

Ngern Tid Lor Pcl (TIDLOR TB) - BUY, Price Bt34.50, TP Bt45.00

Results Comment

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Slightly better than expected profits

- TIDLOR's 4Q21 profits of Bt795m, up 28% y-y and down 2% q-q, was slightly better than expected on high fees and lower provisions. 2021's profits of Bt3.17bn, up 31% y-y, accounted for 104% of our forecast.
- TIDLOR also announced cash dividend of Bt0.274 and stock dividend at 13:1 ratio or equal Bt0.285, on par value of Bt3.7. Total dividends of Bt0.559 implies dividend payout ratio of 40%. XD and payment dates are set on 28 April and 20 May 2022.
- Loans grew 9% q-q and 19% YTD. NIM improved along with higher yield and lower cost of funds. The growth was driven across all products. TIDLOR opened 26 new branches in 4Q21. Number of branches increased 210 branches to 1,286 in 2021.
- NPLs were down to 1.2% of total loans. As a results, provisions were down 30% y-y and 27% q-q in 4Q21. That said, loan loss coverage ratio was still high at 357%.
- Driven by insurance sales, non-interest income was up 20% y-y and 50% in 4Q21.
- Non-NII and provisions were better than our expectation but this was partly offset by TIDLOR's higher expenses. Boosted by marketing activities and campaigns, opex grew 20% y-y and 31% q-q. Cost to income ratio was rising to 64% versus 56% in 3Q21 and 61% in 4Q20.
- We continue to like TIDLOR on its balanced growth, rooms for efficiency improvement and very solid balance sheet. Maintain BUY.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21	(Bt m)	q-q%	y-y%	% 2021F	2021A	2022F
Interest income	2,271	2,331	2,412	2,455	2,626	Interest & dividend income	7	16	101	9,825	11,063
Interest expense	282	290	299	268	264	Interest expense	(1)	(6)	103	1,121	1,066
Net interest income	1,988	2,041	2,113	2,187	2,362	Net interest income	8	19	101	8,704	9,997
Non-interest income	582	552	506	467	698	Non-interest income	50	20	110	2,222	2,216
Total income	2,570	2,593	2,619	2,654	3,061	Total income	15	19	103	10,926	12,213
Operating expense	1,634	1,592	1,519	1,490	1,958	Operating expense	31	20	106	6,559	6,696
Pre-provisioning profit	936	1,001	1,100	1,163	1,102	Pre-provisioning profit	(5)	18	99	4,367	5,517
Provision for bad&doubtful debt	158	22	130	151	110	Provision for bad&doubtful debt	(27)	(30)	67	625	776
Profit before tax	778	979	970	1,012	992	Profit before tax	(2)	28	104	3,953	4,741
Tax	155	195	192	199	197	Tax	(1)	27	103	784	948
Profit after tax	623	783	777	813	795	Profit after tax	(2)	28	104	3,169	3,793
Equity income	-	-	-	-	-	Equity income	-	-	-	-	-
Minority interests	-	-	-	-	-	Minority interests	-	-	-	-	-
Extra items	-	-	-	-	-	Extra items	-	-	-	-	-
Net profit	623	783	777	813	795	Net profit	(2)	28	104	3,169	3,793
Normalized profit	623	783	777	813	795	Normalized profit	(2)	28	104	3,169	3,793
PPP/share (Bt)	0.4	0.5	0.5	0.5	0.5	PPP/share (Bt)	(5)	7	98	1.9	3.0
EPS (Bt)	0.3	0.4	0.3	0.4	0.3	EPS (Bt)	(2)	16	103	1.4	2.1
Norm EPS (Bt)	0.3	0.4	0.3	0.4	0.3	Norm EPS (Bt)	(2)	16	103	1.4	2.1
BV/share (Bt)	5.6	5.9	9.0	9.3	9.7	BV/share (Bt)	4	73	10	9.7	12.2
Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	1Q21	2Q21	3Q21	4Q21		(%)	1Q21	2Q21	3Q21	4Q21	
Cash and cash equivalent	1,527	7,618	4,119	3,995	Gross loan growth (YTD)		4.0	6.7	9.4	18.8	
Other current assets	694	564	626	886	Gross loan growth (q-q)		4.0	2.6	2.5	8.6	
Total current assets	2,221	8,182	4,746	4,880	Borrowing growth (YTD)		4.1	2.3	(3.7)	6.1	
Gross loans and accrued interest	53,323	54,857	56,611	61,458	Borrowing growth (q-q)		4.1	(1.8)	(5.9)	10.2	
Provisions	2,631	2,611	2,611	2,611	Non-interest income (y-y)		na	57.1	0.8	20.0	
Net loans	50,692	52,246	54,000	58,847	Non-interest income (q-q)		(5.2)	(8.4)	(7.7)	49.7	
Fixed assets	79	73	94	59	Cost-to-income		61.4	58.0	56.2	64.0	
Other assets	2,846	2,828	2,807	2,739	Net interest margin		14.96	14.19	14.00	14.74	
Total assets	55,839	63,328	61,646	66,525	Credit cost		0.16	0.92	1.05	0.70	
Short term borrowing	-	-	-	4,299	ROE		25.8	18.7	15.3	14.5	
Current portion of LT loans	13,742	23,449	16,774	15,877	ROA		5.7	5.2	5.2	5.0	
Other current liabilities	1,915	1,802	2,860	2,327	Loan-to-borrowing		123.1	129.0	141.4	139.3	
Total current liabilities	15,657	25,251	19,634	22,503	Loan-to-total equity		404.5	251.1	249.8	262.7	
Borrowings	23,370	12,500	11,620	13,220	NPLs (Btm)		800.0	853.4	800.8	732.2	
Other liabilities	4,280	4,772	8,775	8,397	NPL increase		(50.0)	53.5	(52.6)	(68.6)	
Minority interest	-	-	-	-	NPL ratio (%)		1.50	1.56	1.41	1.19	
Shareholders' equity	12,532	20,805	21,618	22,405	Loan loss coverage ratio (%)		328.9	305.9	326.0	356.6	
Total Liabilities & Equity	55,839	63,328	61,646	66,525							

Sources: Company data, Thanachart estimates

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