**BUY** (Unchanged)

**Change in Numbers**

**TP: Bt 50.00** (From: Bt 53.00)

**Upside : 29.9%**

**25 AUGUST 2021**

Thanachart Securities

# Ngern Tid Lor Pcl (TIDLOR TB)

## COVID disruption


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**TIDLOR is toning down its growth targets mainly due to the severe COVID crisis. The slowdown has been clear with its insurance sales due to weakening purchasing power and we cut our earnings by an average of 6%. At a PEG ratio of <1x, TIDLOR remains a BUY but in the sector we prefer Muangthai Capital (MTC TB, BUY, Bt63.75).**

### Cutting our earnings and TP to Bt50

Given the operational hiccup in 2Q21 as the company's call centers suffered COVID outbreaks, along with slower insurance sales and lower provision cuts, we revise down our earnings forecast for this year by 6%. As we estimate the cut in collection fees to Bt50-100 to reduce income by 2% on a full-year basis, we lower our non-interest income by 11% p.a. and cut our earnings by an average of 6% in 2022-26F. On the back of our earnings downgrades, we lower our DDM-based 12-month TP, using a 2022F base year, to Bt50 from Bt53 previously.

### Some disruptions to insurance sales

While TIDLOR's loan growth and NIM have been in line with our expectation, insurance sales have been below. Part of the slowdown is temporary as around 30% of TIDLOR's call center staff became infected with COVID and were off duty in April and May, causing a loss in insurance sales of Bt111m in 2Q21. That said, we have also seen a shift from first-class car insurance purchases to second class and below on weakening purchasing power and less car usage. Though we expect COVID infections to subside from 4Q21, it could take a while for the economy to get back to the pre-pandemic level. We therefore lower TIDLOR's insurance premium sales by 9% p.a. over 2021-23F.

### Growing digitalization = more cost savings

TIDLOR has started to reap digitalization benefits via differentiated products, i.e., revolving cash cards and lower costs. The number of cash cards has doubled from 88k in December 2020 to over 160k now with withdrawals growing four-fold y-y in 2Q21. The company also plans to issue cards for car-title loan customers. On the cost side, TIDLOR has seen increasing online activity for most transactions. TIDLOR added 120 new branches in 1H21 and aims for another 80 branches in 2H21. The impressive digital usage growth answers the question of why it doesn't intend to expand its branch network as aggressively as its peers. The company also expects to lower headcount per branch from an average of 4.73 staff to three over the medium term.

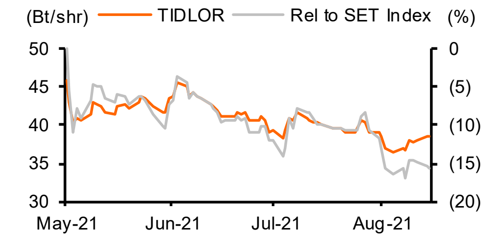
### Reaffirming BUY

TIDLOR's share price has fallen by 30% from its May peak of Bt55.5. Trading 22x on 2022F earnings with our forecast for a three-year EPS CAGR of 25% over 2022-24F, valuation looks compelling while we like TIDLOR's fundamentals and advanced business platform. Asset quality looks manageable though we expect increasing forbearance loans in 2H21. This is due to TIDLOR's low base of NPLs at 1.6% of loans, and huge management overlay provisions with more than a 300% loan-loss-coverage ratio.

### COMPANY VALUATION

| Y/E Dec (Bt m) | 2020A | 2021F | 2022F | 2023F |
|---|---|---|---|---|
| Pre Provision Profit | 3,609 | 4,267 | 5,421 | 6,973 |
| Net profit | 2,416 | 3,111 | 4,019 | 4,956 |
| Consensus NP | – | 3,180 | 4,139 | 5,218 |
| *Diff frm cons (%)* | – | *(2.2)* | *(2.9)* | *(5.0)* |
| Norm profit | 2,416 | 3,111 | 4,019 | 4,956 |
| Prev. Norm profit | – | 3,296 | 4,301 | 5,295 |
| *Chg frm prev (%)* | – | *(5.6)* | *(6.6)* | *(6.4)* |
| Norm EPS (Bt) | 1.1 | 1.4 | 1.7 | 2.1 |
| Norm EPS grw (%) | 9.7 | 21.0 | 25.0 | 23.3 |
| Norm PE (x) | 33.6 | 27.8 | 22.2 | 18.0 |
| P/BV (x) | 6.9 | 4.1 | 3.6 | 3.1 |
| Div yield (%) | na | 0.7 | 0.9 | 1.7 |
| ROE (%) | 22.9 | 18.5 | 17.1 | 18.5 |
| ROA (%) | 4.7 | 5.4 | 6.1 | 6.6 |

### PRICE PERFORMANCE




### COMPANY INFORMATION

| | |
|---|---|
| Price *as of* 25-Aug-21 (Bt) | 38.50 |
| Market Cap (US$ m) | 2,729.5 |
| Listed Shares (m shares) | 2,319.0 |
| Free Float (%) | 44.5 |
| Avg Daily Turnover (US$ m) | 23.8 |
| 12M Price H/L (Bt) | 45.75/36.50 |
| Sector | Finance |
| Major Shareholder | Bank of Ayudhya 30% |

Sources: Bloomberg, Company data, Thanachart estimates

## Ex 1: Earnings Revisions

| | 2019 | 2020 | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| **Net profits (Bt bn)** | | | | | |
| - New | 2.20 | 2.42 | 3.11 | 4.02 | 4.96 |
| - Old | — | — | 3.30 | 4.30 | 5.30 |
| *- Change (%)* | — | — | *(5.61)* | *(6.57)* | *(6.42)* |
| **Insurance premium sales (Bt bn)** | | | | | |
| - New | 2.85 | 4.01 | 5.10 | 7.14 | 10.00 |
| - Old | — | — | 5.62 | 7.86 | 11.01 |
| *- Change (%)* | — | — | *(9.17)* | *(9.17)* | *(9.17)* |
| **Non-interest income (Bt m)** | | | | | |
| - New | 1.82 | 1.82 | 2.07 | 2.36 | 3.07 |
| - Old | — | — | 2.22 | 2.76 | 3.48 |
| *- Change (%)* | — | — | *(6.45)* | *(14.34)* | *(11.86)* |
| **Credit costs (%)** | | | | | |
| - New | 1.21 | 1.17 | 0.69 | 0.63 | 1.07 |
| - Old | — | — | 0.52 | 0.70 | 1.07 |
| *- Change (pp)* | — | — | *0.16* | *(0.07)* | — |

Sources: Company data, Thanachart estimates

## Ex 2: Differentiated And Well-received Cash Card


Source: Company data

### Ex 3: 12-month DDM-based Valuation Using A Base Year Of 2022F

| (Bt m) | 2022F | 2023F | 2024F | 2025F | 2026F | 2027F | 2028F | 2029F | 2030F | 2031F | Terminal value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Dividend of common shares | 804 | 1,487 | 1,887 | 3,101 | 3,724 | 6,680 | 8,008 | 9,569 | 18,947 | 22,415 | 22,415 |
| Dividend of preferred shares | — | — | — | — | — | — | — | — | — | — | — |
| Dividend payment | 804 | 1,487 | 1,887 | 3,101 | 3,724 | 6,680 | 8,008 | 9,569 | 18,947 | 22,415 | 240,663 |

| | |
|---|---|
| Risk-free rate (%) | 2.5 |
| Market risk premium (%) | 8.0 |
| Beta | 1.0 |
| WACC (%) | 10.5 |
| Cost of equity | 10.5 |
| Terminal growth (%) | 2.0 |
| | |
| Equity value | 115,176 |
| No. of shares (m) | 2,319 |
| **Equity value / share (Bt)** | **50.00** |

Sources: Company data, Thanachart estimates

# Valuation Comparison

### Ex 4: Valuation Comparison With Regional Peers

| | | | EPS growth | | PE | | P/BV | | ROE | | Div. yield | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Name** | **BBG code** | **Country** | **21F** | **22F** | **21F** | **22F** | **21F** | **22F** | **21F** | **22F** | **21F** | **22F** |
| Afterpay Ltd | APT AU | Australia | na | na | na | 410.8 | 19.8 | 18.5 | (1.9) | 3.0 | 0.0 | 0.0 |
| Finvolution Group | FINV US | China | 497.8 | 1.8 | 0.8 | 0.8 | 0.2 | 0.1 | 25.7 | 22.5 | 8.3 | 9.3 |
| Mahindra & Mahindra Fin Secs | MMFS IN | India | 4.6 | 39.7 | 20.1 | 14.4 | 1.2 | 1.1 | 5.2 | 7.1 | 1.2 | 1.5 |
| Bajaj Finance Ltd | BAF IN | India | 3.1 | 57.9 | 91.6 | 58.0 | 11.6 | 9.7 | 13.1 | 17.8 | 0.1 | 0.2 |
| Manappuram Finance Ltd | MGFL IN | India | 0.2 | 6.6 | 7.9 | 7.5 | 1.9 | 1.6 | 26.4 | 22.7 | 1.8 | 2.0 |
| GMO Payment Gateway Inc. | 3769 JP | Japan | 7.9 | 25.9 | 128.1 | 101.8 | 24.4 | 21.5 | 24.2 | 24.2 | 0.4 | 0.5 |
| Infomart Corp. | 2492 JP | Japan | (23.5) | 81.3 | 276.3 | 152.4 | 18.5 | 17.0 | 7.6 | 12.3 | 0.2 | 0.3 |
| Ally Financial Inc | ALLY US | US | 183.9 | (15.2) | 6.4 | 7.5 | 1.1 | 1.0 | 19.7 | 14.7 | 1.7 | 2.0 |
| World Acceptance Corp | WRLD US | US | (16.2) | (1.8) | 16.4 | 16.7 | 3.4 | 3.4 | 18.7 | 15.9 | na | na |
| Navient Corp | NAVI US | US | 99.7 | (24.5) | 5.2 | 6.9 | 1.3 | 1.2 | 26.7 | 19.2 | 2.9 | 2.9 |
| SLM Corp | SLM US | US | 43.4 | (18.7) | 5.6 | 6.9 | 2.8 | 2.8 | 47.4 | 35.4 | 0.7 | 0.6 |
| | | | | | | | | | | | | |
| Amanah Leasing | AMANAH TB | Thailand | 13.2 | 19.9 | 18.0 | 15.0 | 3.4 | 2.9 | 19.7 | 21.1 | 2.6 | 3.0 |
| Krungthai Card * | KTC TB | Thailand | 25.0 | 13.7 | 24.8 | 21.9 | 6.1 | 5.2 | 26.7 | 25.7 | 1.8 | 2.1 |
| Muangthai Capital * | MTC TB | Thailand | 6.3 | 39.2 | 25.1 | 18.1 | 5.5 | 4.3 | 24.0 | 26.7 | 0.6 | 0.8 |
| Saksiam Leasing * | SAK TB | Thailand | (17.3) | 34.2 | 31.1 | 23.2 | 3.9 | 3.5 | 13.0 | 16.0 | 1.3 | 1.7 |
| Srisawad Corporation * | SAWAD TB | Thailand | 10.2 | 16.1 | 18.8 | 16.2 | 3.9 | 3.5 | 21.7 | 23.0 | 2.8 | 3.1 |
| Ratchthani Leasing * | THANI TB | Thailand | (5.0) | 11.9 | 13.2 | 11.8 | 2.2 | 2.0 | 16.8 | 17.6 | 4.5 | 5.1 |
| Ngern Tid Lor * | TIDLOR TB | Thailand | 21.0 | 25.0 | 27.8 | 22.2 | 4.1 | 3.6 | 18.5 | 17.1 | 0.7 | 0.9 |
| | | | | | | | | | | | | |
| **Average** | | | **52.1** | **18.0** | **43.1** | **52.3** | **6.5** | **5.8** | **19.7** | **19.1** | **1.9** | **2.2** |

Source: Bloomberg
Note: * Thanachart estimates using normalized EPS growth
Based on 25 Aug 2021 closing price

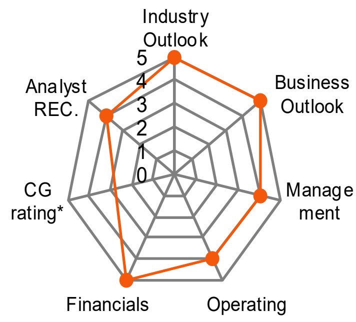
***Thanachart Securities has an indirect financial interest in Ratchthani Leasing Pcl (THANI). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds more than 56% of the shareholding in Ratchthani Leasing Pcl (THANI).***

## COMPANY DESCRIPTION

Ngern Tid Lor Pcl (TIDLOR) was acquired by AIG in 2007 from Srisawad International (1991) before AIG was acquired by BAY in 2009. TIDLOR became a professionally run microfinance firm. Similar to MTC, SAWAD and SAK, TIDLOR focuses on the unbanked, long tail segment. However, TIDLOR uses a different network expansion strategy, and it is also adopting a similar risk-management framework to that of BAY in our view. TIDLOR is one of the few title loan providers that is a member of and incorporates credit data from the National Credit Bureau (NCB) to analyse customer risk profiles. Most of TIDLOR's loans are secured, i.e., 18% of motorcycle-title loans, 64% for cars and 24% for trucks and others. The company is the largest auto-title loan operator in Thailand.

Source: Thanachart

## COMPANY RATING




| Rating Scale | |
|---|---|
| Excellent | 5 |
| Good | 4 |
| Fair | 3 |
| Weak | 2 |
| Very Weak | 1 |
| None | 0 |

Source: Thanachart; * No CG Rating

## THANACHART'S SWOT ANALYSIS

### S — Strength

- Scale benefits.
- Well-recognized brand.
- Omni channel
- Low cost of funds

### W — Weakness

- Higher cost base than peers' due to unconventional platform.

### O — Opportunity

- New lending products.
- Growing insurance brokerage business
- M&A opportunities
- Expanding into neighbouring countries

### T — Threat

- Changes in regulations
- Increasing penetration by commercial banks

## CONSENSUS COMPARISON

| | Consensus | Thanachart | Diff |
|---|---|---|---|
| **Target price (Bt)** | 48.01 | 50.00 | 4% |
| **Net profit 21F (Bt m)** | 3,180 | 3,111 | -2% |
| **Net profit 22F (Bt m)** | 4,139 | 4,019 | -3% |
| **Consensus REC** | **BUY: 11** | **HOLD: 6** | **SELL: 0** |

## HOW ARE WE DIFFERENT FROM THE STREET?

- We believe we are ahead of the Bloomberg consensus in revising down insurance sales.
- But we expect TIDLOR to continue enjoy cost-saving benefits over the medium to longer term, and we think this is why our TP is higher.

Sources: Bloomberg consensus, Thanachart estimates

## RISKS TO OUR INVESTMENT CASE

- TIDLOR not sustaining its robust loan growth while maintaining strong asset quality represents the key downside risk to our call.
- Increases in TIDLOR's cost-to-income ratio and funding costs would present further downside risk to our earnings forecasts and TP.

Source: Thanachart

*Growing loans via cash cards*

## INCOME STATEMENT

| FY ending Dec (Bt m) | 2019A | 2020A | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| Interest Income | 7,635 | 8,735 | 9,713 | 11,128 | 12,765 |
| Interest Expenses | 1,006 | 1,178 | 1,120 | 1,028 | 1,187 |
| **Net Interest Income** | **6,630** | **7,557** | **8,593** | **10,099** | **11,578** |
| % of total income | 78.4% | 80.6% | 80.6% | 81.0% | 79.0% |
| Fee income | 1,803 | 1,792 | 2,041 | 2,328 | 3,034 |
| % of total income | 21.3% | 19.1% | 19.1% | 18.7% | 20.7% |
| Other income | 19 | 32 | 33 | 34 | 35 |
| % of total income | 0.2% | 0.3% | 0.3% | 0.3% | 0.2% |
| **Non-interest Income** | **1,823** | **1,824** | **2,074** | **2,362** | **3,069** |
| % of total income | 21.6% | 19.4% | 19.4% | 19.0% | 21.0% |
| **Total Income** | **8,452** | **9,381** | **10,667** | **12,461** | **14,647** |
| Operating Expenses | 5,168 | 5,772 | 6,400 | 7,040 | 7,674 |
| **Pre-provisioning Profit** | **3,284** | **3,609** | **4,267** | **5,421** | **6,973** |
| Bad debt expenses | 531 | 582 | 378 | 398 | 779 |
| **Pre-tax Profit** | **2,753** | **3,027** | **3,889** | **5,023** | **6,195** |
| Income Tax | 551 | 611 | 778 | 1,005 | 1,239 |
| **After Tax Profit** | **2,202** | **2,416** | **3,111** | **4,019** | **4,956** |
| Equity Income | 0 | 0 | 0 | 0 | 0 |
| Minority Interest | 0 | 0 | 0 | 0 | 0 |
| Extraordinary Items | 0 | 0 | 0 | 0 | 0 |
| **NET PROFIT** | **2,202** | **2,416** | **3,111** | **4,019** | **4,956** |
| **Normalized Profit** | **2,202** | **2,416** | **3,111** | **4,019** | **4,956** |
| EPS (Bt) | 1.0 | 1.1 | 1.4 | 1.7 | 2.1 |
| Normalized EPS (Bt) | 1.0 | 1.1 | 1.4 | 1.7 | 2.1 |

*Solid balance sheet*

## BALANCE SHEET

| FY ending Dec (Bt m) | 2019A | 2020A | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| Cash and ST investments | 446 | 1,265 | 1,000 | 1,000 | 1,000 |
| Other current assets | 697 | 700 | 664 | 689 | 714 |
| **Total current assets** | **1,143** | **1,965** | **1,664** | **1,689** | **1,714** |
| Gross loans & accr. interest | 49,947 | 52,973 | 57,050 | 65,553 | 75,397 |
| Provisions | 2,702 | 2,763 | 2,552 | 2,340 | 2,651 |
| **Net loans** | **45,277** | **48,568** | **56,383** | **65,379** | **75,237** |
| Property Foreclosed - net | 79 | 76 | 73 | 207 | 221 |
| Right of use | 618 | 1,302 | 1,408 | 1,476 | 1,536 |
| Other assets | 1,293 | 1,424 | 1,450 | 1,460 | 1,470 |
| **Total assets** | **48,411** | **53,336** | **60,978** | **70,212** | **80,178** |
| Short term borrowing | 17,405 | 10,558 | 8,627 | 11,488 | 13,493 |
| Other current payables | 1,484 | 1,381 | 1,000 | 1,100 | 1,200 |
| Other current liabilities | 371 | 658 | 1,095 | 1,149 | 1,201 |
| Long term borrowing | 19,688 | 28,507 | 28,000 | 31,000 | 35,340 |
| **Total borrowings** | **37,093** | **39,065** | **36,627** | **42,488** | **48,833** |
| Other L-T liabilities | 73 | 437 | 873 | 915 | 952 |
| Minority interest | 0 | 0 | 0 | 0 | 0 |
| **Shareholders' equity** | **9,346** | **11,749** | **21,919** | **25,120** | **28,576** |
| **Total Liab. & Equity** | **48,411** | **53,336** | **60,978** | **70,212** | **80,178** |

Sources: Company data, Thanachart estimates

*Less demanding valuation*

## VALUATION

| FY ending Dec | 2019A | 2020A | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| Normalized PE (x) | 36.9 | 33.6 | 27.8 | 22.2 | 18.0 |
| Normalized PE - at target price (x) | 47.9 | 43.6 | 36.1 | 28.9 | 23.4 |
| PE (x) | 36.9 | 33.6 | 27.8 | 22.2 | 18.0 |
| PE - at target price (x) | 47.9 | 43.6 | 36.1 | 28.9 | 23.4 |
| P/PPP (x) | 24.7 | 22.5 | 20.2 | 16.5 | 12.8 |
| P/PPP - at target price (x) | 32.1 | 29.2 | 26.3 | 21.4 | 16.6 |
| P/BV (x) | 0.9 | 6.9 | 4.1 | 3.6 | 3.1 |
| P/BV - at target price (x) | 1.1 | 9.0 | 5.3 | 4.6 | 4.1 |
| Dividend yield (%) | 3.7 | na | 0.7 | 0.9 | 1.7 |
| | | | | | |
| Normalized EPS (Bt) | 1.0 | 1.1 | 1.4 | 1.7 | 2.1 |
| EPS (Bt) | 1.0 | 1.1 | 1.4 | 1.7 | 2.1 |
| DPS (Bt) | 1.4 | 0.0 | 0.3 | 0.3 | 0.6 |
| PPP/Share (Bt) | 1.6 | 1.7 | 1.9 | 2.3 | 3.0 |
| BV/share (Bt) | 44.3 | 5.6 | 9.5 | 10.8 | 12.3 |
| P/BV to ROE (x) | 0.0 | 0.3 | 0.2 | 0.2 | 0.2 |

*Funding cost savings*

## FINANCIAL RATIOS

| FY ending Dec | 2019A | 2020A | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| **Growth Rate (%)** | | | | | |
| Net interest income (NII) | 15.9 | 14.0 | 13.7 | 17.5 | 14.6 |
| Non-interest income (Non-II) | 52.8 | 0.1 | 13.7 | 13.9 | 30.0 |
| Operating expenses | 21.5 | 11.7 | 10.9 | 10.0 | 9.0 |
| Pre-provisioning profit (PPP) | 23.4 | 9.9 | 18.2 | 27.1 | 28.6 |
| Net profit | 68.6 | 9.7 | 28.8 | 29.2 | 23.3 |
| Normalized profit growth | 68.6 | 9.7 | 28.8 | 29.2 | 23.3 |
| EPS | 68.6 | 9.7 | 21.0 | 25.0 | 23.3 |
| Normalized EPS | 68.6 | 9.7 | 21.0 | 25.0 | 23.3 |
| Dividend payout ratio | 13.6 | 0.0 | 20.0 | 20.0 | 30.0 |
| Loan - gross | 17.3 | 6.1 | 7.7 | 14.9 | 15.0 |
| Loan - net | 22.2 | 7.3 | 16.1 | 16.0 | 15.1 |
| Borrowings | 19.4 | 5.3 | (6.2) | 16.0 | 14.9 |
| NPLs | 40.2 | 38.0 | 6.0 | 6.0 | 6.0 |
| Total assets | 20.8 | 10.2 | 14.3 | 15.1 | 14.2 |
| Total equity | 27.2 | 25.7 | 86.6 | 14.6 | 13.8 |
| | | | | | |
| **Operating Ratios (%)** | | | | | |
| Net interest margin (NIM) | 15.0 | 14.7 | 15.0 | 15.4 | 15.4 |
| Net interest spread | 14.5 | 14.5 | 14.7 | 15.0 | 14.9 |
| Yield on earnings assets | 17.2 | 17.4 | 17.4 | 17.4 | 17.4 |
| Avg cost of fund | 2.8 | 3.0 | 2.9 | 2.5 | 2.5 |
| NII / operating income | 78.4 | 80.6 | 80.6 | 81.0 | 79.0 |
| Non-II / operating income | 21.6 | 19.4 | 19.4 | 19.0 | 21.0 |
| Fee Income / Opt Income | 21.3 | 19.1 | 19.1 | 18.7 | 20.7 |
| Norm Net Margin | 26.0 | 25.8 | 29.2 | 32.3 | 33.8 |
| Cost-to-income | 61.1 | 61.5 | 60.0 | 56.5 | 52.4 |
| Credit cost - provision exp / loans | 1.2 | 1.2 | 0.7 | 0.6 | 1.1 |
| PPP / total assets | 7.4 | 7.1 | 7.5 | 8.3 | 9.3 |
| PPP / total equity | 39.4 | 34.2 | 25.3 | 23.0 | 26.0 |
| Avg assets/avg equity (leverage) | 5.3 | 4.8 | 3.4 | 2.8 | 2.8 |
| ROA | 5.0 | 4.7 | 5.4 | 6.1 | 6.6 |
| ROE | 26.4 | 22.9 | 18.5 | 17.1 | 18.5 |

Sources: Company data, Thanachart estimates

*Manageable NPLs and high coverage ratio*

## FINANCIAL RATIOS

| FY ending Dec | 2019A | 2020A | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| **Liquidity and Quality Ratio (%)** | | | | | |
| Gross Loan / Borrow ings | 134.7 | 135.6 | 155.8 | 154.3 | 154.4 |
| Net Loan / Borrow ings | 122.1 | 124.3 | 153.9 | 153.9 | 154.1 |
| Net Loan / Assets | 93.5 | 91.1 | 92.5 | 93.1 | 93.8 |
| Net Loan / Equity | 484.5 | 413.4 | 257.2 | 260.3 | 263.3 |
| S-T / L-T Borrow ings | 46.9 | 27.0 | 23.6 | 27.0 | 27.6 |
| Borrow ings / Liabilities | 95.0 | 93.9 | 93.8 | 94.2 | 94.6 |
| Interest-bearing Debt / Equity | 412.8 | 344.3 | 171.7 | 173.5 | 175.1 |
| Liabilities / Equity | 418.0 | 354.0 | 178.2 | 179.5 | 180.6 |
| Equity/ Gross loans | 18.7 | 22.2 | 38.4 | 38.3 | 37.9 |
| NPLs (Bt m) | 615.7 | 849.9 | 900.9 | 955.0 | 1,012.3 |
| NPLs / Total Loans (NPL Ratio) | 1.2 | 1.6 | 1.6 | 1.5 | 1.3 |
| Loan-Loss-Coverage (Provision / NPLs) | 438.8 | 325.1 | 283.2 | 245.0 | 261.9 |

Sources: Company data, Thanachart estimates

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Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. 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 the market price and the formal recommendation.

For sectors, an “Overweight” sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLs on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYs and SELLs.

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