

**Muangthai Capital Pcl (MTC TB) - BUY, Price Bt39.25, TP Bt45.00****Results Comment**

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**In line 4Q25, with healthy asset quality**

- MTC reported **4Q25** net profit of Bt1.78bn (+15%y-y, +3%q-q), **in line** with our estimate and Bloomberg consensus.
- 2025 net profit reached Bt6.72bn (+15% y-y), supported by solid loan growth of 12% y-y and lower credit cost 49bps y-y to 257bps.
- DPS was announced at Bt0.29, implying a 0.7% dividend yield. XD date is 28 Apr 2026.
- 4Q25 key highlights:

**(+) Asset quality improved:** NPLs declined 2% q-q, while the NPL formation rate eased to 2.3% (from 2.5% in 3Q25). Credit cost fell 10bps q-q to 259bps. NPL coverage ratio lifted to 143%. The efficient debt collection and co-payment scheme contributed to the improvement.

**(+) Loan growth remained solid:** Loans rose 1.5% q-q and 12% y-y, driven by continued branch expansion (8,673 branches) and healthy demand.

**(-) Loan yield softened slightly,** down 6bps q-q to 17.55%, mainly due to a gradual portfolio shift toward secured loans. Interest expense edged up q-q following the USD350m bond issuance in July. MTC is likely to benefit from the easing cycle later than peers.

- We expect MTC's 1Q26 net profit to rise y-y and q-q, supported by moderate loan growth and stable asset quality. Maintain Buy.

Income Statement (consolidated)					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25
Interest income	7,086	7,058	7,357	7,721	7,874
Interest expense	1,441	1,451	1,472	1,612	1,631
<b>Net interest income</b>	<b>5,645</b>	<b>5,607</b>	<b>5,885</b>	<b>6,108</b>	<b>6,242</b>
Non-interest income	184	185	188	173	183
Total income	5,829	5,791	6,074	6,282	6,426
Operating expense	2,766	2,829	2,953	2,945	3,033
<b>Pre-provisioning profit</b>	<b>3,063</b>	<b>2,963</b>	<b>3,121</b>	<b>3,336</b>	<b>3,393</b>
Provision for bad&doubtful debt	1,137	998	1,061	1,181	1,164
Profit before tax	1,926	1,965	2,060	2,155	2,229
Tax	383	394	413	431	448
Profit after tax	1,543	1,571	1,647	1,724	1,781
Equity income	-	-	-	-	-
Minority interests	-	-	-	-	-
Extra items	-	-	-	-	-
<b>Net profit</b>	<b>1,543</b>	<b>1,571</b>	<b>1,647</b>	<b>1,724</b>	<b>1,781</b>
<b>Normalized profit</b>	<b>1,543</b>	<b>1,571</b>	<b>1,647</b>	<b>1,724</b>	<b>1,781</b>
PPP/share (Bt)	1.4	1.4	1.5	1.6	1.6
EPS (Bt)	0.7	0.74	0.78	0.81	0.84
Norm EPS (Bt)	0.7	0.7	0.8	0.8	0.8
BV/share (Bt)	17.4	18.2	18.7	19.5	20.2

Balance Sheet (consolidated)					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25
Cash and cash equivalent	3,126	2,555	1,665	6,480	4,995
Gross loans	162,059	165,431	172,610	178,145	180,821
Accrued interest	2,183	2,130	2,197	2,308	2,402
Provisions	6,112	6,227	6,374	6,567	6,618
Net loans	158,130	161,333	168,433	173,886	176,605
Property foreclosed	-	-	-	-	-
Premises & equipment	2,173	2,167	2,146	2,144	2,115
Other assets	7,416	7,648	7,710	7,995	8,667
<b>Total assets</b>	<b>170,846</b>	<b>173,704</b>	<b>179,955</b>	<b>190,504</b>	<b>192,382</b>
Total borrowings	124,323	125,908	130,278	139,035	137,422
Short term borrowing	54,776	54,916	58,437	46,688	40,855
Long term borrowing	69,547	70,992	71,841	92,347	96,568
Lease liability	5,216	5,357	5,393	5,452	5,459
Other liabilities	4,354	3,939	4,739	4,778	6,583
<b>Total liabilities</b>	<b>133,893</b>	<b>135,203</b>	<b>140,410</b>	<b>149,265</b>	<b>149,464</b>
Minority interest	-	-	-	-	-
<b>Shareholders' equity</b>	<b>36,953</b>	<b>38,501</b>	<b>39,545</b>	<b>41,239</b>	<b>42,919</b>
<b>Total Liabilities &amp; Equity</b>	<b>170,846</b>	<b>173,704</b>	<b>179,955</b>	<b>190,504</b>	<b>192,382</b>

Sources: Company data, Thanachart estimates

Income Statement 12M as					
(Bt m)	q-q%	y-y%	% 2025F	2025A	2026F
Interest & dividend income	2	11	100	30,010	33,388
Interest expense	1	13	100	6,167	6,784
<b>Net interest income</b>	<b>2</b>	<b>11</b>	<b>100</b>	<b>23,843</b>	<b>26,604</b>
Non-interest income	6	(0)	122	729	645
Total income	2	10	100	24,572	27,249
Operating expense	3	10	99	11,759	13,056
<b>Pre-provisioning profit</b>	<b>2</b>	<b>11</b>	<b>102</b>	<b>12,813</b>	<b>14,193</b>
Provision for bad&doubtful debt	(1)	2	102	3,353	4,659
Profit before tax	3	16	102	8,409	9,534
Tax	4	17	102	1,685	1,907
Profit after tax	3	15	102	6,723	7,627
Equity income	neg	neg	-	-	-
Minority interests	neg	neg	-	-	-
Extra items	neg	neg	-	-	-
<b>Net profit</b>	<b>3</b>	<b>15</b>	<b>102</b>	<b>6,723</b>	<b>7,627</b>
<b>Normalized profit</b>	<b>3</b>	<b>15</b>	<b>102</b>	<b>6,723</b>	<b>7,627</b>
PPP/share (Bt)	2	11	102	6.0	6.7
EPS (Bt)	3	15	102	3.2	3.6
Norm EPS (Bt)	3	15	102	3.2	3.6
BV/share (Bt)	4	16	20	20.2	23.1

Financial Ratios (%)					
	4Q24	1Q25	2Q25	3Q25	4Q25
Loan growth (YTD)	14.7	2.1	6.5	9.9	11.6
Loan growth (q-q)	3.0	2.1	4.3	3.2	1.5
Borrowing growth (YTD)	13.2	1.3	4.8	11.8	10.5
Borrowing growth (q-q)	(1.3)	1.3	3.5	6.7	(1.2)
Non-interest income (y-y)	(31.5)	(33.5)	(25.2)	(25.5)	(0.5)
Non-interest income (q-q)	(20.9)	0.4	2.1	(8.0)	5.7
Cost-to-income	47.5	48.8	48.6	46.9	47.2
Net interest margin	14.1	13.7	13.9	13.9	13.9
Credit cost	2.85	2.44	2.51	2.69	2.59
ROE	17.0	16.7	16.9	17.1	16.9
ROA	3.6	3.6	3.7	3.7	3.7
Loan-to-borrowing	130.4	131.4	132.5	128.1	131.6
Loan-to-total equity	438.6	429.7	436.5	432.0	421.3
NPLs (Btm)	4,517.4	4,501.8	4,585.0	4,700.0	4,628.5
NPL increase	29.8	(15.5)	83.2	115.0	(71.5)
NPL ratio (%)	2.79	2.72	2.66	2.64	2.56
Loan loss coverage ratio (%)	135.3	138.3	139.0	139.7	143.0

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