

**Ngern Tid Lor Pcl (TIDLOR TB) - BUY, Price Bt25.75, TP Bt40.00****Results Comment**

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**Profits were in line**

- TIDLOR's 3Q22 profits of Bt901m, up 11% y-y but down 8% q-q, were in line as the jump of provisions was not only from rising NPLs per se but also per its policy to keep up high provisioning buffer
- Excl. extra provisions, profits could have been as high as Bt1.17bn versus Bt1.05bn in 2Q22 and Bt813m in 3Q21.
- PPOP were very strong, growing 40% y-y and 8% q-q in light of robust loans growth of 34% y-y and 7% q-q and widening NIM due to end of pricing promotion and lower cost of fund.
- Insurance sales grew nicely, led to very high non-NII growth of 44% y-y and 6% q-q. Despite entering to high expense season, opex was under good control so cost to income ratio rose marginally q-q.
- NPLs rose along with loan expansion to 1.5% of total loans from 1.4% in 2Q22. The increasing magnitude wasn't alarming as NPL formation was falling a bit from 2.28% in 2Q22 to 2.2% in this quarter. Meanwhile, stage 2 was 18% of total loans, pretty much stable q-q.
- To keep loan loss coverage ratio above 250%, TIDLOR booked up provisions of Bt271m in the quarter versus Bt70m in 2Q22. This along with write-off expenses of Bt242m, total provisions were Bt514m, rising 239% y-y and 81% q-q.
- With extra provision book, loan loss coverage ratio stayed high at 254%.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Interest income	2,455	2,626	2,765	2,987	3,260	Interest & dividend income	9	33	74	12,141	14,858
Interest expense	268	264	269	286	313	Interest expense	9	17	73	1,193	1,511
<b>Net interest income</b>	<b>2,187</b>	<b>2,362</b>	<b>2,496</b>	<b>2,701</b>	<b>2,947</b>	<b>Net interest income</b>	<b>9</b>	<b>35</b>	<b>74</b>	<b>10,948</b>	<b>13,347</b>
Non-interest income	467	698	596	629	670	Non-interest income	6	44	73	2,597	3,060
Total income	2,654	3,061	3,092	3,330	3,617	Total income	9	36	74	13,545	16,406
Operating expense	1,490	1,958	1,779	1,823	1,983	Operating expense	9	33	73	7,608	8,826
<b>Pre-provisioning profit</b>	<b>1,163</b>	<b>1,102</b>	<b>1,313</b>	<b>1,507</b>	<b>1,634</b>	<b>Pre-provisioning profit</b>	<b>8</b>	<b>40</b>	<b>75</b>	<b>5,936</b>	<b>7,581</b>
Provision for bad&doubtful debt	151	110	140	284	513	Provision for bad&doubtful debt	81	239	76	1,230	1,562
Profit before tax	1,012	992	1,173	1,223	1,121	Profit before tax	(8)	11	75	4,706	6,019
Tax	199	197	233	242	220	Tax	(9)	11	74	941	1,204
Profit after tax	813	795	940	981	901	Profit after tax	(8)	11	75	3,765	4,815
Equity income	-	-	-	-	-	Equity income	-	-	-	-	-
Minority interests	-	-	-	-	-	Minority interests	-	-	-	-	-
Extra items	-	-	-	-	-	Extra items	-	-	-	-	-
<b>Net profit</b>	<b>813</b>	<b>795</b>	<b>940</b>	<b>981</b>	<b>901</b>	<b>Net profit</b>	<b>(8)</b>	<b>11</b>	<b>75</b>	<b>3,765</b>	<b>4,815</b>
<b>Normalized profit</b>	<b>813</b>	<b>795</b>	<b>940</b>	<b>981</b>	<b>901</b>	<b>Normalized profit</b>	<b>(8)</b>	<b>11</b>	<b>75</b>	<b>3,765</b>	<b>4,815</b>
PPP/share (Bt)	0.5	0.5	0.6	0.6	0.7	PPP/share (Bt)	8	30	77	3.0	3.7
EPS (Bt)	0.4	0.3	0.4	0.4	0.36	EPS (Bt)	(8)	3	77	1.9	2.4
Norm EPS (Bt)	0.4	0.3	0.4	0.4	0.4	Norm EPS (Bt)	(8)	3	77	1.9	2.4
BV/share (Bt)	9.3	9.7	10.1	9.5	9.9	BV/share (Bt)	4	6	10	11.8	13.7
Balance Sheet						Financial Ratios					
(consolidated)						(%)					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	3Q21	4Q21	1Q22	2Q22	3Q22	
Cash and cash equivalent	4,119	3,995	4,575	2,652	2,275	Gross loan growth (YTD)	9.4	18.8	7.1	15.1	23.5
Other current assets	626	886	1,473	871	853	Gross loan growth (q-q)	2.5	8.6	7.1	7.5	7.3
Total current assets	4,746	4,880	6,048	3,523	3,128	Borrowing growth (YTD)	(3.7)	6.1	10.3	15.0	23.6
Gross loans and accrued interest	56,611	61,458	65,699	70,659	75,865	Borrowing growth (q-q)	(5.9)	10.2	10.3	4.3	7.5
Provisions	2,611	2,611	2,612	2,655	2,918	Non-interest income (y-y)	na	na	7.9	24.5	43.6
Net loans	54,000	58,847	63,086	68,004	72,947	Non-interest income (q-q)	(7.7)	49.7	(14.7)	5.7	6.5
Fixed assets	94	59	77	96	142	Cost-to-income	56.2	64.0	57.5	54.7	54.8
Other assets	2,807	2,739	2,784	2,811	2,898	Net interest margin	14.00	14.74	14.42	14.76	15.35
<b>Total assets</b>	<b>61,646</b>	<b>66,525</b>	<b>71,995</b>	<b>74,434</b>	<b>79,114</b>	Credit cost	1.05	0.70	0.83	1.57	2.64
Short term borrowing	-	4,299	9,515	13,741	6,647	ROE	15.3	14.5	16.4	16.7	14.9
Current portion of LT loans	16,774	15,877	14,729	9,098	12,617	ROA	5.2	5.0	5.4	5.4	4.7
Other current liabilities	2,860	2,327	2,265	2,112	2,337	Loan-to-borrowing	141.4	139.3	135.0	139.3	139.2
Total current liabilities	19,634	22,503	26,508	24,951	21,601	Loan-to-total equity	249.8	262.7	270.2	286.8	296.5
Borrowings	11,620	13,220	13,720	15,762	17,527	NPLs (Btm)	800.8	732.2	823.1	984.0	1,151.1
Other liabilities	8,775	8,397	8,422	10,009	15,387	NPL increase	(52.6)	(68.6)	90.9	160.9	167.2
Minority interest	-	-	-	-	-	NPL ratio (%)	1.41	1.19	1.25	1.39	1.52
<b>Shareholders' equity</b>	<b>21,618</b>	<b>22,405</b>	<b>23,345</b>	<b>23,712</b>	<b>24,600</b>	Loan loss coverage ratio (%)	326.0	356.6	317.4	269.9	253.5
<b>Total Liabilities &amp; Equity</b>	<b>61,646</b>	<b>66,525</b>	<b>71,995</b>	<b>74,434</b>	<b>79,114</b>						

Sources: Company data, Thanachart estimates

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