

**BUY** (Unchanged)**TP: Bt 5.50**

(From: Bt 5.30)

Change in Numbers

Upside : 19.6%

30 AUGUST 2022

# Ratchthani Leasing Pcl (THANI TB)

## The great return

Having kept a low profile during the COVID crisis, THANI has significantly improved its balance sheet and begun to regain lost market share. We are more positive on its loan growth outlook and lift our earnings and TP to Bt5.5. At 2023F PE of 12x with a c.5% dividend yield, THANI's valuation looks very attractive to us. Reaffirm BUY.

**SARACHADA SORNSONG**

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### Gaining decent momentum

Despite having lifted its new loan target to Bt28bn (from Bt26.4bn), THANI still beat its internal projection again in 2Q22. New drawdowns were Bt7.5bn, growing 8% q-q. This was amid a luxury car supply shortage and the long holidays in 2Q22. 3Q is the low rainy season so it is likely that growth in truck loans will slow from 2Q22. But THANI expects higher drawdowns of luxury car loans as supplies have started to resume. The company also foresees very strong drawdowns of over Bt2.5bn in 4Q22 from an average of Bt2.4bn in 1H22. THANI's 4Q22F momentum looks set to reach a new, higher base and we expect loan growth of 14% in 2023F, 9% in 2024F and 8% in 2025F.

### Growing contribution of new products

Leveraging on its strong car luxury car franchise, THANI started to offer floor-plan financing from 1Q22. The amount was small at just Bt77m in 2Q22 as THANI remains cautious and selective. In addition to this, THANI is ready to boost penetration of the growing truck title loan space. Starting in August, title loans came to Bt100m and THANI expects to grow them to Bt500m-1bn in 2H22 and Bt4bn-5bn in 2023. This is a high-yield but higher-risk segment than new truck loans. So, THANI intends to increase exposure step by step. The plan is to leverage on existing truck loans in hand of around 6,000-7,000 accounts and expand to new customers later. In doing so, THANI believes it will be able to contain NPLs and maintain the quality of its balance sheet.

### Raising our earnings and TP

With intensifying competition and its focus on corporates and large SMEs, we lower THANI's yield but raise loan growth to reflect its strong 2Q22 results and new lending products. THANI is raising long-term funding but is able to contain funding costs at the same time. Meanwhile, falling NPLs are leading to lower provisions of 19/13% in 2022-23F. This is partly offset by higher litigation cost so net-net, we trim our 2022F earnings by 1% but raise them afterward. Given our earnings hikes, we lift our DDM-based 12-month TP (2023F base year) to Bt5.5 (from Bt5.3).

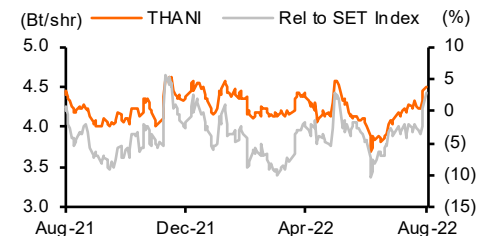
### Our preferred truck leasing play; BUY

We like THANI and prefer it to Asia Sermkij Leasing Pcl (ASK TB, Bt34.75, BUY). Having kept a low profile during the COVID crisis, THANI has significantly improved its balance sheet. Limited NPL risks allow THANI to compete head-on and it has started to recoup its lost market share. We also like its step-by-step growth strategy for new products as this would allow it to expand solidly in the future. At a 2023F PE multiple of 12x with c.5% dividend yield, THANI's valuation looks very attractive to us with 20% potential upside to our new TP of Bt5.5.

### COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Pre Provision Profit	2,729	2,789	3,201	3,756
Net profit	1,709	1,956	2,252	2,592
Consensus NP	—	1,936	2,120	2,315
Diff frm cons (%)	—	1.1	6.2	12.0
Norm profit	1,709	1,956	2,252	2,592
Prev. Norm profit	—	1,980	2,246	2,506
Chg frm prev (%)	—	(1.2)	0.3	3.4
Norm EPS (Bt)	0.3	0.3	0.4	0.5
Norm EPS grw (%)	(13.9)	14.4	15.2	15.1
Norm PE (x)	15.2	13.3	11.6	10.1
P/BV (x)	2.3	2.1	2.0	1.8
Div yield (%)	3.7	4.5	5.2	6.0
ROE (%)	15.3	16.4	17.6	18.8
ROA (%)	3.5	3.8	3.9	3.9

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 30-Aug-22 (Bt)	4.60
Market Cap (US\$ m)	716.6
Listed Shares (m shares)	5,663.0
Free Float (%)	29.9
Avg Daily Turnover (US\$ m)	2.1
12M Price H/L (Bt)	4.62/3.70
Sector	Finance
Major Shareholder	Thanachart SPV1 60.2%

Sources: Bloomberg, Company data, Thanachart estimates

**Note:** Our major shareholder TCAP (Thanachart Capital Pcl) which holding 50.96% of Thanachart Securities and also TCAP holding 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 Co. Ltd has stake in THANI for 60% and being the major shareholder of THANI.

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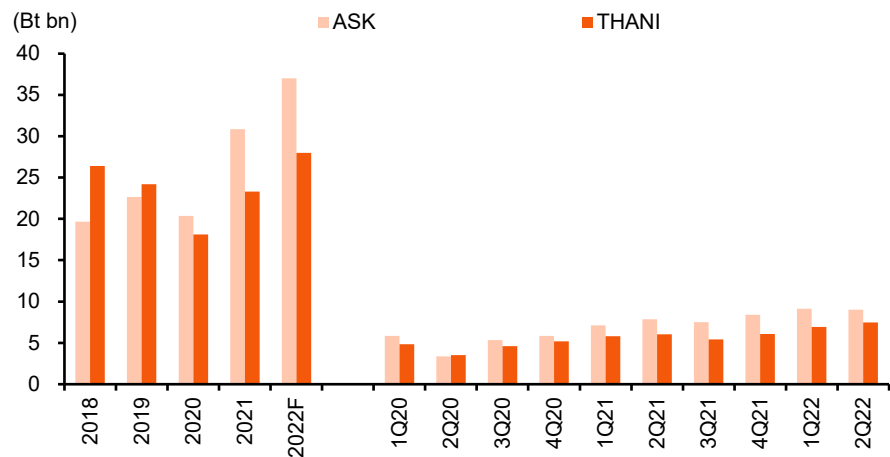


**Ex 1: Earnings Revisions**

	2019	2020	2021	2022F	2023F	2024F	2025F
<b>Net profits (Bt bn)</b>							
- New	1.96	1.86	1.71	1.96	2.25	2.59	2.95
- Old				1.98	2.25	2.51	2.85
- Change (%)				(1.21)	0.30	3.42	3.58
<b>New loans (Bt bn)</b>							
- New	24.20	18.10	23.29	28.00	32.00	35.00	37.80
- Old				27.95	30.74	33.82	36.52
- Change (%)				0.19	4.09	3.50	3.50
<b>Lending yield (%)</b>							
- New	7.04	7.04	7.05	6.78	6.95	7.10	7.10
- Old				6.90	7.00	7.00	7.00
- Change (pp)				(0.12)	(0.05)	0.10	0.10
<b>Cost of funds (%)</b>							
- New	2.48	2.70	2.58	2.50	2.60	2.70	2.70
- Old				2.60	2.70	2.80	2.80
- Change (pp)				(0.10)	(0.10)	(0.10)	(0.10)
<b>Non-interest income (Bt bn)</b>							
- New	0.70	0.75	0.80	0.95	1.09	1.28	1.50
- Old				0.96	1.09	1.24	1.42
- Change (%)				(1.73)	0.51	2.95	5.42
<b>Opex (Bt bn)</b>							
- New	0.57	0.54	0.58	0.76	0.84	0.92	1.01
- Old				0.70	0.76	0.82	0.88
- Change (%)				8.62	10.63	12.68	14.76
<b>Provisions (Bt bn)</b>							
- New	0.19	0.34	0.59	0.34	0.39	0.52	0.68
- Old				0.43	0.45	0.50	0.56
- Change (%)				(19.02)	(13.47)	3.32	20.91
<b>NPLs (Bt bn)</b>							
- New	2.05	1.50	1.86	1.30	1.48	1.75	2.06
- Old				1.57	1.75	1.98	2.23
- Change (%)				(17.44)	(15.57)	(11.74)	(7.79)

Sources: Company data, Thanachart estimates

## Ex 2: Comparison Of New Loans



Sources: Company data, Thanachart estimates

## Ex 3: 12-month DDM-based TP Calculation 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	1,351	1,555	1,771	1,996	2,208	2,479	2,769	3,066	3,377	3,702	4,309	4,309
Dividend payment	1,351	1,555	1,771	1,996	2,208	2,479	2,769	3,066	3,377	3,702	4,309	50,059
PV of Dividend	1,351	1,290	1,320	1,349	1,353	1,377	1,395	1,401	1,343	1,329	1,396	16,220
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	0.9											
WACC (%)	9.7											
Cost of equity	9.7											
Terminal growth (%)	2.0											
Equity value	31,125											
No. of shares (m)	5,663											
<b>Equity value / share (Bt)</b>	<b>5.50</b>											

Source: Thanachart estimates

## Valuation Comparison

### Ex 4: 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	354.5	13.5	0.6	0.5	0.1	0.1	20.1	18.6	19.7	30.9
Mahindra & Mahindra Fin Secs	MMFS IN	India	(28.5)	280.5	31.2	8.2	1.6	1.4	5.7	10.1	0.7	1.8
Bajaj Finance Ltd	BAF IN	India	(0.5)	53.8	63.0	40.9	10.3	8.3	17.4	22.3	0.2	0.3
Manappuram Finance Ltd	MGFL IN	India	1.2	4.8	6.7	6.4	1.1	0.9	17.2	15.8	2.8	2.8
GMO Payment Gateway Inc.	3769 JP	Japan	142.3	(38.7)	38.8	63.3	11.3	10.4	29.6	17.2	0.7	0.8
Infomart Corp.	2492 JP	Japan	(35.3)	125.8	273.9	121.3	8.3	7.9	3.2	6.9	0.1	0.4
Ally Financial Inc	ALLY US	US	(13.8)	(4.8)	4.6	4.8	0.8	0.7	16.6	15.7	3.6	3.9
World Acceptance Corp	WRLD US	US	30.8	na	10.0	35.1	1.7	1.8	17.3	7.1	na	na
Navient Corp	NAVI US	US	(19.4)	(12.1)	4.4	5.1	0.7	0.6	17.6	12.8	4.2	4.2
SLM Corp	SLM US	US	(28.2)	6.0	5.6	5.3	2.2	2.1	40.5	39.5	3.0	3.3
Amanah Leasing	AMANA TH	Thailand	7.7	20.7	13.4	11.1	2.4	2.1	18.7	20.3	3.7	4.5
Asia Sermkij Leasing *	ASK TH	Thailand	15.7	21.1	11.9	9.8	1.8	1.7	16.0	17.8	4.2	5.1
Bangkok Commercial Asset Mgt.*	BAM TH	Thailand	25.3	17.6	18.1	15.4	1.3	1.3	7.5	8.6	3.9	4.5
Chayo Group	CHAYO TH	Thailand	77.7	4.5	26.8	25.6	2.9	2.3	13.2	11.0	0.9	1.1
JMT Network Services *	JMT TH	Thailand	24.6	49.6	55.0	36.8	4.7	4.5	9.6	12.6	1.5	2.2
Krungthai Card *	KTC TH	Thailand	7.2	16.0	24.2	20.9	5.0	4.4	22.0	22.3	1.9	2.2
Muangthai Capital *	MTC TH	Thailand	8.6	27.2	16.8	13.2	3.1	2.6	19.8	21.2	1.0	1.2
Saksiam Leasing *	SAK TH	Thailand	36.1	35.5	17.9	13.2	2.7	2.4	16.1	19.5	2.2	3.0
Srisawad Corporation *	SAWAD TH	Thailand	16.1	28.0	12.1	9.5	2.3	2.0	20.3	23.1	4.1	5.3
Ratchthani Leasing *	THANI TH	Thailand	14.4	15.2	13.3	11.6	2.1	2.0	16.4	17.6	4.5	5.2
Ngern Tid Lor *	TIDLOR TH	Thailand	15.9	27.4	18.9	14.8	2.8	2.4	15.8	17.6	1.1	1.3
<b>Average</b>			<b>31.1</b>	<b>34.6</b>	<b>31.8</b>	<b>22.5</b>	<b>3.3</b>	<b>3.0</b>	<b>16.4</b>	<b>16.5</b>	<b>3.2</b>	<b>4.2</b>

Source: Bloomberg

Note: \* Thanachart estimates using normalized EPS growth

Based on 30 Aug 2022 closing price

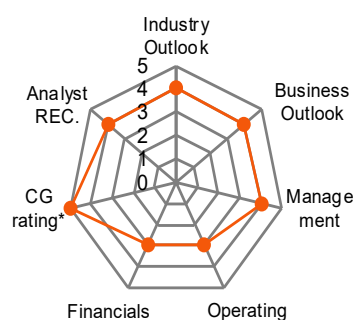
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## COMPANY DESCRIPTION

Ratchthani Leasing Public Company Limited (THANI) provides hire-purchase and leasing services for used automobiles to businesses and retail consumers in Thailand. The company specializes in commercial-truck hire purchases, with the highest market share in used-commercial truck hire purchase, and it recently expanded into high-end motorcycle and high-end car hire purchases.

Source: Thanachart

## COMPANY RATING



### Rating Scale

<b>Very Strong</b>	<b>5</b>
<b>Strong</b>	<b>4</b>
<b>Good</b>	<b>3</b>
<b>Fair</b>	<b>2</b>
<b>Weak</b>	<b>1</b>
<b>None</b>	<b>0</b>

Source: Thanachart; \* CG Awards

## THANACHART'S SWOT ANALYSIS

### S — Strength

- Leading truck hire-purchase company.
- Expertise and substantial experience in running its business.

### O — Opportunity

- Additional hire-purchase products to promote growth.
- Expanding into neighboring countries.

### W — Weakness

- Reliant on external funding.

### T — Threat

- Weak economy.
- Increasing penetration by commercial banks.

## CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
<b>Target price (Bt)</b>	5.07	5.50	8%
<b>Net profit 22F (Bt m)</b>	1,936	1,956	1%
<b>Net profit 23F (Bt m)</b>	2,120	2,252	6%
<b>Consensus REC</b>	<b>BUY: 5</b>	<b>HOLD: 1</b>	<b>SELL: 0</b>

## HOW ARE WE DIFFERENT FROM THE STREET?

- We believe we are ahead of the Bloomberg consensus in factoring in a strong resumption of business activities for THANI and its new loan growth targets. As a consequence, our earnings forecasts and TP are higher.

Sources: Bloomberg consensus, Thanachart estimates

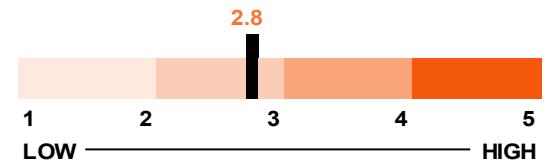
## RISKS TO OUR INVESTMENT CASE

- THANI not being able to grow truck loans or keeping asset quality at bay as planned would present the key downside risks to our call.
- Increases in funding costs and the cost-to-income ratio would present secondary downside risks to our earnings and TP.

Source: Thanachart

THANI is a leading commercial truck hire-purchase (HP) company. Focusing on the commercial business, THANI has less than 500 employees. THANI's direct environmental impact is not material but given that it sets quite clear targets to improve overall ESG, we assign an ESG score of 2.8.

Thanachart ESG Rating



	SETTHSI Index	THSI Index	DJSI Index	MSCI (CCC-AAA)	Arabesque S-Ray (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
THANI	YES	YES	-	B	46.28	53.41	16.07	-	5.0

Sources: SETTRADE, SETTHSI Index, Thailand Sustainability Investment (THSI), The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, Arabesque S-Ray®, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)

Note: Please see third party on "terms of use" toward the back of this report.

**Factors Our Comments**

**ENVIRONMENT**

- Environmental Policies & Guidelines
- Energy Management
- Carbon Management
- Water Management
- Waste Management

- THANI has sets targets to reduce environmental impacts in all areas including energy, water, waste and greenhouse gas emissions. The plan is to reduce the impact by 1-3% in the near term and up to 5% from the base year over the longer term.
- THANI was able to save on energy usage by 1.5% in 2021 and reduce greenhouse gas (GHG) emissions and waste usage by 1.5% and 14.6%. However, it was not able to cut water usage in line with its target.
- The company organized the "RATCHTHANI TREE DAY IN THE COMPANY" to raise awareness of the importance of having green areas in the office and communities.

**SOCIAL**

- Human Rights
- Staff Management
- Health & Safety
- Product Safety & Quality
- Social Responsibility

- THANI has a human rights policy in accordance with the provisions of important international human rights laws and principles such as the Universal Declaration of Human Rights, the United Nations' Guiding Principles on Business and Human Rights, etc., to serve as a framework for directors, executives, employees of the company and its affiliates to adhere to the same guidelines.
- Human rights due diligence is being developed to ensure that the company's operations do not cause human rights violations throughout the value chain.
- THANI is committed to creating fair and equal employment opportunities in recruiting, hiring, providing remuneration, arranging welfare, developing capacity and evaluating performance, to promoting the advancement of employees based on knowledge, competence and performance.
- THANI has arranged social activities to assist societal causes and for charity.

**GOVERNANCE & SUSTAINABILITY**

- Board
- Ethics & Transparency
- Business Sustainability
- Risk Management
- Innovation

- One director is a company executive. Given that TCAP is a major shareholder, four out of seven directors are from TCAP.
- THANI's Good Corporate Governance Policy and Code of Ethics Handbook comply with the laws, rules and regulations of state agencies and align with the constantly changing business environment, Therefore, it is reviewed at least once a year.
- A whistle-blowing process has been put in place to ensure that it receives complaints and takes action on a timely basis.
- THANI participates in Thailand's Private Sector Collective Action Coalition against Corruption (CAC).

Source: Thanachart

## INCOME STATEMENT

	FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
<i>Strong turnaround in loan growth</i>	Interest Income	3,516	3,430	3,507	4,023	4,723
	Interest Expenses	1,063	913	901	1,077	1,323
	<b>Net Interest Income</b>	<b>2,452</b>	<b>2,517</b>	<b>2,606</b>	<b>2,946</b>	<b>3,400</b>
	% of total income	76.7%	76.0%	73.4%	73.0%	72.7%
	Fee income	316	380	475	556	658
	% of total income	10%	11%	13%	14%	14%
	Other income	431	417	470	537	620
	% of total income	13%	13%	13%	13%	13%
	<b>Non-interest Income</b>	<b>747</b>	<b>796</b>	<b>945</b>	<b>1,092</b>	<b>1,278</b>
	% of total income	23.3%	24.0%	26.6%	27.0%	27.3%
<b>Total Income</b>	<b>3,199</b>	<b>3,313</b>	<b>3,551</b>	<b>4,039</b>	<b>4,678</b>	
Operating Expenses	538	585	762	838	922	
<b>Pre-provisioning Profit</b>	<b>2,662</b>	<b>2,729</b>	<b>2,789</b>	<b>3,201</b>	<b>3,756</b>	
Bad debt expenses	338	586	344	385	516	
<b>Pre-tax Profit</b>	<b>2,324</b>	<b>2,143</b>	<b>2,445</b>	<b>2,815</b>	<b>3,240</b>	
Income Tax	464	434	489	563	648	
After Tax Profit	1,860	1,709	1,956	2,252	2,592	
Equity Income	0	0	0	0	0	
Minority Interest	(0)	(0)	0	0	0	
Extraordinary Items	0	0	0	0	0	
<b>NET PROFIT</b>	<b>1,860</b>	<b>1,709</b>	<b>1,956</b>	<b>2,252</b>	<b>2,592</b>	
<b>Normalized Profit</b>	<b>1,860</b>	<b>1,709</b>	<b>1,956</b>	<b>2,252</b>	<b>2,592</b>	
EPS (Bt)	0.4	0.3	0.3	0.4	0.5	
Normalized EPS (Bt)	0.4	0.3	0.3	0.4	0.5	

## BALANCE SHEET

	FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
<i>Low gearing</i>	<b>Cash and Interbank</b>	1,044	476	500	500	500
	Other current assets	137	182	221	271	312
	<b>Total current assets</b>	<b>1,181</b>	<b>658</b>	<b>721</b>	<b>771</b>	<b>812</b>
	Gross loans & accr. interest	53,285	54,786	59,959	68,447	79,097
	Provisions	1,228	1,485	1,343	1,358	1,589
	<b>Net loans</b>	<b>46,748</b>	<b>47,911</b>	<b>52,717</b>	<b>60,355</b>	<b>69,727</b>
	Fixed assets	147	165	155	163	188
	Right of use - net	20	13	12	12	11
	Other assets	422	476	480	550	635
	<b>Total assets</b>	<b>48,518</b>	<b>49,223</b>	<b>54,085</b>	<b>61,852</b>	<b>71,373</b>
Short term borrow ing	5,372	9,403	4,000	4,400	4,840	
Due to related parties	0	0	0	0	0	
Current LT portion	5,628	5,814	5,198	4,559	5,500	
Other current liabilities	958	3,561	3,661	3,761	3,861	
Long term borrow ing	25,742	18,879	28,883	35,887	42,890	
<b>Total borrowings</b>	<b>31,114</b>	<b>28,281</b>	<b>32,883</b>	<b>40,287</b>	<b>47,730</b>	
Other L-T liabilities	0	0	0	0	0	
Minority interest	0	0	0	0	0	
Shareholders' equity	10,819	11,567	12,349	13,250	14,287	
<b>Total Liab. &amp; Equity</b>	<b>48,518</b>	<b>49,223</b>	<b>54,085</b>	<b>61,852</b>	<b>71,373</b>	

Sources: Company data, Thanachart estimates

## VALUATION

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	13.1	15.2	13.3	11.6	10.1
Normalized PE - at target price (x)	15.7	18.2	15.9	13.8	12.0
PE (x)	13.1	15.2	13.3	11.6	10.1
PE - at target price (x)	15.7	18.2	15.9	13.8	12.0
P/PPP (x)	9.2	9.5	9.3	8.1	6.9
P/PPP - at target price (x)	11.0	11.4	11.2	9.7	8.3
P/BV (x)	2.4	2.3	2.1	2.0	1.8
P/BV - at target price (x)	2.9	2.7	2.5	2.4	2.2
Dividend yield (%)	3.7	3.7	4.5	5.2	6.0
Normalized EPS	0.4	0.3	0.3	0.4	0.5
EPS	0.4	0.3	0.3	0.4	0.5
DPS	0.2	0.2	0.2	0.2	0.3
PPP/Share	0.5	0.5	0.5	0.6	0.7
BV/share	1.9	2.0	2.2	2.3	2.5
P/BV to ROE	0.1	0.1	0.1	0.1	0.1

*Attractive valuation, in our view, with high yields*

## FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
<b>Growth Rate (%)</b>					
Net interest income (NII)	(3.0)	2.6	3.5	13.1	15.4
Non-interest income (Non-II)	6.8	6.6	18.7	15.6	17.0
Operating expenses	(5.7)	8.7	30.3	10.0	10.0
Pre-provisioning profit (PPP)	0.2	2.5	2.2	14.8	17.4
Net profit	(5.3)	(8.1)	14.4	15.2	15.1
Normalized profit growth	(5.3)	(8.1)	14.4	15.2	15.1
EPS	(6.8)	(13.9)	14.4	15.2	15.1
Normalized EPS	(6.8)	(13.9)	14.4	15.2	15.1
Dividend payout ratio	51.8	56.3	60.0	60.0	60.0
Loan - gross	(8.1)	2.8	9.4	14.2	15.6
Loan - net	(6.0)	2.5	10.0	14.5	15.5
Borrowings	(13.1)	(7.2)	11.7	17.8	18.7
NPLs	(26.6)	24.2	(30.4)	14.2	18.0
Total assets	(4.6)	1.5	9.9	14.4	15.4
Total equity	41.0	6.9	6.8	7.3	7.8
<b>Operating Ratios (%)</b>					
Net interest margin (NIM)	4.9	5.2	5.0	5.1	5.1
Net interest spread	4.4	4.6	4.3	4.4	4.4
Loan yield	7.0	7.0	6.8	7.0	7.1
Borrowing cost	2.6	2.4	2.5	2.6	2.7
Yield on earnings assets	7.0	7.0	6.8	7.0	7.1
Avg cost of fund	2.7	2.6	2.5	2.6	2.7
NII / operating income	76.7	76.0	73.4	73.0	72.7
Non-II / operating income	23.3	24.0	26.6	27.0	27.3
Normalized net margin	58.1	51.6	55.1	55.8	55.4
Cost-to-income	16.8	17.6	21.5	20.8	19.7
Credit cost - provision exp / loans	0.6	1.1	0.6	0.6	0.7
PPP / total assets	5.4	5.6	5.4	5.5	5.6
PPP / total equity	28.8	24.4	23.3	25.0	27.3
Avg assets/avg equity (leverage)	5.4	4.4	4.3	4.5	4.8
ROA	3.7	3.5	3.8	3.9	3.9
ROE	20.1	15.3	16.4	17.6	18.8

Sources: Company data, Thanachart estimates

*Rising funding costs look manageable*



**FINANCIAL RATIOS**

<b>FY ending Dec</b>	<b>2020A</b>	<b>2021A</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>
<b>Liquidity and Quality Ratio (%)</b>					
Gross Loan / Borrow ings	411.1	478.6	991.9	1,062.1	1,148.9
Net Loan / Borrow ings	360.7	418.5	872.1	936.5	1,012.8
Net Loan / Assets	96.4	97.3	97.5	97.6	97.7
Net Loan / Equity	432.1	414.2	426.9	455.5	488.1
S-T / L-T Borrow ings	41.4	82.1	66.2	68.3	70.3
Borrow ings / Liabilities	34.4	30.4	14.5	13.3	12.1
Interest-bearing Debt / Equity	339.0	294.4	308.0	338.1	372.2
Liabilities / Equity	348.5	325.6	338.0	366.8	399.6
Equity to Gross Loan	20.3	21.1	20.6	19.4	18.1
NPLs	1,500.4	1,863.4	1,297.4	1,481.1	1,747.2
NPLs / Total Loans (NPL Ratio)	3.1	3.8	2.4	2.4	2.5
Loan-Loss-Coverage (Provision / NPLs)	81.9	79.7	103.5	91.7	90.9

*Bucking the sector's  
rising NPL trend*

Sources: Company data, Thanachart estimates

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As a result, SET has created the SETTHSI for the purpose of indicating the price of these sustainable companies that pass the market capital size and liquidity criteria.

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BB - BBB - A	<b>AVERAGE :</b> A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	<b>LEADER:</b> A company leading its industry in managing the most significant ESG risks and opportunities

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ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

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80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
50-59	▲	Pass
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