EQUITY RESEARCH - ANALYST MEETING

NGERN TID LOR   TIDLOR TB
THAILAND / FINANCE & SECURITIES

BUY
UNCHANGED

Key takeaways from analyst meeting

TARGET PRICE	THB27.00
CLOSE	THB22.10
UP/DOWNSIDE	+22.2%
TP vs CONSENSUS	-1.8%

การประชุมนักวิเคราะห์ของ TIDLOR เมื่อวันที่ 5 มี.ค. มุ่งไปที่ 1) Highlights สำคัญและการพัฒนาคุณภาพสินทรัพย์ในปี 2023 ซึ่งส่วนมากเป็นไปตามเป้าหมายและ 2) guidance และแนวโน้มในปี 2024 เนื่องจากเป้าหมายส่วนมากสอดคล้องกับตัวเลขของเรา เราจึงยังคงประมาณการกำไรปี 2024-26 และคำแนะนำซื้อ ราคาเป้าหมายปี 2024 เท่ากับ 27 บาท (GGM) คิดเป็น 2.39x ของค่า P/BV ภายใต้สมมติฐานค่า L-T ROE ที่ 15.5% และ COE ที่ 10.2%

Highlights

ผลงานสำคัญและการพัฒนาคุณภาพสินทรัพย์ในปี 2023: TIDLOR รายงานกำไรสุทธิทำสถิติสูงสุดใหม่ในปี 2023 โดยได้ปัจจัยหนุนส่วนมากจากพอร์ตสินเชื่อที่ขยายตัว 20% y-y และการเติบโตของเบี้ยประกันวินาศภัยที่สูงถึง 25% y-y ซึ่งช่วยกระตุ้นการเติบโตของรายได้ค่าธรรมเนียม จุดแข็งในด้านช่องทางการจัดจำหน่ายที่มีความครอบคลุมและหลากหลายช่วยสนับสนุนความสามารถในการแข่งขันและช่วยให้ลูกค้าเข้าถึงผลิตภัณฑ์ของบริษัทฯ ได้ ผ่านเครือข่ายอันประกอบด้วยสาขา 1,678 แห่ง ช่องทางดิจิตอลและบัตร TIDLOR อีก 644,000 ใบ (+30% y-y)

อีก Highlight สำคัญอยู่ที่โครงสร้างเงินทุนที่ดีจากแหล่งเงินทุนที่กระจายตัวประกอบด้วยสินเชื่อธนาคาร (49% ของยอดรวม) และหุ้นกู้ (51%) พร้อมสินเชื่อพร้อมใช้อีก 22พัน ลบ. ในปัจจุบันบริษัทฯ คาดว่าต้นทุนในการกู้ยืมในปี 2024 จะปรับขึ้นไม่เกิน 40bp ซึ่งน่าจะสามารถชดเชยได้ด้วย Loan yields ที่ปรับขึ้น TIDLOR เลือกปรับ Loan yields จากสินเชื่อทะเบียนรถยนต์และรถจักรยานยนต์อีกครั้งในปลาย 4Q23 หลังการปรับอัตราดอกเบี้ยสินเชื่อเช่าซื้อรถบรรทุกใน 2Q23 ซึ่งช่วยบรรเทาผลกระทบจากต้นทุนในการกู้ยืมที่ปรับขึ้นต่อ Loan spread ใน 4Q23 เมื่อเทียบกับ MTC และ SAWAD ซึ่งรายงาน Spread ลดลงมากกว่า TIDLOR

ในด้านคุณภาพสินทรัพย์ TIDLOR ปรับปรุงการบริหารหนี้ด้อยคุณภาพหลังสัดส่วนหนี้ด้อยคุณภาพลดลง (จากการตัดจำหน่ายอีก 710 ลบ. ใน 4Q23 รวมเป็น 2.10พัน ลบ. ในปี 2023) TIDLOR คงเป้า Credit costs ในปี 2024 ของบริษัทฯ ไว้ที่ 3.00-3.50% จากต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit costs) ที่ปรับขึ้นใน 4Q23 เพื่อรับมือกับการบริหารหนี้ด้อยคุณภาพและเป็นกันชนสำหรับความไม่แน่นอนต่าง ๆ ผลขาดทุนจำนวนมากจากการขายรถยึดหลังอุปทานรถมือสองเพิ่มขึ้น การเติบโตของตลาด EVs การสิ้นสุดของมาตรการพักชำระหนี้ และการเพิ่มอัตราการชำระสินเชื่อบัตรเครดิตขั้นต่ำ บริษัทฯ คาดว่าแนวโน้มขาลงน่าจะเกิดขึ้นได้ภายใต้สภาวะการฟื้นตัวทางเศรษฐกิจและความสามารถของลูกค้าในการชำระหนี้ที่สูงขึ้น

Guidance และแนวโน้มปี 2024: เป้าประมาณการของ TIDLOR ส่วนมากค่อนข้างทรงตัวจากในปี 2023 ยกเว้นเบี้ยประกันวินาศภัยซึ่งน่าจะโตตามการเติบโตของสินเชื่อที่คาดว่าจะอยู่ที่ 10-20% y-y ในขณะเดียวกันบริษัทฯ ก็คาดด้วยว่าสัดส่วนค่าใช้จ่ายในการดำเนินงานต่อรายได้จะทรงตัวในปี 2024 ส่วนมากจากนโยบายควบคุมต้นทุนอย่างเข้มงวดตามการเติบโตของรายได้

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 (%)	-	0.2	0.0	(0.3)
Recurring net profit	3,790	4,671	5,551	6,469
Core EPS (THB)	1.35	1.60	1.91	2.22
EPS growth (%)	(7.4)	18.8	18.8	16.5
Core P/E (x)	16.4	13.8	11.6	10.0
Dividend yield (%)	1.8	2.2	2.6	3.0
Price/book (x)	2.2	2.0	1.8	1.6
ROE (%)	14.1	15.4	16.2	16.7
ROA (%)	4.1	4.3	4.5	4.6
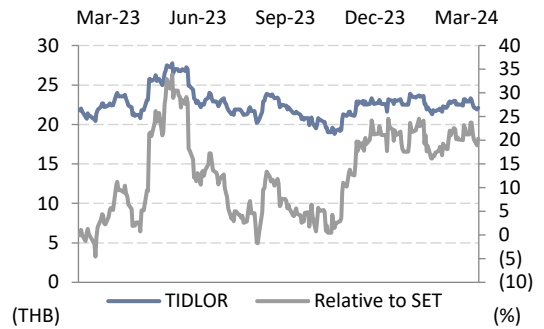
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	(2.6)	1.1
Relative to country (%)	1.8	(0.9)	19.5
Mkt cap (USD m)			1,734
3m avg. daily turnover (USD m)			9.0
Free float (%)			21
Major shareholder			Bank of Ayudhya (30%)
12m high/low (THB)			28.00/18.60
Issued shares (m)			2,809

Sources: Bloomberg consensus; FSSIA estimate

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 6 มีนาคม 2024

Exhibit 1: TIDLOR 2024 – guidance vs FSSIA estimates

	2023	2024E	2024 guidance	2023 guidance
Loan growth (%)	20.2%	16.1%	10-20%	10-20%
Non-life insurance premium growth (%)	8,700	10,179	10-20%	20-25%
NPL ratio (%)	1.47%	1.53%	1.40-1.80%	<1.65%
Credit cost (%)	3.39%	3.29%	3.00-3.50%	3.00-3.35%
Cost to income (%)	54.9%	55.5%	mid 50%	mid 50%

Sources: TIDLOR; FSSIA estimates

Exhibit 2: Comparative source of funds, as of 4Q23

	TIDLOR	SAWAD	MTC
	(%)	(%)	(%)
Bank loans	49	39	33
Debentures	51	61	67
Credit line available (THB m)	22,000	4,000	20,000

Sources: Company data; FSSIA's compilation

Exhibit 3: 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
Net profit	**817**	**955**	**927**	**1,007**	**901**	**(10.5)**	**10.3**	**3,790**	**4.1**
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
Key ratios	**4Q22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**			**2023**	
	(%)	(%)	(%)	(%)	(%)			(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

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Exhibit 4: GGM-based 2024 TP

Gordon Growth Model	2024E
Sustainable ROE	15.5%
g	6.4%
ROE-g	9.1%
Beta	1.20
Risk-free rate	3.0%
Risk premium	6.0%
COE	10.2%
COE-g	3.8%
ROE-g/COE-g (P/BV)	2.4
BVS	11.22
Fair value	27.0

Source: FSSIA estimates

Exhibit 5: TIDLOR – one-year prospective P/BV band
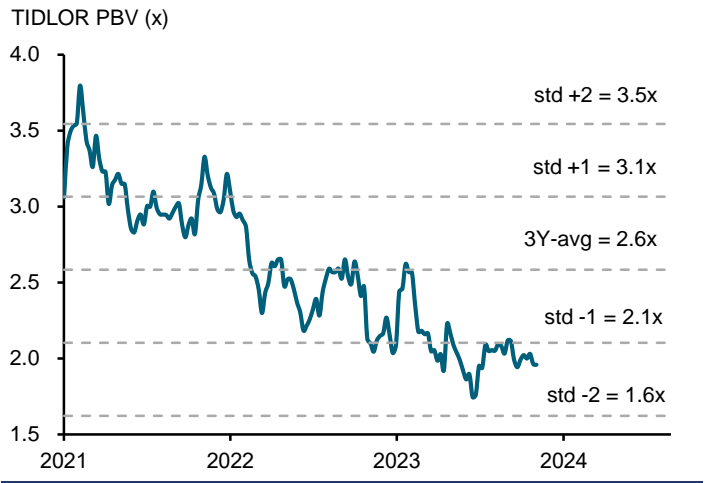
Sources: Bloomberg; FSSIA estimates

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Financial Statements

Ngern 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
Per share (THB)					
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
Growth					
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
Income Breakdown					
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
Operating performance					
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: Ngern Tid Lor; FSSIA estimates

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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
Net customer loans	**78,067**	**93,475**	**108,770**	**123,921**	**141,253**
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
Total assets	**84,727**	**100,148**	**114,648**	**130,379**	**148,361**
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	-	-	-	-	-
Total liabilities	**59,305**	**71,724**	**82,333**	**93,987**	**107,301**
Share capital	9,240	10,395	10,780	10,780	10,780
Reserves	16,182	18,028	21,535	25,612	30,279
Total equity	**25,422**	**28,424**	**32,315**	**36,393**	**41,059**
Non-controlling interest	0	0	0	0	0
Total liabilities & equity	**84,727**	**100,148**	**114,648**	**130,379**	**148,361**
Supplementary items					
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
Per share (THB)					
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
Growth					
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)	-	-
Leverage & capital measures					
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 (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
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

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	15.2	16.4	13.8	11.6	10.0
Recurring P/E @ target price (x) *	18.5	20.0	16.8	14.2	12.2
Reported P/E (x)	15.2	16.4	13.8	11.6	10.0
Dividend yield (%)	3.4	1.8	2.2	2.6	3.0
Price/book (x)	2.2	2.2	2.0	1.8	1.6
Price/tangible book (x)	2.2	2.2	2.0	1.8	1.6
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

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Ngern Tid Lor PCL (TIDLOR TB)

FSSIA ESG rating

★ ★

36.71 /100

Exhibit 6: 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.
★ ★	>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 7: 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 8: ESG score by Bloomberg

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

Sources: Bloomberg; FSSIA's compilation

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Exhibit 9: ESG score by Bloomberg *(cont.)*

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

Sources: Bloomberg; FSSIA's compilation

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Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **THSI inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETTHSI Index** is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). (*The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.*)	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. (*Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.*)	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.

<table>
<tr><td>NEGL</td><td>Low</td><td>Medium</td><td>High</td><td>Severe</td></tr>
<tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr>
</table>

ESG score	Methodology	Rating
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.	

AAA	8.571-10.000		
AA	7.143-8.570	**Leader:**	leading its industry in managing the most significant ESG risks and opportunities
A	5.714-7.142		
BBB	4.286-5.713	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
BB	2.857-4.285		
B	1.429-2.856	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks
CCC	0.000-1.428		

ESG score	Methodology	Rating
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. (*Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.*)	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

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

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GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

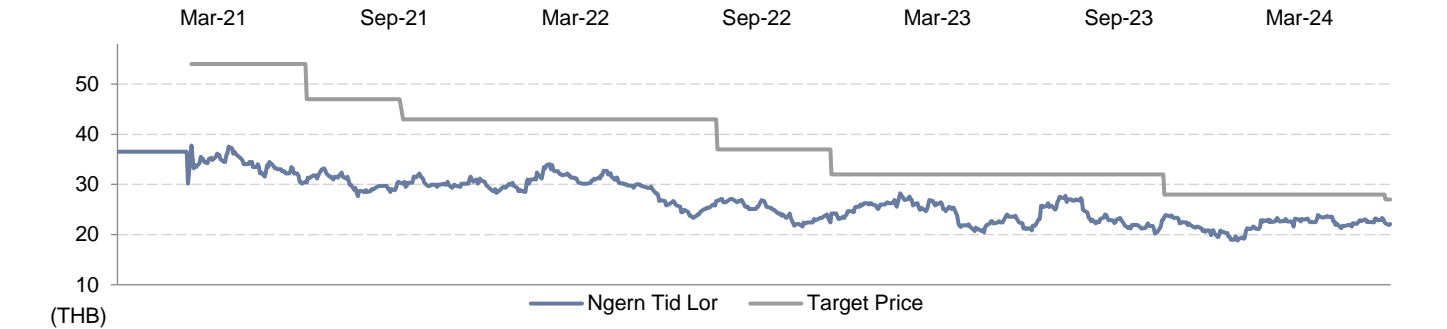### Usanee Liurut, CISA FSS International Investment Advisory Securities Co., Ltd

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.

History of change in investment rating and/or target price

Ngern Tid Lor (TIDLOR TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-May-2021	BUY	54.00	04-Aug-2022	BUY	37.00	29-Feb-2024	BUY	27.00
16-Aug-2021	BUY	47.00	10-Nov-2022	BUY	32.00			
05-Nov-2021	BUY	43.00	23-Aug-2023	BUY	28.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Ngern Tid Lor	TIDLOR TB	THB 22.10	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB X); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.

Source: FSSIA estimates

Additional Disclosures

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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.

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