

Finance Sector – Overweight

Rawisara Suwanumphai | Email: rawisara.suw@ttbwealth.co.th

Earnings Preview

Strong 1Q26F, but rising risks in 2Q26F

- **Sector 1Q26F profit up; truck lenders lead**
- **Truck lenders: lower credit costs, improving loan trends**
- **Title lenders: steady asset quality, cautious lending stance**
- **Prefer Banks over Non-banks, KTC is top buy in non-banks**

We expect six consumer finance lenders under our coverage to report 1Q26F net profit of Bt5.2bn (+15% y-y, +7% q-q), with the highlight being a **strong recovery from truck lenders**.

Truck lenders should deliver their best quarterly results in years, driven by lower credit costs following aggressive balance sheet clean-up in 2024–25, reduced repossessed vehicle losses, and a slower pace of loan contraction.

Title lenders should continue to deliver steady earnings growth, though at a more moderate pace, as operators remain conservative on new loan origination amid the Iran war-driven macro uncertainty.

■ **Truck lenders: the earnings star of 1Q26F**

We forecast the two truck lenders (ASK and THANI) to report combined net profit of Bt522m (+31% y-y, +10% q-q). This marks a meaningful step-up in profitability.

Key highlights: 1) **Loan contraction slowing** to -1% q-q (-12% y-y), a significant improvement from the -4% to -5% q-q declines seen through 2025, reflecting rising truck demand and both ASK's and THANI's increased willingness to extend new credit following clear asset quality improvement; 2) **NIM improving** to 4.74% from 4.42% in 1Q25 (-4bps q-q due to lower no. of day in 1Q), supported by lower funding costs as operators continue to pay down expensive legacy debt; and 3) **Credit costs declining** to 189bps from 201bps in 4Q25, as the heavy write-offs and NPL sales of 2024–25 have largely cleaned the book.

ASK should post net profit of Bt200m (+37% y-y, +25% q-q) while THANI should report Bt322m (+27% y-y, +2% q-q).

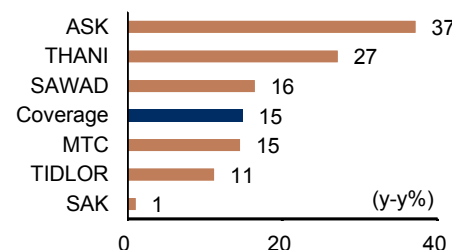
■ **Title lenders: steady growth, conservative posture**

We forecast the four title lenders (MTC, SAWAD, SAK, and TIDLOR) to report combined net profit of Bt4.7bn (+13% y-y, +7% q-q).

Key highlights: 1) Combined **loan growth of 0.9% q-q** and 6.7% y-y, reflecting deliberate conservatism in new lending as operators navigate macro uncertainty from the Iran war's impact on oil prices, fertilizer costs, and household income; 2) **NIM improving** 8bps y-y to 14.75% (-31bps q-q due to lower no. of day in 1Q), primarily reflecting lower funding costs; and 3) **Asset quality broadly stable**, with combined NPLs rising only 0.3% q-q, supported by election-related liquidity injections that have aided collection rates.

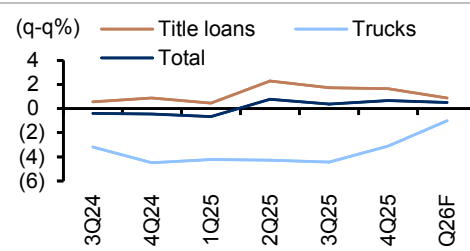
- **MTC** should report a record-high net profit of Bt1.8bn (+15% y-y, +1%

Ex 1: Net Profit Growth



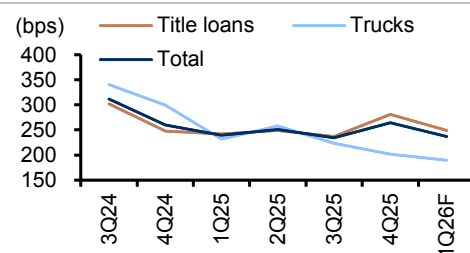
Sources: Company data, ttb wealth estimates

Ex 2: Loan Growth



Sources: Company data, ttb wealth estimates

Ex 3: Credit Cost



Sources: Company data, ttb wealth estimates

q-q), supported by solid loan growth (+10% y-y, +1% q-q), a 4bps q-q decline in average funding costs, and resilient asset quality. Election-related liquidity injection should help lower credit costs by 9bps q-q to 250bps.

- **TIDLOR** should post a strong recovery with net profit of Bt1.4bn (+11% y-y, +34% q-q), driven mainly by a sharp easing in credit costs to 285bps (from 368bps in 4Q25, which included management overlay for Hat Yai flooding), continued strength in insurance brokerage fees, and a 18bps y-y improvement in NIM from lower funding costs.
- **SAWAD** should report net profit of Bt1.3bn (+16% y-y, -4% q-q). Loan growth is expected at 0.5% q-q, led by land title loans, while motorcycle hire-purchase remains stable. Asset quality should remain under control. We expect continued decline in repossession losses, with credit costs falling 21bps q-q to 220bps.
- **SAK** is expected to post net profit of Bt228m (+1% y-y, +8% q-q), with modest loan growth of 1% q-q following a sharp 6.4% q-q contraction in 3Q25, and stable credit costs at 150bps in line with steady asset quality.

■ Sector view: less attractive than banks; maintain KTC as top pick

We view that the non-bank space has become less attractive relative to banks in the current environment. Loan growth in non-banks is deliberately slower, dividend yields are lower than the banking sector's top dividend payers, and the Iran war-driven macro headwinds - create more earnings uncertainty. While 1Q26F truck results should be strong, we caution that the risk outlook for 2H26 is less benign: sustained high oil prices and elevated fertilizer costs could pressure borrower repayment capacity across both segments, leading to higher NPL formation in subsequent quarters.

Within our coverage, we maintain KTC as our top pick. Amid the Iran war and ongoing macro uncertainty, we view KTC as a defensive play, supported by a resilient salaried-worker customer base, a strong balance sheet underpinned by KTB's funding support, and sustainable ~6–7% dividend yields per annum.

Ex 4: Summary 1Q26F Net Profit

	1Q25	4Q25	1Q26F	y-y %	q-q %	Tentative results date	Analyst meeting date
KTC*	1,861	2,075	2,171	16.7	4.6	Out	21-May
MTC	1,571	1,781	1,800	14.5	1.0	12-May	14-May
SAWAD	1,100	1,328	1,281	16.4	(3.6)	15-May	18-May
SAK	226	212	228	1.1	8.0		19-May *Opp. Day
TIDLOR	1,218	1,012	1,355	11.2	33.9	07-May	11-May
ASK	146	160	200	37.1	24.7	06-May	15-May
THANI	254	315	322	27.1	2.4	08-May	19-May *Opp. Day
Coverage	6,375	6,883	7,356	15.4	6.9		
Coverage - ex KTC	4,514	4,808	5,185	14.9	7.9		

Sources: Company data, ttb wealth estimates

Note: * Actual numbers

Ex 5: Finance Sector Valuations

	Title loan					Truck loan			KTC*
	MTC	SAWAD	SAK	TIDLOR	Coverage	ASK	THANI	Coverage	
Loan (Bt m)	182,630	92,629	14,312	108,762	398,333	58,121	39,477	97,598	107,107
q-q%	1.0%	0.5%	1.0%	1.0%	0.9%	-1.0%	-1.0%	-1.0%	-3.4%
y-y%	10.4%	2.5%	-0.9%	5.6%	6.7%	-12.2%	-12.3%	-12.3%	0.7%
ytd%	1.0%	0.5%	1.0%	1.0%	0.9%	-1.0%	-1.0%	-1.0%	-3.4%
NIM (%)	13.68%	14.75%	19.83%	15.88%	14.75%	4.92%	4.47%	4.74%	13.30%
bps q-q	(23)	(14)	(16)	(62)	(31)	(5)	(3)	(4)	(48)
bps y-y	(1)	27	28	18	8	36	24	31	20
NPL (Bt m)	4,583	3,648	402	1,706	10,339	4,440	970	5,410	2,069
q-q%	-1.0%	1.3%	3.7%	0.8%	0.3%	-6.7%	-4.8%	-6.4%	4.4%
NPL ratio	2.5%	3.9%	2.8%	1.6%	2.6%	7.6%	2.5%	5.5%	1.9%
Credit costs (bps)	250	220	150	285	249	223	140	189	509
bps q-q	(9)	(21)	(1)	(83)	(32)	(23)	5	(12)	13
bps y-y	6	36	(18)	(16)	7	(20)	(76)	(43)	(79)
Net profit (Bt m)	1,800	1,281	228	1,355	4,663	200	322	522	2,171
q-q%	1.0%	-3.6%	8.0%	33.9%	7.6%	24.7%	2.4%	9.9%	4.6%
y-y%	14.5%	16.4%	1.1%	11.2%	13.3%	37.1%	27.1%	30.8%	16.7%

Sources: Company data, ttb wealth estimates

Note: * Actual numbers

Ex 6: Finance Sector Valuations

Stocks	Rating	Current price (Bt)	Target price (Bt)	Norm EPS growth		Norm PE		P/BV		Yield	
				2026F (%)	2027F (%)	2026F (x)	2027F (x)	2026F (x)	2027F (x)	2026F (%)	2027F (%)
ASK	SELL	9.10	7.30	(3.7)	19.5	12.5	10.5	0.6	0.6	4.0	4.8
BAM	HOLD	6.80	7.50	(3.0)	16.8	12.5	10.7	0.5	0.5	6.4	7.5
JMT	SELL	9.40	8.50	22.9	2.2	10.9	10.7	0.5	0.5	5.5	5.6
KTC	BUY	29.50	35.00	1.6	2.7	9.6	9.4	1.7	1.6	6.2	6.4
MTC	BUY	28.75	45.00	13.4	11.5	8.0	7.2	1.2	1.1	1.9	2.1
SAK	BUY	3.12	4.60	18.1	11.7	6.3	5.6	0.9	0.8	7.2	8.0
SAWAD	BUY	22.50	32.00	7.1	11.0	7.0	6.3	1.0	0.9	6.5	7.2
THANI	BUY	1.69	2.30	3.6	13.5	8.9	7.8	0.7	0.7	6.2	7.0
TIDLOR	BUY	16.00	17.00	7.7	10.3	8.7	7.9	1.2	1.1	4.6	5.1

Sources: Company data, ttb wealth estimates

General Disclaimers And Disclosures:

This report is prepared and issued by ttb wealth securities public company limited (ttbwealth) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of ttbwealth, TMBThanachart Bank Public Company Limited (TTB) and its group companies. Copyright © ttb wealth securities public company limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of ttbwealth. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which ttbwealth or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither ttbwealth, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, ttbwealth, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

ttbwealth, TTB and its group companies perform and seek to perform business with companies covered in this report. ttbwealth, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. ttbwealth, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Disclosure of Interest of ttb wealth securities public company limited

Investment Banking Relationship

Within the preceding 12 months, ttbwealth has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: -