

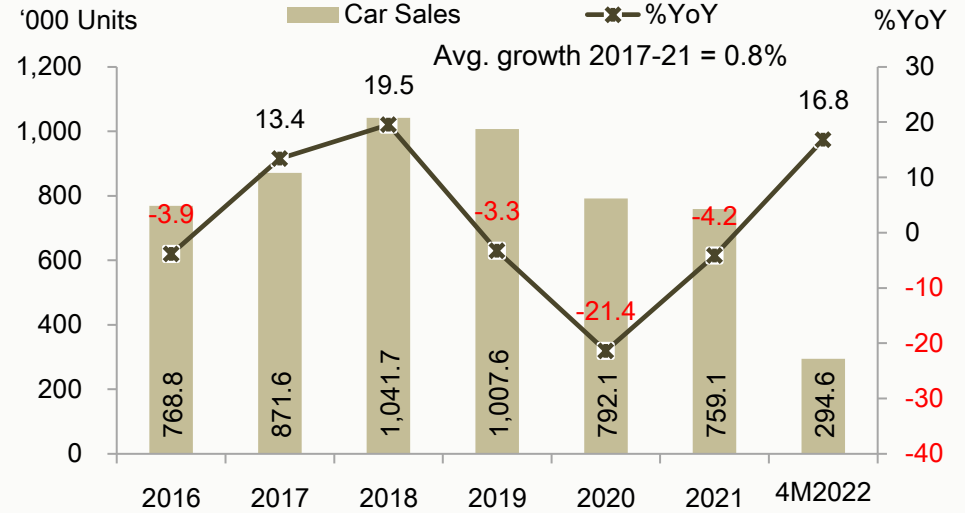
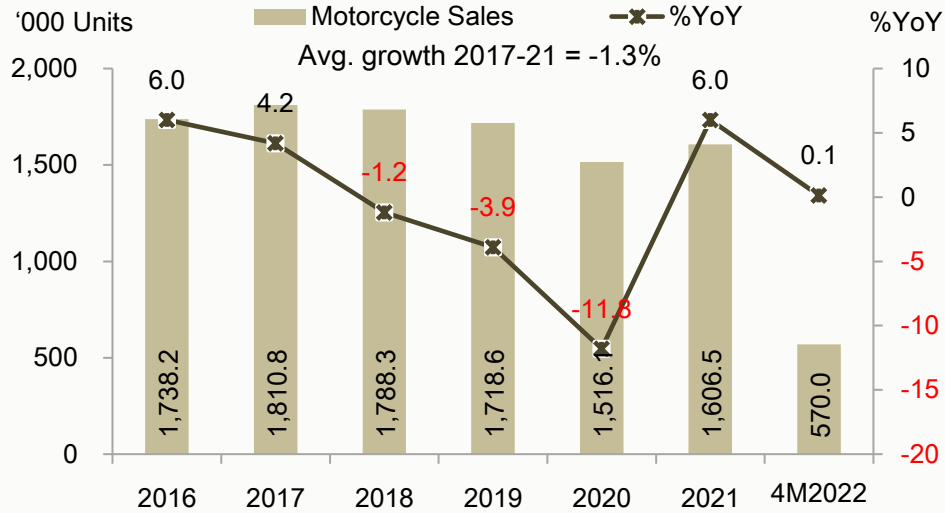
Auto Loan Business

Business Research

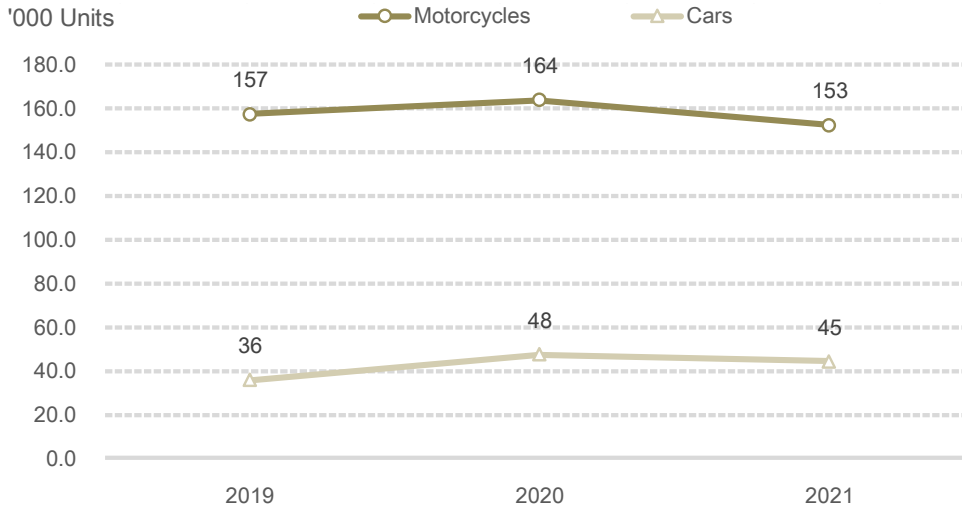
7 Jun 2022

Auto Loan Business

New Motorcycle and Car Sales in Thailand



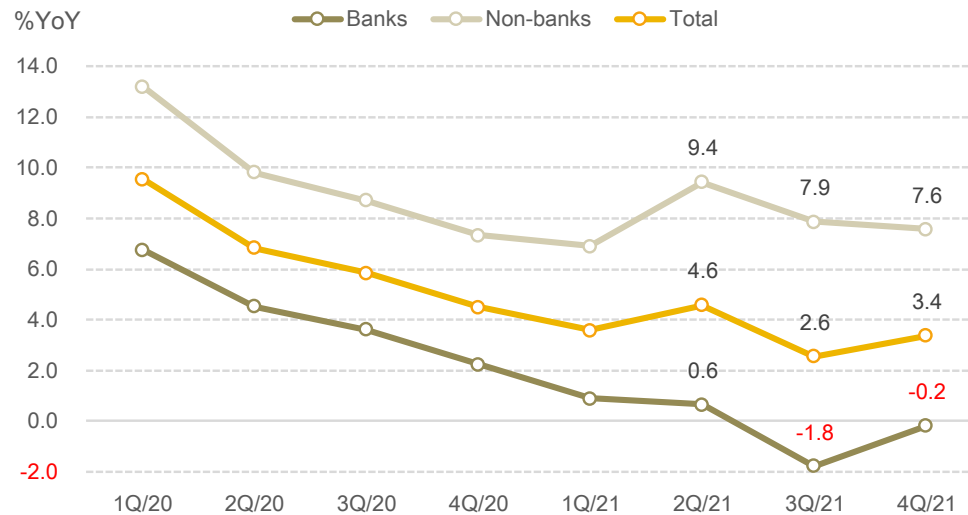
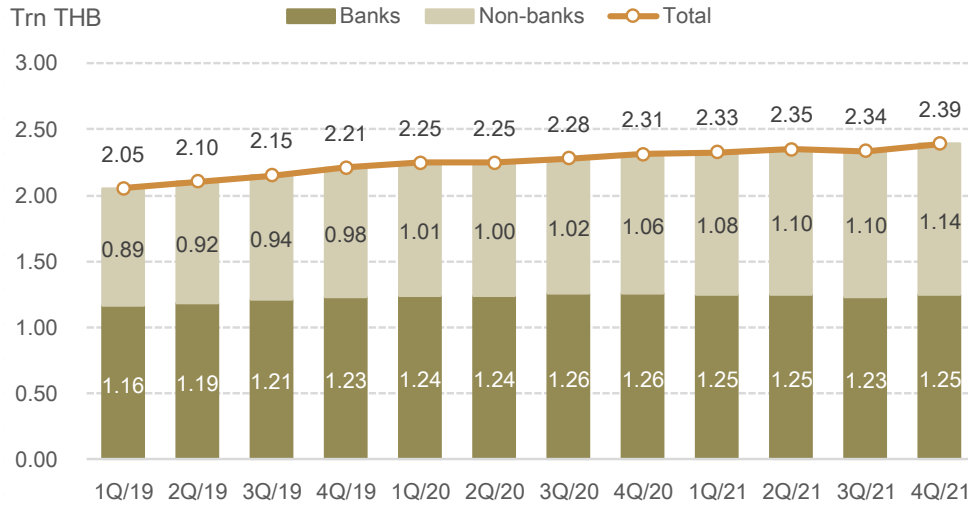
Used Car Registration



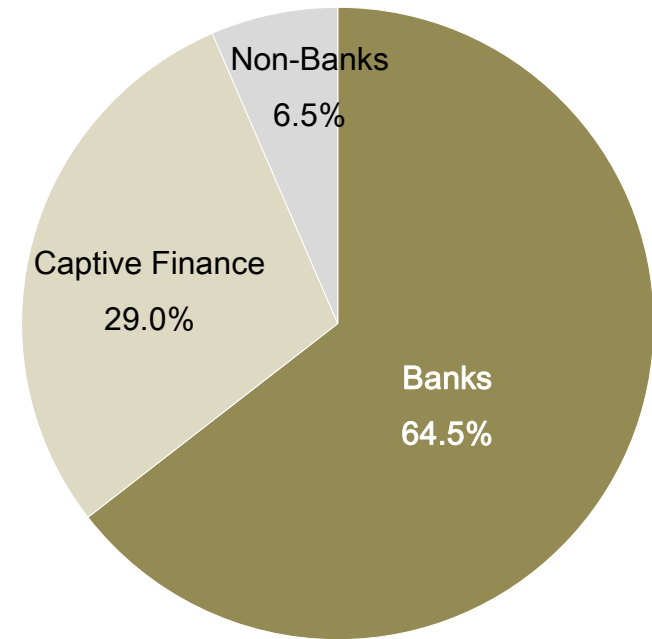
- The Auto Loan business during the first 4 months of 2022 moved on the upward trend in line with the expansion of new car sales, which increased by 16.8%YoY.
- The expansion of new car market was driven by the easing of lockdown measures and the launch of new models and promotional campaigns.
- The used car registration slowed down slightly in 2021, but it is likely to pick up on the back of a recovery in economic activities.

Auto Loan Business

Auto Loan Outstanding (Hire-Purchase + Title Loan)

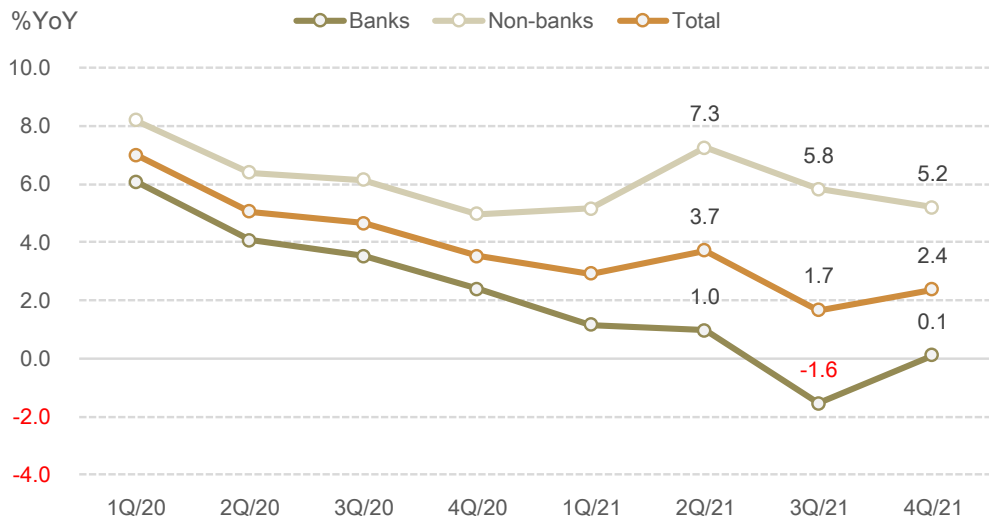
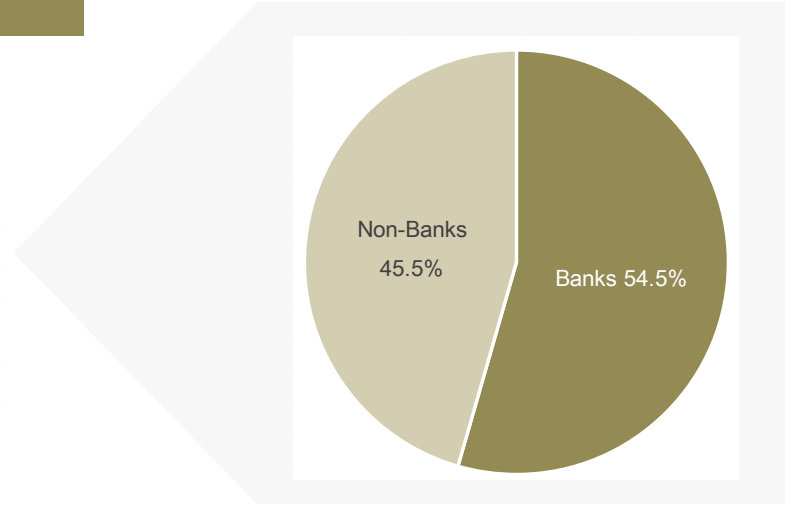
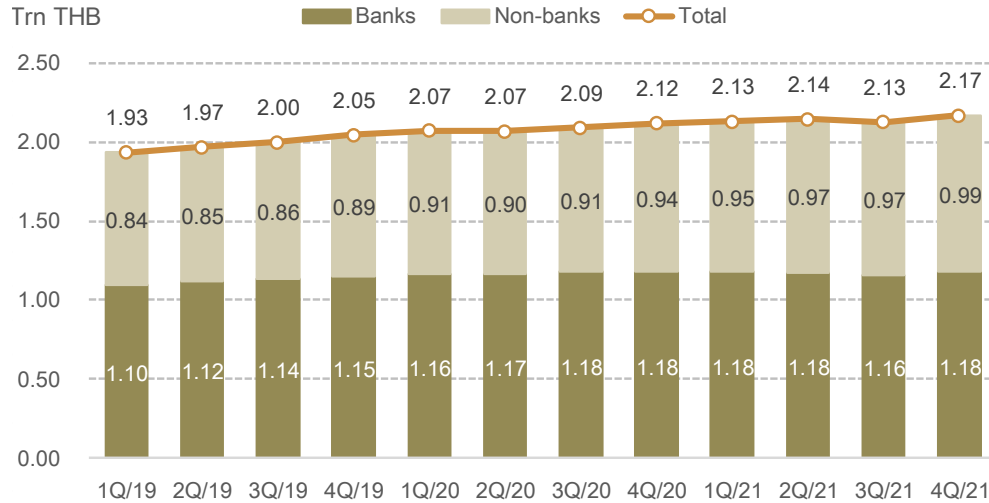


Market Share Classified by Lender Type, 2018



Auto Loan Business

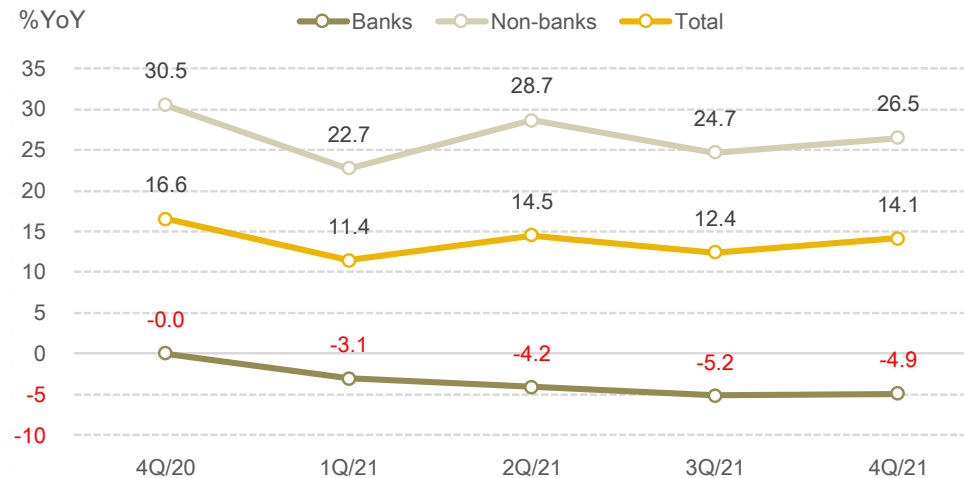
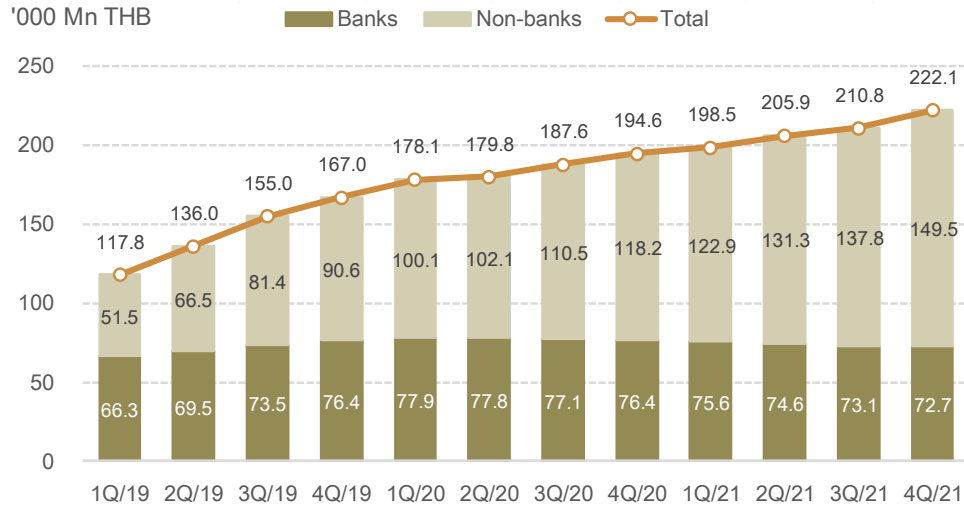
Hire-Purchase Outstanding



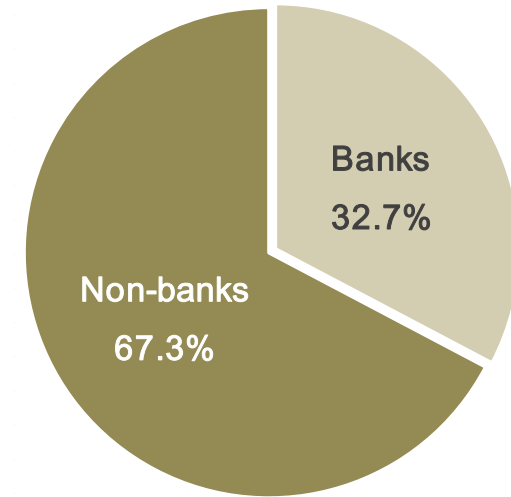
- At the end of 2021, the outstanding hire-purchase loans grew by 2.4%YoY in line with the expansion of non-bank loans.
- Bank loan outstanding slightly expanded. This was partly due to loan quality that deteriorated after the end of debt relief measures.

Auto Loan Business

Title Loan Outstanding



Title Loan Market Share



- The title loans accounted for approximately 9% of the auto loan market, with non-banks being the key player in the title loan market.
- At the end of 2021, the outstanding balance of title loans increased by 14.1%YoY, mainly due to high growth in non-bank loans.
- The outstanding balance of banks continued to decline. This was partly due to concerns about loan quality, especially the high proportion of stage 2 debt (default 30-90 days).

Thailand Incentives to Promote The Electric Vehicle Industry

1. Sale subsidy:

- 70,000 – 150,000 baht/vehicle for passenger cars
- 18,000 baht/vehicle for motorcycles

2. Excise tax reduction:

- 0% for pick-up trucks
- From 8% to 2% for other passenger cars

3. Custom duty reduction by 2023:

- Up to 40% for completely built-up EV cars

4. Custom duty exemption:

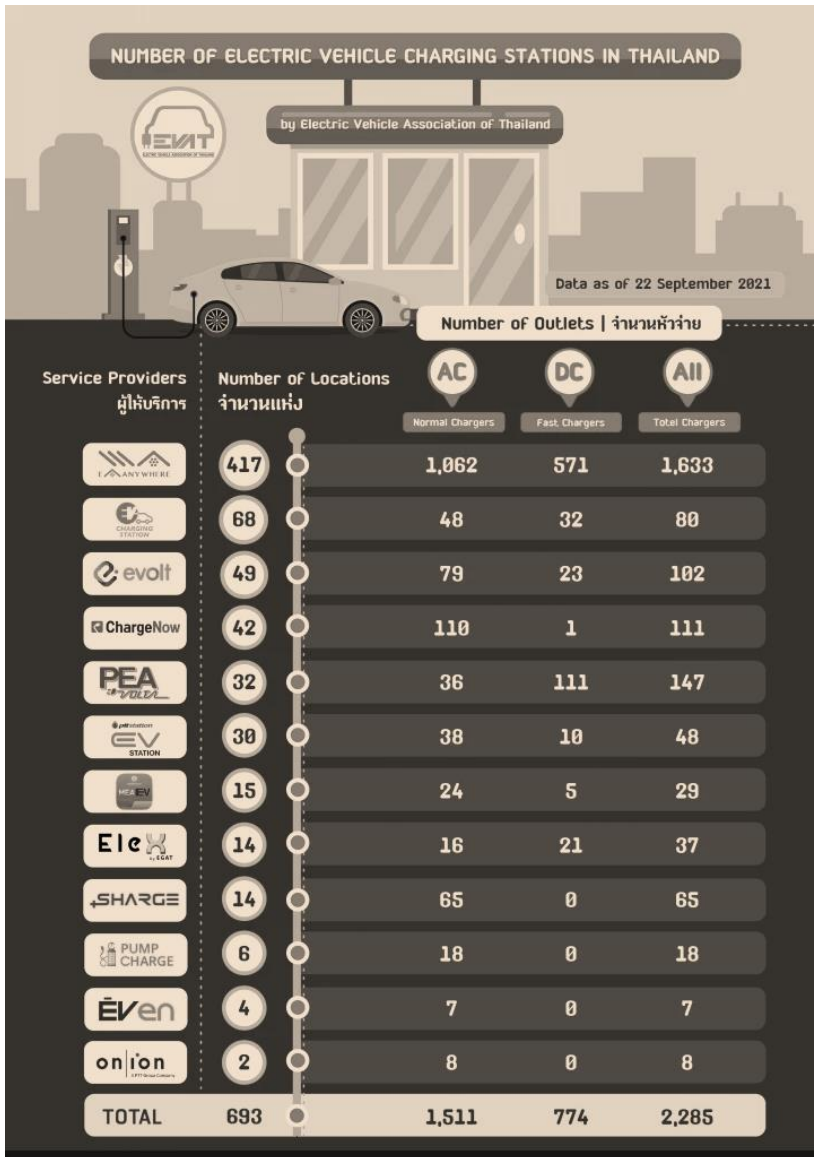
- 9 EV important components for domestic assembly line

Conditions for application:

The qualified recipients must domestically produce any model of EV vehicles in the same number as sold under the program for which retail prices below 2 million baht.

The additional condition for EV vehicles with retail prices range of 2 – 7 million baht is that the recipients must domestically produce EV vehicles in the same number and the same models as sold under the program.

Potential impacts of EV in hire purchase market



Short – term:

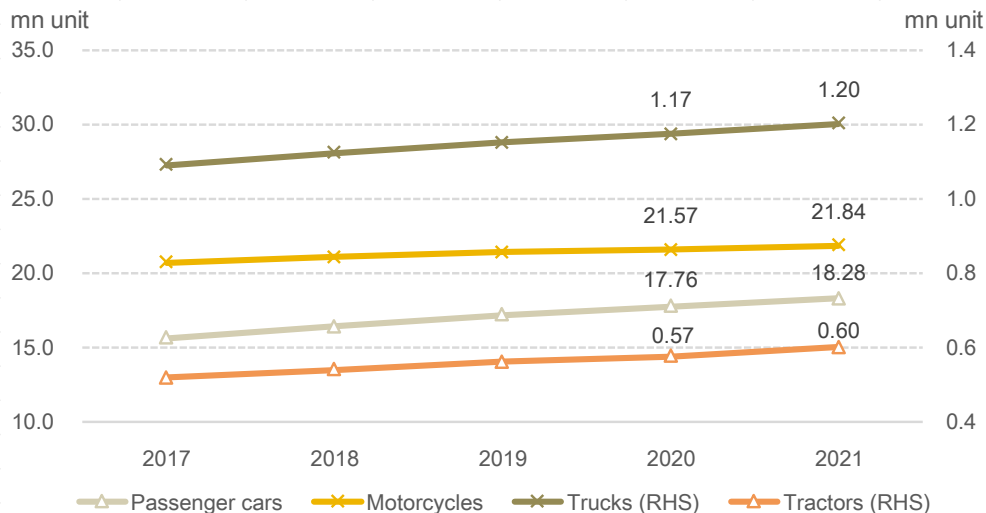
- No significant impacts from EV on hire purchase since the number of EV registered gradually increases due to supply shortage.
- Insufficient number of charger stations deters demand for EV despite of high oil price.

Medium – term:

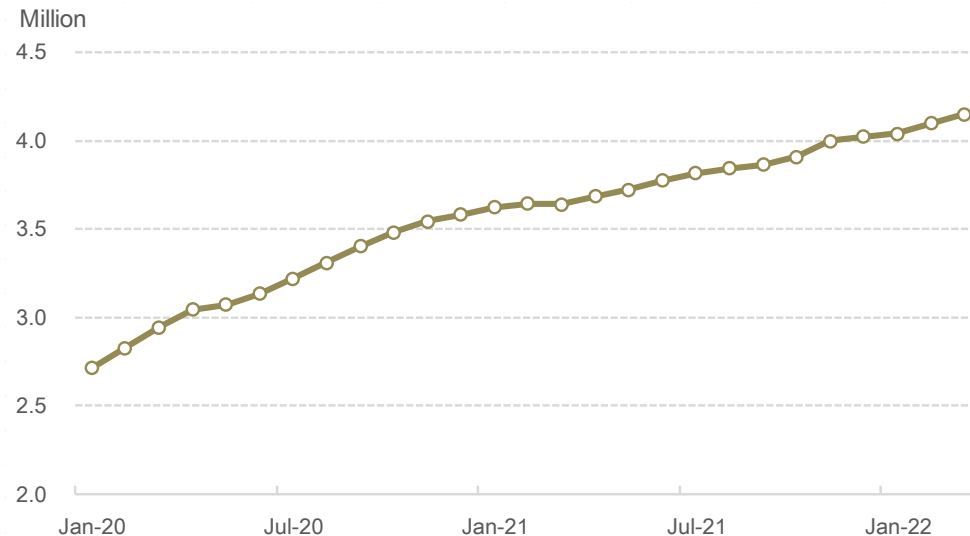
- EV could be the key player in the hire purchase market as EV prices are likely to decrease on the back of government incentives for EV domestic production.

Industry Outlook

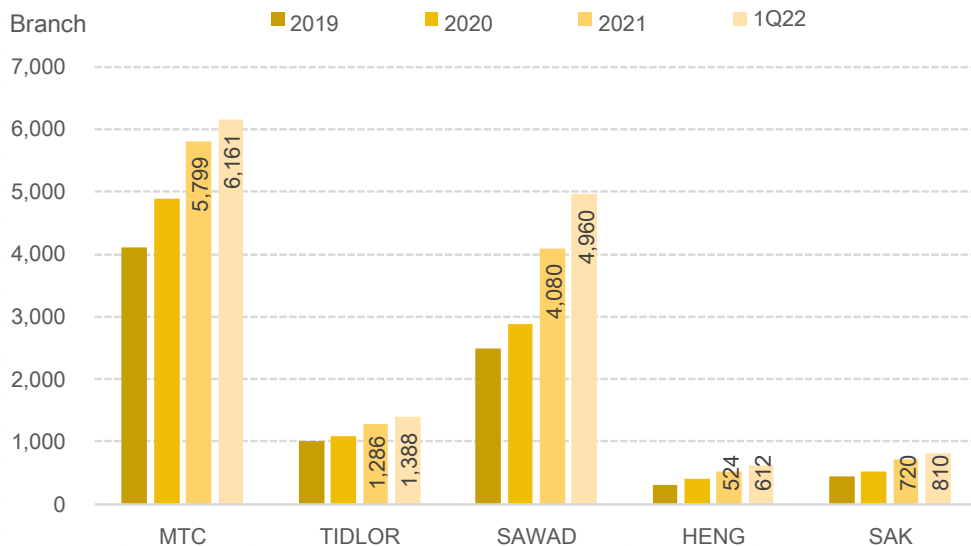
Number of Car Registered in Thailand



Number of Title Loan Account in Non-Banks



Number of non-banks branches



+ Opportunities

- The recovery of the tourism would boost demand for new car sales.
- The country's economic downturn and rising inflation pressuring household liquidity, especially in the low-income earners, would benefit the title loan market.
- The cumulative number of car registrations continues to grow amid economic uncertainties.

- Threats

- Rising cost of living, high oil prices and the expected surge in interest rates might decelerate the expansion of new car sales.
- The title loan market is expected to be competitive intensely as the entry of new players and the rapid expansion of service branches of leaders in the market.

End of Presentation

ผู้จัดทำบทวิเคราะห์

นายธรัทนต์ ศรีทองเต็ม (taratnons@lhbank.co.th)

วิจัยธุรกิจธนาคารแลนด์แอนด์เฮ้าส์

ธนาคารแลนด์ แอนด์ เฮ้าส์ จำกัด (มหาชน)

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