 include 1) a faster-than-expected decline in losses on sales of repossessed cars for SCAP; and 2) an interest rate downtrend could push its interest spread.
Bangkok Commercial Asset Mngt.	BAM TB	THB 8.50	HOLD	Downside risks to our NAV-based TP include 1) lower cash collection than estimated; 2) lower-than-expected bad debt acquisition; and 3) a slowdown in the property market. Upsides include 1) better-than-expected economic conditions and debt repayment momentum; and 2) an acceleration in the demand for NPAs.
Muangthai Capital	MTC TB	THB 45.75	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) positive developments in 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 147.50	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 43.25	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.
JMT Network Services	JMT TB	THB 22.80	HOLD	Downside risks to our P/BV-based TP include 1) lower cash collection from both debt management and debt tracking collection services; and 2) higher-than-expected funding costs and operating expenses. Upside risks includes 1) better-than-expected purchasing power and cash collection; and 2) lower-than-expected operating and financing expenses.
Chayo Group	CHAYO TB	THB 5.55	HOLD	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses. Upside risks include 1) better-than-expected cash collection performance and lower pressure from ECL, 2) stronger-than-expected loan growth, and 3) better cost control than expected.

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 28-Feb-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.