

BUY (Unchanged)

Change in Numbers

TP: Bt 56.00

(Unchanged)

21 JUNE 2022**Upside : 30.2%**

Muangthai Capital Pcl (MTC TB)

Bottom fishing

Faster interest rate hikes are negative, but we see the 13% drop in MTC's share price MTD as overdone so we cut our earnings by only 5% p.a. over 2022-24F. MTC looks very attractive to us at 13x PE in light of 26% EPS growth in 2023F. BUY with an unchanged TP of Bt56

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How vulnerable is MTC to rate hikes?

As a volume play with the strongest loan growth, MTC is unable to avoid being hit hard by the faster pace of interest rate hikes. Around 80% of loan growth is financed by debt and debentures are MTC's main source of funds. To support loan growth of 30% p.a. in 2022-23F, MTC has already locked in debentures worth Bt14.5bn in 1H22 and it plans to issue Bt12-15bn in 2H22 and around Bt50bn in 2023. The company's average coupon for its latest issuance in June 2022 was 3.23% for 2-5 year tenors. This was 25bps higher than its average coupon in 1Q22. With leftover refinancing benefits, we expect MTC's costs of interest-bearing debt to rise by only 13bps this year to 3.53%. Challenges are in 2023-24 where refinancing benefits disappear along with our in-house view for a 75bps policy rate hike. As a result, we raise MTC's borrowing costs to 4.0% in 2023F and 4.3% in 2024F.

Increasing loans

With its competitive pricing strategy and swifter branch expansion than peers, MTC successfully acquired 500k new customers, raising the number of active customers to 3m in 2021. The company is seeing very strong loan demand and a higher revolving rate of 75% vs. 70% in the past. MTC expects to grow loans by 30-35% this year and another 30% in 2023F. We expect 31% loan growth in 2022F and raise our projection to 25% in 2023F and 20% in 2024F. As for asset quality, NPLs of title loans rose after forbearance programs ended in 3Q21. Title loans' NPLs have started to stabilize while NPLs of motorcycle HP loans are still on the rise. We expect motorcycle HP loan quality to improve in 2H22F as MTC slowed new motorcycle HP loans to new customers and sped up the liquidation process in 2Q22.

No change to record-high earnings pattern

Despite cutting our earnings estimates by 2-7% over 2022-24F to reflect higher cost of funds, we see no major disruption to MTC's earnings growth story. We still expect a series of record earnings results as higher loan volume and improving operating leverage benefits are outweighing rising cost of funds and provisions. We foresee upside to our forecasts if MTC were to raise interest rates to pass on rising interest expenses to customers or has its credit rating upgraded from BBB+ to A- in 2H23F. We estimate each 10bps drop in the cost of funds would boost its earnings by 1.3%.

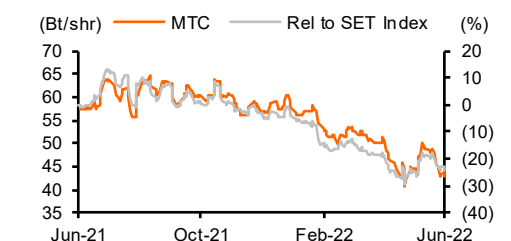
BUY with a TP of Bt56

As we roll over our base year to 2023F, our DDM-based 12-month TP is unchanged at Bt56. MTC is still a BUY as we believe faster-than-expected rate hikes have been more than priced in while we see no change to MTC's record-high earnings pattern. At 13x PE on our EPS growth of 26% p.a. over 2023-24F, MTC looks very attractive with 30% potential upside to our TP.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Pre Provision Profit	6,930	8,250	10,866	13,880
Net profit	4,945	5,760	7,278	9,156
Consensus NP	—	5,680	7,128	8,701
Diff frm cons (%)	—	1.4	2.1	5.2
Norm profit	4,945	5,760	7,278	9,156
Prev. Norm profit	—	5,882	7,683	9,826
Chg frm prev (%)	—	(2.1)	(5.3)	(6.8)
Norm EPS (Bt)	2.3	2.7	3.4	4.3
Norm EPS grw (%)	(5.2)	16.5	26.3	25.8
Norm PE (x)	18.4	15.8	12.5	10.0
P/BV (x)	3.7	3.1	2.5	2.1
Div yield (%)	0.9	1.0	1.3	1.6
ROE (%)	21.7	21.1	22.2	23.1
ROA (%)	5.6	5.1	5.0	5.0

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 21-Jun-22 (Bt)	43.00
Market Cap (US\$ m)	2,581.6
Listed Shares (m shares)	2,120.0
Free Float (%)	32.1
Avg Daily Turnover (US\$ m)	13.0
12M Price H/L (Bt)	64.75/40.50
Sector	Finance
Major Shareholder	Petaumpai Family 67.45%

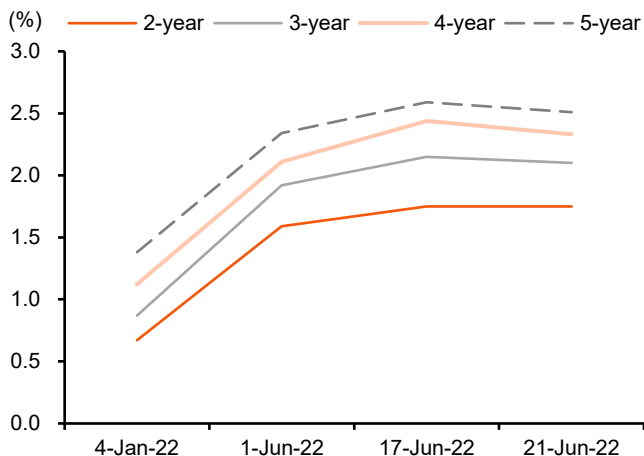
Sources: Bloomberg, Company data, Thanachart estimates

How vulnerable is MTC to rate hikes?

Rate hike impact factored in

Rising interest rates are not news but growing negative sentiment toward investment in the finance sector has been triggered by the Bank of Thailand's (BoT) indications of a faster pace of interest rate increases than the market had anticipated previously because of mounting inflationary pressure. The government bond yield has risen by around 1% over 1H22. After the Monetary Policy Committee meeting on 8 June, the yield curve edged up by 6-25bps for two-to-five-year tenors and the share prices of finance stocks including MTC's fell sharply by more than 10% in just two weeks.

Ex 1: Change In Government Bond Yields



Source: ThaiBMA

Ex 2: MTC's Share Price



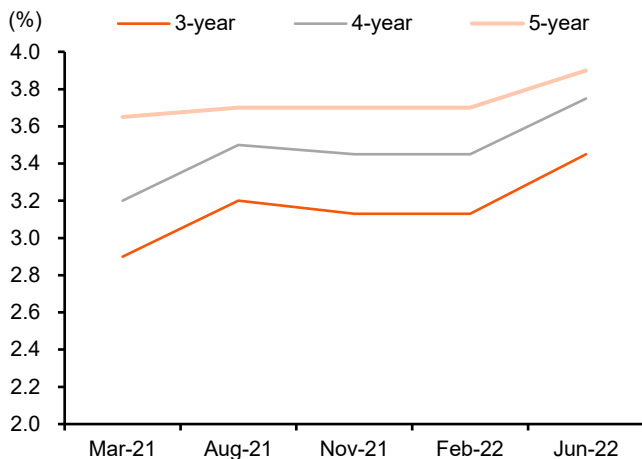
Source: Bloomberg

MTC's debenture coupon rate rose by 30bps in 1H22

As a volume play with the strongest loan growth, MTC cannot avoid being hit hard by the faster pace of interest rate hikes. Around 80% of loan growth is financed by debts and of MTC's total sources of funds, 50% is from debentures. To support loan growth of 30-35% p.a. in 2022F and another 30% in 2023F, MTC already locked in debentures worth Bt14.5bn in 1H22 and plans to issue Bt12bn-15bn in 2H22 and around Bt50bn in 2023.

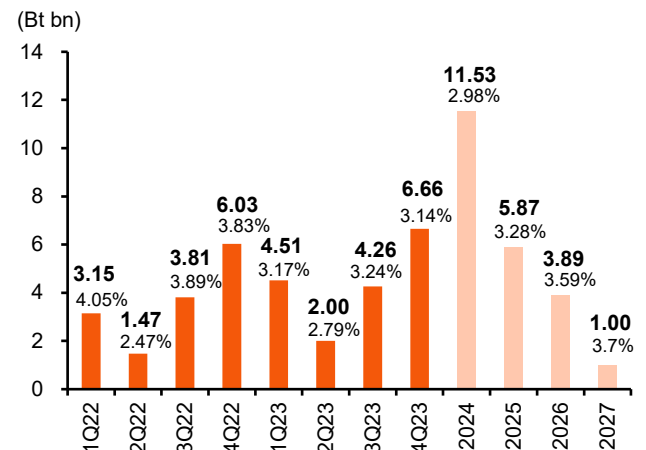
With a 1% increase in the government bond yield along with the Fed rate hike, MTC faces an increase in its debenture coupon rate of around 30bps for three- and four-year tenors and 20bps for five-year tenors. The two-year tenor coupon has increased by only 2bps thus far but looks set to head higher as we expect at least a 25bps rise in the policy rate this year and another 75bps in 2023F.

Ex 3: MTC's Recent Debenture Issuances



Sources: ThaiBMA, Company data

Ex 4: Debenture Maturity Profile



Sources: Company data, Thanachart estimates

Cost of funds looks manageable....

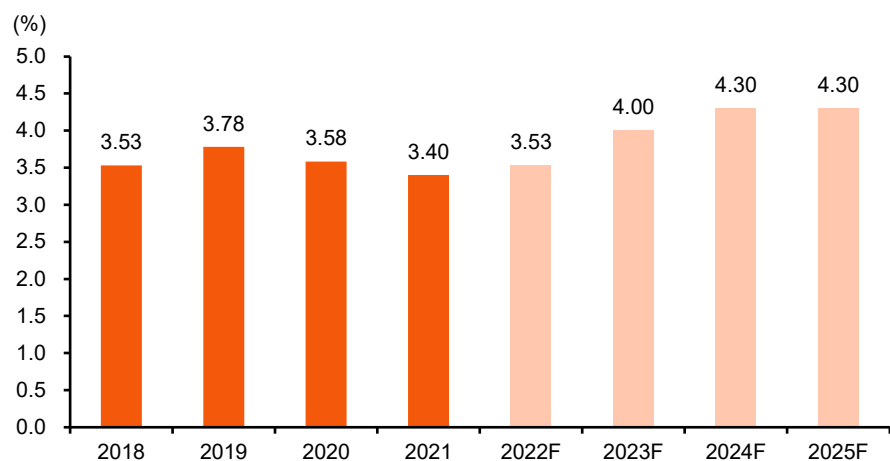
...while we believe our assumptions for 2023-24F are already aggressive

As the carrying costs of Bt14.5bn of debentures that are maturing this year are quite high at 3.76% while MTC's average coupons for 2-5 year tenors stood at just 2.98% for the issuances in 1Q22 and 3.23% for the ones in June 2022, the company is still enjoying refinancing benefits. This answers the question of why it only expects a 10-15bps increase in the cost of interest-bearing debt this year.

We see challenges emerging in 2023-24F when refinancing benefits have disappeared and when we expect a further steep rise in the yield curve. As a result, we raise our borrowing cost assumptions for MTC to 4.0% in 2023F and 4.3% in 2024F.

We believe our assumptions are already aggressive. This is because we bake in a rise in MTC's average cost of debentures to 3.6% in 2022F, 4.2% in 2023F and 4.6% in 2024F. This is against the average cost of just 3.11% in 1H22. Note that MTC hopes for a one-notch upgrade in its credit rating from BBB+ to A- in its upcoming annual review by TRIS Rating. If this were to happen, there would be potential downside to our interest expense projections. We estimate that each 10bps drop in the cost of funds would boost its earnings by 1.3%.

Ex 5: Cost Of Interest-bearing Debt



Sources: Company data, Thanachart estimates

Earnings cuts but no change to record-high pattern

Cutting earnings to reflect higher cost of funds

We revise down our earnings estimates for MTC by 2.1% this year, 5.3% in 2023F and 6.8% in 2024F. The cuts are to reflect the following:

- 1) Increasing cost of funds as mentioned earlier. Including interest expenses from lease liabilities, we raise our assumptions for the average cost of funds from 3.5-3.7% over 2022-24F to 3.7%, 4.15% and 4.43% respectively.
- 2) Higher loan growth due to a rising revolving rate and an increasing number of active customers.
- 3) We maintain our credit costs assumptions of 1% for this year and 1.3% for 2023F but raise our 2024F projection to 1.4%. NPLs of title loans have risen after forbearance programs ended in 3Q22. Title loans' NPLs have started to stabilize while the NPLs of motorcycle HP loans are still on the rise. We expect the quality of motorcycle HP loans to improve in 2H22F now that MTC has slowed down new motorcycle HP loans to new customers while speeding up the liquidation process in 2Q22. We expect an NPL ratio of 1.6% this year, 1.8% in 2023F and 2% in 2024F.

Ex 6: Earnings Revisions

	2020	2021	2022F	2023F	2024F
Net profits (Bt bn)					
- New	5.21	4.94	5.76	7.28	9.16
- Old			5.88	7.68	9.83
- Change (%)			(2.07)	(5.28)	(6.82)
Loans growth (%)					
- New	17.62	29.37	31.26	25.27	19.71
- Old			31.26	20.93	16.46
- Change (pp)			—	4.34	3.25
Average funding costs (%)					
- New	3.82	3.60	3.70	4.15	4.43
- Old			3.50	3.70	3.70
- Change (pp)			0.20	0.45	0.73
Credit costs (%)					
- New	0.39	0.90	1.00	1.30	1.40
- Old			1.00	1.30	1.30
- Change (pp)			—	—	0.10

Sources: Company data, Thanachart estimates

Ex 7: 12-month DDM-based Valuation Using A Base Year Of 2023F

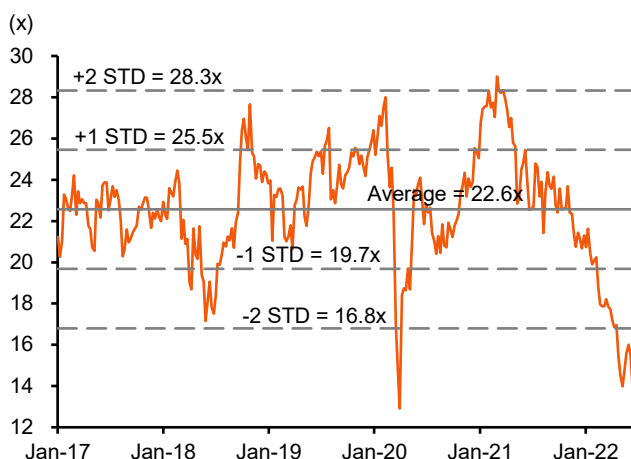
(Bt m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	Terminal value
Dividend of common shares	1,164	1,465	1,823	2,673	6,011	8,444	9,239	12,070	13,156	21,454	23,663	23,663
Dividend payment	1,164	1,465	1,823	2,673	6,011	8,444	9,239	12,070	13,156	21,454	23,663	254,065
PV of dividend	1,164	1,199	1,332	1,760	3,566	4,512	4,448	5,235	4,936	7,217	7,139	76,654
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	119,163											
No. of shares (m)	2,120											
Equity value / share (Bt)	56.00											

Sources: Company data, Thanachart estimates

MTC looks very attractive to us, trading on a forward PE of 13x

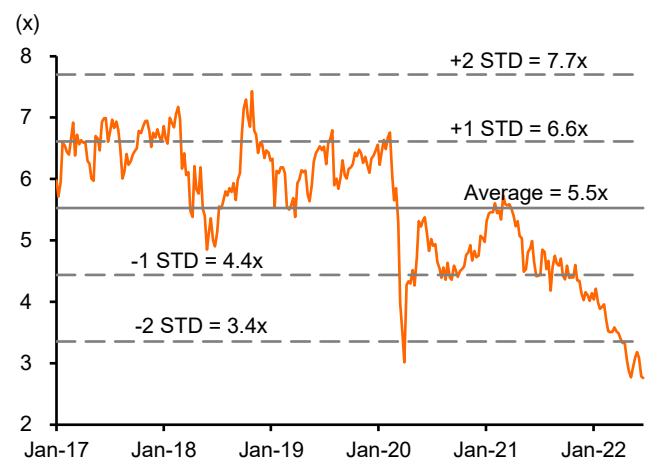
Despite cutting our earnings estimates, we see no major disruption to MTC's earnings growth story. We still expect a series of record earnings results as higher loan volumes and improving operating leverage benefits are outweighing the rising cost of funds and provisions. As we have rolled over our base year to 2023F, our DDM-based 12-month TP remains unchanged at Bt56/share. MTC is still a BUY as we believe faster-than-expected rate hikes have been more than priced in while we foresee no change to MTC's record-high earnings pattern. At 13x PE on our estimated EPS growth of 26% pa in 2023-24F, MTC looks very attractive to us with 30% potential upside to our TP.

Ex 8: STD PE



Sources: Bloomberg, Thanachart estimates

Ex 9: STD P/BV



Sources: Bloomberg, Thanachart estimates

Valuation Comparison

Ex 10: 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
Afterpay Ltd	APT AU	Australia	na	na	na	na	na	na	(0.4)	6.6	na	na
Finvolution Group	FINV US	China	339.5	11.7	0.6	0.5	0.1	0.1	19.7	17.9	21.1	32.4
Mahindra & Mahindra Fin Secs	MMFS IN	India	(28.5)	127.2	26.1	11.5	1.4	1.2	5.7	10.6	0.8	2.1
Bajaj Finance Ltd	BAF IN	India	(0.5)	51.4	47.8	31.6	7.8	6.3	17.4	21.7	0.2	0.4
Manappuram Finance Ltd	MGFL IN	India	1.2	7.9	5.5	5.1	0.9	0.8	17.2	16.5	3.3	3.6
GMO Payment Gateway Inc.	3769 JP	Japan	99.6	(24.7)	36.6	48.7	9.5	8.6	26.8	18.9	0.8	1.0
Infomart Corp.	2492 JP	Japan	na	201.7	466.7	154.7	7.2	6.9	2.0	5.5	0.1	0.3
Ally Financial Inc	ALLY US	US	(7.4)	(0.0)	4.2	4.2	0.7	0.6	17.2	16.3	3.7	3.9
World Acceptance Corp	WRLD US	US	30.8	(48.3)	10.0	19.3	1.7	1.7	17.3	8.4	na	na
Navient Corp	NAVI US	US	(23.4)	(6.4)	4.1	4.3	0.6	0.6	17.4	13.8	4.9	4.9
SLM Corp	SLM US	US	(20.6)	7.4	5.4	5.0	2.1	1.9	38.1	35.6	2.8	3.0
Amanah Leasing	AMANAH TB	Thailand	7.7	17.6	14.4	12.3	2.5	2.3	18.5	19.4	3.4	4.1
Asia Sermkij Leasing *	ASK TB	Thailand	18.3	36.7	11.3	8.3	1.8	1.6	16.3	20.3	4.4	6.0
Bangkok Commercial Asset Mgt.	BAM TB	Thailand	25.3	17.6	17.6	14.9	1.3	1.3	7.5	8.6	4.0	4.7
Chayo Group	CHAYO TB	Thailand	108.8	(13.8)	24.7	28.6	3.1	2.5	15.1	10.6	1.0	0.9
JMT Network Services *	JMT TB	Thailand	24.6	49.6	53.3	35.6	4.6	4.4	9.6	12.6	1.5	2.2
Krungthai Card *	KTC TB	Thailand	7.2	16.0	23.5	20.3	4.9	4.2	22.0	22.3	1.9	2.2
Muangthai Capital *	MTC TB	Thailand	16.5	26.3	15.8	12.5	3.1	2.5	21.1	22.2	1.0	1.3
Saksiam Leasing *	SAK TB	Thailand	36.1	35.5	19.7	14.5	3.0	2.7	16.1	19.5	2.0	2.8
Srisawad Corporation *	SAWAD TB	Thailand	16.1	28.0	12.3	9.6	2.4	2.1	20.3	23.1	4.1	5.2
Ratchthani Leasing *	THANI TB	Thailand	17.4	13.3	11.6	10.3	1.9	1.8	16.8	17.7	5.2	5.8
Ngern Tid Lor *	TIDLOR TB	Thailand	15.9	27.4	19.7	15.5	2.9	2.5	15.8	17.6	1.0	1.3
Average			34.2	27.7	39.6	22.2	3.0	2.7	16.2	16.6	3.4	4.4

Source: Bloomberg

Note: * Thanachart estimates using normalized EPS growth

Based on 21 May 2022 closing price

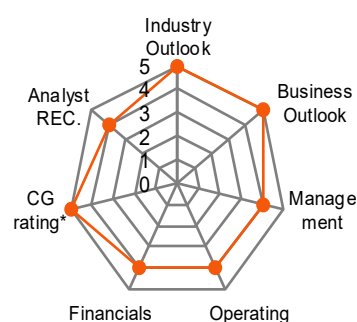
Our major shareholder TCAP (Thanachart Capital Pcl) holds 50.96% of Thanachart Securities. TCAP also holds 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 Co. Ltd holds 60% stake in THANI and is the major shareholder of THANI.

COMPANY DESCRIPTION

Muangthai Capital Pcl (MTC), originally D.S. Leasing, was founded by Mr. Chuchart Petampai and Mrs. Daonapa Petampai in 1992. MTC started off as a motorcycle hire-purchase company in northern Thailand, and later expanded into the micro-financing business as a supplementary service to its customers. By 1998, MTC had shifted its focus to be a pure micro-financing firm. It operates as a commercial lending bank, offering collateral-backed auto loans and personal unsecured loan services, with the focus being motorcycle title loans.

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

- Scale benefits.
- Well-recognized brand.
- Expertise and substantial experience in running its business.

O — Opportunity

- New lending products.
- Expanding into neighbouring countries.

W — Weakness

- Reliant on external funding.

T — Threat

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

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	60.42	56.00	-7%
Net profit 22F (Bt m)	5,680	5,760	1%
Net profit 23F (Bt m)	7,128	7,278	2%
Consensus REC	BUY: 17	HOLD: 4	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- We have factored in higher funding costs but our earnings are slightly higher than the Bloomberg consensus numbers, likely due to us having more aggressive loan-growth assumptions.
- Our DDM-derived TP is lower, likely as we don't expect MTC to return to its five-year average PE of 23x.

RISKS TO OUR INVESTMENT CASE

- If MTC is not able to sustain its robust loan growth while improving asset quality as expected, this represents the key downside risk to our earnings forecasts and BUY rating.
- Increases in MTC's cost-to-income ratio and funding costs would present secondary downside risks to our earnings forecasts and TP.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

INCOME STATEMENT

*Higher cost of funds
factored in*

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Interest Income	13,962	15,195	18,608	24,232	30,783
Interest Expenses	1,817	2,127	2,893	4,312	5,938
Net Interest Income	12,145	13,068	15,715	19,919	24,846
% of total income	94.0%	94.1%	95.9%	96.5%	97.0%
Fee income	726	769	615	646	678
% of total income	5.6%	5.5%	3.8%	3.1%	2.6%
Other income	45	55	65	75	85
% of total income	0.3%	0.4%	0.4%	0.4%	0.3%
Non-interest Income	771	824	680	721	763
% of total income	6.0%	5.9%	4.1%	3.5%	3.0%
Total Income	12,916	13,891	16,395	20,640	25,609
Operating Expenses	6,144	6,961	8,145	9,774	11,729
Pre-provisioning Profit	6,771	6,930	8,250	10,866	13,880
Bad debt expenses	255	728	1,050	1,769	2,436
Pre-tax Profit	6,516	6,201	7,200	9,097	11,444
Income Tax	1,303	1,257	1,440	1,819	2,289
After Tax Profit	5,214	4,945	5,760	7,278	9,156
Equity Income	0	0	0	0	0
Minority Interest	0	0	0	0	0
Extraordinary Items	0	0	0	0	0
NET PROFIT	5,214	4,945	5,760	7,278	9,156
Normalized Profit	5,214	4,945	5,760	7,278	9,156
EPS (Bt)	2.5	2.3	2.7	3.4	4.3
Normalized EPS (Bt)	2.5	2.3	2.7	3.4	4.3

BALANCE SHEET

Robust loan growth

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Cash and ST investments	1,378	1,306	1,300	1,300	1,300
Other current assets	225	397	450	503	556
Total current assets	1,603	1,703	1,750	1,803	1,856
Gross loans & accr. interest	70,152	92,353	117,679	154,465	193,503
Provisions	1,328	1,832	2,229	3,140	4,404
Net loans	69,640	89,981	116,550	152,769	190,907
Fixed assets	1,928	2,054	2,058	2,064	1,881
Other assets	4,050	4,652	5,567	6,371	7,162
Total assets	77,222	98,390	125,925	163,006	201,806
Short term borrow ing	19,243	28,793	31,035	35,006	52,531
A/P & notes payables	1,075	1,237	1,437	1,637	1,837
Other current liabilities	1,633	1,672	2,022	2,251	2,475
Long term borrow ing	31,732	38,521	58,000	84,000	96,600
Total borrowings	50,975	67,314	89,035	119,006	149,131
Other L-T liabilities	2,858	3,299	3,703	4,251	4,789
Minority interest	0	0	0	0	0
Shareholders' equity	20,682	24,869	29,728	35,862	43,574
Total Liab. & Equity	77,222	98,390	125,925	163,006	201,806

Sources: Company data, Thanachart estimates

VALUATION

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	17.5	18.4	15.8	12.5	10.0
Normalized PE - at target price (x)	22.8	24.0	20.6	16.3	13.0
PE (x)	17.5	18.4	15.8	12.5	10.0
PE - at target price (x)	22.8	24.0	20.6	16.3	13.0
P/PPP (x)	13.5	13.2	11.0	8.4	6.6
P/PPP - at target price (x)	17.5	17.1	14.4	10.9	8.6
P/BV (x)	4.4	3.7	3.1	2.5	2.1
P/BV - at target price (x)	5.7	4.8	4.0	3.3	2.7
Dividend yield (%)	0.9	0.9	1.0	1.3	1.6
Normalized EPS (Bt)	2.5	2.3	2.7	3.4	4.3
EPS (Bt)	2.5	2.3	2.7	3.4	4.3
DPS (Bt)	0.4	0.4	0.4	0.5	0.7
PPP/Share (Bt)	3.2	3.3	3.9	5.1	6.5
BV/share (Bt)	9.8	11.7	14.0	16.9	20.6
P/BV to ROE (x)	0.2	0.2	0.1	0.1	0.1

Rate hike impact looks
overdone to us

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Growth Rate (%)					
Net interest income (NII)	17.3	7.6	20.3	26.8	24.7
Non-interest income (Non-II)	(4.6)	6.8	(17.5)	6.0	5.9
Operating expenses	15.6	13.3	17.0	20.0	20.0
Pre-provisioning profit (PPP)	15.8	2.3	19.0	31.7	27.7
Net profit	23.0	(5.2)	16.5	26.3	25.8
Normalized profit growth	23.0	(5.2)	16.5	26.3	25.8
EPS	23.0	(5.2)	16.5	26.3	25.8
Normalized EPS	23.0	(5.2)	16.5	26.3	25.8
Dividend payout ratio	15.0	15.9	16.0	16.0	16.0
Loan - gross	18.0	31.6	27.4	31.3	25.3
Loan - net	18.8	29.2	29.5	31.1	25.0
Borrowings	75.1	18.7	40.0	30.0	15.0
NPLs	20.3	70.7	48.9	47.7	39.2
Total assets	24.8	27.4	28.0	29.4	23.8
Total equity	29.5	20.2	19.5	20.6	21.5
Operating Ratios (%)					
Net interest margin (NIM)	17.5	16.1	14.0	13.8	13.6
Net interest spread	17.9	15.4	14.3	13.8	13.5
Yield on earnings assets	21.2	18.6	17.7	17.6	17.5
Avg cost of fund	3.8	3.6	3.7	4.1	4.4
NII / operating income	94.0	94.1	95.9	96.5	97.0
Non-II / operating income	6.0	5.9	4.1	3.5	3.0
Fee Income / Opt Income	5.6	5.5	3.8	3.1	2.6
Norm Net Margin	40.4	35.6	35.1	35.3	35.8
Cost-to-income	47.6	50.1	49.7	47.4	45.8
Credit cost - provision exp / loans	0.4	0.9	1.0	1.3	1.4
PPP / total assets	9.7	7.9	7.4	7.5	7.6
PPP / total equity	36.9	30.4	30.2	33.1	34.9
Avg assets/avg equity (leverage)	3.8	3.9	4.1	4.4	4.6
ROA	7.5	5.6	5.1	5.0	5.0
ROE	28.4	21.7	21.1	22.2	23.1

We raise our funding cost
assumptions

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Liquidity and Quality Ratio (%)					
Gross Loan / Borrow ings	819.3	908.6	826.7	834.7	909.3
Net Loan / Borrow ings	813.3	885.2	818.8	825.5	897.1
Net Loan / Assets	90.2	91.5	92.6	93.7	94.6
Net Loan / Equity	336.7	361.8	392.1	426.0	438.1
S-T / L-T Borrow ings	28.0	41.7	29.8	29.8	29.8
Borrow ings / Liabilities	15.1	13.8	14.8	14.6	13.4
Interest-bearing Debt / Equity	246.5	270.7	299.5	331.8	342.3
Liabilities / Equity	273.4	295.6	323.6	354.5	363.1
Equity/ Gross loans	29.5	26.9	25.3	23.2	22.5
NPLs	747.4	1,275.9	1,900.5	2,806.4	3,906.2
NPLs / Total Loans (NPL Ratio)	1.1	1.4	1.6	1.8	2.0
Loan-Loss-Coverage (Provision / NPLs)	177.6	143.6	117.3	111.9	112.7

Sources: Company data, Thanachart estimates

*Rising NPLs but still
within 2% target*

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