

HOLD (Unchanged)

Change in Numbers

TP: Bt 40.00

Upside : 8.1%

(From: Bt 48.00)

15 NOVEMBER 2022

Muangthai Capital Pcl (MTC TB)



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Waiting to exhale

We see structural reasons behind the uptick in MTC's NPLs so its passage to normalization looks set to be extended for a year or so. As the structural decline in MTC's ROE has not ended yet, we don't see the stock as a bargain. HOLD with a lower Bt40 TP.

Structural shift in balance sheet quality

Unlike its peers, MTC's NPL uptick is not mainly from a cyclically weak economy after the end of COVID forbearance plans. We see structural reasons behind the rise. 1) A shift in MTC's loan mix toward high-risk segments, i.e., personal loans, nano finance, new motorcycle HP and buy-now-pay-later. These loans have grown very fast from 11% in 2017 of total loans to 23% in 2023F. 2) MTC's greater penetration of sub-districts and villages upcountry. 3) MTC's volume growth strategy, hoping to double its loan base to Bt200bn in three years. As MTC has already slowed down the extension of nano finance and new motorcycle HP loans, we expect NPLs to rise at a slower pace q-q. NPL ratio could reach a peak of 3.3% in 2Q23 and slowly come down to a new normalized level of 3.1% post-2024F.

Greater scale to limit competition risks

With aggressive branch openings and client acquisition, MTC could sustain double-digit loan growth for many years to come. Active clients are up to 4m with 80% of loans revolving and 20% new loans. Intensifying competition with new deep-pocketed players like SCB's Auto X should not eat into MTC's loan volume growth in our view but it could keep a lid on its ability to raise pricing. We estimate MTC's loan growth at 34/20/18/15% in 2022-25F. With a rising cost of funds but a stable lending yield of 18%, we expect net spread to fall from 15% in 2021 to 14.4% in 2023F.

Another year of falling ROE

As we don't expect MTC's NPL ratio to fall back to its pre-COVID target of less than 2%, we lift our NPL estimates and credit cost assumptions to 2.4/2.8/2.2% in 2022-24F. This is the main reason for our earnings cuts of 6%, 17%, and 12%. Post-earnings downgrades, we expect slower earnings growth of 2% this year and 12% in 2023F before rising to 29% when credit costs are on the verge of reaching a normalized level of 1.8%. We expect ROE to fall further from 22% in 2021 to 19% this year and bottom at 18% in 2023F. Our earnings cuts lead us to lower our DDM-based 12-month TP (2023F base year) to Bt40 from Bt48.

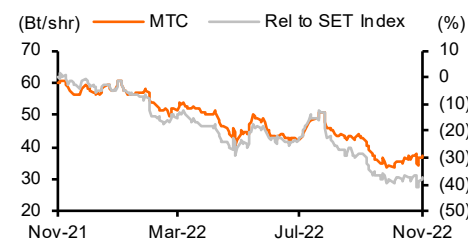
Not really a bargain; HOLD

Along with rising NPLs and weak quarterly profits, MTC's share price has fallen by 27% from its peak of Bt50.75 in August. We believe the stock has been de-rated given its structural ROE decline and weakening balance sheet quality. As the ROE drop hasn't ended yet, we don't see the de-rating as being over. Trading at 14x PE in light of 12% EPS growth in 2023F, MTC doesn't look like much of a bargain to us. We expect NPLs to remain elevated going into mid-2023F so we recommend revisiting the counter in 2Q23. Given the limited potential share price upside, we maintain our HOLD recommendation.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Pre Provision Profit	6,930	8,931	10,871	12,694
Net profit	4,945	5,062	5,668	7,321
Consensus NP	—	5,412	6,436	7,462
Diff frm cons (%)	—	(6.5)	(11.9)	(1.9)
Norm profit	4,945	5,062	5,668	7,321
Prev. Norm profit	—	5,368	6,828	8,277
Chg frm prev (%)	—	(5.7)	(17.0)	(11.5)
Norm EPS (Bt)	2.3	2.4	2.7	3.5
Norm EPS grw (%)	(5.2)	2.4	12.0	29.2
Norm PE (x)	15.9	15.5	13.8	10.7
P/BV (x)	3.2	2.7	2.3	2.0
Div yield (%)	1.0	1.0	1.2	1.5
ROE (%)	21.7	18.7	18.0	19.8
ROA (%)	5.6	4.4	4.0	4.4

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 15-Nov-22 (Bt)	37.00
Market Cap (US\$ m)	2,205.7
Listed Shares (m shares)	2,120.0
Free Float (%)	32.1
Avg Daily Turnover (US\$ m)	14.0
12M Price H/L (Bt)	60.75/33.75
Sector	Finance
Major Shareholder	Petaumpai Family 67.45%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P8



Structural shift in balance sheet quality

We believe structural reasons are behind the uptick in MTC's NPLs

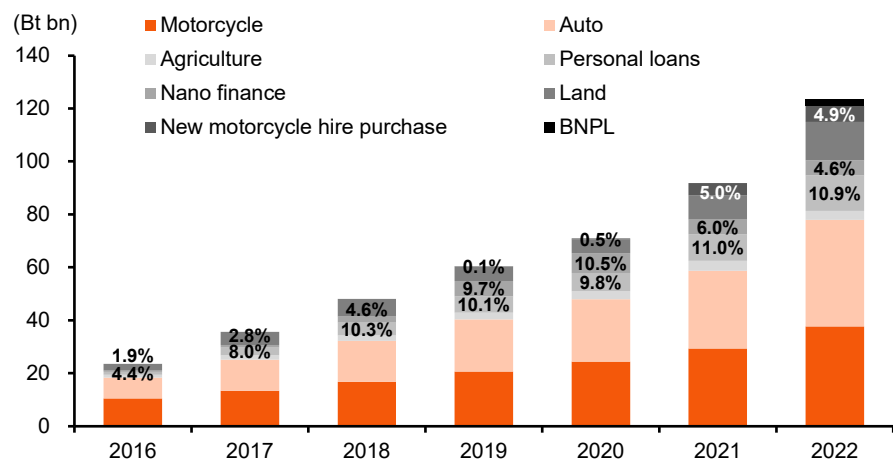
Muangthai Capital Pcl (MTC) has surpassed its peers in opening branches and acquiring new customers. The company has also responded to customer demand by offering top-up credit lines. This has led to greater penetration of sub-districts and villages upcountry while it has also aggressively grown high-risk lending segments, i.e., personal loans, nano finance, new motorcycle HP, and buy-now-pay-later. These loans have grown very quickly from 11% of total loans in 2017 to an estimated 23% in 2023F. Delinquencies were paused because COVID-19 forbearance programs remained active during 2020-21. However, with the assistance plans coming to an end, NPL formation has risen sharply from 1.1% in 2020 and 0.8% in 2021 to 2.5% in 9M22.

MTC has slowed the extension of motorcycle HP loans after seeing a sharp increase in NPLs in this segment to 5% in 1Q22. New NPL formation has come down slightly from 3% in 2Q22 to 2.8% in 3Q22. It is also being more prudent in offering personal loan top-ups to existing customers. This is while nano finance loans contracted q-q in 3Q22.

Given its ambition to double its loan base to Bt200bn in three years and capture around half of the market, we see the loan extension slowdown for high-risk segments as being temporary. So, we believe the uptick in NPLs is not mainly being caused by the cyclically weak economy after the end of COVID-19 forbearance plans, but rather a reflection of the structural shift in MTC's balance sheet quality albeit larger loan base.

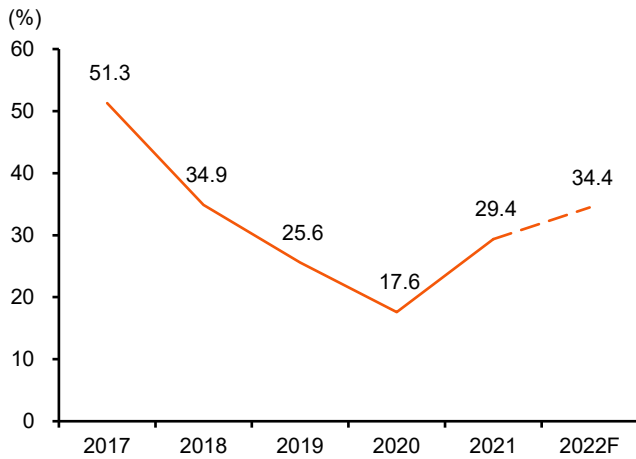
Expecting slower rise of NPLs for the motorcycle HP segment, we expect overall NPLs to rise at a slower pace q-q. NPL ratio could reach a peak of 3.3% in 2Q23F and slowly come down to a new normalized level of 3.1% post-2024F.

Ex 1: Much Larger Loan Base And Shift In Loan Mix



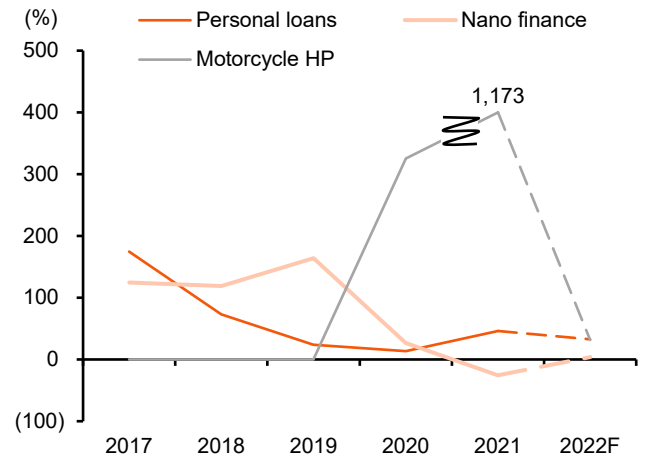
Sources: Company data, Thanachart estimates

Ex 2: Robust Loan Growth



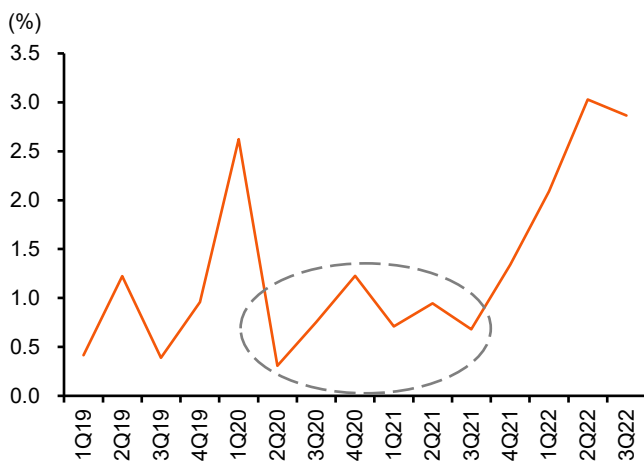
Sources: Company data, Thanachart estimates

Ex 3: Fast-growing High Risk Segment



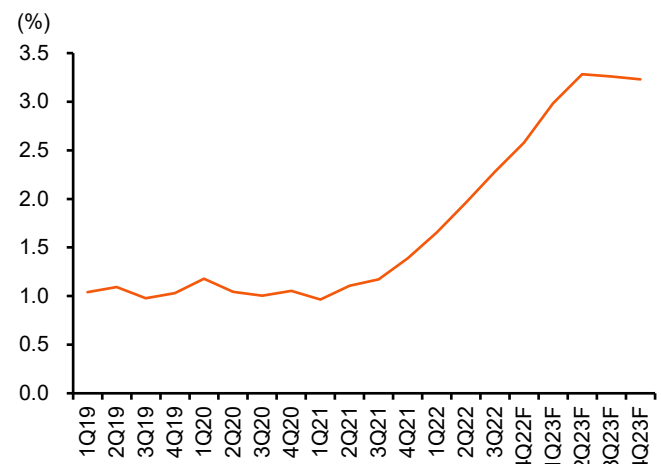
Sources: Company data, Thanachart estimates

Ex 4: New NPL Formation



Source: Company data

Ex 5: NPL Ratio



Source: Company data

Cutting earnings further

We cut our earnings estimates for MTC by 6% this year, 17% in 2023F, 12% in 2024F, and 13% in 2025F. The downward revisions are on the back of the following:

- 1) As we don't expect MTC's NPL ratio to fall back to its pre-COVID target of less than 2%, we raise our NPL forecasts and lift our credit cost assumptions to 2.4/2.8/2.2% over 2022-24F.
- 2) With its aggressive branch openings and client acquisition, MTC may be able to sustain double-digit loan growth for many years to come. Active clients have risen to 4m with 80% of loans revolving and 20% new loans. We still estimate high loan growth of 34% this year, 20% in 2023F, 18% in 2024F, and 15% in 2025F. The cut in loans growth assumption next year is to reflect MTC's more cautious on high-risk segments in order to tame NPLs.
- 3) Intensifying competition with new deep-pocketed players such as SCBx's Auto X should not cut into MTC's loan volume growth in our view but it could keep a lid on its ability to

raise pricing. With rising cost of funds but a stable lending yield of 18%, we estimate net spread to fall from 15% in 2021 to 14.4% in 2023F.

- 4) Opex has been kept well under control. Even we expect travel costs could return to normal, MTC is enjoying greater scale advantage. Consequently, we cut our opex assumptions slightly as shown in Exhibit 6 below.

Ex 6: Earnings Revisions

	2019	2020	2021	2022F	2023F	2024F	2025F
Net profits (Bt bn)							
- New	4.24	5.21	4.94	5.06	5.67	7.32	8.66
- Old				5.37	6.83	8.28	9.90
- Change (%)				(5.70)	(16.99)	(11.55)	(12.47)
Loan growth (%)							
- New	25.58	17.62	29.37	34.44	20.35	18.27	14.82
- Old				35.71	30.00	20.02	14.52
- Change (pp)				(1.27)	(9.65)	(1.75)	0.30
Lending yield (%)							
- New	22.59	21.77	19.04	18.09	18.09	17.97	17.93
- Old				18.20	18.20	18.21	18.20
- Change (pp)				(0.11)	(0.11)	(0.24)	(0.27)
Opex (Bt bn)							
- New	5.31	6.14	6.96	8.21	10.00	11.80	13.69
- Old				8.28	10.44	12.53	14.40
- Change (%)				(0.84)	(4.20)	(5.79)	(4.97)
Credit costs (%)							
- New	1.02	0.39	0.90	2.42	2.80	2.20	2.00
- Old				1.90	2.00	2.00	1.90
- Change (pp)				0.52	0.80	0.20	0.10
NPLs (Bt bn)							
- New	0.62	0.75	1.28	3.21	4.83	5.62	6.35
- Old				2.93	3.97	4.67	5.30
- Change (%)				9.61	21.66	20.50	19.94

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	907	1,171	1,386	2,036	4,559	6,365	7,021	9,312	10,315	13,361	16,624	16,624
Dividend payment	907	1,171	1,386	2,036	4,559	6,365	7,021	9,312	10,315	13,361	16,624	178,490
PV of dividend	907	959	1,013	1,341	2,705	3,401	3,380	4,038	3,870	4,495	5,016	53,852
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	84,976											
No. of shares (m)	2,120											
Equity value / share (Bt)	40.00											

Sources: Company data, Thanachart estimates

On the back of our earnings cuts, we lower our DDM-based TP, using a 2023F base year, to Bt40/share from Bt48 previously. Post-earnings downgrades, we estimate slower earnings growth of 2% this year and 12% in 2023F before rising to 29% when credit costs should be on the verge of reaching a normalized level of 1.8%. We expect ROE to fall further from 22% in 2021 and 19% this year to bottom at 18% in 2023F.

As MTC's ROE decline has yet to end, we don't see its de-rating as being over. Trading at 14x PE with 12% EPS growth in 2023, MTC doesn't look like much of a bargain to us. We expect NPLs to remain elevated going into mid-2023F so we advise revisiting the stock in 2Q23. With limited potential share price upside, we maintain our HOLD recommendation.

Valuation Comparison

Ex 8: 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	356.8	15.9	0.6	0.5	0.1	0.1	20.2	18.8	25.6	29.8
Mahindra & Mahindra Fin Secs	MMFS IN	India	(28.5)	105.4	32.3	15.7	1.7	1.5	5.7	10.4	0.7	1.6
Bajaj Finance Ltd	BAF IN	India	(0.5)	57.6	60.4	38.3	9.8	8.0	17.4	22.6	0.2	0.3
Manappuram Finance Ltd	MGFL IN	India	1.2	6.8	7.4	6.9	1.2	1.0	17.2	16.8	2.5	2.6
GMO Payment Gateway Inc.	3769 JP	Japan	(7.1)	(40.2)	41.4	69.3	11.8	10.8	34.7	16.2	0.5	0.7
Infomart Corp.	2492 JP	Japan	(27.7)	132.5	263.8	113.5	8.9	8.4	3.6	8.1	0.1	0.4
Ally Financial Inc	ALLY US	US	(29.0)	(26.4)	4.7	6.4	0.8	0.7	13.6	11.2	4.3	4.5
World Acceptance Corp	WRLD US	US	30.8	na	6.6	28.6	1.1	1.2	17.3	6.0	na	na
Navient Corp	NAVI US	US	(20.2)	(15.1)	4.7	5.6	0.7	0.6	17.0	11.8	4.0	4.0
SLM Corp	SLM US	US	(31.9)	3.9	6.9	6.6	2.5	2.2	35.1	34.1	2.6	2.8
Amanah Leasing	AMANA TH	Thailand	3.3	24.2	12.3	9.9	2.1	1.9	18.0	20.2	3.8	4.8
Asia Sermkij Leasing *	ASK TH	Thailand	15.7	21.1	12.3	10.1	1.9	1.7	16.0	17.8	4.1	4.9
Bangkok Commercial Asset Mgt.	BAM TH	Thailand	25.3	17.6	15.4	13.1	1.1	1.1	7.5	8.6	4.6	5.4
Chayo Group	CHAYO TH	Thailand	34.6	20.5	26.9	22.3	2.4	1.9	10.6	10.4	1.0	0.9
JMT Network Services *	JMT TH	Thailand	24.6	49.6	47.0	31.4	4.0	3.9	9.6	12.6	1.7	2.5
Krungthai Card *	KTC TH	Thailand	7.2	16.0	24.0	20.7	5.0	4.3	22.0	22.3	1.9	2.2
Muangthai Capital *	MTC TH	Thailand	2.4	12.0	15.5	13.8	2.7	2.3	18.7	18.0	1.0	1.2
Saksiam Leasing *	SAK TH	Thailand	15.9	22.2	20.0	16.3	2.6	2.4	13.8	15.4	2.0	2.4
Srisawad Corporation *	SAWAD TH	Thailand	(2.6)	21.0	13.2	10.9	2.2	2.0	17.3	19.2	4.1	4.6
Ratchthani Leasing *	THANI TH	Thailand	14.4	15.2	12.4	10.8	2.0	1.8	16.4	17.6	4.8	5.6
Ngern Tid Lor *	TIDLOR TH	Thailand	14.8	27.8	18.1	14.1	2.7	2.3	15.7	17.5	1.1	1.4
Average			19.0	24.4	30.7	22.1	3.2	2.9	15.8	15.6	3.5	4.1

Source: Bloomberg

Note: * Thanachart estimates using normalized EPS growth

Based on 15 Nov 2022 closing price

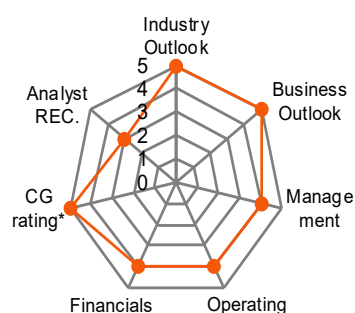
Our major shareholder TCAP (Thanachart Capital Pcl) holds 89.96% of Thanachart Securities. TCAP also holds 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 Co. Ltd holds 60% stake in THANI and is the major shareholder of THANI.

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)	42.68	40.00	-6%
Net profit 22F (Bt m)	5,412	5,062	-6%
Net profit 23F (Bt m)	6,436	5,668	-12%
Consensus REC	BUY: 8	HOLD: 8	SELL: 4

HOW ARE WE DIFFERENT FROM THE STREET?

- We believe we are ahead of the Bloomberg consensus in factoring in stubbornly high provisions.
- As we don't expect the rise in provisions to be temporary, our earnings and TP are therefore lower.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- If MTC is able to sustain its robust loan growth while asset quality does not deteriorate as we had assumed, this represents the key upside risk to our earnings forecasts and HOLD recommendation.
- Increases in MTC's cost-to-income ratio and funding costs would present further downside risks to our earnings forecasts and TP.
- Another downside risk would emerge if MTC fails to grow its loan book by a large enough extent to offset higher provisions.

Source: Thanachart

INCOME STATEMENT

	FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
<i>Higher provisions after COVID-relief plans end and boosting penetration of higher-risk segments</i>	Interest Income	13,962	15,195	19,116	23,939	28,386
	Interest Expenses	1,817	2,127	2,807	3,909	4,726
	Net Interest Income	12,145	13,068	16,309	20,031	23,660
	% of total income	94.0%	94.1%	95.1%	96.0%	96.6%
	Fee income	726	769	760	760	745
	% of total income	5.6%	5.5%	4.4%	3.6%	3.0%
	Other income	45	55	77	80	90
	% of total income	0.3%	0.4%	0.4%	0.4%	0.4%
	Non-interest Income	771	824	837	840	835
	% of total income	6.0%	5.9%	4.9%	4.0%	3.4%
Total Income	12,916	13,891	17,146	20,871	24,494	
Operating Expenses	6,144	6,961	8,214	10,000	11,800	
Pre-provisioning Profit	6,771	6,930	8,931	10,871	12,694	
Bad debt expenses	255	728	2,604	3,786	3,543	
Pre-tax Profit	6,516	6,201	6,327	7,085	9,152	
Income Tax	1,303	1,257	1,265	1,417	1,830	
After Tax Profit	5,214	4,945	5,062	5,668	7,321	
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	5,062	5,668	7,321	
Normalized Profit	5,214	4,945	5,062	5,668	7,321	
EPS (Bt)	2.5	2.3	2.4	2.7	3.5	
Normalized EPS (Bt)	2.5	2.3	2.4	2.7	3.5	

BALANCE SHEET

	FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
<i>Still has room to grow loans</i>	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	122,837	147,557	174,514
	Provisions	1,328	1,832	3,325	5,550	6,985
	Net loans	69,640	89,981	120,112	143,007	168,712
	Fixed assets	1,928	2,054	2,109	2,128	2,115
	Other assets	4,050	4,652	5,308	5,820	6,325
	Total assets	77,222	98,390	129,279	152,758	179,008
	Short term borrow ing	19,243	28,793	34,500	39,200	44,350
A/P & notes payables	1,075	1,237	1,337	1,437	1,537	
Other current liabilities	1,633	1,672	1,642	1,894	1,923	
Long term borrow ing	31,732	38,521	59,000	72,300	86,760	
Total borrowings	50,975	67,314	93,500	111,500	131,110	
Other L-T liabilities	2,858	3,299	3,658	4,004	4,343	
Minority interest	0	0	0	0	0	
Shareholders' equity	20,682	24,869	29,142	33,924	40,095	
Total Liab. & Equity	77,222	98,390	129,279	152,758	179,008	

Sources: Company data, Thanachart estimates

VALUATION

*Asset-quality concerns
cap valuation multiples at
below average levels*

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	15.0	15.9	15.5	13.8	10.7
Normalized PE - at target price (x)	16.3	17.2	16.8	15.0	11.6
PE (x)	15.0	15.9	15.5	13.8	10.7
PE - at target price (x)	16.3	17.2	16.8	15.0	11.6
P/PPP (x)	11.6	11.3	8.8	7.2	6.2
P/PPP - at target price (x)	12.5	12.2	9.5	7.8	6.7
P/BV (x)	3.8	3.2	2.7	2.3	2.0
P/BV - at target price (x)	4.1	3.4	2.9	2.5	2.1
Dividend yield (%)	1.0	1.0	1.0	1.2	1.5
Normalized EPS (Bt)	2.5	2.3	2.4	2.7	3.5
EPS (Bt)	2.5	2.3	2.4	2.7	3.5
DPS (Bt)	0.4	0.4	0.4	0.4	0.6
PPP/Share (Bt)	3.2	3.3	4.2	5.1	6.0
BV/share (Bt)	9.8	11.7	13.7	16.0	18.9
P/BV to ROE (x)	0.1	0.1	0.1	0.1	0.1

FINANCIAL RATIOS

*Normalized yield but
higher credit costs*

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Growth Rate (%)					
Net interest income (NII)	17.3	7.6	24.8	22.8	18.1
Non-interest income (Non-II)	(4.6)	6.8	1.6	0.4	(0.6)
Operating expenses	15.6	13.3	18.0	21.7	18.0
Pre-provisioning profit (PPP)	15.8	2.3	28.9	21.7	16.8
Net profit	23.0	(5.2)	2.4	12.0	29.2
Normalized profit growth	23.0	(5.2)	2.4	12.0	29.2
EPS	23.0	(5.2)	2.4	12.0	29.2
Normalized EPS	23.0	(5.2)	2.4	12.0	29.2
Dividend payout ratio	15.0	15.9	16.0	16.0	16.0
Loan - gross	18.0	31.6	33.0	20.1	18.3
Loan - net	18.8	29.2	33.5	19.1	18.0
Borrowings	75.1	18.7	145.9	30.0	18.0
NPLs	20.3	70.7	151.5	50.4	16.4
Total assets	24.8	27.4	31.4	18.2	17.2
Total equity	29.5	20.2	17.2	16.4	18.2
Operating Ratios (%)					
Net interest margin (NIM)	17.5	16.1	14.3	14.2	14.3
Net interest spread	17.9	15.4	14.7	14.4	14.3
Yield on earnings assets	21.2	18.6	17.7	17.6	17.5
Avg cost of fund	3.8	3.6	3.5	3.8	3.9
NII / operating income	94.0	94.1	95.1	96.0	96.6
Non-II / operating income	6.0	5.9	4.9	4.0	3.4
Fee Income / Opt Income	5.6	5.5	4.4	3.6	3.0
Norm Net Margin	40.4	35.6	29.5	27.2	29.9
Cost-to-income	47.6	50.1	47.9	47.9	48.2
Credit cost - provision exp / loans	0.4	0.9	2.4	2.8	2.2
PPP / total assets	9.7	7.9	7.8	7.7	7.7
PPP / total equity	36.9	30.4	33.1	34.5	34.3
Avg assets/avg equity (leverage)	3.8	3.9	4.2	4.5	4.5
ROA	7.5	5.6	4.4	4.0	4.4
ROE	28.4	21.7	18.7	18.0	19.8

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	491.3	454.0	455.1
Net Loan / Borrow ings	813.3	885.2	480.4	440.0	439.9
Net Loan / Assets	90.2	91.5	92.9	93.6	94.2
Net Loan / Equity	336.7	361.8	412.2	421.6	420.8
S-T / L-T Borrow ings	28.0	41.7	40.0	40.0	39.0
Borrow ings / Liabilities	15.1	13.8	25.0	27.3	27.6
Interest-bearing Debt / Equity	246.5	270.7	320.8	328.7	327.0
Liabilities / Equity	273.4	295.6	343.6	350.3	346.5
Equity/ Gross loans	29.5	26.9	23.7	23.0	23.0
<i>New, higher NPL base</i>					
NPLs	747.4	1,275.9	3,209.4	4,828.1	5,622.3
NPLs / Total Loans (NPL Ratio)	1.1	1.4	2.6	3.3	3.2
Loan-Loss-Coverage (Provision / NPLs)	177.6	143.6	103.6	115.0	124.2

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.

Arabesque S-Ray®

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

The Dow Jones Sustainability Indices (DJSI)

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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

Moody's ESG Solutions

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