

BUY (Unchanged)**TP: Bt 10.00**

(From: Bt 10.80)

Change in Numbers

Upside : 25.8%

29 OCTOBER 2021

Saksiam Leasing Pcl. (SAK TB)

Overhang priced in

SAK has been a victim of the BoT's planned rate cuts with its share price plunging 38% from May's peak of Bt12.8. We see the regulatory overhang being priced in as the current share price implies a flat lending yield of 18% throughout our projections. We reaffirm BUY with record-high earnings from 3Q21F as a share price catalyst.

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Trading on flat lending yield of 18%

As a small player with well-established footprints in the North and Central regions, SAK has been able to avoid price cuts and enjoyed higher interest charges than peers at an average lending yield of 24% in 1H21. This makes SAK a clear victim of the BoT's planned ceiling rate cuts of 1-3% to reduce people's debt burdens. Though it remains uncertain whether the BoT will carry out the plan, SAK's share price has collapsed by 38% from its May peak of Bt12.8. In the structural sunrise volume growth industry with high profitability, interest rate cap risks are unlikely to dissipate and we cut our TP for SAK by 7% to Bt10 from Bt10.8 to reflect the risks. Nevertheless, we see the regulatory overhang as fully priced in as SAK's current share price implies it earns a flat lending yield of just 18% throughout our projections. SAK looks cheap to us, trading on PE of just 19x in 2022F. BUY.

Robust loan momentum

SAK opened 200 new branches in 2Q21, bringing the total to 719. The expansion was mainly to increase penetration of its existing footprints and SAK has been able to increase the number of loan contracts by 17% from the end of last year. With a good customer response, benefits from rising farm prices and growing demand for motorcycle HP loans, we estimate YTD loan growth of 28% in 3Q21F. The company looks likely to beat its loan growth target of 31% and we revise our loan growth projection to 40% this year, and to 30%, 25% and 20% over 2022-24F.

Series of record-high earnings from 3Q21F

Hit by front-loaded operating costs, SAK's 1H21 earnings were weak, growing only 1% y-y. With stronger loan momentum, lower cost of funds and the operating leverage effect, we expect earnings growth to accelerate from 3Q21F. Despite coming off a high base of Bt156m in 3Q20 on a provisions write-back, SAK looks on track to post record-high earnings of Bt169m in 3Q21F, rising to Bt199m in 4Q21F. With an end to the rollover effect of high-yield loan contracts to lower rates according to the latest caps in August 2020, SAK believes it can sustain a yield of 24%. Despite our conservative yield assumptions of 22.7%, 21.8% and 21.2%, we raise our earnings estimates by an average of 3% and expect a higher three-year EPS CAGR of 32% over 2021-24F.

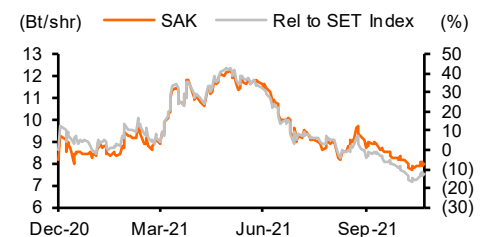
Manageable asset quality

With limited city and urban community exposure, SAK has not been hit by COVID with its forbearance loans falling from Bt148m in 2Q21 to Bt118m in 3Q21. Asset quality is well under control and we forecast an NPL ratio of 2.1% this year, falling from 2.2% in 2020. We lift our credit cost assumption to reflect higher loans and SAK's plan to keep its loan-loss-coverage ratio above 100%.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Pre Provision Profit	695	811	1,150	1,508
Net profit	562	612	869	1,142
Consensus NP	—	607	828	1,040
Diff frm cons (%)	—	0.7	5.0	9.9
Norm profit	562	612	869	1,142
Prev. Norm profit	—	610	818	1,107
Chg frm prev (%)	—	0.3	6.2	3.2
Norm EPS (Bt)	0.4	0.3	0.4	0.5
Norm EPS grw (%)	14.7	(17.1)	42.2	31.4
Norm PE (x)	22.6	27.2	19.2	14.6
P/BV (x)	3.7	3.4	3.1	2.7
Div yield (%)	1.4	1.5	2.1	2.7
ROE (%)	15.4	13.0	16.9	19.9
ROA (%)	7.1	6.7	8.0	8.3

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 29-Oct-21 (Bt)	7.95
Market Cap (US\$ m)	502.2
Listed Shares (m shares)	2,096.0
Free Float (%)	25.0
Avg Daily Turnover (US\$ m)	1.38
12M Price H/L (Bt)	12.30/7.70
Sector	Finance
Major Shareholder	Bunsalee 67.05%

Sources: Bloomberg, Company data, Thanachart estimates

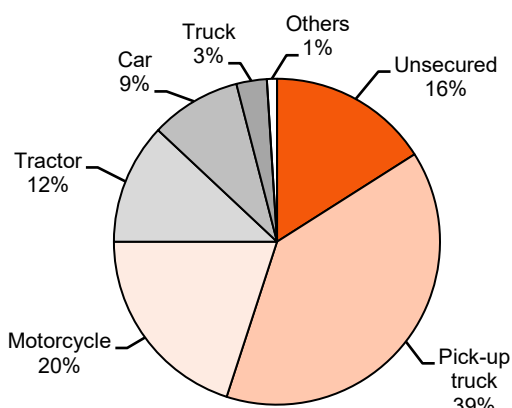


Series of record-high earnings

We expect earnings growth to accelerate from 3Q21F

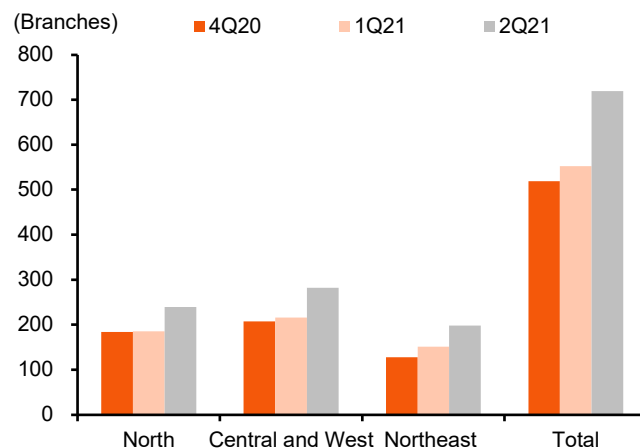
Saksiam Leasing Pcl (SAK) operates in the micro-financing industry. Most of its portfolio is auto-title loans with growing exposure to higher-yield nanofinance and motorcycle HP loans. The company is a regional player, having established a branch network in the North, Central, Northeast and West of Thailand.

Ex 1: Loans Breakdown (3Q21)



Source: Company data

Ex 2: Branch Network



Source: Company data

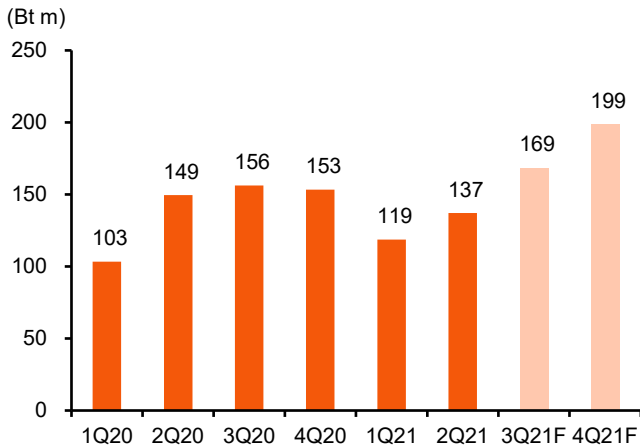
After achieving its plan to open 200 new branches in 2Q21, SAK's profits were hit by front-loaded operating expenses. Meanwhile, the cut in interest rate ceilings of title loans, personal loans and nanofinance loans from 28-36% to 24-33% from August 2020 led to a drop in lending yield from 25.1% in 4Q20 to 24.3% in 2Q21. Note that most of SAK's loans have charged interest rates at close to the ceilings. The ceiling cut is therefore causing a drop in yield via the rollover effect of high-yield loan contracts turning to lower-rate ones.

SAK's 1H21 profits were quite weak, growing by just 1% y-y. This was despite strong loan growth of 20% YTD in 2Q21. We expect the trend to reverse and foresee a series of record-high earnings results from 3Q21F. This is due to:

- 1) Very strong loan growth of 8% q-q in 3Q21, bringing YTD loan growth to 28%. Momentum has been even stronger from September thanks to higher farm prices and the government's income subsidy plan for three main agricultural crops, i.e. tapioca, corn and rice, together with higher demand for nanofinance and motorcycle HP loans, SAK believes it can beat its loan growth target of 31% as net loans already surpassed Bt8.4bn in October this year. SAK also believes it can grow loans to more than Bt12bn before the end of 2023.
- 2) The very small impact of the roll-over yield effect as the majority of its loan portfolio has been repriced at new, lower rates according to the new ceilings.
- 3) Positive operating leverage effect leading to a lower cost-to-income ratio.

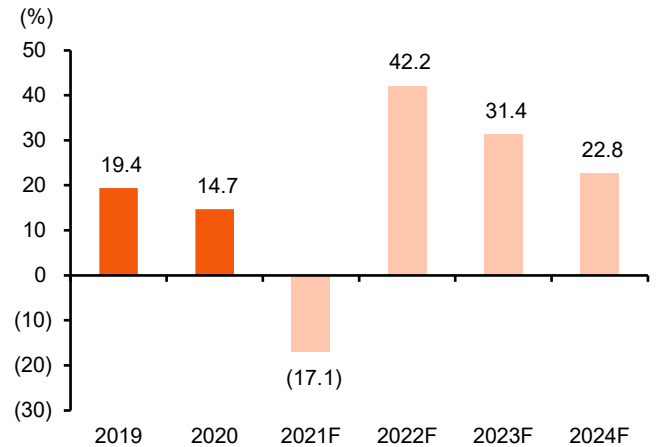
Despite coming off a high base of Bt156m in 3Q20 on a provisions write-back of Bt21m, SAK looks on track to post record-high earnings of Bt169m in 3Q21F, rising to Bt199m in 4Q21F. In light of stronger loan growth and lower cost of funds, we raise our earnings estimates by 6% in 2022F and 3% in 2023F. Supported by the drivers mentioned above, we expect a higher three-year EPS CAGR of 32% over 2021-24F.

Ex 3: Stronger Quarterly Earnings



Sources: Company data, Thanachart estimates

Ex 4: Higher Three-Year EPS CAGR

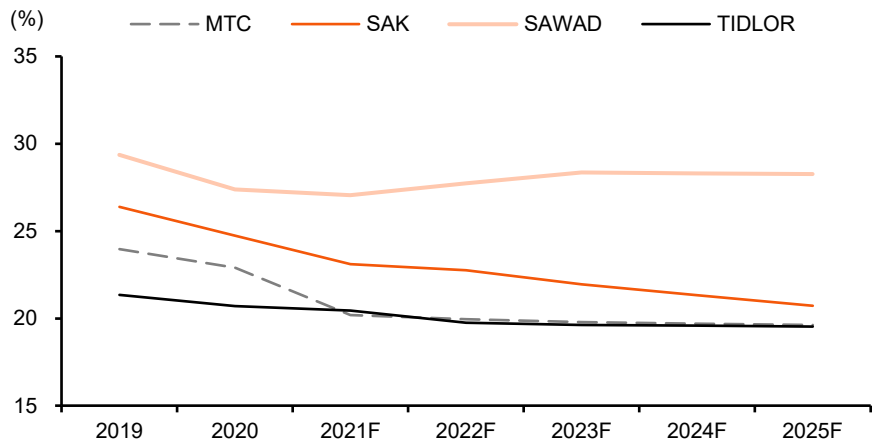


Sources: Company data, Thanachart estimates

Regulatory risks and pricing competition factored in

However, we cut our earnings estimates from 2024F onwards to reflect our more conservative lending yield assumptions. We believe SAK will still be able to sustain higher yields than its peers over the next two years as SAK’s very small loan size base implies to us that it has ample room for growth without having to cut pricing. Post-2024 when we project its loan size to be Bt17bn-plus along with the potential cut in interest rate ceilings, we factor in SAK’s lending yield converging with peers at 20%. On the back of our earnings cuts over the medium to longer term, we lower our DDM-based 12-month TP, using a 2022F base year, to Bt10/share from Bt10.8 previously.

Ex 5: Income Yield Comparison



Sources: Company data, Thanachart estimates

Ex 6: Earnings Revisions

	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Net profits (Bt m)							
- New	345.94	561.91	611.54	869.43	1,142.50	1,402.47	1,640.99
- Old			609.89	818.42	1,106.99	1,431.89	1,796.25
- Change (%)			0.27	6.23	3.21	(2.05)	(8.64)
Net loan growth (%)							
- New	20.08	(3.49)	39.84	30.21	24.93	20.12	17.95
- Old			33.81	25.47	21.43	19.80	18.56
- Change (pp)			6.03	4.74	3.51	0.32	(0.61)
Average lending yield (%)							
- New	26.31	24.67	23.03	22.66	21.83	21.20	20.59
- Old			23.48	22.51	22.68	22.78	22.82
- Change (pp)			(0.45)	0.15	(0.85)	(1.58)	(2.24)
Operating expenses (Bt m)							
- New	736.80	787.73	867.00	1,034.10	1,155.11	1,290.48	1,441.93
- Old			851.74	997.17	1,122.32	1,238.52	1,360.90
- Change (%)			1.79	3.70	2.92	4.19	5.95
Provisions (Bt m)							
- New	115.22	(5.70)	46.96	63.19	80.36	98.20	116.72
- Old			30.57	39.63	48.84	58.86	70.12
- Change (%)			53.59	59.45	64.56	66.83	66.45

Sources: Company data, Thanachart estimates

Ex 7: 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	348	457	561	656	929	1,315	1,808	2,733	3,216	3,777	3,777
Dividend of preferred shares	—	—	—	—	—	—	—	—	—	—	—
Dividend payment	348	457	561	656	929	1,315	1,808	2,733	3,216	3,777	40,549
Risk-free rate (%)	2.5										
Market risk premium (%)	8.0										
Beta	1.0										
Cost of equity	10.5										
Terminal growth (%)	2.0										
Equity value	21,052										
No. of shares (m)	2,096										
Equity value / share (Bt)	10.00										

Sources: Company data, Thanachart estimates

Trading on flat lending yield of 18%

Regulatory overhang looks to have been priced in

Despite the recent cut in August last year, the Bank of Thailand (BoT) is making noises about lowering interest rate ceilings by a further 1-3% to lower the debt burden of households. The watchdog has been asking banks and non-banks to submit their cost details and financial statements over the past two years so that it can come up with reasonable capped rates. SAK believes the current ceiling rates are appropriate and does not expect the BoT to implement any cuts. This is because it could lead to growing industry consolidation as mid-to-small players would not be able to compete. This would hinder the BoT's intention of boosting the financial inclusion of Thais so that they rely less on loan sharks. Thus far, it remains uncertain whether BoT will carry out its plan.

Ex 8: Changes In Interest Rate Ceilings

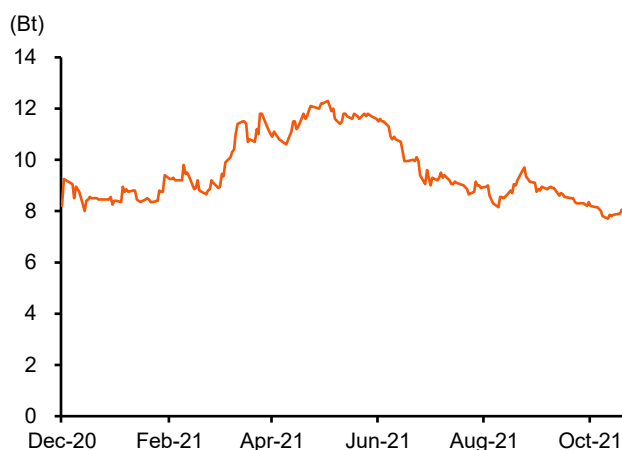
Interest rate ceilings	Original	Sep-17	Jul-20	New caps mentioned by BoT
Credit card loans	20%	18%	16%	13-15%
Personal loans	28%	28%	25%	22-24%
Title loans	28%	28%	24%	21-23%
Nanofinance	36%	36%	33%	na

Sources: Company data, Thanachart compilation

Note: According to the news, the BoT said it wants to lower ceiling rates by 1-3%.

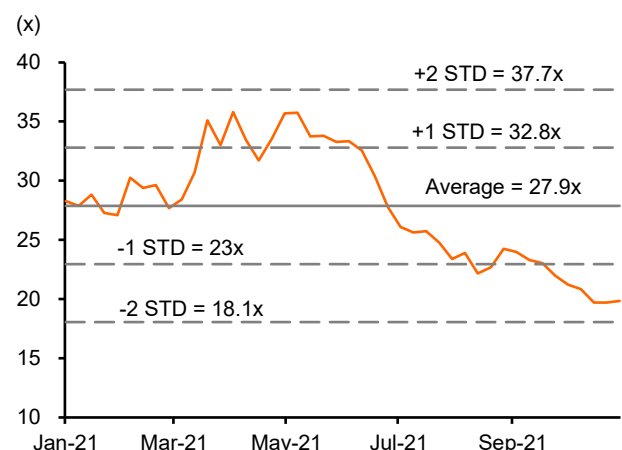
Given that it charges interest rates at close to the existing ceilings, SAK is a clear victim of this regulatory overhang and its share price has collapsed by 38% from its May peak of Bt12.8. Microfinance is a structural sunrise volume growth industry with high profitability. The risk of interest rate caps is unlikely to dissipate in our view. As it just capped them last year, we don't expect BoT to lower them again soon. But we see a possibility of it doing so in the future. And the higher regulatory risk answers the question of why we lower our earnings forecasts post-2023 and cut our TP to Bt10.

Ex 9: Share Price Performance



Source: Bloomberg

Ex 10: STD-PE



Sources: Company data, Bloomberg, Thanachart estimates

Having said that, SAK's share price looks to have fully discounted the overhang. The current share price implies it earns a flat lending yield of just 18% throughout our 10-year projection. This is versus its current interest rate charge of 23% for title loans, 25% for personal loans, 28% for nanofinance and 24% for motorcycle HP loans. Trading at 19x PE next year versus our expectation of a three-year EPS CAGR of 32%, SAK looks cheap to us. There is 26% potential upside to our TP and we reaffirm BUY.

Valuation Comparison

Ex 11: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		PE		P/BV		ROE		Div. yield	
			21F	22F	21F	22F	21F	22F	21F	22F	21F	22F
Afterpay Ltd	APT AU	Australia	na	na	na	na	18.3	26.2	(1.9)	(1.5)	0.0	0.0
Finvolution Group	FINV US	China	506.3	4.8	0.8	0.7	0.2	0.1	24.8	21.8	8.5	10.0
Mahindra & Mahindra Fin Secs	MMFS IN	India	4.6	(16.9)	24.5	29.4	1.4	1.4	5.2	6.0	1.0	1.2
Bajaj Finance Ltd	BAF IN	India	3.1	54.9	97.4	62.8	12.3	10.4	13.1	17.4	0.1	0.2
Manappuram Finance Ltd	MGFL IN	India	0.2	6.2	10.1	9.6	2.4	2.0	26.4	22.7	1.4	1.6
GMO Payment Gateway Inc.	3769 JP	Japan	9.5	23.7	127.2	102.9	22.8	20.2	24.3	23.1	0.4	0.5
Infomart Corp.	2492 JP	Japan	(41.6)	148.6	427.7	172.1	22.7	19.7	7.2	15.8	0.1	0.3
Ally Financial Inc	ALLY US	US	195.1	(14.9)	5.6	6.6	1.0	1.0	20.1	15.5	1.8	2.2
World Acceptance Corp	WRLD US	US	(16.2)	(1.8)	15.8	16.1	3.2	3.0	18.7	16.9	na	na
Navient Corp	NAVI US	US	108.1	(28.6)	4.4	6.1	1.1	1.0	27.2	18.6	3.3	3.3
SLM Corp	SLM US	US	56.4	(22.9)	5.1	6.6	2.7	2.7	52.2	37.5	1.2	2.1
Amanah Leasing	AMANA TH	Thailand	13.2	19.9	15.7	13.1	3.0	2.6	19.7	21.1	3.0	3.4
Krungthai Card *	KTC TH	Thailand	25.0	13.7	22.3	19.6	5.5	4.7	26.7	25.7	2.0	2.3
Muangthai Capital *	MTC TH	Thailand	6.3	39.2	23.1	16.6	5.0	4.0	24.0	26.7	0.6	0.9
Saksiam Leasing *	SAK TH	Thailand	(17.1)	42.2	27.2	19.2	3.4	3.1	13.0	16.9	1.5	2.1
Srisawad Corporation *	SAWAD TH	Thailand	10.2	16.1	17.1	14.7	3.6	3.2	21.7	23.0	3.0	3.4
Ratchthani Leasing *	THANI TH	Thailand	(14.9)	17.1	13.7	11.7	2.0	1.9	15.1	16.6	4.4	5.1
Ngern Tid Lor *	TIDLOR TH	Thailand	21.0	25.0	25.4	20.3	3.7	3.3	18.5	17.1	0.8	1.0
Average			53.0	18.8	52.4	31.7	6.5	6.3	19.9	19.0	2.0	2.4

Source: Bloomberg

Note: * Thanachart estimates using normalized EPS growth

Based on 29-Oct-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

Founded in 1986 by Dr. Phoosak and Mrs. Jintana Boonsalee, SAK initially offered debt-collection services. The company then expanded into auto-title loans from 1995. The head office is located in Uttaradit province and it has expanded its branch coverage in the North and Central parts of Thailand. Some 90% of the shares belongs to the Boonsalee family. The remaining 9.68% stake was taken up by Bualuang Ventures in 2019. SAK is a non-bank. Given that it holds a personal loan license and a nanofinance licenses which are under Bank of Thailand (BoT) supervision, it is subject to the regulations related to these licenses. It also started up a hire-purchase business for new motorcycles in 2019. As of 2M21, SAK had 554 branches in 38 provinces.

Source: Thanachart

COMPANY RATING



Rating Scale

Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; * CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- 25 years of experience in the business.
- Debt-collection expertise.

O — Opportunity

- Branch expansion in Bangkok and the eastern and southern regions of Thailand.
- Growing hire-purchase business.
- Cross-selling for fee income.

W — Weakness

- Relatively smaller scale vs. peers.
- Reliance on short-term funding.

T — Threat

- Changes in rules and regulations.
- Increasing penetration by commercial banks.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	10.10	10.00	-1%
Net profit 21F (Bt m)	607	612	1%
Net profit 22F (Bt m)	828	869	5%
Consensus REC	BUY: 2	HOLD: 1	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- We believe we are ahead of the Bloomberg consensus in factoring in higher loan growth, and thus our 2021-22F earnings are above the Street's.
- Our TP is lower, which we attribute to us being more conservative on SAK's lending yield over the medium to long term.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- Debt collection is key to SAK's cash flow and profitability. In the event that SAK's customers cannot repay loans on time, the company has to downgrade loan stages which leads to higher provisions and hence erodes profit margin.
- SAK uses bank loans to fund its expansion. If its credit lines were reduced or cut off, this would represent a risk to its ability to grow.
- In any circumstances in which SAK cannot manage to sustain the lending yields that we have factored in, this would represent downside risk to our earnings forecasts and TP.

Source: Thanachart

INCOME STATEMENT

	FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
<i>Strong loan volume growth</i>	Interest Income	1,600	1,609	1,766	2,327	2,851
	Interest Expenses	159	131	94	154	204
	Net Interest Income	1,441	1,477	1,672	2,173	2,648
	% of total income	99.7%	99.7%	99.6%	99.5%	99.4%
	Fee income	4	5	6	11	16
	% of total income	0.3%	0.3%	0.4%	0.5%	0.6%
	Other income	-	-	-	-	-
	% of total income	0.0%	0.0%	0.0%	0.0%	0.0%
	Non-interest Income	4	5	6	11	16
	% of total income	0.3%	0.3%	0.4%	0.5%	0.6%
Total Income	1,446	1,482	1,678	2,184	2,664	
Operating Expenses	737	788	867	1,034	1,155	
Pre-provisioning Profit	709	695	811	1,150	1,508	
Bad debt expenses	115	(6)	47	63	80	
Pre-tax Profit	594	700	764	1,087	1,428	
Income Tax	118	138	153	217	286	
After Tax Profit	476	562	612	869	1,142	
Equity Income	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Extraordinary Items	(130)	0	0	0	0	
NET PROFIT	346	562	612	869	1,142	
Normalized Profit	476	562	612	869	1,142	
EPS (Bt)	0.2	0.4	0.3	0.4	0.5	
Normalized EPS (Bt)	0.3	0.4	0.3	0.4	0.5	

BALANCE SHEET

	FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
<i>Bt2bn in bank credit lines available to support growth</i>	Cash and ST investments	253	307	200	100	100
	Other current assets	18	10	10	10	10
	Total current assets	271	317	210	110	110
	Gross loans & accr. interest	6,825	6,568	9,155	11,909	14,878
	Provisions	188	162	197	245	306
	Net loans	6,637	6,406	8,929	11,615	14,511
	Fixed assets	166	109	(9)	8	24
	Other assets	84	1,945	388	467	532
	Total assets	7,158	8,778	9,519	12,199	15,176
	Short term borrow ing	3,798	3,237	3,466	5,050	6,565
A/P & notes payables	70	78	80	82	84	
Other current liabilities	140	129	155	214	220	
Long term borrow ing	323	767	652	1,109	1,829	
Total borrowings	4,121	4,004	4,118	6,159	8,394	
Other L-T liabilities	51	59	289	345	390	
Minority interest	0	0	0	0	0	
Shareholders' equity	2,776	4,508	4,877	5,400	6,088	
Total Liab. & Equity	7,158	8,778	9,519	12,199	15,176	

Sources: Company data, Thanachart estimates

VALUATION

Cheap valuation in our view

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	25.9	22.6	27.2	19.2	14.6
Normalized PE - at target price (x)	32.6	28.4	34.3	24.1	18.3
PE (x)	35.6	22.6	27.2	19.2	14.6
PE - at target price (x)	44.8	28.4	34.3	24.1	18.3
P/PPP (x)	17.4	18.3	20.5	14.5	11.0
P/PPP - at target price (x)	21.9	23.0	25.8	18.2	13.9
P/BV (x)	4.4	3.7	3.4	3.1	2.7
P/BV - at target price (x)	5.6	4.6	4.3	3.9	3.4
Dividend yield (%)	na	1.4	1.5	2.1	2.7
Normalized EPS (Bt)	0.3	0.4	0.3	0.4	0.5
EPS (Bt)	0.2	0.4	0.3	0.4	0.5
DPS (Bt)	0.0	0.1	0.1	0.2	0.2
PPP/Share (Bt)	0.5	0.4	0.4	0.5	0.7
BV/share (Bt)	1.8	2.2	2.3	2.6	2.9
P/BV to ROE (x)	0.2	0.2	0.3	0.2	0.1

FINANCIAL RATIOS

End to repricing effect in 3Q21F

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate (%)					
Net interest income (NII)	26.4	2.5	13.2	29.9	21.8
Non-interest income (Non-II)	2.7	10.7	22.2	83.3	45.5
Operating expenses	22.5	6.9	10.1	19.3	11.7
Pre-provisioning profit (PPP)	30.6	(2.0)	16.8	41.7	31.2
Net profit	(13.2)	62.4	8.8	42.2	31.4
Normalized profit growth	19.4	18.1	8.8	42.2	31.4
EPS	(13.2)	57.7	(17.1)	42.2	31.4
Normalized EPS	19.4	14.7	(17.1)	42.2	31.4
Dividend payout ratio	0.0	40.3	40.0	40.0	40.0
Loan - gross	0.6	(3.0)	40.9	30.1	24.9
Loan - net	20.1	(3.5)	39.4	30.1	24.9
Borrowings	13.3	(5.0)	8.3	53.5	36.7
NPLs	91.0	47.8	35.0	20.0	15.0
Total assets	20.8	22.6	8.4	28.2	24.4
Total equity	29.7	62.4	8.2	10.7	12.7
Operating Ratios (%)					
Net interest margin (NIM)	22.0	18.5	18.3	20.0	19.3
Net interest spread	22.2	21.4	20.7	19.7	19.0
Yield on earnings assets	25.7	24.0	22.5	22.1	21.3
Avg cost of fund	4.1	3.3	2.3	3.0	2.8
NII / operating income	99.7	99.7	99.6	99.5	99.4
Non-II / operating income	0.3	0.3	0.4	0.5	0.6
Fee Income / Opt Income	0.3	0.3	0.4	0.5	0.6
Norm Net Margin	32.9	37.9	36.4	39.8	42.9
Cost-to-income	51.0	53.1	51.7	47.3	43.4
Credit cost - provision exp / loans	1.8	(0.1)	0.6	0.6	0.6
PPP / total assets	10.8	8.7	8.9	10.6	11.0
PPP / total equity	28.8	19.1	17.3	22.4	26.3
Avg assets/avg equity (leverage)	2.7	2.2	1.9	2.1	2.4
ROA	7.3	7.1	6.7	8.0	8.3
ROE	19.4	15.4	13.0	16.9	19.9

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Liquidity and Quality Ratio (%)					
Gross Loan / Borrow ings	184.0	187.9	244.3	207.1	189.2
Net Loan / Borrow ings	182.3	185.2	238.3	202.0	184.5
Net Loan / Assets	92.7	73.0	93.8	95.2	95.6
Net Loan / Equity	239.1	142.1	183.1	215.1	238.4
S-T / L-T Borrow ings	91.5	82.9	82.6	80.7	76.7
Borrow ings / Liabilities	83.1	81.0	80.7	84.6	86.5
Interest-bearing Debt / Equity	150.4	86.7	86.1	115.6	139.3
Liabilities / Equity	157.9	94.7	95.2	125.9	149.3
<i>Manageable asset quality</i> Equity/ Gross loans	41.4	69.4	53.3	45.3	40.9
NPLs	97.0	143.3	193.5	232.1	267.0
NPLs / Total Loans (NPL Ratio)	1.4	2.2	2.1	1.9	1.8
Loan-Loss-Coverage (Provision / NPLs)	193.8	113.3	102.0	105.6	114.7

Sources: Company data, Thanachart estimates

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