

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)					Income Statement 12M as (Bt m)						
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	q-q%	y-y%	% 2025F	2025A	2026F	
Interest income	7,086	7,058	7,357	7,721	7,874	2	11	100	30,010	33,388	
Interest expense	1,441	1,451	1,472	1,612	1,631	1	13	100	6,167	6,784	
Net interest income	5,645	5,607	5,885	6,108	6,242	2	11	100	23,843	26,604	
Non-interest income	184	185	188	173	183	6	(0)	122	729	645	
Total income	5,829	5,791	6,074	6,282	6,426	2	10	100	24,572	27,249	
Operating expense	2,766	2,829	2,953	2,945	3,033	3	10	99	11,759	13,056	
Pre-provisioning profit	3,063	2,963	3,121	3,336	3,393	2	11	102	12,813	14,193	
Provision for bad&doubtful debt	1,137	998	1,061	1,181	1,164	(1)	2	102	3,353	4,659	
Profit before tax	1,926	1,965	2,060	2,155	2,229	3	16	102	8,409	9,534	
Tax	383	394	413	431	448	4	17	102	1,685	1,907	
Profit after tax	1,543	1,571	1,647	1,724	1,781	3	15	102	6,723	7,627	
Equity income	-	-	-	-	-	Equity income	neg	neg	-	-	
Minority interests	-	-	-	-	-	Minority interests	neg	neg	-	-	
Extra items	-	-	-	-	-	Extra items	neg	neg	-	-	
Net profit	1,543	1,571	1,647	1,724	1,781	3	15	102	6,723	7,627	
Normalized profit	1,543	1,571	1,647	1,724	1,781	3	15	102	6,723	7,627	
PPP/share (Bt)	1.4	1.4	1.5	1.6	1.6	PPP/share (Bt)	2	11	102	6.0	6.7
EPS (Bt)	0.7	0.74	0.78	0.81	0.84	EPS (Bt)	3	15	102	3.2	3.6
Norm EPS (Bt)	0.7	0.7	0.8	0.8	0.8	Norm EPS (Bt)	3	15	102	3.2	3.6
BV/share (Bt)	17.4	18.2	18.7	19.5	20.2	BV/share (Bt)	4	16	20	20.2	23.1

Balance Sheet (consolidated)					Financial Ratios (%)						
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	4Q24	1Q25	2Q25	3Q25	4Q25	
Cash and cash equivalent	3,126	2,555	1,665	6,480	4,995	Loan growth (YTD)	14.7	2.1	6.5	9.9	11.6
Gross loans	162,059	165,431	172,610	178,145	180,821	Loan growth (q-q)	3.0	2.1	4.3	3.2	1.5
Accrued interest	2,183	2,130	2,197	2,308	2,402	Borrowing growth (YTD)	13.2	1.3	4.8	11.8	10.5
Provisions	6,112	6,227	6,374	6,567	6,618	Borrowing growth (q-q)	(1.3)	1.3	3.5	6.7	(1.2)
Net loans	158,130	161,333	168,433	173,886	176,605	Non-interest income (y-y)	(31.5)	(33.5)	(25.2)	(25.5)	(0.5)
Property foreclosed	-	-	-	-	-	Non-interest income (q-q)	(20.9)	0.4	2.1	(8.0)	5.7
Premises & equipment	2,173	2,167	2,146	2,144	2,115	Cost-to-income	47.5	48.8	48.6	46.9	47.2
Other assets	7,416	7,648	7,710	7,995	8,667	Net interest margin	14.1	13.7	13.9	13.9	13.9
Total assets	170,846	173,704	179,955	190,504	192,382	Credit cost	2.85	2.44	2.51	2.69	2.59
Total borrowings	124,323	125,908	130,278	139,035	137,422	ROE	17.0	16.7	16.9	17.1	16.9
Short term borrowing	54,776	54,916	58,437	46,688	40,855	ROA	3.6	3.6	3.7	3.7	3.7
Long term borrowing	69,547	70,992	71,841	92,347	96,568	Loan-to-borrowing	130.4	131.4	132.5	128.1	131.6
Lease liability	5,216	5,357	5,393	5,452	5,459	Loan-to-total equity	438.6	429.7	436.5	432.0	421.3
Other liabilities	4,354	3,939	4,739	4,778	6,583	NPLs (Btm)	4,517.4	4,501.8	4,585.0	4,700.0	4,628.5
Total liabilities	133,893	135,203	140,410	149,265	149,464	NPL increase	29.8	(15.5)	83.2	115.0	(71.5)
Minority interest	-	-	-	-	-	NPL ratio (%)	2.79	2.72	2.66	2.64	2.56
Shareholders' equity	36,953	38,501	39,545	41,239	42,919	Loan loss coverage ratio (%)	135.3	138.3	139.0	139.7	143.0
Total Liabilities & Equity	170,846	173,704	179,955	190,504	192,382						

Sources: Company data, Thanachart estimates

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