Thanachart Securities

BUY (Unchanged)

Change in Numbers

TP: Bt 190.00 (From: Bt 160.00)

Upside : 13.1%

11 FEBRUARY 2022

KASIKORNBANK Pcl (KBANK TB)

Passing structural hurdles

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Having crafted its business structure since 2017, KBANK has overcome structural setbacks and enjoyed a PPOP turnaround since 2021. Together with our view of a stronger economic upturn and a higher profit contribution from its affiliates, we raise our earnings and TP for KBANK to Bt190. KBANK remains our top pick in the sector.

End of structural setback

We see KBANK as having been hit the hardest by the structural setbacks in the Thai banking sector. The bank has the highest exposure to structurally slowing SME loans and the largest market share of declining transaction fees. These have been major earnings draggers since 2017. Having shifted its loan book toward corporate and retail loans, SME loans fell to 33% of total loans from 39% in 2016. We also see limited downside to transfer fees as digital adoption is now over 90%. Transaction fees have fallen by 51% over the past five years and their contribution to total fees fell from 30% in 2017 to 17% in 2021. Falling ATM and debit card fees should be offset by growing loan related, credit card, asset management and capital market-related fees.

New margin structure

The shift of its loan portfolio from SME to corporate and retail along with falling interest rates led the lending yield to fall to 4.7% last year from 5.5% in 2017. An end to interest rate cuts and a higher portion of high-yield retail loans would mean an end to its NIM contraction. The less risky mix of loans would also mean lower provisions. After building up an ample cushion with 20% of total provisions as management overlay, KBANK expects to set aside credit costs at less than 1.6%, vs. 1.67%/1.94% in 2020-21.

Higher profit contribution from affiliates

While other banks have divested their investments in insurance companies, KBANK still effectively owns 38.25% in Muang Thai Life Insurance (MTL). The bank has entered into a 10-year exclusivity bancassurance deal where it is eligible to realize Bt1.27bn of annual payments and bonus fees starting from this year. Given that KBANK treats MTL as a subsidiary, this incremental income will be realized via a lower minority interest reduction. Along with this windfall, we foresee a lower equity loss contribution from KBANK's 50:50 JV with Line BK to offer digital lending as it is gaining critical mass with loans outstanding rising from Bt15bn last year to Bt21-41bn over 2022-24F.

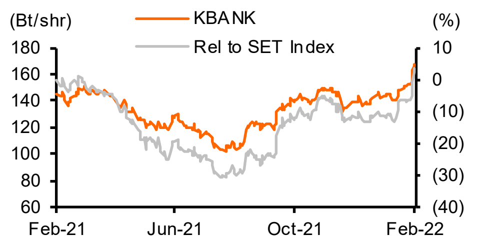
Boosting our TP to Bt190; our top sector pick

Given its strong 4Q21 profits, we raise KBANK's 2022-24F profits by an average of 19% and lift our DDM-based 12-month TP (2022F base year) to Bt190 from Bt160. Our TP implies a 2022F PBV of 0.9x, which we believe is justified by the bank's higher ROE of 9% this year, rising to close to 10% in 2024F. KBANK remains our top sector pick on the end of its structural setback, less risky portfolio allowing provision cuts and rising contributions from its affiliates. Despite its recent share price outperformance, the stock looks inexpensive to us trading at 9.3x PE and 0.8x P/BV in 2022F.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Pre Provision Profit	92,999	99,196	105,175	112,049
Net profit	38,053	43,348	48,979	55,461
Consensus NP	—	42,144	45,980	50,790
Diff frm cons (%)	—	*2.9*	*6.5*	*9.2*
Norm profit	38,053	43,348	48,979	55,461
Prev. Norm profit	—	38,708	40,452	44,949
Chg frm prev (%)	—	*12.0*	*21.1*	*23.4*
Norm EPS (Bt)	15.9	18.1	20.5	23.2
Norm EPS grw (%)	29.0	13.9	13.0	13.2
Norm PE (x)	10.6	9.3	8.2	7.2
P/BV (x)	0.8	0.8	0.7	0.7
Div yield (%)	2.0	2.2	2.4	5.5
ROE (%)	8.3	8.8	9.2	9.6
ROA (%)	1.0	1.0	1.1	1.2

PRICE PERFORMANCE



COMPANY INFORMATION

Price: *as of* 11-Feb-22 (Bt)	168.00
Market Cap (US$ m)	12,173
Listed Shares (m shares)	2,369.3
Free Float (%)	79.6
Avg. Daily Turnover (US$ m)	122.1
12M Price H/L (Bt)	166.50/102.00
Sector	BANK
Major Shareholder	Thai NVDR 18.29%

Sources: Bloomberg, Company data, Thanachart estimates

Raising our earnings by an average of 19%

KASIKORNBANK Pcl's (KBANK) 4Q21 profits came in better than we had expected because of higher loan growth and lower provisions as well as lower minority interests. To reflect this and our more positive view on the bank's ability to pass on higher FIDF fees to borrowers in light of the rising interest rate trend, we raise our earnings by 12% in 2022F, 21% in 2023F and 23% in 2024F. Please see our key assumption changes in Exhibit 1.

Ex 1: Earnings Revisions

	2019A	2020A	2021A	2022F	2023F	2024F
Net profits (Bt bn)						
- New	38.73	29.49	38.05	43.35	48.98	55.46
- Old				38.71	40.45	44.95
- Change (%)				*11.99*	*21.08*	*23.39*
Loans growth (%)						
- New	4.59	12.13	7.88	6.51	6.02	5.45
- Old				6.04	6.11	6.18
- Change (pp)				*0.47*	*(0.09)*	*(0.73)*
NIM (%)						
- New	3.18	3.14	3.08	3.04	3.04	3.06
- Old				3.04	2.95	2.93
- Change (pp)				*0.01*	*0.10*	*0.13*
Non-interest income (Bt bn)						
- New	57.76	46.06	44.65	45.29	47.37	49.57
- Old				48.12	50.28	52.62
- Change (%)				*(5.88)*	*(5.80)*	*(5.80)*
Credit costs (%)						
- New	1.70	1.94	1.67	1.60	1.50	1.40
- Old				1.70	1.60	1.50
- Change (pp)				*(0.10)*	*(0.10)*	*(0.10)*
Opex (Bt bn)						
- New	72.73	70.00	71.04	73.88	76.19	78.64
- Old				71.58	73.76	76.04
- Change (%)				*3.21*	*3.30*	*3.43*
Minority interests (Bt bn)						
- New	(4.71)	(4.20)	(4.19)	(3.56)	(3.39)	(3.22)
- Old				(5.00)	(5.00)	(5.00)
- Change (%)				na.	na.	na.

Sources: Company data, Thanachart estimates

Ex 2: 12-month DDM-based TP Calculation Using A Base Year Of 2022F

(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal Value
Dividend of common shares	7,898	8,670	9,796	22,184	25,126	34,761	45,812	67,159	73,574	100,435	109,356	109,356
Dividend of preferred shares	—	—	—	—	—	—	—	—	—	—	—	—
Dividend payment	7,898	8,670	9,796	22,184	25,126	34,761	45,812	67,159	73,574	100,435	109,356	1,004,891

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	1.2
WACC (%)	12.2
Cost of equity	12.2
Terminal growth (%)	2.0
Equity value	454,347
No. of shares (m)	2,393
Equity value / share (Bt)	**190.00**

Sources: Company data, Thanachart estimates

On the back of our earnings upgrades, we lift our DDM-based 12-month TP, using a 2022F base year, by 19% to Bt190 from Bt160. We reaffirm our BUY call on KBANK and it remains our top sector pick for four reasons:

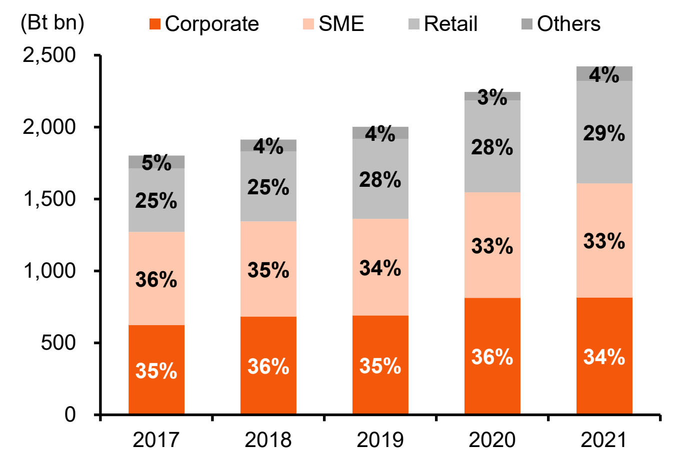
1) We believe KBANK has already passed the worst of its structural setback. The bank has shifted its loan mix away from sunset SME lending and increased its exposure to corporate and retail loans. We also see limited downside to transaction fees as their contribution to total fee income has come down from a peak of 30% in 2017 to just 17% last year.

2) The bank's less risky loan portfolio has negatively impacted yield but we foresee an end to its NIM contraction and expect lower provision requirements going forward.

3) The abovementioned factors along with higher insurance business profit contributions and its 50:50 JV with Line BK have prompted us to raise our earnings projections and we estimate higher earnings growth of 14% this year and 12% for 2023-24F.

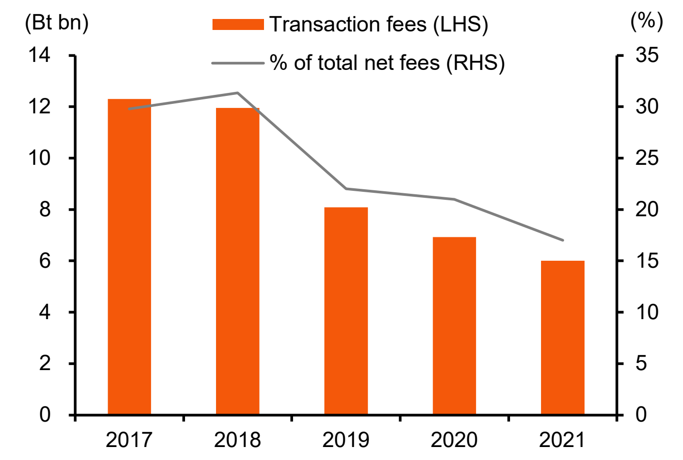
4) Trading at a 2022F PE of 9x and 0.6x P/BV, vs. our forecast of a 2022-24F EPS CAGR of 13% and with ROE rising from 9% in 2022F to close to 10% in 2024F, KBANK does not look expensive to us. In addition to having ROE on par with Siam Commercial Bank's (SCB TB, Bt137, BUY) and with its comparable digital platform, we don't see KBANK trading at a discount to SCB as being justified. KBANK's PBV gap with SCB is above its historical average so we also see the bank as a good catch-up play.

Ex 3: Shift In Loan Mix



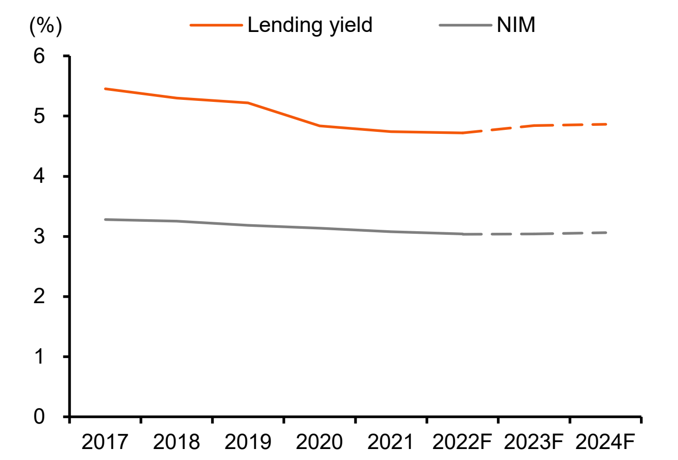
Source: Company data

Ex 4: Lower Contribution Of Transaction Fees



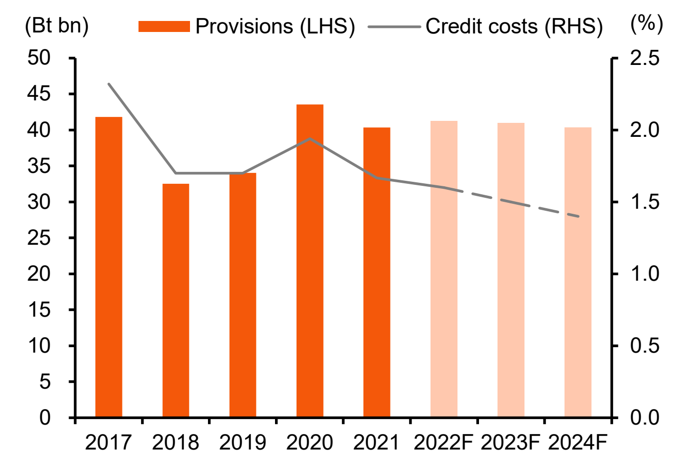
Sources: Company data, Thanachart estimates

Ex 5: End Of NIM Contraction



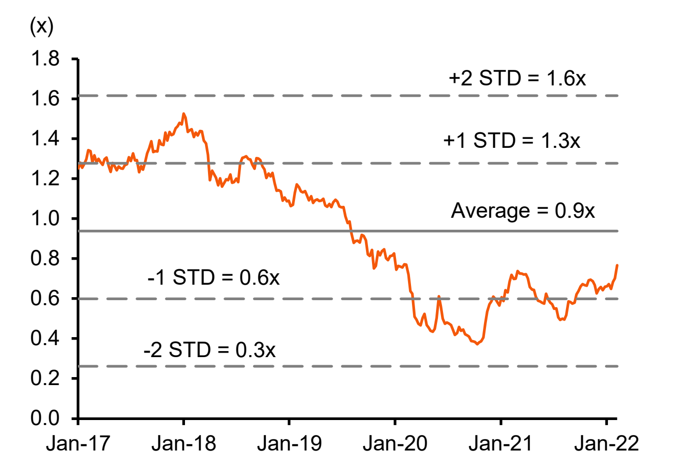
Sources: Company data, Thanachart estimates

Ex 6: Lower Provisions



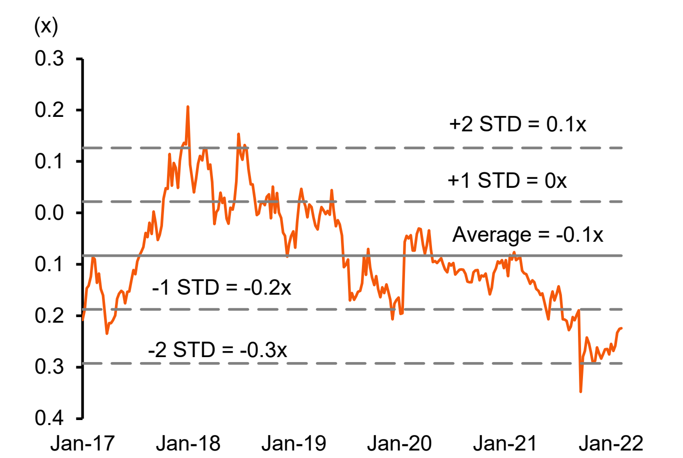
Sources: Company data, Thanachart estimates

Ex 7: KBANK'S P/BV STD



Sources: Bloomberg, Thanachart estimates

Ex 8: P/BV Discount To SCB Too High In Our View



Sources: Bloomberg, Thanachart estimates

Valuation Comparison

Ex 9: Valuation Comparison With Regional Peers

Name	BBG Code	Country	EPS growth		— PE —		— P/BV —		– ROE –		— Div. Yield —	
			22F	23F	22F	23F	22F	23F	22F	23F	22F	23F
			(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)	(%)	(%)
BOC Hong Kong Holdings	2388 HK	Hong Kong	7.5	17.6	12.1	10.2	1.1	1.0	9.2	10.1	4.2	4.9
Bank of East Asia	23 HK	Hong Kong	71.1	19.2	8.6	7.2	0.4	0.4	4.3	5.1	5.4	6.3
China Citic Bank Corp	998 HK	Hong Kong	16.7	10.7	3.5	3.2	0.3	0.3	10.3	10.5	7.7	7.8
Hang Seng Bank	11 HK	Hong Kong	11.2	15.1	17.3	15.0	1.7	1.7	10.2	11.1	3.8	4.2
Industrial & Commercial Bk	1398 HK	Hong Kong	14.1	6.6	5.0	4.7	0.5	0.5	11.4	11.3	6.1	6.5
Axis Bank	AXSB IN	India	57.7	38.3	21.1	15.3	2.2	2.0	12.3	14.5	1.8	2.3
ICICI Bank	ICICIBC IN	India	16.7	23.9	24.9	20.1	na	na	14.2	15.2	0.6	0.7
State Bank of India	SBIN IN	India	54.1	30.9	13.7	10.5	1.7	1.5	13.9	15.2	1.1	1.4
Bank Central Asia	BBCA IJ	Indonesia	13.8	12.5	27.0	24.0	4.3	3.9	16.8	17.2	1.7	1.9
Bank Danamon	BDMN IJ	Indonesia	304.9	26.6	5.9	4.6	0.5	0.5	8.0	10.2	4.2	na
Bank Internasional	BNII IJ	Indonesia	na	na	na	na	na	na	na	na	na	na
Bank Mandiri	BMRI IJ	Indonesia	13.5	17.2	11.3	9.7	1.6	1.5	14.9	16.0	4.8	5.7
Bank Pan	PNBN IJ	Indonesia	8.6	10.0	5.7	5.2	na	na	7.3	7.4	na	na
Bank Rakyat	BBRI IJ	Indonesia	16.1	19.7	16.1	13.4	2.1	2.0	13.9	15.3	3.6	4.3
Bank Negara	BBNI IJ	Indonesia	38.9	22.7	9.5	7.7	1.1	1.0	11.9	13.1	2.6	3.5
CIMB Group Holdings	CIMB MK	Malaysia	314.5	16.8	11.1	9.5	0.9	0.9	8.2	9.3	4.3	5.6
Hong Leong Bank	HLBK MK	Malaysia	5.1	16.4	13.6	11.7	1.3	1.2	9.9	11.0	2.8	3.2
Malayan Banking	MAY MK	Malaysia	22.5	16.1	12.1	10.4	1.1	1.1	9.1	10.4	6.5	7.4
Public Bank	PBKF MK	Malaysia	(76.4)	16.2	na	na	na	na	11.2	12.4	na	na
Industrial Bank of Korea	024110 KS	S Korea	8.5	2.0	3.8	3.7	0.3	0.3	8.6	8.3	6.7	7.0
DBS Group Holdings	DBS SP	Singapore	51.7	13.1	13.2	11.7	1.6	1.5	12.3	13.1	3.7	4.0
Oversea-Chinese Banking	OCBC SP	Singapore	50.5	13.1	11.1	9.8	1.1	1.0	10.3	10.9	4.3	4.8
United Overseas Bank	UOB SP	Singapore	57.0	15.1	12.3	10.7	1.2	1.2	10.4	11.5	4.1	4.5
Bank of Ayudhya	BAY TB*	Thailand	(3.8)	4.0	11.1	10.7	0.8	0.8	7.6	7.5	2.2	2.3
Bangkok Bank	BBL TB*	Thailand	14.1	10.5	9.3	8.5	0.5	0.5	6.0	6.3	3.2	3.5
KASIKORNBANK	KBANK TB*	Thailand	13.9	13.0	9.3	8.2	0.8	0.7	8.8	9.2	2.2	2.4
Kiatnakin Bank	KKP TB*	Thailand	0.1	15.7	9.5	8.2	1.1	1.0	12.0	13.0	3.9	6.1
Krung Thai Bank	KTB TB*	Thailand	25.7	12.1	7.5	6.7	0.5	0.5	7.3	7.7	3.2	3.6
Siam Commercial Bank	SCB TB*	Thailand	(3.4)	7.8	13.5	12.5	1.0	1.0	7.6	7.8	2.2	4.0
Tisco Financial Group	TISCO TB*	Thailand	5.2	1.4	11.1	11.0	1.8	1.7	16.9	16.2	6.3	6.4
TMBThanachart Bank	TTB TB*	Thailand	13.7	11.1	11.5	10.3	0.6	0.6	5.6	6.0	3.5	4.8
Average			**38.1**	**15.2**	**11.8**	**10.2**	**1.2**	**1.1**	**10.3**	**11.1**	**3.8**	**4.4**

Source: Bloomberg

Note: * Thanachart estimates , using Thanachart normalized EPS

Based on 11 Feb 2022 closing prices

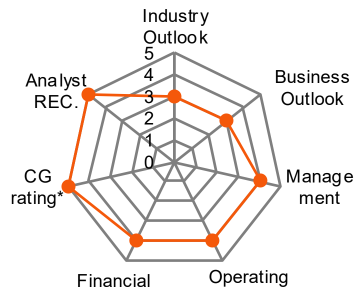
Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 21.2% of the shareholding in TMBThanachart Bank Pcl.

COMPANY DESCRIPTION

KASIKORNBANK Pcl (KBANK) provides commercial banking services including personal and commercial banking, international trade, as well as investment banking services, to its customers throughout Thailand. The bank has foreign branches in Los Angeles, Hong Kong, the Cayman Islands and Shenzhen, and representative offices in Shanghai, Beijing and Kunming.

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

- Leading main-bank status
- Highest CASA portion
- Healthy balance sheet

W — Weakness

- Exposure to SMEs which are highly sensitive to economic fluctuations
- High operating expenses

O — Opportunity

- Rising penetration of unsecured/digital or machine lending
- Online banking
- Expanding into markets abroad

T — Threat

- Digital disruption
- Global economic recession
- Changes in accounting standards and regulations

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	171.59	190.00	11%
Net profit 22F (Bt m)	42,144	43,348	3%
Net profit 23F (Bt m)	45,980	48,979	7%
Consensus REC	**BUY: 20**	**HOLD: 3**	**SELL: 1**

HOW ARE WE DIFFERENT FROM THE STREET?

- We believe we are more positive than the Bloomberg consensus on KBANK's loan growth and the profit contributions of its affiliates. We believe this is why our earnings forecasts and TP are higher than the Street's.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- Slower economic momentum than we currently anticipate would present the key downside risk to our earnings.

Source: Thanachart

Higher loan growth

Shifting to a less risky loan mix

INCOME STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Interest and Dividend Income	127,592	135,415	145,453	157,399	166,756
Interest Expenses	18,570	16,024	17,673	23,401	25,633
Net Interest Income	**109,022**	**119,390**	**127,780**	**133,998**	**141,123**
% of total income	70.3%	72.8%	73.8%	73.9%	74.0%
Gain on Investment	1,308	817	800	800	800
Fee Income	33,004	35,316	35,689	37,073	38,536
Gain on Exchange	8,119	5,539	5,500	5,500	5,500
Others	1,246	(330)	(98)	254	620
Non-interest Income	**46,063**	**44,653**	**45,291**	**47,367**	**49,570**
% of total income	29.7%	27.2%	26.2%	26.1%	26.0%
Total Income	**155,085**	**164,043**	**173,071**	**181,365**	**190,693**
Operating Expenses	69,997	71,044	73,875	76,190	78,644
Pre-provisioning Profit	**85,088**	**92,999**	**99,196**	**105,175**	**112,049**
Provisions	43,548	40,332	41,271	41,019	40,372
Pre-tax Profit	**41,540**	**52,667**	**57,925**	**64,156**	**71,677**
Income Tax	7,656	9,729	10,774	11,869	13,260
After Tax Profit	33,884	42,939	47,151	52,287	58,417
Equity Income	(193)	(694)	(238)	78	261
Minority Interest	(4,203)	(4,192)	(3,564)	(3,386)	(3,217)
Extraordinary Items	0	0	0	0	0
NET PROFIT	**29,487**	**38,053**	**43,348**	**48,979**	**55,461**
Normalized Profit	**29,487**	**38,053**	**43,348**	**48,979**	**55,461**
EPS (Bt)	12.3	15.9	18.1	20.5	23.2
Normalized EPS (Bt)	12.3	15.9	18.1	20.5	23.2

BALANCE SHEET

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
ASSETS:					
Liquid Items	**479,382**	**480,466**	**483,494**	**488,494**	**493,494**
cash & cash equivalents	61,962	59,972	58,000	58,000	58,000
interbank & money market	417,420	420,494	425,494	430,494	435,494
Securities under resale agreeme	0	0	0	0	0
Investments	777,790	1,034,372	1,085,999	1,140,202	1,197,110
Net loans	**2,121,700**	**2,293,640**	**2,441,333**	**2,583,605**	**2,723,047**
Gross and accrued interest	2,256,093	2,438,412	2,596,423	2,749,633	2,897,727
Provisions for doubtful	134,393	144,772	155,090	166,028	174,679
Fixed assets - net	85,664	97,185	99,131	101,479	104,302
Other assets	194,261	197,736	190,000	192,000	194,000
Total assets	**3,658,798**	**4,103,399**	**4,299,958**	**4,505,780**	**4,711,954**
LIABILITIES:					
Liquid Items	**2,459,239**	**2,810,429**	**2,965,162**	**3,089,127**	**3,226,279**
Deposit	2,344,998	2,598,630	2,747,162	2,906,091	3,076,145
Interbank & money market	87,797	186,449	192,000	174,000	140,000
Liability payable on demand	26,443	25,350	26,000	27,132	28,230
Borrowings	69,390	103,886	104,553	104,619	104,759
Other liabilities	638,883	652,409	672,409	692,409	712,409
Total liabilities	**3,167,512**	**3,566,724**	**3,724,028**	**3,886,155**	**4,043,447**
Minority interest	51,616	59,961	63,526	66,912	70,128
Shareholders' equity	**439,670**	**476,714**	**512,404**	**552,713**	**598,378**
Preferred capital	-	-	-	-	-
Paid-in capital	23,693	23,693	23,933	23,933	23,933
Share premium	18,103	18,103	18,103	18,103	18,103
Surplus/ Others	35,768	39,104	39,104	39,104	39,104
Retained earnings	362,105	395,813	431,264	471,574	517,239
Liabilities & equity	**3,658,798**	**4,103,399**	**4,299,958**	**4,505,780**	**4,711,954**

Sources: Company data, Thanachart estimates

Undemanding valuation, in our view

NIM set to bottom in 2022F

VALUATION

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normlized PE (x)	13.6	10.6	9.3	8.2	7.2
Normalized PE - at target price (x)	15.4	11.9	10.5	9.3	8.2
PE (x)	13.6	10.6	9.3	8.2	7.2
PE - at target price (x)	15.4	11.9	10.5	9.3	8.2
P/PPP (x)	4.7	4.3	4.1	3.8	3.6
P/PPP - at target price (x)	5.3	4.9	4.6	4.3	4.1
P/BV (x)	0.9	0.8	0.8	0.7	0.7
P/BV - at target price (x)	1.0	1.0	0.9	0.8	0.8
Dividend yield (%)	1.5	2.0	2.2	2.4	5.5
Market cap / net loans (x)	0.2	0.2	0.2	0.2	0.1
Market cap / deposit (x)	0.2	0.2	0.1	0.1	0.1
(Bt)					
Normalized EPS	12.3	15.9	18.1	20.5	23.2
EPS	12.3	15.9	18.1	20.5	23.2
DPS	2.5	3.3	3.6	4.1	9.3
PPP/Share	35.6	38.9	41.4	43.9	46.8
BV/Share	183.7	199.2	214.1	230.9	250.0

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Growth Rate (%)					
Net interest income (NII)	6.2	9.5	7.0	4.9	5.3
Non-interest income (Non-II)	(20.3)	(3.1)	1.4	4.6	4.7
Operating expenses	(3.8)	1.5	4.0	3.1	3.2
Pre-provisioning profit (PPP)	(3.0)	9.3	6.7	6.0	6.5
Net profit	(23.9)	29.0	13.9	13.0	13.2
Normalized profit growth	(23.9)	29.0	13.9	13.0	13.2
EPS	(23.9)	29.0	13.9	13.0	13.2
Normalized EPS	(23.9)	29.0	13.9	13.0	13.2
Dividend payout ratio	20.3	20.8	20.0	20.0	40.0
Loan - gross	12.1	7.9	6.5	6.0	5.5
Loan - net	12.9	8.1	6.4	5.8	5.4
Deposit	13.2	10.8	5.7	5.8	5.9
NPLs	20.2	3.0	7.0	6.0	5.0
Total assets	11.1	12.2	4.8	4.8	4.6
Total equity	8.2	8.4	7.5	7.9	8.3
Operating Ratios (%)					
Net interest margin (NIM)	3.1	3.1	3.0	3.0	3.1
Net interest spread	4.4	4.4	4.4	4.6	4.5
Yield on earnings assets	3.9	3.7	3.6	3.7	3.8
Avg cost of fund	0.8	0.6	0.6	0.7	0.8
NII / operating income	70.3	72.8	73.8	73.9	74.0
Non-II / operating income	29.7	27.2	26.2	26.1	26.0
Fee income / operating income	21.3	21.5	20.6	20.4	20.2
Normalized net margin	19.0	23.2	25.0	27.0	29.1
Cost-to-income	45.1	43.3	42.7	42.0	41.2
Credit cost - provision exp / loans	1.9	1.7	1.6	1.5	1.4
PPP / total assets	2.4	2.4	2.4	2.4	2.4
PPP / total equity	20.1	20.3	20.1	19.7	19.5
ROA	0.8	1.0	1.0	1.1	1.2
ROE	7.0	8.3	8.8	9.2	9.6

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Liquidity and Quality Ratio (%)					
Loan-to-deposit	95.7	93.2	93.9	94.1	93.7
Loan-to-deposit & S-T borrow ing	95.7	93.2	93.9	94.1	93.7
Net loan / assets	58.0	55.9	56.8	57.3	57.8
Net loan / equity	482.6	481.1	476.4	467.4	455.1
Investment / assets	21.3	25.2	25.3	25.3	25.4
Deposit / liabilities	74.0	72.9	73.8	74.8	76.1
Liabilities / equity	720.4	748.2	726.8	703.1	675.7
Net interbank lender (Bt m)	329,622	234,044	233,494	256,494	295,494
Tier 1 CAR	16.1	16.5	16.3	17.0	17.9
Tier 2 CAR	2.7	2.3	2.3	2.2	2.1
Total CAR	18.8	18.8	18.6	19.2	20.0
NPLs (Bt m)	101,007	104,036	111,319	117,998	123,898
NPLs / Total loans (NPL Ratio)	4.5	4.3	4.3	4.3	4.3
Loan-Loss-Coverage	133.1	139.2	139.3	140.7	141.0

Manageable NPLs and decent provision cushion

Sources: Company data, Thanachart estimates

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