

BUY (Unchanged)

Change in Numbers

TP: Bt 18.00 (From: Bt 15.00)

Upside : 25.0%

17 MAY 2022

Krung Thai Bank Pcl (KTB TB)

Mispriced

KTB's P/BV-to-ROE is still at an 18% discount to peers' despite the bank's comparable profitability and balance sheet quality. Having increased its safe-haven loans to 38% and loan-loss-coverage ratio to over 160%, KTB is enjoying a new lower base of provisions and we raise our earnings and TP to Bt18. Reaffirm BUY.



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Lower-risk structure...

Over the past two years with the economy having been hit very hard by the COVID pandemic, KTB adopted a low-risk, growth approach and increased its proportion of government and captive personal loans from 26% in 1Q20 to 33.7% in 4Q20, 37.6% in 3Q21 and further to 38.5% in the latest quarter. These are safe-haven loans with very limited credit risks to offset their razor-thin margins. Along with this approach, KTB has been proactively tackling legacy NPLs and building management overlay provisions. NPLs have bucked the sector's rising trend as they fell from 4.6% of total loans in 2020 and 4% in 2021 to 3.9% in 2022F. This is while loan loss coverage rose to over 160% in 1Q22. We expect the bank's credit costs to stay low at below 1% and revise down our credit cost assumptions accordingly.

...with justified returns

Shifting toward high-quality loans, KTB's lending yield has fallen faster than peers' at 1.4% over 2020-21. But this looks justified by lower credit risks as KTB's net spread ex-credit costs improved from 2.3% in 2021 to 2.55% in 1Q22. Also, this is not very inferior to peers' given big banks' average spread of 2.7% and KTB's higher loan volume growth. KTB has also not neglected high-yield retail lending as it has invested to utilize Krungthai Card's (KTC TB, SELL, Bt59.00) expertise to raise penetration in this area.

Higher three-year EPS CAGR of 21%

On the back of lower credit costs, we raise our earnings by 7/8/11% over 2022-24F. We expect a higher three-year EPS CAGR of 21% over those years, backed by 1) strong loan growth of 7/8/11%, boosted by government and retail lending; 2) credit costs falling from 1.2% in 2021 to c.0.8% over three years; and 3) cost-to-income ratio declining to 45% in 2023F and 43% in 2024F. KTB has continued to invest in IT but part of the front-loaded expenses is offset by branch optimization and headcount rationalization programs. Fee income remains the bank's soft spot due to falling transaction fees along with rising digital adoption. After a four-year decline, we bake in flat fee income growth this year and a gradual recovery of 5% in 2023-24F.

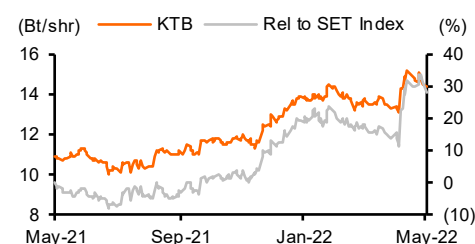
BUY with a higher Bt18 TP

In light of our earnings hikes, we raise our DDM-based 12-month TP (2022F base year) to Bt18 from Bt15 previously. KTB looks very attractive to us trading at 2022F PE of 7x, 0.5x P/BV, an 18% P/BV-to-ROE discount to big bank peers' and a dividend yield of over 3%. With a higher ROE of 8% this year, 9% next year and comparably strong balance sheet quality, we see KTB trading at similar discounts as unjustified. Our new TP implies P/BV of 0.7x and with 25% potential upside. Reaffirm BUY.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Pre Provision Profit	62,009	64,247	69,649	76,152
Net profit	21,588	29,263	33,062	38,036
Consensus NP	—	26,615	27,538	30,430
Diff frm cons (%)	—	9.9	20.1	25.0
Norm profit	21,588	29,263	33,062	38,036
Prev. Norm profit	—	27,351	30,521	34,332
Chg frm prev (%)	—	7.0	8.3	10.8
Norm EPS (Bt)	1.5	2.1	2.4	2.7
Norm EPS grw (%)	29.1	35.6	13.0	15.0
Norm PE (x)	9.3	6.9	6.1	5.3
P/BV (x)	0.6	0.5	0.5	0.5
Div yield (%)	2.9	3.5	3.9	6.6
ROE (%)	6.1	7.9	8.4	9.0
ROA (%)	0.6	0.8	0.8	0.9

PRICE PERFORMANCE



COMPANY INFORMATION

Price: as of 17-May-22 (Bt)	14.40
Market Cap (US\$ m)	5,833
Listed Shares (m shares)	13,976.1
Free Float (%)	44.9
Avg. Daily Turnover (US\$ m)	18.4
12M Price H/L (Bt)	15.20/10.00
Sector	BANK
Major Shareholder	FIDF 55.07%

Sources: Bloomberg, Company data, Thanachart estimates

Earnings revisions

We expect KTB's credit costs to stay below 1%...

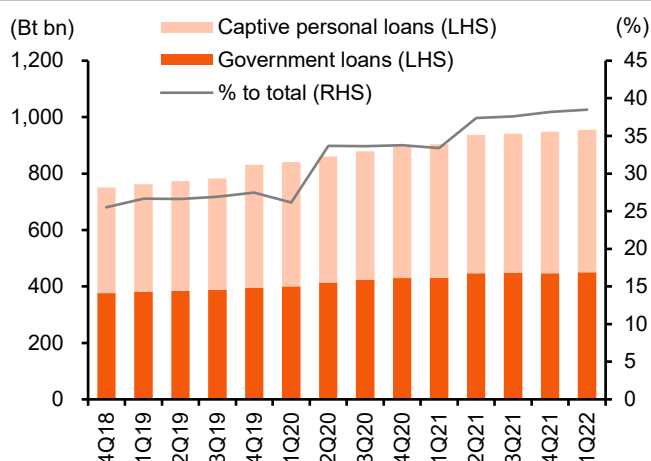
...and we lift our earnings by an average of 9% over 2022-24F

Krung Thai Bank Plc's (KTB) 1Q22 profits came in better than we'd expected on lower provisions. Pre-provisioning operating profits were in line as growing loans and lower funding costs offset a NIM contraction as the bank has shifted to the higher-quality lending segment. Meanwhile, opex is seasonally low in 1Q and KTB started to realize some savings from its branch optimization and headcount rationalization programs.

Key beats were provisions where credit costs were down to just 0.82% from 1.25% in 4Q21 and 1.37% in 1Q21. Looking at KTB's standalone book, credit costs were at 0.17%, down from 0.25% and 0.35% respectively. In addition to provision cuts at Krungthai Card (KTC TB, SELL, Bt57.75), KTB is enjoying a new, lower base of provisions. Our belief is backed by:

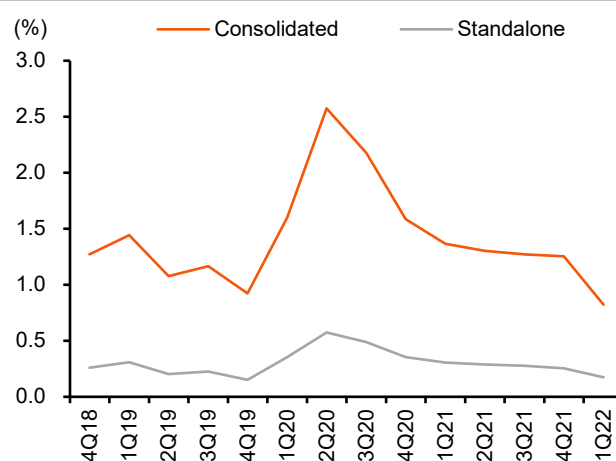
- 1) A substantial shift in its loan portfolio to high-quality lending, i.e., government and captive personal loans. The captive personal loans are unsecured loans that KTB lends to retail customers who have payroll accounts with the bank. These are limited in their lending risk and KTB has grown the portion from 26% in 1Q20 to 33.7% in 4Q20, 37.6% in 3Q21 and 38.5% in the latest quarter. Undeniably, these are low-yield segments but their thin margins look justified by very limited credit risks and low capital requirements.
- 2) KTB has been proactively tackling NPLs via write-offs and sales. Along with low new NPL formation, NPLs have bucked the sector's rising trend as they fell from 4.6% of total loans in 2020 and 4% in 2021 to 3.9% in 2022F.
- 3) From below the sector average, KTB raised provisions and increased management overlay. Together with falling NPLs, KTB's loan-loss-coverage ratio has risen from 132% in 2019, 140% in 2020 and 162% in 2021 to 166% in 1Q22. Seeing 160% as a sufficient buffer, KTB started cutting credit costs in 1Q22.

Ex 1: Rising Safe-haven Loans



Source: Company data

Ex 2: Credit Costs



Source: Company data

We expect the bank's credit costs to remain low at below 1% and we revise down our credit cost assumptions accordingly. On the back of lower credit costs, we raise our earnings estimates by 7/8/11% over 2022-24F. Our DDM-based 12-month TP, using a 2022F base year, is therefore lifted by 20% to Bt18 from Bt15 previously.

Ex 3: Changes In Our Assumptions

	2020	2021	2022F	2023F	2024F
Net profits (Bt bn)					
- New	16.73	21.59	29.26	33.06	38.04
- Old			27.35	30.52	34.33
- Change (%)			6.99	8.32	10.79
Loan growth (%)					
- New	11.72	12.60	7.38	7.77	4.28
- Old			7.29	7.70	4.21
- Change (pp)			0.08	0.07	0.07
Net fee income (Bt bn)					
- New	20.53	20.02	20.10	21.05	22.05
- Old			20.85	21.83	22.71
- Change (%)			(3.59)	(3.59)	(2.91)
Credit costs (%)					
- New	1.92	1.24	0.87	0.82	0.78
- Old			1.00	0.97	0.97
- Change (pp)			(0.13)	(0.15)	(0.19)
NPL ratio (%)					
- New	4.56	4.03	3.87	3.70	3.65
- Old			3.91	3.77	3.77
- Change (pp)			(0.04)	(0.08)	(0.12)

Sources: Company data, Thanachart estimates

Ex 4: 12-month DDM-based TP Calculation Using A Base Year Of 2022F

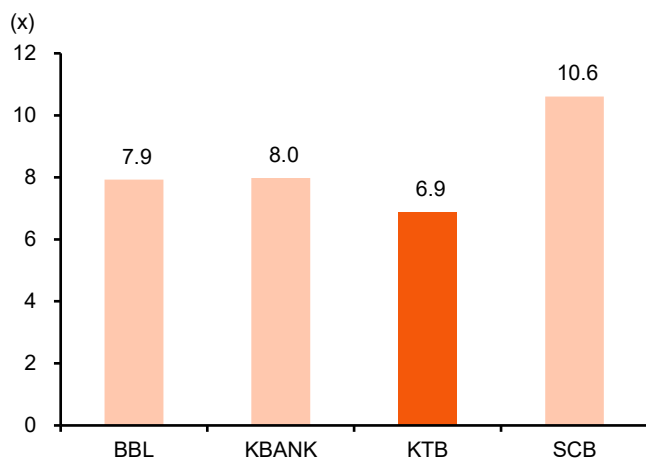
(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal Value
Dividend of common shares	6,433	7,479	10,624	13,838	14,894	16,214	17,563	18,819	31,868	46,965	50,969	50,969
Dividend of preferred shares	—	—	—	—	—	—	—	—	—	—	—	—
Dividend payment	6,433	7,479	10,624	13,838	14,894	16,214	17,563	18,819	31,868	46,965	50,969	518,433
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.1											
WACC (%)	11.0											
Cost of equity	11.0											
Terminal growth (%)	2.0											
Equity Value	252,380											
No. of shares (m shares)	13,976											
Equity value / share (Bt)	18.00											

Sources: Company data, Thanachart estimates

Unjustified valuation gap in our view

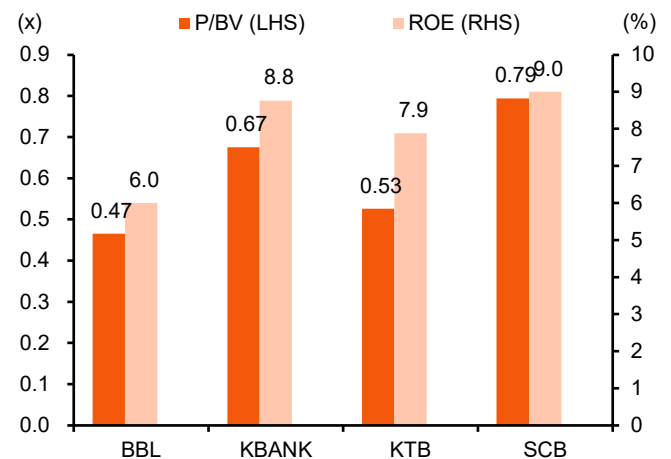
As a state enterprise bank with weaker balance sheet quality and lower ROE, we believe KTB deserves to trade at a valuation discount to peers. But we see the current 18% discount of KTB's P/BV to ROE vs. big banks' average of 8.1x as being unjustified given KTB's much stronger balance sheet quality and higher ROE.

Ex 5: Cheapest PE



Source: Thanachart estimates

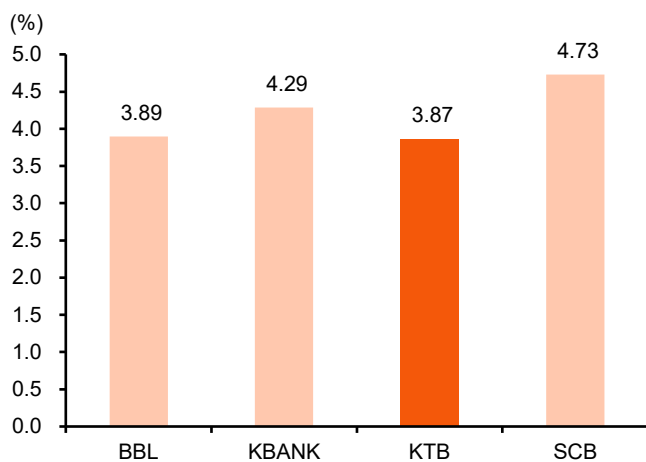
Ex 6: P/BV Vs ROE



Source: Thanachart estimates

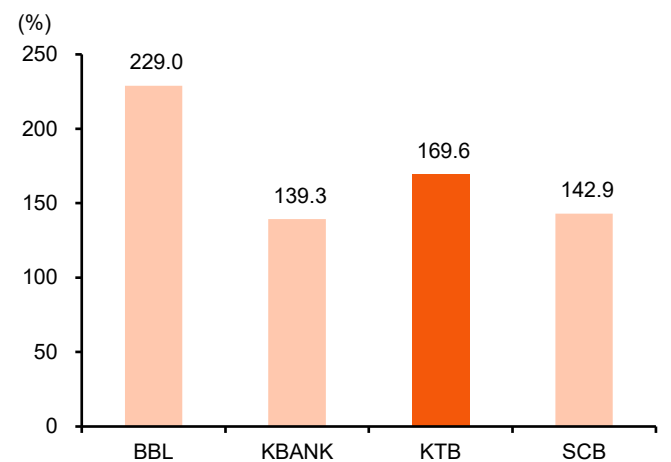
KTB's balance sheet quality is comparably strong vs. the big banks. With an NPL ratio of below 4% and loan loss coverage of over 160%, it is now second to Bangkok Bank Pcl (BBL TB, BUY, Bt125.5) which has an NPL ratio of 3.9% and the highest coverage ratio of 229%. KTB also has smaller forbearance loans than Kasikornbank Pcl (KBANK TB, BUY, Bt144.5) and Siam Commercial Bank Pcl (SCB TB, BUY, Bt108.0), at 2.3% versus their c.10%.

Ex 7: NPL Ratio Comparison



Source: Thanachart estimates

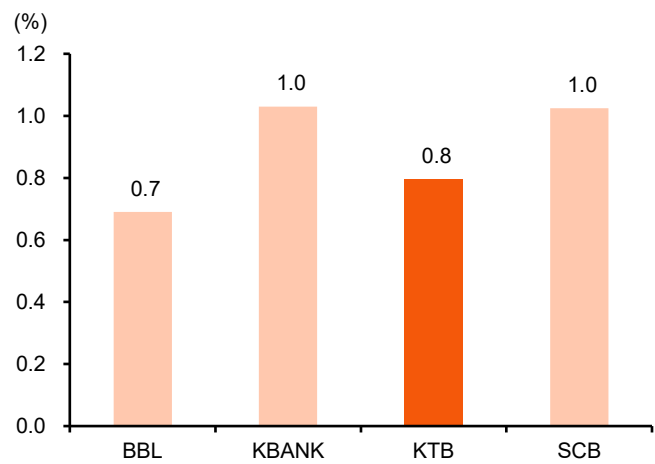
Ex 8: LLR Comparison



Source: Thanachart estimates

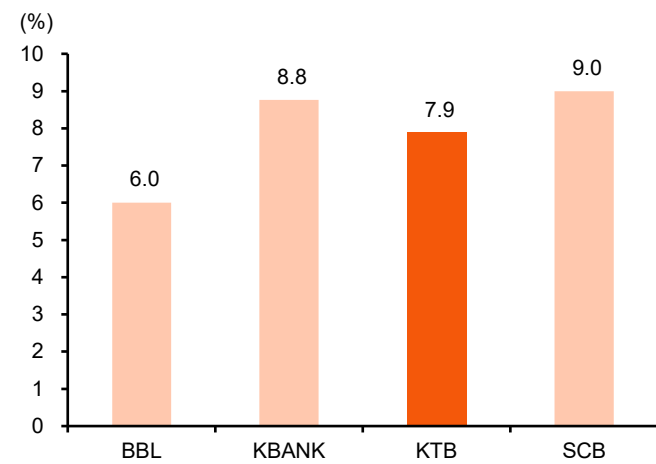
As for ROE, we estimate KTB's ROE to rise from 6.1% in 2021 to 7.9% in 2022F, 8.4% in 2023F and 9% in 2024F.

Ex 9: ROA



Source: Thanachart estimates

Ex 10: ROE



Source: Thanachart estimates

Valuation Comparison

Ex 11: Valuation Comparison With Regional Peers

Name	BBG Code	Country	EPS growth		— PE —		— P/BV —		— ROE —		— Div. Yield —	
			22F (%)	23F (%)	22F (x)	23F (x)	22F (x)	23F (x)	22F (%)	23F (%)	22F (%)	23F (%)
BOC Hong Kong Holdings	2388 HK	Hong Kong	18.2	27.9	11.5	9.0	1.0	0.9	8.7	10.6	4.4	5.6
Bank of East Asia	23 HK	Hong Kong	(12.5)	24.8	7.2	5.7	0.3	0.3	4.1	5.0	6.8	8.1
China Citic Bank Corp	998 HK	Hong Kong	5.6	9.6	3.2	2.9	0.3	0.3	10.4	10.6	8.5	9.3
Hang Seng Bank	11 HK	Hong Kong	10.6	33.8	17.2	12.9	1.5	1.4	8.9	11.3	4.0	5.2
Industrial & Commercial Bk	1398 HK	Hong Kong	5.5	6.7	4.6	4.3	0.5	0.5	11.5	11.4	6.7	7.1
Axis Bank	AXSB IN	India	(15.5)	41.9	16.8	11.9	na	na	11.8	14.2	1.6	2.2
ICICI Bank	ICICIBC IN	India	(12.2)	23.9	22.3	18.0	na	na	na	na	0.7	0.9
State Bank of India	SBIN IN	India	(0.6)	32.8	11.9	8.9	1.5	1.3	14.2	15.5	1.3	1.8
Bank Central Asia	BBCA IJ	Indonesia	14.6	14.4	25.3	22.1	4.1	3.7	16.9	17.4	2.0	2.3
Bank Danamon	BDMN IJ	Indonesia	76.7	8.7	8.4	7.7	0.5	0.5	6.1	6.7	2.9	na
Bank Internasional	BNII IJ	Indonesia	na	na	na	na	na	na	na	na	na	na
Bank Mandiri	BMRI IJ	Indonesia	21.5	15.6	10.7	9.3	1.6	1.5	15.9	16.6	5.1	5.9
Bank Pan	PNBN IJ	Indonesia	na	na	na	na	na	na	na	na	na	na
Bank Rakyat	BBRI IJ	Indonesia	21.5	18.7	15.4	13.0	2.1	2.0	14.3	15.7	4.2	5.0
Bank Negara	BBNI IJ	Indonesia	42.6	24.5	10.1	8.1	1.2	1.0	12.1	13.4	2.3	3.2
CIMB Group Holdings	CIMB MK	Malaysia	12.5	22.6	10.5	8.6	0.8	0.8	8.1	9.3	4.8	5.8
Hong Leong Bank	HLBK MK	Malaysia	8.5	17.5	13.7	11.6	1.4	1.3	10.4	11.3	2.8	3.2
Malayan Banking	MAY MK	Malaysia	2.4	17.2	12.5	10.7	1.2	1.1	9.5	10.9	6.2	7.2
Public Bank	PBKF MK	Malaysia	3.3	18.3	na	na	na	na	11.8	13.1	na	na
Industrial Bank of Korea	024110 KS	S Korea	12.5	5.1	3.5	3.3	0.3	0.3	9.3	9.2	7.3	7.8
DBS Group Holdings	DBS SP	Singapore	9.1	16.3	10.7	9.2	1.3	1.2	12.9	14.1	4.6	5.3
Oversea-Chinese Banking	OCBC SP	Singapore	11.0	16.0	9.9	8.5	1.0	0.9	10.1	11.1	4.9	5.6
United Overseas Bank	UOB SP	Singapore	11.0	19.9	10.8	9.0	1.1	1.0	10.6	12.0	4.6	5.4
Bank of Ayudhya	BAY TB*	Thailand	0.9	2.8	9.2	9.0	0.7	0.7	7.9	7.6	2.2	2.2
Bangkok Bank	BBL TB*	Thailand	14.1	10.5	7.9	7.2	0.5	0.4	6.0	6.3	3.8	4.2
KASIKORNBANK	KBANK TB*	Thailand	13.9	12.0	8.0	7.1	0.7	0.6	8.8	9.1	2.5	2.8
Kiatnakin Bank	KKP TB*	Thailand	9.2	16.8	8.5	7.3	1.1	1.0	13.0	13.9	4.7	5.5
Krung Thai Bank	KTB TB*	Thailand	35.6	13.0	6.9	6.1	0.5	0.5	7.9	8.4	3.5	3.9
SCB X	SCB TB*	Thailand	(2.9)	8.3	10.6	9.8	0.8	0.8	7.7	7.9	3.8	4.1
Tisco Financial Group	TISCO TB*	Thailand	5.1	1.3	10.0	9.9	1.7	1.6	17.1	16.8	8.5	8.6
TMBThanachart Bank	TTB TB*	Thailand	20.5	15.0	9.5	8.3	0.5	0.5	5.9	6.5	4.2	4.8
Average			11.8	17.1	11.0	9.3	1.1	1.0	10.4	11.3	4.2	4.9

Source: Bloomberg

Note: * Thanachart estimates , using Thanachart normalized EPS

Based on 17 May 2022 closing prices

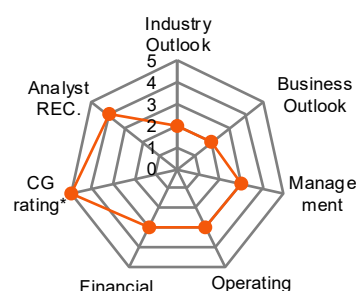
Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 23% of the shareholding in TMBThanachart Bank Pcl.

COMPANY DESCRIPTION

Krung Thai Bank Pcl (KTB) is a state-owned commercial bank offering various banking and financial services including commercial, consumer, credit card and mortgage loans, as well as provident fund management, foreign exchange, and international trade financing services. The bank is majority-owned by the Financial Institutions Development Fund.

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 position in government-related and infrastructure loans.
- Large database as it operates "Paotung" which is the government's wallet application.

O — Opportunity

- Increasing its exposure to the retail-lending segment.
- Soliciting more fee-based income.

W — Weakness

- Lower spread as it focuses on high-quality-low-yield loans.

T — Threat

- Global economic recession.
- New accounting standards and regulations.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	15.36	18.00	17%
Net profit 22F (Bt m)	26,615	29,263	10%
Net profit 23F (Bt m)	27,538	33,062	20%
Consensus REC	BUY: 16	HOLD: 2	SELL: 7

HOW ARE WE DIFFERENT FROM THE STREET?

- We believe we are ahead of the market in factoring in lower credit costs for KTB. As a consequence, our earnings and TP are higher than the Bloomberg consensus forecasts.

RISKS TO OUR INVESTMENT CASE

- There would be material downside to our earnings forecasts and TP if KTB's credit costs are not on a declining trend as we have assumed.
- Slower economic momentum than we currently anticipate would present the key downside risk to our earnings.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

INCOME STATEMENT

*Driven by loan volume
and lower provisions*

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Interest and Dividend Income	112,837	104,832	112,449	122,427	130,261
Interest Expenses	24,494	21,460	23,283	29,022	30,742
Net Interest Income	88,343	83,372	89,166	93,405	99,519
% of total income	73.5%	72.7%	74.5%	74.2%	74.5%
Gain on Investment	951	711	800	1,000	1,000
Fee Income	20,528	20,022	20,100	21,051	22,046
Gain on Exchange	3,134	3,467	3,300	3,465	3,638
Others	6,855	6,789	6,000	6,500	7,000
Non-interest Income	31,844	31,368	30,582	32,401	34,072
% of total income	26.5%	27.3%	25.5%	25.8%	25.5%
Total Income	120,187	114,739	119,748	125,806	133,591
Operating Expenses	53,465	52,731	55,501	56,157	57,440
Pre-provisioning Profit	66,722	62,009	64,247	69,649	76,152
Provisions	44,903	32,524	24,544	24,885	24,813
Pre-tax Profit	21,819	29,485	39,703	44,764	51,339
Income Tax	4,441	5,975	7,941	8,953	10,268
After Tax Profit	17,379	23,510	31,763	35,812	41,071
Equity Income	2,060	1,046	1,000	1,100	1,200
Minority Interest	(2,707)	(2,968)	(3,500)	(3,850)	(4,235)
Extraordinary Items	0	0	0	0	0
NET PROFIT	16,732	21,588	29,263	33,062	38,036
Normalized Profit	16,732	21,588	29,263	33,062	38,036
EPS (Bt)	1.2	1.5	2.1	2.4	2.7
Normalized EPS (Bt)	1.2	1.5	2.1	2.4	2.7

BALANCE SHEET

*Focusing on high-quality
loans*

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
ASSETS:					
Liquid Items	584,953	532,760	584,000	627,000	706,000
cash & cash equivalents	68,161	63,544	60,000	60,000	60,000
interbank & money market	516,792	469,216	524,000	567,000	646,000
Securities under resale agreeme	0	0	0	0	0
Investments	346,388	364,017	381,119	399,076	417,931
Net loans	2,200,513	2,476,220	2,658,389	2,869,774	2,995,142
Gross and accrued interest	2,351,041	2,649,542	2,844,963	3,066,022	3,197,168
Provisions for doubtful	150,528	173,322	186,574	196,248	202,027
Fixed assets - net	57,421	70,745	69,649	68,580	67,547
Other assets	138,504	113,002	114,132	115,273	116,426
Total assets	3,327,780	3,556,744	3,807,289	4,079,703	4,303,046
LIABILITIES:					
Liquid Items	2,742,524	2,915,302	3,139,442	3,383,919	3,576,801
Deposit	2,463,225	2,614,747	2,818,698	3,043,043	3,215,789
Interbank & money market	274,566	296,344	316,344	336,344	356,344
Liability payable on demand	4,732	4,210	4,400	4,532	4,668
Borrowings	86,564	133,817	134,892	134,396	134,210
Other liabilities	143,629	133,514	132,514	131,514	130,514
Total liabilities	2,972,717	3,182,633	3,406,848	3,649,830	3,841,525
Minority interest	11,598	14,059	17,559	21,409	25,644
Shareholders' equity	343,466	360,053	382,883	408,465	435,878
Preferred capital	28.33	28.33	28.33	28.33	28.33
Paid-in capital	71,977	71,977	71,977	71,977	71,977
Share premium	20,668	20,174	20,174	20,174	20,174
Surplus/ Others	32,179	30,526	30,526	30,526	30,526
Retained earnings	218,613	237,347	260,177	285,760	313,172
Liabilities & equity	3,327,780	3,556,744	3,807,289	4,079,703	4,303,046

Sources: Company data, Thanachart estimates

VALUATION

Looking attractive to us

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	12.0	9.3	6.9	6.1	5.3
Normalized PE - at target price (x)	15.0	11.7	8.6	7.6	6.6
PE (x)	12.0	9.3	6.9	6.1	5.3
PE - at target price (x)	15.0	11.7	8.6	7.6	6.6
P/PPP (x)	3.0	3.2	3.1	2.9	2.6
P/PPP - at target price (x)	3.8	4.1	3.9	3.6	3.3
P/BV (x)	0.6	0.6	0.5	0.5	0.5
P/BV - at target price (x)	0.7	0.7	0.7	0.6	0.6
Dividend yield (%)	1.9	2.9	3.5	3.9	6.6
Market cap / net loans (x)	0.1	0.1	0.1	0.1	0.1
Market cap / deposit (x)	0.1	0.1	0.1	0.1	0.1
(Bt)					
Normalized EPS	1.2	1.5	2.1	2.4	2.7
EPS	1.2	1.5	2.1	2.4	2.7
DPS	0.3	0.4	0.5	0.6	1.0
PPP/Share	4.8	4.4	4.6	5.0	5.4
BV/Share	24.6	25.8	27.4	29.2	31.2

FINANCIAL RATIOS

Thin spread looks justified by lower-risk costs

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Growth Rate (%)					
Net interest income (NII)	0.0	(5.6)	7.0	4.8	6.5
Non-interest income (Non-II)	(11.3)	(1.5)	(2.5)	5.9	5.2
Operating expenses	(14.4)	(1.4)	5.3	1.2	2.3
Pre-provisioning profit (PPP)	8.0	(7.1)	3.6	8.4	9.3
Net profit	(42.9)	29.0	35.5	13.0	15.0
Normalized profit growth	(42.9)	29.0	35.5	13.0	15.0
EPS	(42.9)	29.1	35.6	13.0	15.0
Normalized EPS	(42.9)	29.1	35.6	13.0	15.0
Dividend payout ratio	23.0	27.1	24.0	24.0	35.0
Loan - gross	11.7	12.6	7.4	7.8	4.3
Loan - net	12.3	12.5	7.4	8.0	4.4
Deposit	14.3	6.2	7.8	8.0	5.7
NPLs	4.4	(0.3)	3.0	3.0	3.0
Total assets	10.5	6.9	7.0	7.2	5.5
Total equity	1.5	4.8	6.3	6.7	6.7
Operating Ratios (%)					
Net interest margin (NIM)	2.8	2.4	2.4	2.4	2.4
Net interest spread	4.1	3.5	3.5	3.5	3.5
Yield on earnings assets	3.8	3.2	3.1	3.2	3.2
Avg cost of fund	0.9	0.7	0.7	0.9	0.9
NII / operating income	73.5	72.7	74.5	74.2	74.5
Non-II / operating income	26.5	27.3	25.5	25.8	25.5
Fee income / operating income	17.1	17.4	16.8	16.7	16.5
Normalized net margin	13.9	18.8	24.4	26.3	28.5
Cost-to-income	44.5	46.0	46.3	44.6	43.0
Credit cost - provision exp / loans	1.9	1.2	0.9	0.8	0.8
PPP / total assets	2.1	1.8	1.7	1.8	1.8
PPP / total equity	19.6	17.6	17.3	17.6	18.0
ROA	0.5	0.6	0.8	0.8	0.9
ROE	4.9	6.1	7.9	8.4	9.0

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Liquidity and Quality Ratio (%)					
Loan-to-deposit	94.8	100.5	100.1	100.0	98.6
Loan-to-deposit & S-T borrow ing	94.8	100.5	100.1	100.0	98.6
Net loan / assets	66.1	69.6	69.8	70.3	69.6
Net loan / equity	640.7	687.7	694.3	702.6	687.2
Investment / assets	10.4	10.2	10.0	9.8	9.7
Deposit / liabilities	82.9	82.2	82.7	83.4	83.7
Liabilities / equity	865.5	883.9	889.8	893.5	881.3
Net interbank lender (Bt m)	242,225	172,872	207,656	230,656	289,656
Tier 1 CAR	15.8	16.9	14.1	14.1	14.3
Tier 2 CAR	3.3	3.3	2.6	2.5	2.3
Total CAR	19.1	20.1	16.8	16.6	16.7
NPLs (Bt m)	107,138	106,809	110,013	113,314	116,713
NPLs / Total loans (NPL Ratio)	4.6	4.0	3.9	3.7	3.7
Loan-Loss-Coverage	140.5	162.3	169.6	173.2	173.1

Sources: Company data, Thanachart estimates

*Stronger balance sheet
quality*

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