THAILAND	Sector Note
Sector Weighting	Overweight

Thailand Finance Sector

Beyond the trough

Sector Valuation Company	BBG Code	Rec.	Current price (Bt)	Target price (Bt)	Norm EPS grw 2026F (%)	Norm EPS grw 2027F (%)	Norm PE 2026F (x)	Norm PE 2027F (x)	P/BV 2026F (x)	P/BV 2027F (x)	Div yield 2026F (%)	Div yield 2027F (%)
Asia Sermkij Leasing	ASK TB	BUY	10.20	13.00	51.6	15.4	8.1	7.0	0.6	0.6	5.6	6.4
Ratchthani Leasing	THANI TB	BUY	1.76	2.50	18.5	9.7	8.1	7.3	0.7	0.7	6.8	7.5

Source: ttb wealth estimates, based on 2 July 2026 closing prices

Thailand's truck financiers have turned the corner, but the market hasn't priced it in. A demand recovery, fading asset quality risk, and 34/12/10% y-y earnings growth in 2026-28F point to a clear re-rating opportunity. We upgrade ASK to BUY and continue to favor THANI as the stronger play for balance sheet quality.

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Turning the corner

We turn more positive on Thailand's truck financing sector, as we believe fundamentals are improving faster than expected across three dimensions. ***First***, truck demand has likely bottomed after the sharp 2024-25 correction. ***Second***, asset quality risks are fading, as temporary diesel price pressures have not translated into meaningful credit deterioration, supported by disciplined underwriting and improving supply-demand dynamics. ***Lastly***, its earnings recovery will likely exceed expectations, with sector net profit forecast to grow 34/12/10% y-y in 2026-28F. We raise our sector net profit estimates by 29-32% p.a. for 2026-28F, driven by lower credit costs and a gradual NIM improvement. We upgrade ASK from Sell to BUY due to improving asset quality, while maintaining our BUY call on THANI as our preferred pick, supported by its stronger balance sheet and better downside protection.

Truck demand recovery has already started

The truck market has turned the corner. Annual sales collapsed from 31k units in 2021-23 to 15-16k units in 2024-25, but have since rebounded sharply — up 32% y-y in 1Q26 and ~30% y-y in April to May, even amid geopolitical uncertainty. The recovery is driven by the clearance of the supply overhang and stronger export-linked freight demand (exports +17% y-y in 5M26). Looking ahead, the Bt775bn government infrastructure pipeline scheduled for 2026-28F should further lift truck demand. We expect sector loans to dip 6% y-y in 2026F (-15% y-y in 2025) as repayments remain elevated and lenders stay selective amid higher oil prices in 1H26, before resuming growth at 3/5% y-y in 2027-28F as the demand recovery gains traction.

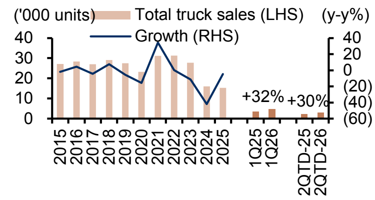
Improving asset quality

We see asset quality risk as overdone. The 2022-23 shock was driven by an eight- to nine-month oil price spike, weak pricing power among truck operators, and aggressive loan growth by lenders. Today's environment is different: years of disciplined underwriting have left cleaner loan books, used truck prices have remained positive y-y through April 2026, and the March 2026 oil spike has already proved short-lived. Managements also confirmed that asset quality remained healthy through April-May 2026, reinforcing our view that the situation should stay contained. We estimate sector credit costs to fall to 1.7/1.4/1.2% in 2026-28F from 2.3% in 2025.

Loan yields set to increase

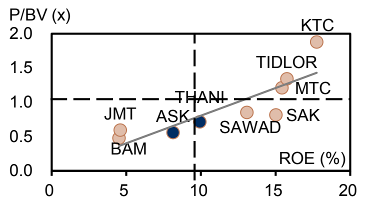
Loan yields for ASK and THANI have been pressured by elevated write-offs and weaker loan growth over the past two years. As loan origination recovers and credit quality improves, interest income should normalize while lenders may gradually expand into slightly higher-yield customer segments. Together with easing funding costs, we expect sector NIM to improve steadily through 2026-28F to 5.03/5.18/5.21% from 4.53% in 2025.

New Truck Sales



Sources: Company data; ttb wealth estimates

P/BV Vs. ROE In 2027F



Sources: Company data; ttb wealth estimates

Change In Ratings And TPs

Stocks	TP (Bt/share) New	TP (Bt/share) Old	Rec. New	Rec. Old
ASK	13.0	7.3	BUY	SELL
THANI	2.5	2.3	BUY	BUY

Sources: Company data; ttb wealth estimates

Turning the corner

A more positive view of the truck financing sector

We turn more positive on Thailand's truck financing sector as we believe the industry has moved beyond its cyclical trough and entered the early stage of a recovery phase. While market sentiment remains cautious due to concerns over oil price volatility and macroeconomic uncertainty, recent indicators suggest that underlying fundamentals are improving faster than expected. We see three drivers supporting a stronger sector outlook:

First, truck demand appears to have passed its bottom after the sharp correction during 2024-25, with new truck sales up 32% y-y in 1Q26 and sustained into April and May.

Second, asset quality is better than we'd feared. Conservative underwriting over the past two years has de-risked the portfolio ahead of the recovery, and supply-demand rebalancing in the used-truck market means operators can now pass through cost increases amid the temporary high diesel price environment.

Third, the sector's earnings recovery could prove stronger than expected as lower credit costs and improving margins support profitability.

As a result, we raise our sector earnings estimates by 29-32% p.a.in 2026-28F, driven primarily by lower expected credit costs and gradually improving NIM assumptions.

Upgrading ASK to BUY; maintaining THANI as our top sector pick

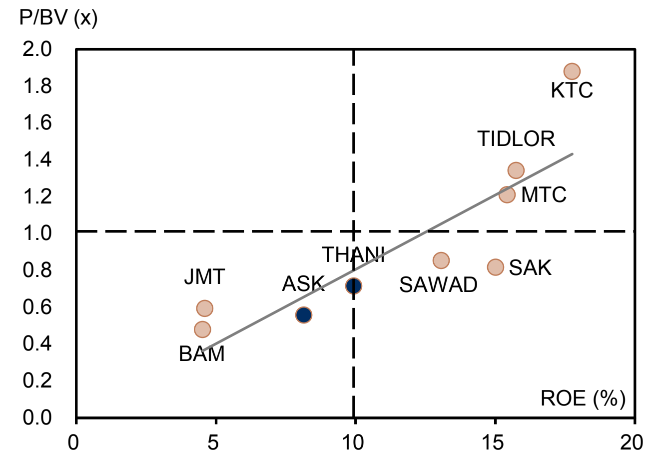
We upgrade ASK from Sell to BUY due to a faster-than-expected recovery in asset quality. We maintain our BUY call on THANI and retain it as our sector top pick — while ASK's 2026F earnings growth is sharper, the gap narrows materially by 2027F, and THANI's stronger balance sheet (lower NPL ratio, higher coverage, lower D/E) provides superior downside protection.

Ex 1: Earnings Revisions Summary

	ASK			THANI			Sector		
	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Net profit (Bt m)									
New	891	1,028	1,158	1,360	1,492	1,603	2,251	2,520	2,761
Old	512	612	714	1,189	1,349	1,400	1,701	1,961	2,114
Diff (%)	*74*	*68*	*62*	*14*	*11*	*14*	*32*	*29*	*31*
Loan growth (y-y %)									
New	(6.00)	3.00	5.00	(6.00)	3.00	5.00	(6.00)	3.00	5.00
Old	1.00	2.00	3.00	2.00	5.00	3.00	1.40	3.50	3.00
Diff (ppt)	*(7.00)*	*1.00*	*2.00*	*(8.00)*	*(2.00)*	*2.00*	*(7.40)*	*(0.50)*	*2.00*
NIM (%)									
New	5.12	5.21	5.24	4.91	5.12	5.16	5.03	5.18	5.21
Old	4.64	4.71	4.75	4.60	4.73	4.67	4.62	4.72	4.71
Diff (ppt)	*0.48*	*0.50*	*0.50*	*0.31*	*0.39*	*0.50*	*0.41*	*0.46*	*0.50*
Credit costs (%)									
New	2.00	1.60	1.40	1.30	1.10	1.00	1.72	1.40	1.24
Old	2.50	2.40	2.30	1.85	1.70	1.70	2.22	2.10	2.04
Diff (ppt)	*(0.50)*	*(0.80)*	*(0.90)*	*(0.55)*	*(0.60)*	*(0.70)*	*(0.50)*	*(0.70)*	*(0.80)*

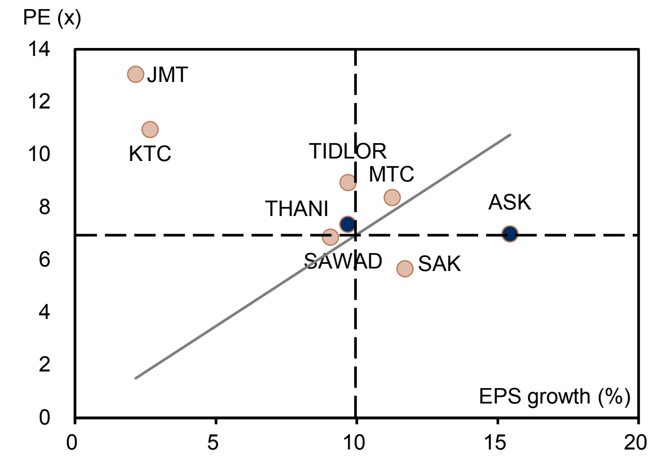
Source: ttb wealth estimates

Ex 2: P/BV Vs. ROE In 2027F



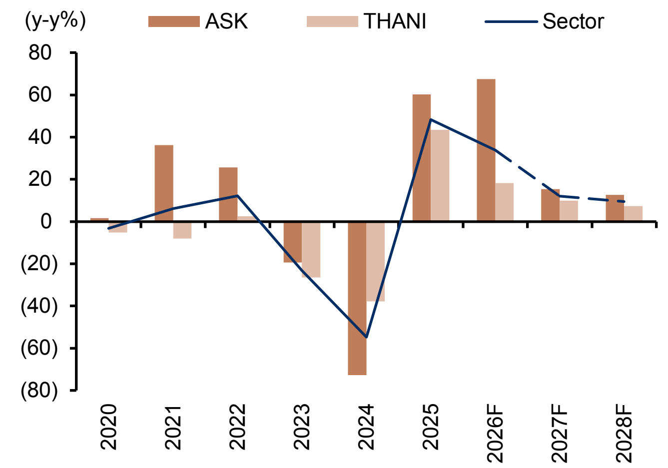
Source: ttb wealth estimates

Ex 3: PE Vs. EPS Growth In 2027F



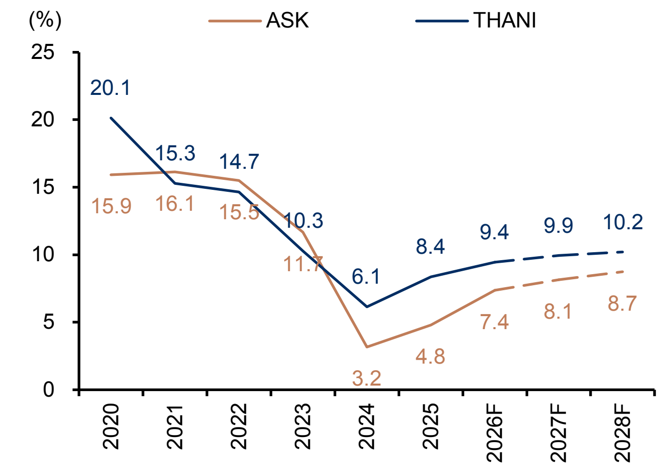
Source: ttb wealth estimates

Ex 4: Net Profit Growth



Sources: Company data, ttb wealth estimates

Ex 5: ROE



Sources: Company data, ttb wealth estimates

Ex 6: Key Catalysts Underpinning Us Turning More Positive On The Sector

Catalyst	Rationale	Conviction
Demand Recovery	Truck sales +32% y-y in 1Q26; sustained +30% y-y in April and May despite geopolitical uncertainty — confirming demand normalization beyond a single quarter	Medium
Asset Quality Stabilization	NPL formation manageable; repossession flow declining; conservative underwriting over 2023–25 has de-risked the portfolio ahead of the cycle turning	High
NIM / Loan Yield Expansion	Portfolio mix shift toward new disbursements; reduced write-off drag on interest income recognition; potential for modest risk appetite expansion	High
Credit Costs Decline	Collateral value recovery and supply rebalancing reduce loss-given-default; provisioning normalization drives 29–32% earnings upgrade	High
Export & FDI Tailwinds	Continued manufacturing export growth and returning FDI underpin freight demand and fleet replacement cycle	Medium
Construction Capex Recovery	Infrastructure pipeline and industrial zone development expected to drive heavy truck demand from 2H26F onward	Medium
Fuel Price Moderation	Geopolitical risk premium historically temporary; logistics operators now able to pass through costs given tighter supply	Medium

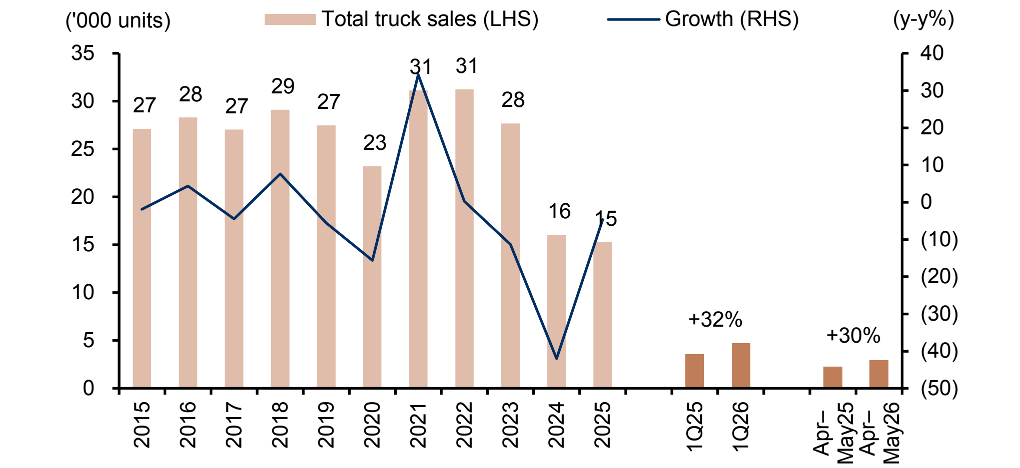
Sources: Company data, ttb wealth estimates

Demand recovery has already started

Improvement in new truck sales in 5M26, driven by…

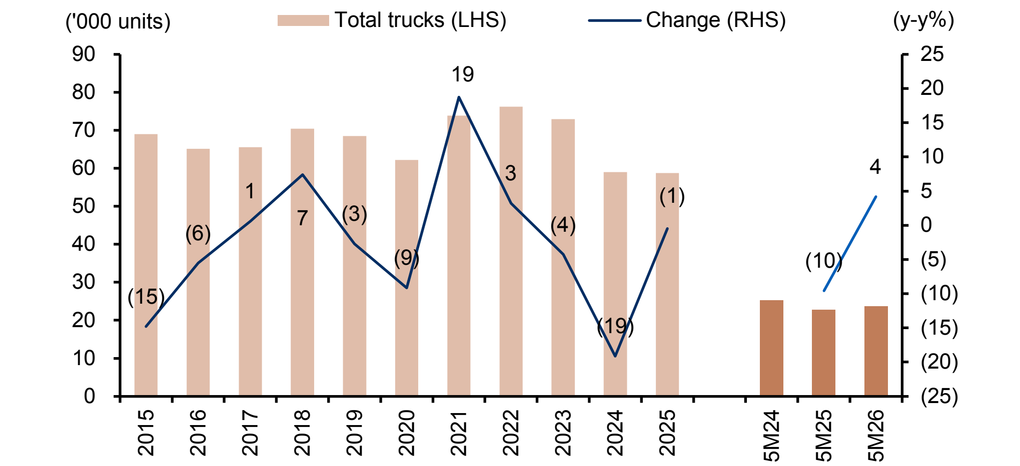
The truck market bottomed in 2024-25, when annual sales collapsed to 15-16k units from a peak of 31k units in 2021-23. The recovery is now clearly underway: sales jumped 32% y-y in 1Q26 and held at ~30% y-y in April to May — even after Middle East tensions escalated — bolstering our view that this is a cycle turn, not a base-effect bounce.

Ex 7: New Truck Sales



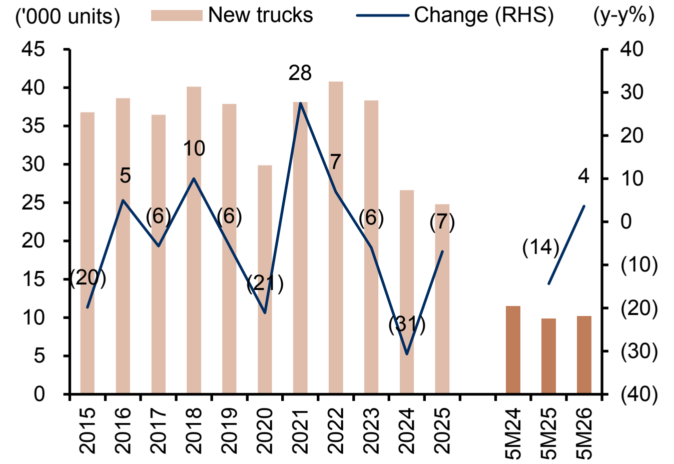
Source: The Federation of Thai Industries

Ex 8: Total Registered Trucks



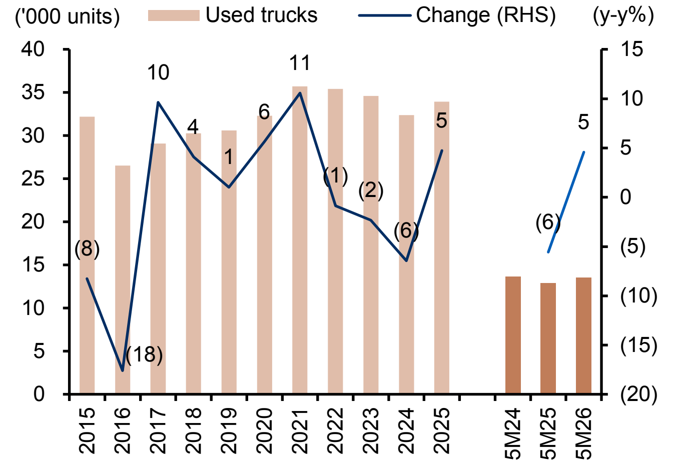
Source: Department of Land Transport

Ex 9: New Registered Trucks



Source: Department of Land Transport

Ex 10: Used Registered Trucks



Source: Department of Land Transport

...more balanced demand and supply, and a solid export sector

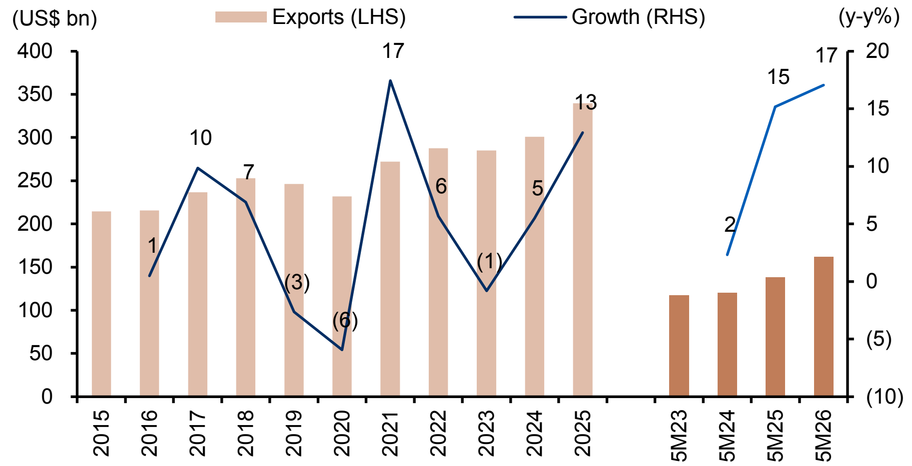
We see two forces driving the inflection. First, excess supply has been cleared. The repossession wave of 2023-25 flooded the used-truck auction market, but that stock has now been absorbed — removing the overhang that had suppressed both new purchases and collateral values. Second, freight demand is recovering. Thailand's exports grew 17% y-y in 5M26, lifting logistics volumes and pushing fleet utilization higher, eventually converting into replacement purchases.

Ex 11: Supply-Demand Cycle: From Boom to Recovery

Period	Demand Dynamics	Supply / AQ Dynamics	Cycle Phase
2021–2022	Pent-up demand + e-commerce boom; aggressive fleet expansion	Supply glut building; financing standards loosened	Boom
2023–2025	High fuel costs, excess supply; operators cannot pass through costs; NPL rise	Repossessions peak; supply absorbed via auction market	Trough
2026–2028F	Supply-demand rebalanced; pricing power returning; export/FDI demand recovery	Selective lending; lower credit costs; loan yield stabilizing	Recovery

Sources: Company data, ttb wealth estimates

Ex 12: Thailand's Exports



Source: Ministry of Commerce

Robust exports and a new investment cycle should support the resumption of truck demand

We believe the recovery has further to run, supported by two additional tailwinds that have yet to fully materialize. Export momentum should persist, underpinned by manufacturing relocation, electronics demand, and regional supply chain diversification. More importantly for heavy truck demand, a major domestic construction cycle is approaching: government agencies are scheduled to open bids on Bt775bn of mega-infrastructure projects over 2026-28, with Bt369bn — including three highway projects, two expressways, and the Thai-Chinese high-speed rail Phase 2 — coming to bid as early as late 2026. Infrastructure build-out of this scale has historically driven a multi-year step-up in heavy- and medium-duty truck demand for construction logistics and materials transport.

The cycle has turned. An export recovery is already increasing demand; the construction pipeline should push it further.

Ex 13: Thailand's Potential Infrastructure Projects In 2026-28F

Projects scheduled for bidding	Value (Bt bn)	Status	Bidding year	Construction period
Department of Highways				
M82: O&M work - Bang Khun Thian - Ban Phaeo	15.7	– Under the bidding process for E&M work (Bt1.1bn) and O&M work (Bt14.7bn)	2026	2026-59
M5: Rangsit - Bang pa-in	25.0	– Cabinet-approved. Under the TOR preparation process	2026	2028-31
M9: Bang Khun Thian - Bang Bua Thong	56.0	– Cabinet-approved. Under the TOR preparation process	2026	2028-31
M8: Nakorn Pathom - Pak Tho	61.0	– Investment scheme under study to propose to the Transport Minister and NESDC	2027-28	2028-34
Expressway Authority of Thailand				
Expressway: Kratuu - Patong	10.9	– Modifying the design to repropose to EXAT's board, the Transport Minister, and Cabinet	2026	2027-31
Expressway: N2 Chalong Rat - ORR	14.0	– Reviewing the construction costs to repropose to EXAT's board, the Transport Minister, and Cabinet	2026	2027-31
State Railway of Thailand				
High-speed train: Phase 2 Korat - Nong Khai	235.0	– Cabinet-approved. Under the TOR preparation process	2026	2026-31
Double track: Chumphon - Surat Thani	29.0	– Despite NESDC approval, the change in government means SRT must resubmit it to the Transport Minister and Cabinet.	2027	na
Double track: Surat Thani - Hat Yai Junction - Song Kla	64.5	– Despite NESDC approval, the change in government means SRT must resubmit it to the Transport Minister and Cabinet.	2027	na
Double track: Hat Yai Junction - Padangbesar	7.5	– Despite NESDC approval, the change in government means SRT must resubmit it to the Transport Minister and Cabinet.	2027	na
Double track: Pak Nam Pho - Den Chai	77.8	– Reviewing the expropriation plan	2028	na
Double track: Den Chai - Chiang Mai	63.5	– Reviewing the expropriation plan	2028	na
Double track: Chira Junction - Ubonratchathani	43.0	– Reviewing the expropriation plan	2028	na

Sources: CK, STECON, Department of Highways, Expressway Authority of Thailand, State Railway of Thailand, Airports of Thailand, ttb wealth estimates

Ex 13: Thailand's Potential Infrastructure Projects In 2026-28F (Con't)

Projects scheduled for bidding	Value (Bt bn)	Status	Bidding year	Construction period
Airports				
Suvarnabhumi Airport: East expansion	12.0	– Under reconsideration by the NESDC and OTP before submission to the Transport Minister and Cabinet	2026	2027-31
Don Mueang Airport: Phase 3	60.0	– Under reconsideration by the NESDC and OTP before submission to the Transport Minister and Cabinet	2027	2028-34
Total	**774.9**			
Projects planned for negotiation with operators				
Expressway: Double deck	35.0	– Renegotiating toll rates before submission to the PPP Committee, Transport Minister, and Cabinet	2026	2027-30
South Purple Line: O&M work	27.0	– The project analysis report under the PPP Act is to be proposed to the MRTA board, Transport Minister, and Cabinet	2027	2027-30
Total	**62.0**			

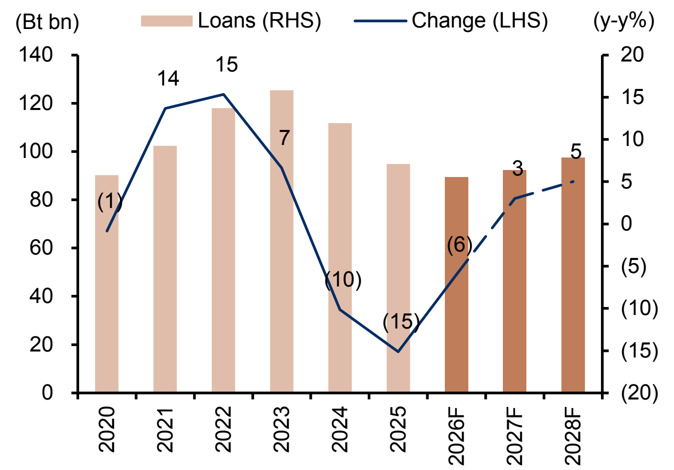
Sources: CK, STECON, Department of Highways, Expressway Authority of Thailand, State Railway of Thailand, Airports of Thailand, ttb wealth estimates

We expect sector loan growth of -6/+3+5% y-y in 2026-28F

We estimate sector loan volume to decline 6% y-y in 2026F vs. (-15% y-y in 2025), as elevated oil prices in 1H26 prompt lenders to remain selective — new disbursements are expected to be largely offset by repayments, despite lower write-offs. Growth should resume in 2027F at 3% y-y as the operating environment normalizes, accelerating to 5% y-y in 2028F as the demand recovery and infrastructure-driven freight activity translate more fully into new lending.

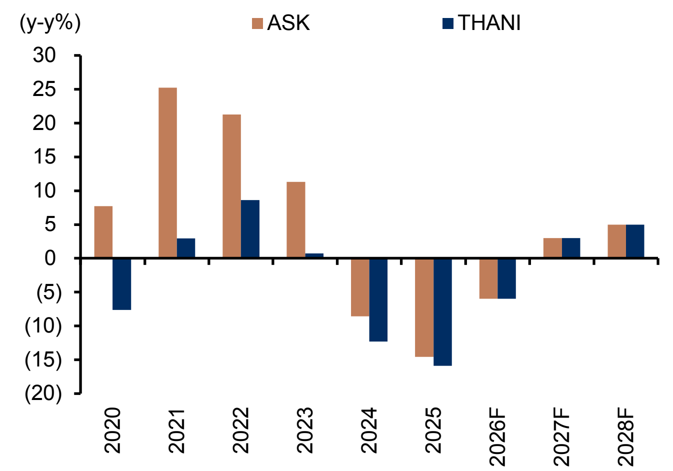
We currently expect loan growth of THANI and ASK at the same pace in 2026-28F of -6/+3/+5% y-y, as we believe that both of them will benefit from the truck industry recovery.

Ex 14: Sector Loan Growth



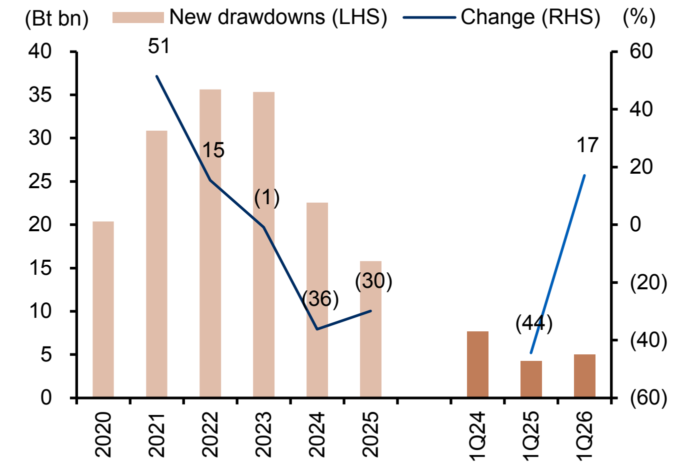
Sources: Company data, ttb wealth estimates

Ex 15: ASK And THANI's Loan Growth



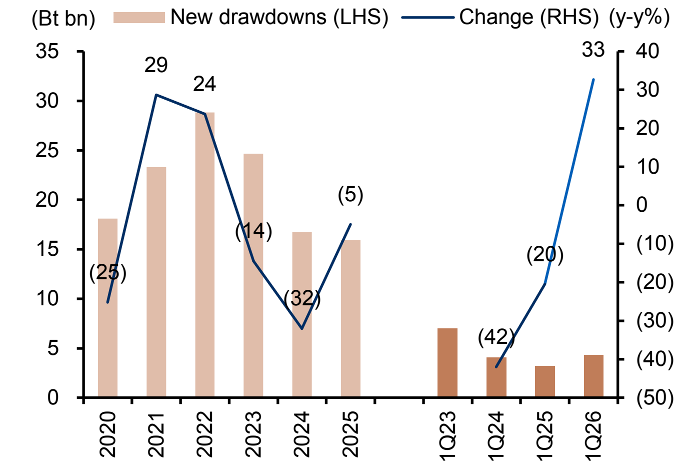
Sources: Company data, ttb wealth estimates

Ex 16: ASK's New Disbursements



Sources: Company data, ttb wealth estimates

Ex 17: THANI's New Disbursements



Sources: Company data, ttb wealth estimates

Improving asset quality

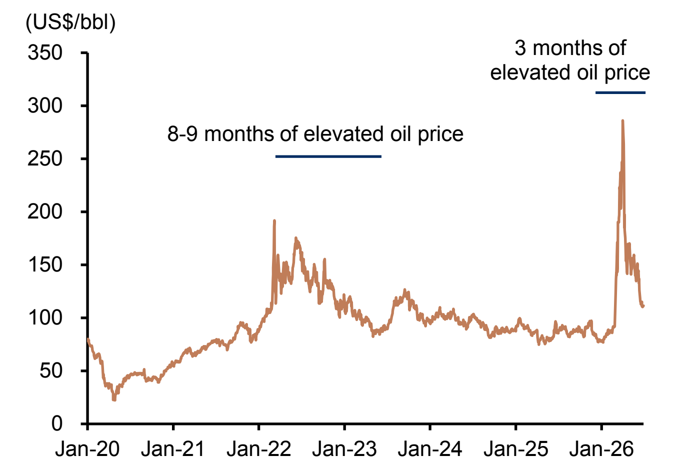
Cleaner loan books and disciplined lending support an asset quality recovery

We believe asset quality concerns for the truck finance sector are overdone, as credit trends remain resilient and the recent oil price shock is unlikely to repeat the disruption seen in 2022–23.

The sector faced a meaningful credit-quality challenge in 2022-23, when the Russia–Ukraine war pushed oil prices sharply higher for an extended period of eight to nine months. At the time, truck operators faced rising fuel costs but had limited ability to pass them on due to excess fleet supply and weak pricing power. Meanwhile, lenders had aggressively expanded their loan books during 2021-22, resulting in weaker portfolio quality entering the downturn.

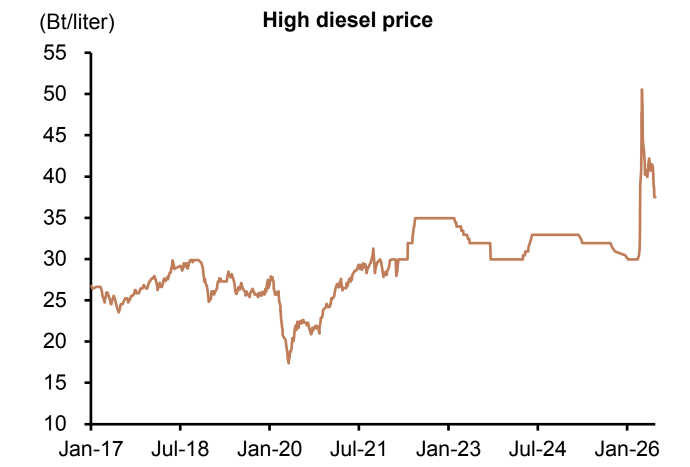
Lenders subsequently shifted their focus from growth to portfolio quality. During 2023-25, both ASK and THANI tightened underwriting standards, slowed disbursements, and accelerated write-offs to clean up their loan books. By late 2025, asset quality had already begun improving alongside early signs of a recovery in truck demand.

Ex 18: Global Diesel Prices



Source: Bloomberg

Ex 19: Retail Diesel Price In Thailand



Source: Bangchak

Oil spike shorter, supply balanced, books cleaner — risk looks overdone

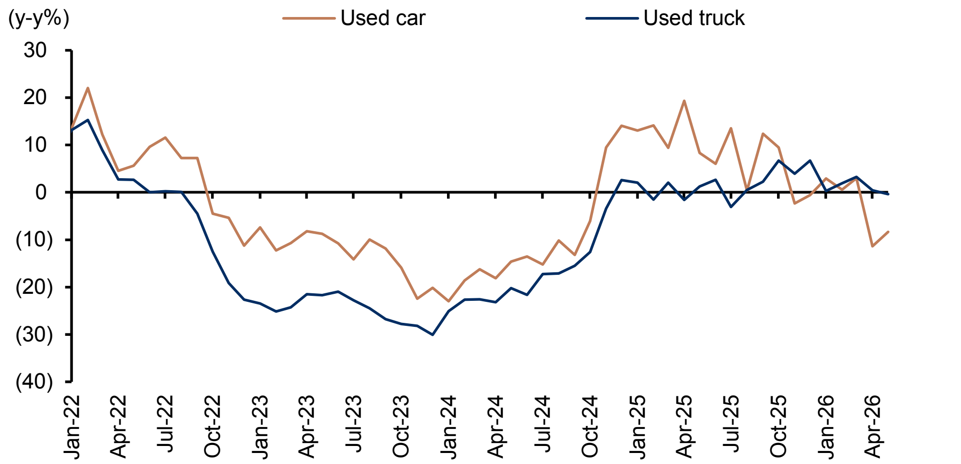
Market concerns resurfaced in March 2026 when oil prices spiked again following the Middle East conflict. However, we believe the risk of a repeat asset quality shock is limited for three reasons:

First, the recent oil price increase was much short-lived, easing within roughly three months as geopolitical tensions moderated, compared with the prolonged eight- to nine-month spike in 2022. **Second,** truck market supply-demand conditions have normalized, with used truck prices remaining positive y-y during January-April 2026, suggesting excess supply has largely been absorbed. **Third,** portfolio quality is materially stronger following several years of disciplined lending, leaving the sector in a much healthier position than before the previous downturn. Management checks during April-May 2026 also showed no signs of a renewed deterioration in asset quality.

We thus forecast sector credit costs to decline to 172/151/148bps in 2026-28F from 228bps in 2025, broadly in line with our expectation that NPLs will fall by 17/6/7% y-y over the same period. We also expect write-offs to normalize, declining to 2.3/1.6/1.6% from 3.1% in 2025.

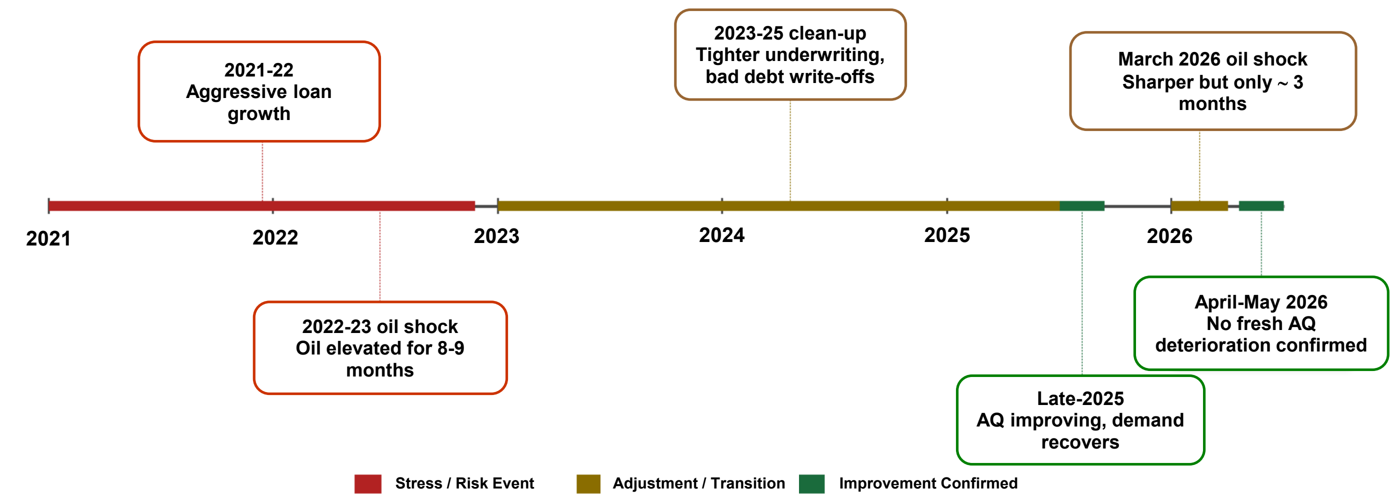
We believe ASK has greater room for further normalization of credit costs, as its current NPL level remains well above the 2021 level, before the truck sector's NPL cycle began. This asymmetry is the primary driver of ASK's stronger net profit CAGR of 30% over 2026-28F vs. THANI's steadier 12% p.a., and is the core reason ASK offers a higher earnings beta to the truck cycle recovery.

Ex 20: Used Truck Price Index



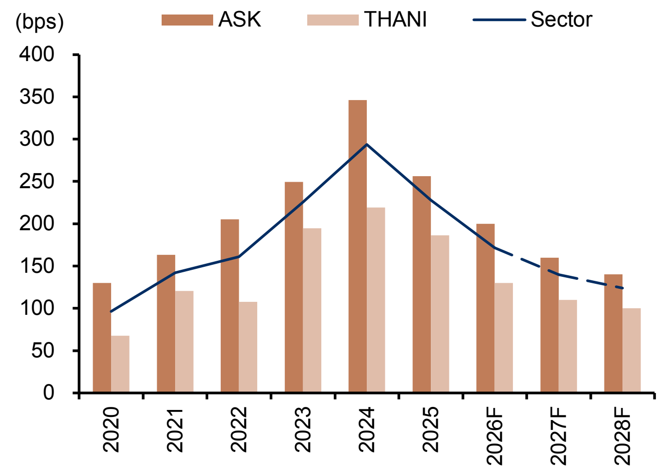
Source: Bank of Thailand

Ex 21: Asset Quality Timeline: From the 2022 Shock to Today



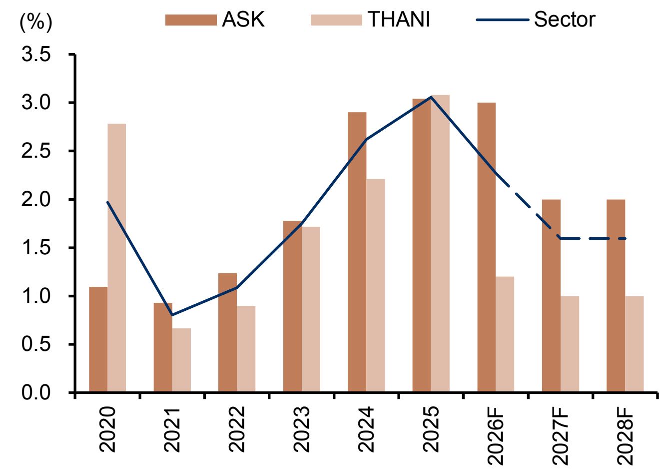
Source: Company data

Ex 22: Credit Costs



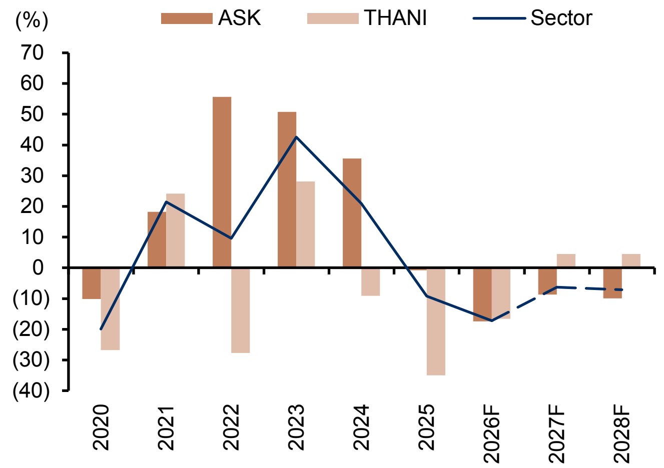
Sources: Company data, ttb wealth estimates

Ex 23: Write-off Rates



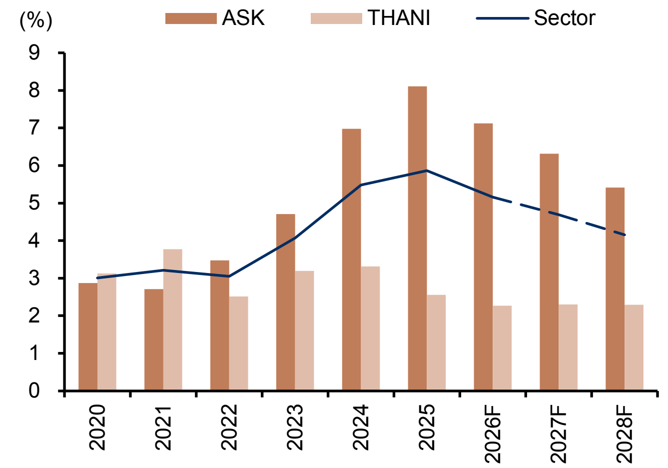
Sources: Company data, ttb wealth estimates

Ex 24: NPL Growth



Sources: Company data, ttb wealth estimates

Ex 25: NPL Ratios



Sources: Company data, ttb wealth estimates

Loan yields set to increase

New lending and lower funding costs drive NIM recovery

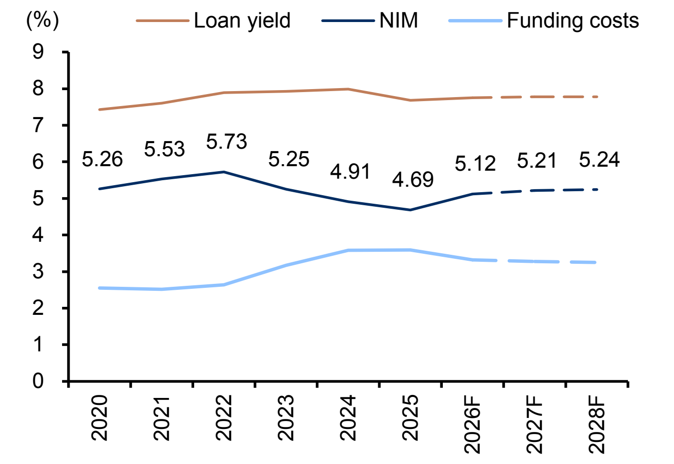
Loan yield compression has been one of the more headwinds for truck financiers over the past two years. The compression reflects two dynamics: first, the direct impact of write-offs and NPL formation on interest income recognition (income ceases to accrue on non-performing assets); and second, a more conservative portfolio mix as the companies pulled back from higher-risk, higher-yield segments.

We expect loan yields to stabilize and gradually improve over 2H26–2027F for the following reasons:

- **New disbursement flow:** As truck sales recover and new lending volumes increase, the proportion of earning assets generating full contractual interest income should rise. New loan originations at current market rates are incrementally diluting the drag from legacy non-performing books.
- **Reduced write-off drag:** As NPL formation peaks and credit costs decline, the negative impact on recognized interest income from write-offs and stop-accrual policies should diminish.
- **Modest risk appetite expansion:** As the credit environment improves, both companies may selectively re-enter higher-risk segments that were previously excluded from their target markets. A marginal increase in risk appetite for creditworthy but slightly higher-risk borrowers would support a recovery in loan yields without materially increasing credit costs — provided underwriting discipline is maintained.

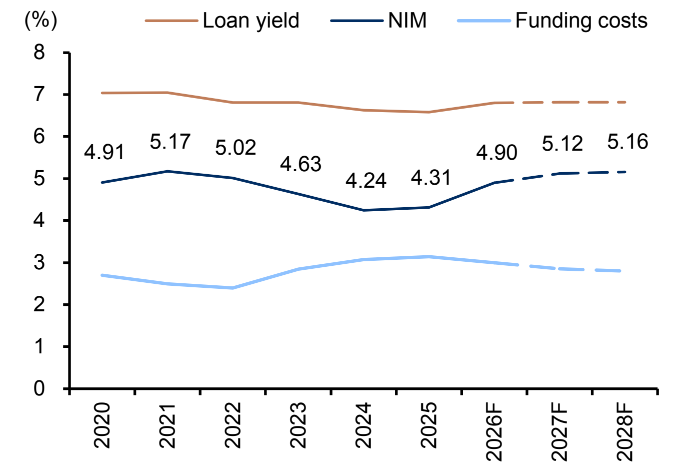
In addition, we expect sector funding costs to continue trending lower as both ASK and THANI benefit from the repricing of debentures and fixed-rate bank borrowings at lower rates. We estimate sector NIM to gradually expand to 5.03/5.18/5.21% in 2026-28F from 4.53% in 2025.

Ex 26: ASK's NIM



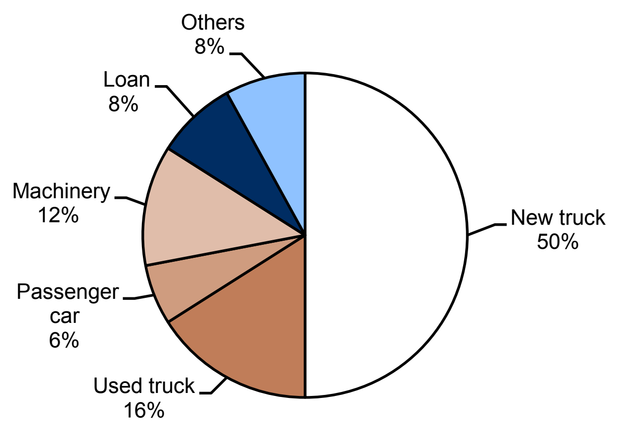
Sources: Company data, ttb wealth estimates

Ex 27: THANI's NIM



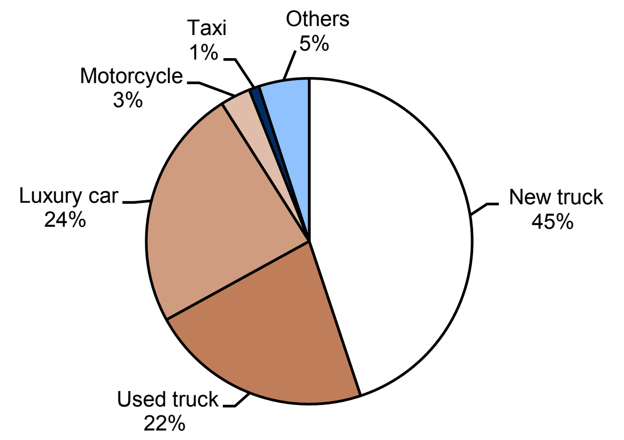
Sources: Company data, ttb wealth estimates

Ex 28: ASK's Portfolio Structure As Of 1Q26



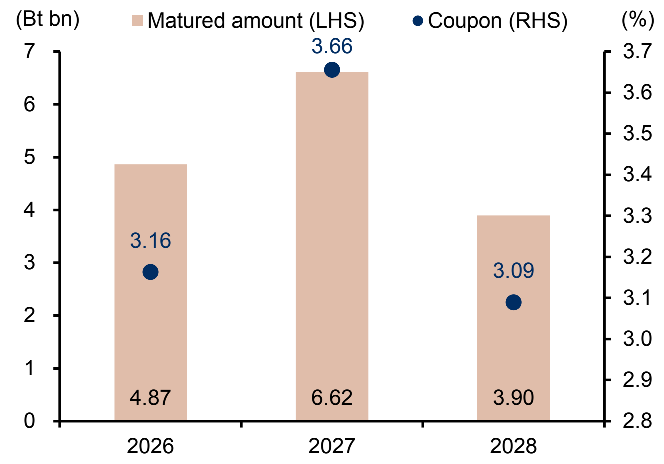
Source: Company data

Ex 29: THANI's Portfolio Structure As Of 1Q26



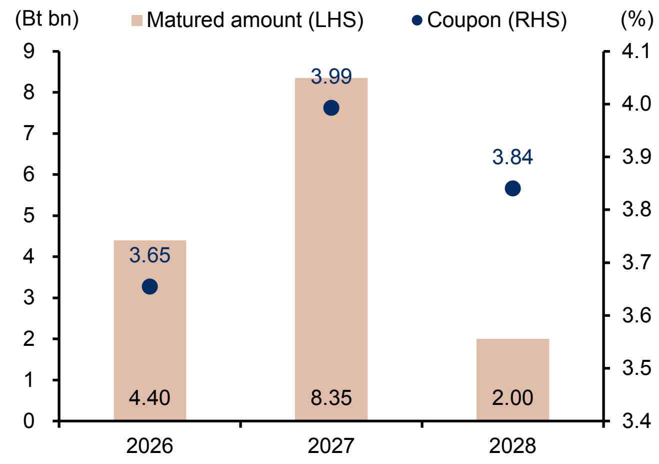
Source: Company data

Ex 30: ASK's Matured Debentures



Sources: Company data, ttb wealth estimates

Ex 31: THANI's Matured Debentures



Sources: Company data, ttb wealth estimates

Ex 32: Key Assumptions Comparison

		ASK	THANI	Industry
Rating		**BUY**	**BUY**	**Overweight**
Target price	**(Bt)**	**13.00**	**2.50**	
Upside	(%)	*27.5*	*42.0*	
Consensus TP	**(Bt)**	**10.47**	**2.06**	
Differ from consensus	(%)	*24.2*	*21.3*	
Market cap.	**(US$ m)**	**216**	**329**	
Pre-provision profit (Bt m)	2025A	2,304	2,283	**4,587**
	2026F	2,252	2,203	**4,455**
	2027F	2,197	2,284	**4,481**
	2028F	2,281	2,399	**4,681**
Net profit (Bt m)	2025A	532	1,148	**1,679**
	2026F	891	1,360	**2,251**
	2027F	1,028	1,492	**2,520**
	2028F	1,158	1,603	**2,761**
Loan growth (y-y %)	2025A	(14.6)	(15.9)	**(15.1)**
	2026F	(6.0)	(6.0)	**(6.0)**
	2027F	3.0	3.0	**3.0**
	2028F	5.0	5.0	**5.0**
Borrowing growth (y-y %)	2025A	(21.4)	(23.8)	**(22.4)**
	2026F	(7.5)	4.0	**(8.3)**
	2027F	2.3	2.3	**1.3**
	2028F	5.4	(0.7)	**5.7**
NIM (%)	2025A	4.7	4.3	4.5
	2026F	5.1	4.9	5.0
	2027F	5.2	5.1	5.2
	2028F	5.2	5.2	5.2
Non-interest income growth (%)	2025A	(15.0)	(0.7)	**(6.9)**
	2026F	7.5	(0.8)	**2.5**
	2027F	3.0	5.8	**4.6**
	2028F	3.0	5.4	**4.4**
Credit cost (bps)	2025A	256	186	**228**
	2026F	200	130	**172**
	2027F	160	110	**140**
	2028F	140	100	**124**
NPL ratio (%)	2025A	8.1	2.6	**5.9**
	2026F	7.1	2.3	**5.2**
	2027F	6.3	2.3	**4.7**
	2028F	5.4	2.3	**4.1**
ROE (%)	2025A	4.8	8.4	**6.8**
	2026F	7.4	9.5	**8.5**
	2027F	8.1	9.9	**9.1**
	2028F	8.7	10.2	**9.5**
Coverage ratio (%)	2025A	53.6	130.1	**67.1**
	2026F	51.7	162.1	**71.4**
	2027F	49.9	158.7	**71.5**
	2028F	43.8	150.7	**67.7**

Sources: Company data, ttb wealth estimates, based on 2 July 2026 closing prices

Valuation Comparison

Ex 33: Valuation Comparison With Regional Peers

			EPS growth		—— PE ——		—— P/BV ——		—— ROE ——		— Div. yield —	
Name	**BBG code**	**Market**	**26F**	**27F**	**26F**	**27F**	**26F**	**27F**	**26F**	**27F**	**26F**	**27F**
Finvolution Group	FINV US	China	na	18.0	0.6	0.5	0.1	0.1	12.1	12.8	46.8	52.8
Mahindra & Mahindra Fin Secs	MMFS IN	India	3.0	13.2	15.0	13.3	1.7	1.6	12.6	12.4	2.2	2.4
Bajaj Finance Ltd	BAF IN	India	0.8	29.2	33.0	25.6	5.6	4.7	18.5	19.9	0.5	0.7
Manappuram Finance Ltd	MGFL IN	India	(10.2)	117.9	30.4	13.9	2.0	1.7	7.3	12.5	0.9	1.2
GMO Payment Gateway Inc.	3769 JP	Japan	12.7	22.0	29.3	24.0	5.6	4.9	20.6	22.5	1.8	2.2
Infomart Corp.	2492 JP	Japan	49.9	26.7	31.4	24.8	6.0	5.3	22.2	29.4	1.6	2.0
Ally Financial Inc	ALLY US	US	118.7	22.6	8.8	7.2	1.0	0.9	10.9	12.3	2.7	2.8
World Acceptance Corp	WRLD US	US	1.0	55.4	31.0	20.0	na	na	na	na	na	na
Navient Corp	NAVI US	US	na	32.2	12.2	9.2	0.3	0.3	2.7	3.4	7.3	7.3
SLM Corp	SLM US	US	(10.5)	7.7	8.1	7.6	2.0	1.7	26.5	25.4	2.1	2.2
Asia Sermkij Leasing *	ASK TB	Thailand	51.6	15.4	8.1	7.0	0.6	0.6	7.4	8.1	5.6	6.4
Bangkok Commercial Asset Mgt.*	BAM TB	Thailand	(3.0)	16.8	12.5	10.7	0.5	0.5	3.9	4.5	6.4	7.5
Chayo Group	CHAYO TB	Thailand	na	2.2	4.2	4.1	0.3	0.3	5.5	5.2	0.0	0.0
JMT Network Services *	JMT TB	Thailand	22.9	2.2	13.3	13.1	0.6	0.6	4.6	4.6	4.5	4.6
Krungthai Card *	KTC TB	Thailand	1.6	2.7	11.3	11.0	2.0	1.9	17.9	17.7	5.3	5.5
Muangthai Capital *	MTC TB	Thailand	8.4	11.3	9.3	8.4	1.4	1.2	15.8	15.4	1.6	1.8
Saksiam Leasing *	SAK TB	Thailand	18.1	11.7	6.3	5.7	0.9	0.8	14.6	15.0	7.1	7.9
Srisawad Corporation *	SAWAD TB	Thailand	4.3	9.1	7.5	6.9	0.9	0.9	13.3	13.1	3.1	3.3
Ratchthani Leasing *	THANI TB	Thailand	18.5	9.7	8.1	7.3	0.7	0.7	9.5	9.9	6.8	7.5
Tidlor Holdings *	TIDLOR TB	Thailand	15.1	9.7	9.8	8.9	1.5	1.3	15.8	15.8	4.1	4.5
Average			**17.8**	**21.8**	**14.5**	**11.5**	**1.8**	**1.6**	**12.7**	**13.7**	**5.8**	**6.5**

Source: Bloomberg

Note: * ttb wealth estimates using normalized EPS growth

Based on 2 July 2026 closing price

STOCK PERFORMANCE

	Absolute (%)				Rel SET (%)			
	1M	3M	12M	YTD	1M	3M	12M	YTD
SET Index	**0.3**	**8.7**	**43.6**	**26.5**	**—**	**—**	**—**	**—**
Finance Index	**7.5**	**12.3**	**16.5**	**9.9**	**7.2**	**3.6**	**(27.0)**	**(16.6)**
ASK	10.9	20.0	48.9	39.7	10.5	11.3	5.3	13.2
THANI	6.0	6.7	21.4	1.1	5.7	(2.1)	(22.2)	(25.4)

Source: Bloomberg

SECTOR - SWOT ANALYSIS

S — Strength

- Low market penetration
- High pricing power

W — Weakness

- Heavy reliance on wholesale funding
- Barriers to entry are not high

O — Opportunity

- Expansion into AEC markets

T — Threat

- Competition from banks
- Changes in rules and regulations

REGIONAL COMPARISON

	— EPS growth —		—— PE ——		—— P/BV ——		——— ROE———		—— Div. Yield ——	
Name	26F	27F	26F	27F	26F	27F	26F	27F	26F	27F
	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)
China	na	18.0	0.6	0.5	0.1	0.1	12.1	12.8	46.8	52.8
India	(2.1)	53.4	26.1	17.6	3.1	2.7	12.8	14.9	1.2	1.4
Japan	31.3	24.4	30.4	24.4	5.8	5.1	21.4	26.0	1.7	2.1
US	36.4	29.5	15.1	11.0	1.1	1.0	13.4	13.7	4.0	4.1
Thailand	35.1	12.6	8.1	7.2	0.7	0.6	8.4	9.0	6.2	7.0
Average	**25.2**	**27.6**	**16.0**	**12.1**	**2.1**	**1.9**	**13.6**	**15.3**	**12.0**	**13.5**
ASK	51.6	15.4	8.1	7.0	0.6	0.6	7.4	8.1	5.6	6.4
THANI	18.5	9.7	8.1	7.3	0.7	0.7	9.5	9.9	6.8	7.5
Average*	**35.1**	**12.6**	**8.1**	**7.2**	**0.7**	**0.6**	**8.4**	**9.0**	**6.2**	**7.0**

Sources: Bloomberg consensus
Note: * ttb wealth estimate – using normalized EPS and simple average calculation
Based on 2 July 2026 closing prices

BUY (From: SELL)

Change in Recommendation

TP: Bt 13.00 (From: Bt 7.30)

Upside : 27.5%

Asia Sermkij Leasing Pcl (ASK TB)

Earlier-stage recovery

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With the truck cycle turning, we see ASK as a high-beta play. Still at an earlier stage of recovery than peers, it offers greater upside if industry conditions continue to improve. We upgrade to BUY, backed by a 30% net profit CAGR over 2026–28F — yet trading at just 0.6x P/BV.

Improving fundamentals; upgrading to BUY

We upgrade ASK to BUY from Sell, lifting our 2026-28F net profits by 62-74% p.a. on lower credit costs and better NIM, and rolling over our DDM-based 12-month TP (2027F base year) to Bt13.0 from Bt7.3. ***First***, we expect net profit to grow a strong 68% y-y in 2026F, with a 30% CAGR over 2026-28F. ***Second***, asset quality is improving faster than expected and has held firm despite high 2Q26 oil prices. ***Lastly***, valuation remains attractive despite a 30% rally from the March 2026 low — ASK trades at just 7.0x 2027F PE and 0.6x P/BV for an 8.1% ROE. We still prefer Ratchthani Leasing Pcl (THANI TB, BUY, Bt1.77) for its stronger balance sheet, but ASK offers a higher beta given its earlier-stage recovery.

Earnings growth to accelerate

We expect ASK's net profit growth at 68% y-y in 2026F with a 30% CAGR over 2026-28F, driven by recovering truck demand and its internal balance sheet clean-up. Loan balances should still fall 6% y-y in 2026F (vs. -15% y-y in 2025) as repayments remain high. However, new lending should grow 20% y-y in 2026F, with outstanding loan growth resuming at 3/5% y-y from 2027–28F. NIM should recover from its 10-year low of 4.69% in 2025 to 5.12/5.21/5.24% over 2026-28F, supported by new lending momentum and declining funding costs. Fee income should return to growth at 7/3/3% y-y after falling 15% y-y in 2025, driven by higher origination volumes. On credit quality, declining NPLs and lower losses on repossessed vehicles should translate into meaningfully lower credit costs to 2.0/1.6/1.4% from 2.6% in 2025.

Asset quality recovery still has room to run

ASK's asset quality is improving faster than we'd expected. Gross NPLs peaked in 3Q25 and have since fallen for two consecutive quarters, while repossessed vehicles have declined steadily since 2Q25. Importantly, this improvement held firm even through high diesel prices in March-May 2026 — a period the market flagged as a key risk. We see meaningful room for this trend to continue. ASK's NPL ratio, while improving, was still 7.4% in 1Q26 – close to triple the 2.7% seen in 2021, before the truck sector's NPL cycle began. Repossessed vehicles also remained elevated at Bt1.4bn in 1Q26 vs. only Bt0.1bn in 2021. This gap implies a long runway for further normalization of NPL and credit costs.

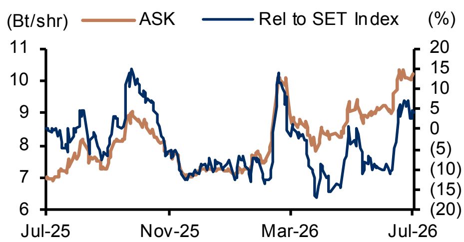
Solid 2Q26F despite fuel cost pressure

We expect ASK to post solid 2Q26F net profit of Bt235m (+93% y-y, +17% q-q). Loan contraction should ease to -1.5% q-q from –(4-5%) q-q per quarter in 2025. NIM should rise 17bps q-q to 5.04% on lower funding costs from a policy rate cut and a gradual yield recovery from new lending. NPLs should edge up just 1% q-q, while repossessed vehicles should continue to fall (-15% q-q), driving credit costs down 12bps q-q to 200bps.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Pre Provision Profit	2,304	2,252	2,197	2,281
Net profit	532	891	1,028	1,158
Consensus NP	–	656	746	887
Diff frm cons (%)	–	*35.8*	*37.8*	*30.6*
Norm profit	532	891	1,028	1,158
Prev. Norm profit	–	512	612	714
Chg frm prev (%)	–	*73.9*	*68.0*	*62.2*
Norm EPS (Bt)	0.83	1.27	1.46	1.65
Norm EPS grw (%)	32.8	51.6	15.4	12.6
Norm PE (x)	12.2	8.1	7.0	6.2
P/BV (x)	0.5	0.6	0.6	0.5
Div yield (%)	3.9	5.6	6.4	7.3
ROE (%)	4.8	7.4	8.1	8.7
ROA (%)	0.8	1.5	1.7	1.9

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 2-Jul-26 (Bt)	10.20
Market Cap (US$ m)	215.5
Listed Shares (m shares)	703.8
Free Float (%)	34.5
Avg. Daily Turnover (US$ m)	0.2
12M Price H/L (Bt)	10.30/6.90
Sector	Finance
Major Shareholder	Chailease group 48.49%

Sources: Bloomberg, Company data, ttb wealth estimates

ESG Summary Report P22

Ex 1: Earnings Revisions And Assumption Changes

	2024	2025	2026F	2027F	2028F
Normalized profit (Bt bn)					
- New	0.33	0.53	0.89	1.03	1.16
- Old			0.51	0.61	0.71
- Change (%)			*73.9*	*68.0*	*62.2*
Normalized EPS (Bt/share)					
- New	0.63	0.83	1.27	1.46	1.65
- Old			0.73	0.87	1.01
- Change (%)			*73.9*	*68.0*	*62.2*
Loan growth (%)					
- New	(8.57)	(14.60)	(6.00)	3.00	5.00
- Old			1.00	2.00	3.00
- Change (ppt)			*(7.0)*	*1.0*	*2.0*
NIM (%)					
- New	4.91	4.69	5.12	5.21	5.24
- Old			4.64	4.71	4.75
- Change (ppt)			*0.5*	*0.5*	*0.5*
Cost-to-income ratio (%)					
- New	30.66	35.06	36.03	37.96	38.23
- Old			37.31	36.98	36.41
- Change (ppt)			*(1.3)*	*1.0*	*1.8*
Credit costs (%)					
- New	3.46	2.56	2.00	1.60	1.40
- Old			2.50	2.40	2.30
- Change (ppt)			*(0.5)*	*(0.8)*	*(0.9)*
NPLs (Bt bn)					
- New	4.80	4.76	3.93	3.59	3.23
- Old			5.13	5.25	5.38
- Change (%)			*(23.4)*	*(31.7)*	*(40.0)*

Sources: Company data, ttb wealth estimates

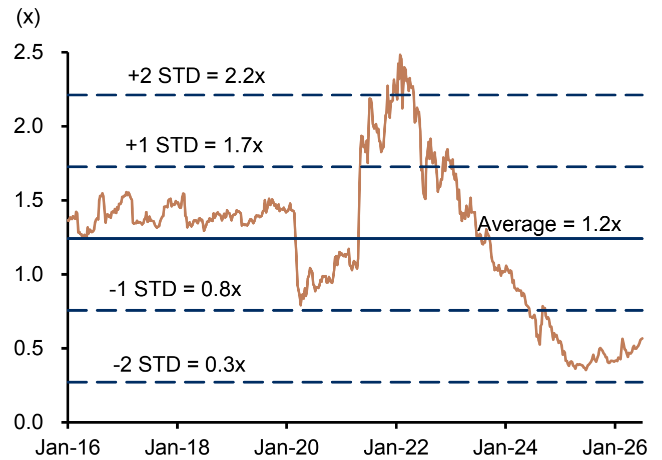
Ex 2: 12-month DDM-based Valuation Using A Base Year Of 2027F

(Bt m)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal value
Dividend of common shares	463	521	554	579	808	842	880	1,000	1,047	1,098	1,047
Dividend payment	463	521	554	579	808	842	880	1,000	1,047	1,098	11,681
PV of dividend	463	469	448	422	529	496	467	477	449	424	4,511

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	1.1
WACC (%)	11.1
Cost of equity	11.1
Terminal growth (%)	2.0
Equity value	9,155
No. of shares (m)	704
Equity value / share (Bt)	**13.0**

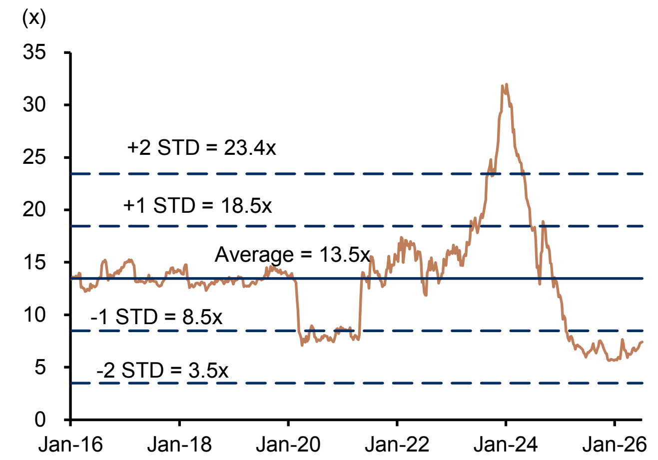
Sources: Company data, ttb wealth estimates

Ex 3: P/BV STD



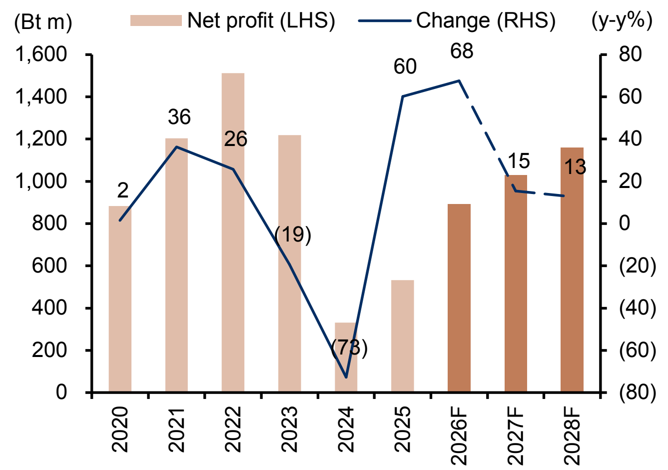
Sources: Bloomberg, ttb wealth estimates

Ex 4: PE STD



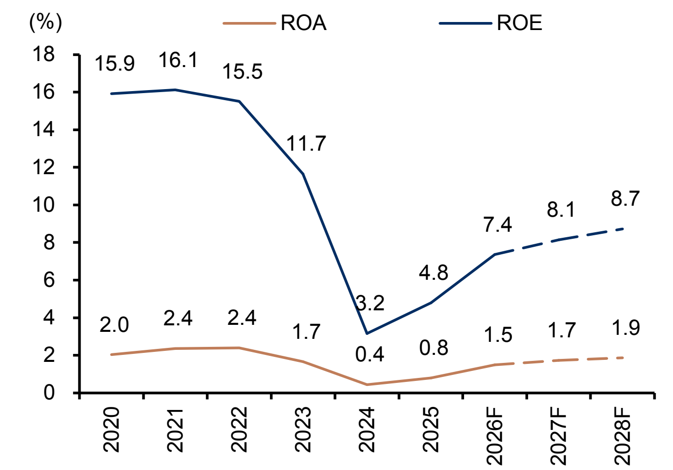
Sources: Bloomberg, ttb wealth estimates

Ex 5: Net Profit Growth



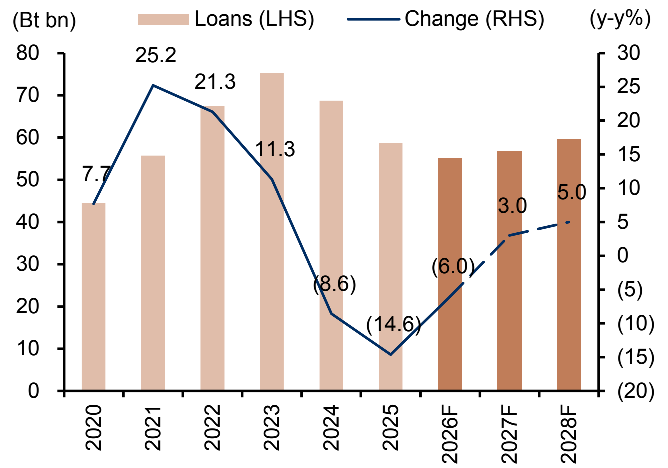
Sources: Company data, ttb wealth estimates

Ex 6: ROE And ROA



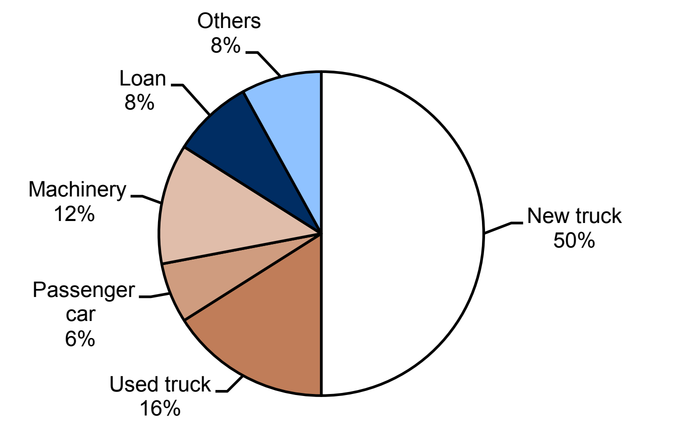
Sources: Company data, ttb wealth estimates

Ex 7: Loan Growth



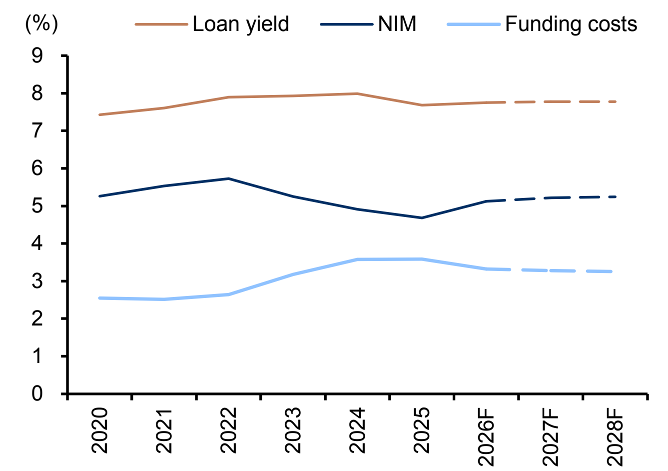
Sources: Company data, ttb wealth estimates

Ex 8: Loan Breakdown In 1Q26



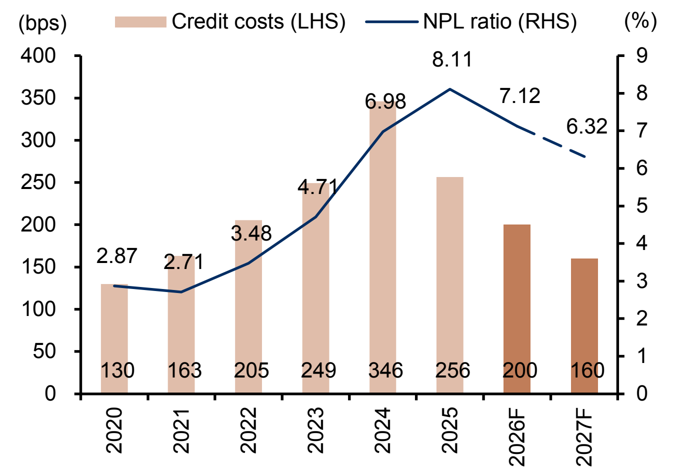
Source: Company data,

Ex 9: Loan Yield, NIM, And Funding Costs



Sources: Company data, ttb wealth estimates

Ex 10: Credit Costs And NPL Ratio



Sources: Company data, ttb wealth estimates

Ex 11: 2Q26F Financial Highlights

Yr-end Dec (Bt m)	2Q25	1Q26	2Q26F	2Q26F y-y%	2Q26F q-q%	2Q26F %26F	1H26	1H26 y-y%	1H26 %26F	2025	2026F	Chg (y-y%)
Net interest income	746	708	721	(3)	2	25	1,429	(6)	49	2,986	2,917	(2.3)
Provisions	(425)	(309)	(286)	neg	neg	neg	(595)	neg	neg	(1,634)	(1,139)	(30.3)
Net interest income after provisions	**321**	**400**	**435**	35	9	24	835	23	47	**1,353**	**1,778**	31.5
Net fee income	66	76	80	20	4	27	156	11	53	274	294	7.0
Total non-interest income	144	148	158	10	7	26	306	6	51	561	603	7.5
Gross income	**532**	**624**	**673**	27	8	25	1,297	17	48	**2,188**	**2,675**	22.3
Profit after tax	122	202	235	93	17	26	437	63	49	532	891	67.5
Net profit	**122**	**202**	**235**	93	17	26	437	63	49	**532**	**891**	**67.5**
Pre-provision profits	582	561	580	(0)	3	26	1,141	(3)	51	2,304	2,252	(2.2)
Key ratios												
Asset quality												
Gross NPLs (Bt m)	4,955	4,260	4,302	(13)	1	109				4,759	3,932	(17.4)
NPL ratio (%)	7.8	7.4	7.6							8.1	7.1	
Credit costs (bps)	262	212	200							256	200	
NPL coverage ratio (%)	56	56	54							54	52	
Profitability ratios (%)												
ROA	0.7	1.3	1.6							0.8	1.5	
ROE	4.4	6.7	7.7							4.8	7.4	
NIM	4.60	4.87	5.04							4.7	5.1	
Cost to income	34.7	34.5	34.1							35.1	36.0	
Loan growth (%)												
y-y	(14.7)	(13.0)	(10.7)							(14.6)	(6.0)	
q-q	(4.0)	(1.9)	(1.5)									

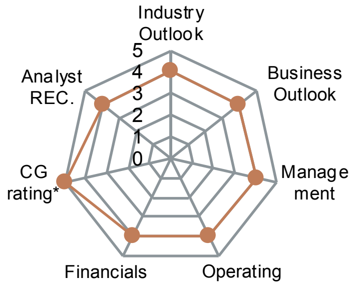
Sources: Company data, ttb wealth estimates

COMPANY DESCRIPTION

Founded in 1984 by Bangkok Bank (BBL) and majority-owned by Chailease Holding from 1997, ASK is a well-established hire-purchase (HP) company. ASK offers all types of automobile HP and personal loans, sale and hire-purchase back services, floor plan financing, auto registration and transfers, tax renewal, and insurance facilitation services. Its main subsidiary, Bangkok Grand Pacific Lease Pcl (BGPL), leases machinery and vehicles and offers HP and domestic and international factoring. Its other subsidiary, SK Insurance Broker (SKIB), offers insurance broker services.

Source: ttb wealth

COMPANY RATING



Rating Scale	
Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Wea	**1**
None	**0**

Source: ttb wealth; *CG Rating

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- Well-established HP company with a strong foothold in the commercial truck segment
- Strong support from major shareholder
- Experienced management team

W — Weakness

- Relies on external borrowings
- High focus on commercial truck HP

O — Opportunity

- Expansion into SME lending and truck title loans
- Expansion into non-life insurance
- Increasing penetration of non-premium car HP

T — Threat

- Economic recession
- Changes in rules and regulations
- New accounting standards

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	10.47	13.00	24%
Net profit 26F (Bt m)	656	891	36%
Net profit 27F (Bt m)	746	1,028	38%
Consensus REC	**BUY: 2**	**HOLD: 1**	**SELL: 2**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings forecasts and TP are ahead of the Bloomberg consensus numbers, which we attribute to us having more optimistic asset quality and NIM assumptions.

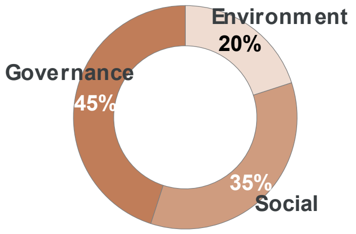
Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

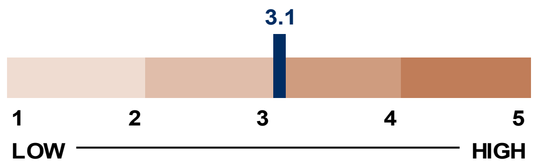
- Slower-than-expected truck loan growth or weaker asset quality trends than our assumptions could present key downside risks to our forecasts.
- Higher funding costs and opex than assumed are also downside risks to our projections.

Source: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
ASK	YES	AA	-	3.06	0	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

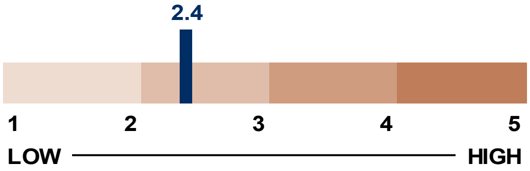
ESG Summary

- ASK is one of Thailand's leading finance companies specializing in hire-purchase and leasing services, primarily for commercial vehicles. As of 1Q26, its outstanding loans were Bt57.6bn.
- We assign ASK an overall ESG score of 3.1, slightly below its peer average of 3.2. The company’s ESG profile is supported mainly by its relatively stronger Social (S) pillar, followed by Governance (G), while Environmental (E) remains the weakest area.
- In our view, ASK's ESG profile is adequate. However, the absence of a formal decarbonization roadmap, alongside below-peer board independence, leaves room for improvement across both the E and G pillars.
- The Social pillar (score 3.6) is ASK’s strongest factor, reflecting its balanced approach to financial inclusion, employee development, customer protection, and community support.
- We assign a soft G score of 3.0, slightly below the peer average of 3.2, supported by sound risk management, strong compliance practices, and positive external governance recognition. However, the score is constrained by a relatively low proportion of independent directors and limited board diversity.
- We assign an E score of 2.4, below the peer average of 2.6. This reflects the company’s progress in green financing, renewable energy initiatives, and internal resource efficiency improvements. However, ASK currently lacks a formal GHG-reduction roadmap and internationally recognized climate-disclosure frameworks, and the scale of its environmental initiatives remains relatively modest.

Sector: Financials | Finance & Securities

We assign ASK a relatively soft Environmental (E) score of 2.4, below the peer average of 2.6. While the company has increased its environmental focus through green products and resource efficiency initiatives, it still lacks clear long-term decarbonization targets. Also, the scale of its environmental projects remains relatively small compared with peers.

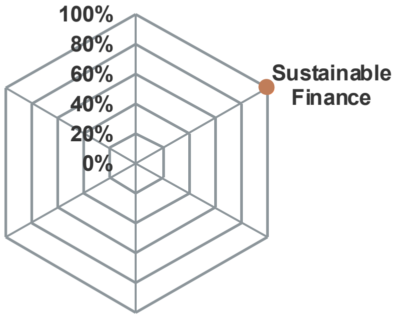
Environment (E) Rating



ENVIRONMENT	Our Comments

- **Sustainable Finance**

SCALE WEIGHTING



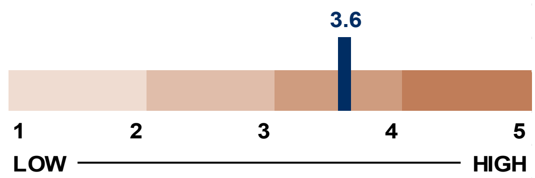
- We assign ASK an Environmental (E) score of 2.4, below the peer average of 2.6. ASK has begun integrating environmental considerations into its business strategy through green financing products, resource-efficiency initiatives, and renewable-energy projects. The score is constrained by the absence of a formal GHG-reduction roadmap and of internationally recognized disclosure standards.
- **Climate strategy and environmental approach:** ASK's environmental strategy focuses primarily on promoting environmentally friendly financing solutions and improving internal resource efficiency. The company has implemented clean energy projects and environmental awareness programs, although it currently lacks formal long-term decarbonization targets and internationally recognized climate frameworks such as TCFD or SBTi.
- **Green products and services:** ASK supports the transition toward clean energy through its financing products. In 2025, the company provided Bt46m in solar cell loans, while Solar PPA financing expanded significantly to Bt978m. While this reflects positive progress in supporting renewable energy adoption, we believe the overall scale remains small.
- **Resource efficiency and carbon reduction:** ASK has continued to improve its resource efficiency and reduce its environmental impact through internal initiatives. Electricity consumption declined 21.3% y-y, driven by lighting improvements and employee awareness programs, while paper usage decreased 19.7% through paperless initiatives such as electronic invoices and receipts. Waste management has also improved, with non-hazardous waste falling 24.8% and recycled waste increasing 9.1%. The company has also installed solar panels at 13 branch offices, contributing to lower emissions. However, water and fuel consumption have risen by 13.1% and 12.9%, respectively, indicating areas where further improvement is needed.

Sources: ttb wealth, Company data

ASK

Sector: Financials | Finance & Securities

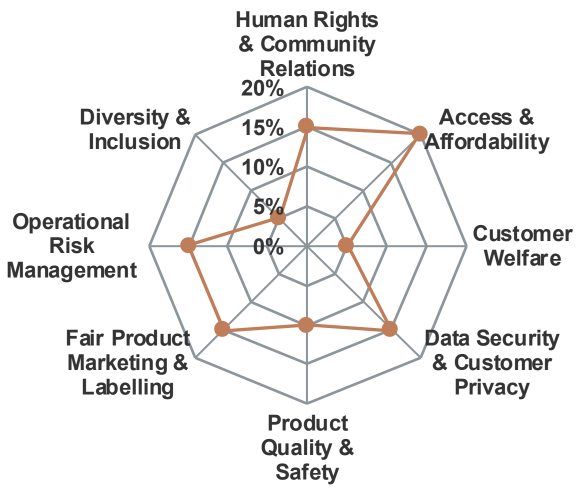
We assign ASK a Social (S) score of 3.6, in line with peers. The company demonstrates a solid commitment to financial inclusion, employee development, customer protection, and community support. To further improve its score, ASK could expand the scale and reach of its social initiatives.



SOCIAL	Our Comments

- Access & Affordability
- Customer Welfare
- Data Security & Customer Privacy
- Diversity & Inclusion
- Fair Product Marketing & Labelling
- Human Rights & Community Relations
- Operational Risk Management
- Product Quality & Safety

SCALE WEIGHTING

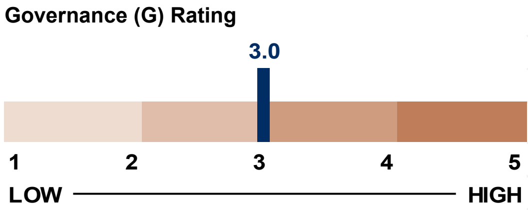


- We assign a Social (S) score of 3.6 to ASK, in line with its peer average. The company demonstrates a balanced approach to social responsibility through financial inclusion, employee development, customer protection, and community support. While the company does not have large-scale flagship social finance initiatives, its core social practices are well established and consistently implemented.
- **Financial inclusion:** ASK focuses on expanding access to financing across different customer groups while supporting SMEs through its subsidiary, Bangkok Grand Pacific Lease (BGPL). In 2025, the company strengthened its social responsibility framework by introducing a Responsible Lending policy in line with Bank of Thailand guidelines.
- **Customer protection:** The company maintains customer service standards targeting satisfaction levels above 80%, while strictly complying with PDPA requirements to ensure customer information is properly protected, with no reported data incidents during 2025.
- **Human capital and human rights:** ASK continues to invest in employee development and welfare. In 2025, the company employed 824 staff and conducted 71 training programs, with average training hours reaching 10.1 hours per employee. Employee welfare includes accident insurance, health checks, and a provident fund with an 86% participation rate. ASK also follows human rights principles and reported zero labor disputes and human rights complaints during 2025.
- **Community development:** ASK supports education and healthcare initiatives through scholarships and charitable donations. In 2025, the company provided 22 scholarships totaling Bt635,000 for students with limited financial resources and supported healthcare initiatives through donations to the Police Hospital and Thai Red Cross Society. While these activities demonstrate positive community engagement, the scale of investment remains relatively modest compared with larger peers.

Sources: ttb wealth, Company data

Sector: Financials | Finance & Securities

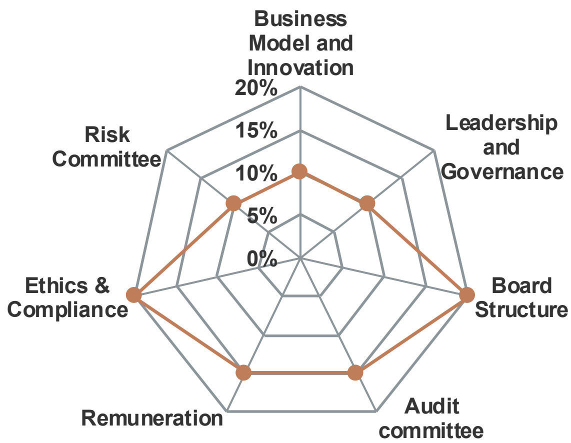
We assign ASK a soft Governance (G) score of 3.0, vs. its peer average of 3.2. It demonstrates sound risk management and a strong compliance record. However, the score is constrained by a below-peer proportion of independent directors at one-third of the board and limited board gender diversity.



GOVERNANCE & SUSTAINABILITY

- **Audit committee**
- **Board Structure**
- **Business Model and Innovation**
- **Ethics & Compliance**
- **Leadership and Governance**
- **Remuneration**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- We assign ASK a Governance (G) score of 3.0, below its 3.2 peer average. The company maintains solid foundational governance practices, supported by strong external recognition and a clean compliance record. To improve the score, ASK should increase the proportion of independent directors and raise the number of female directors.
- **Board structure and independence:** ASK's board comprises 12 directors, of whom 11 are non-executive (92%) and four are independent (33%). While the high proportion of non-executive directors is positive, independent directors account for only one-third of the board — meeting the regulatory minimum but falling short of the two-thirds best-practice threshold. Female representation stands at 17% (two out of 12), remaining limited relative to peers. On effectiveness, the board's 2025 self-assessment returned a near-perfect score of 3.98 out of 4.00, and directors possess a broad skill matrix spanning finance, law, risk management, and corporate governance.
- **Governance ratings and recognition:** ASK achieved meaningful external validation in 2025. Its SET ESG Rating was upgraded from "A" to "AA" and the company was included in the SETESG Index. It retained its "Excellent" (5-star) CGR rating from the IOD with a score of 91%, above the industry average
- **Business ethics and anti-corruption:** ASK maintains a zero-tolerance stance on corruption and holds certified CAC membership valid through 2026. In 2025, the company recorded zero cases of corruption, zero violations of its Code of Business Conduct, and zero instances of insider information misuse.
- **Risk management and internal control:** The company uses the COSO-ERM framework to manage credit, financial, and operational risks, overseen by the Audit Committee and Risk Management Committee. The Board and Audit Committee assessed the 2025 internal controls as adequate and appropriate, with no significant weaknesses identified.

Sources: ttb wealth, Company data

Lower credit costs and NIM improvement are the keys to driving the bottom line

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Interest Income	5,748	4,894	4,413	4,358	4,533
Interest Expenses	2,213	1,908	1,496	1,437	1,479
Net Interest Income	**3,534**	**2,986**	**2,917**	**2,921**	**3,053**
% of total income	84%	84%	83%	82%	83%
Fee income	412	274	294	302	312
% of total income	0	0	0	0	0
Other income	248	287	310	319	328
% of total income	0	0	0	0	0
Non-interest Income	**660**	**561**	**603**	**621**	**640**
% of total income	16%	16%	17%	18%	17%
Total Income	**4,195**	**3,547**	**3,521**	**3,542**	**3,693**
Operating Expenses	1,286	1,244	1,269	1,345	1,412
Pre-provisioning Profit	**2,909**	**2,304**	**2,252**	**2,197**	**2,281**
Bad debt expenses	2,490	1,634	1,139	896	816
Pre-tax Profit	**418**	**670**	**1,113**	**1,301**	**1,466**
Income Tax	86	138	223	273	308
After Tax Profit	**332**	**532**	**891**	**1,028**	**1,158**
Equity Income	0	0	0	0	0
Minority Interest	0	0	0	0	0
Extraordinary Items	0	0	0	0	0
NET PROFIT	**332**	**532**	**891**	**1,028**	**1,158**
Normalized Profit	**332**	**532**	**891**	**1,028**	**1,158**
EPS (Bt)	0.63	0.83	1.27	1.46	1.65
Normalized EPS (Bt)	0.63	0.83	1.27	1.46	1.65

We expect loans to resume growth at 3/5% y-y in 2027-28F

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Cash and Interbank	977	327	532	386	467
Other current assets	471	359	0	0	0
Total current assets	**1,448**	**686**	**532**	**386**	**467**
Gross loans & accr. interest	**68,742**	**58,708**	**55,186**	**56,841**	**59,683**
Provisions	2,702	2,550	2,033	1,793	1,415
Net loans	**66,121**	**56,241**	**53,230**	**55,128**	**58,352**
Fixed assets	3,421	2,591	2,416	2,259	2,119
Right of use - net	655	580	688	722	758
Other assets	**1,043**	**1,175**	**1,533**	**1,610**	**1,691**
Total assets	72,688	61,273	58,398	60,106	63,387
Short term borrow ing	5,146	5,331	3,199	3,231	3,425
Due to related parties	0	0	0	0	0
Current LT portion	**23,271**	**14,610**	**15,031**	**14,993**	**15,742**
Other current liabilities	1,277	1,109	0	0	0
Long term borrowing	**32,669**	**28,324**	**25,149**	**26,163**	**27,637**
Total borrow ings	37,815	33,655	28,348	29,394	31,061
Other L-T liabilities	0	0	0	0	0
Minority interest	**0**	**0**	**0**	**0**	**0**
Shareholders' equity	10,325	11,854	12,344	12,909	13,633
Total Liab. & Equity	72,688	61,228	58,398	60,106	63,387

Sources: Company data, ttb wealth estimates

Plenty of room for credit costs to normalize

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	16.2	12.2	8.1	7.0	6.2
Normalized PE - at target price (x)	20.7	15.6	10.3	8.9	7.9
PE (x)	16.2	12.2	8.1	7.0	6.2
PE - at target price (x)	20.7	15.6	10.3	8.9	7.9
P/PPP (x)	1.9	2.8	3.2	3.3	3.1
P/PPP - at target price (x)	2.4	3.6	4.1	4.2	4.0
P/BV (x)	0.5	0.5	0.6	0.6	0.5
P/BV - at target price (x)	0.7	0.7	0.7	0.7	0.7
Dividend yield (%)	3.1	3.9	5.6	6.4	7.3
Normalized EPS	0.63	0.83	1.27	1.46	1.65
EPS	0.63	0.83	1.27	1.46	1.65
DPS	0.32	0.40	0.57	0.66	0.74
PPP/Share	5.51	3.62	3.20	3.12	3.24
BV/share	19.56	18.61	17.54	18.34	19.37
P/BV to ROE	0.16	0.11	0.08	0.07	0.06

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate (%)					
Net interest income (NII)	(5.7)	(15.5)	(2.3)	0.1	4.5
Non-interest income (Non-II)	(21.5)	(15.0)	7.5	3.0	3.0
Operating expenses	0.4	(3.3)	2.0	6.0	5.0
Pre-provisioning profit (PPP)	(12.1)	(20.8)	(2.2)	(2.4)	3.8
Net profit	(72.8)	60.2	67.5	15.4	12.6
Normalized profit growth	(72.8)	60.2	67.5	15.4	12.6
EPS	(72.8)	32.8	51.6	15.4	12.6
Normalized EPS	(72.8)	32.8	51.6	15.4	12.6
Dividend payout ratio	50.9	47.9	45.0	45.0	45.0
Loan - gross	(8.6)	(14.6)	(6.0)	3.0	5.0
Loan - net	(9.5)	(14.9)	(5.4)	3.6	5.8
Borrowings	(7.2)	(21.4)	(7.5)	2.3	5.4
NPLs	35.6	(0.8)	(17.4)	(8.7)	(10.0)
Total assets	(6.2)	(15.7)	(4.7)	2.9	5.5
Total equity	(3.1)	14.8	4.1	4.6	5.6
Operating Ratios (%)					
Net interest margin (NIM)	4.9	4.7	5.1	5.2	5.2
Net interest spread	4.4	4.1	4.4	4.5	4.5
Loan yield	8.0	7.7	7.8	7.8	7.8
Borrowing cost	3.6	3.6	3.3	3.3	3.3
Yield on earnings assets	8.0	7.7	7.8	7.8	7.8
Avg cost of fund	3.6	3.6	3.3	3.3	3.3
NII / operating income	84.3	84.2	82.9	82.5	82.7
Non-II / operating income	15.7	15.8	17.1	17.5	17.3
Normalized net margin	7.9	15.0	25.3	29.0	31.4
Cost-to-income	30.7	35.1	36.0	38.0	38.2
Credit cost - provision exp / loans	3.5	2.6	2.0	1.6	1.4
PPP / total assets	3.9	3.4	3.8	3.7	3.7
PPP / total equity	27.7	20.8	18.6	17.4	17.2
Avg assets/avg equity (leverage)	7.2	6.0	4.9	4.7	4.7
ROA	0.4	0.8	1.5	1.7	1.9
ROE	3.2	4.8	7.4	8.1	8.7

Sources: Company data, ttb wealth estimates

NPL ratio is on a downward trend

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Liquidity and Quality Ratio (%)					
Gross Loan / Borrow ings	115.4	125.4	127.4	128.3	127.7
Net Loan / Borrow ings	111.0	120.1	122.9	124.4	124.9
Net Loan / Assets	91.0	91.8	91.1	91.7	92.1
Net Loan / Equity	640.4	474.4	431.2	427.0	428.0
S-T / L-T Borrow ings	47.6	42.5	41.9	41.0	40.9
Borrow ings / Liabilities	95.5	94.8	94.0	93.9	93.9
Interest-bearing Debt / Equity	576.9	394.9	350.9	343.3	342.8
Liabilities / Equity	604.0	416.5	373.1	365.6	365.0
Equity to Gross Loan	15.0	20.2	22.4	22.7	22.8
NPLs	4,796.9	4,759.4	3,931.6	3,590.5	3,232.4
NPLs / Total Loans (NPL Ratio)	7.0	8.1	7.1	6.3	5.4
Loan-Loss-Coverage (Provision / NPLs)	56.3	53.6	51.7	49.9	43.8

Sources: Company data, ttb wealth estimates

BUY (Unchanged)

Change in Numbers

TP: Bt 2.50 (From: Bt 2.30)

Upside : 42.0%

Ratchthani Leasing Pcl (THANI TB)

Quality yield play

THANI remains our top truck financing pick — with a good combination of a healthy balance sheet that offers downside protection, and 7–8% dividend yields. We project earnings growth of 12% p.a. over 2026-28F and a 9.9% ROE in 2027F, yet the stock trades at just 0.7x P/BV.

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Compelling fundamentals; maintaining BUY

We raise our 2026-28F net profit estimates by 11-15% p.a., driven by lower credit costs and improving NIM, and roll forward our DDM-based 12-month TP (2027F base year) to Bt2.5 from Bt2.3. We maintain our BUY call, and it is our truck-financing space stock. ***First***, THANI should benefit from the recovery in Thailand's truck cycle, supporting steady earnings growth of 12% p.a. over 2026-28F. ***Second***, THANI's balance sheet remains a key strength — its NPL ratio hit a record low and coverage ratio a record high in 1Q26, offering better downside protection in an uncertain environment. ***Third***, dividend yields should remain attractive at 7/8/8% over 2026-28F, with potential upside. ***Lastly***, valuation remains undemanding at 0.7x 2027F P/BV and 7.3x 2027F P/E for a 9.9% ROE.

Healthy balance sheet

THANI's balance sheet is stronger than peers. After an aggressive clean-up following the 2022-23 asset quality cycle, and continued cautious lending, both NPL and credit costs have been falling steadily since 3Q24. NPL ratio dropped to a historic low of 2.1% in 1Q26, while NPL coverage rose to a record high of 158%. The ratio of repossessed vehicles to loans also fell to 0.29% in 1Q26, close to 2021 levels before the NPL cycle began. Given this improvement, we expect credit costs to ease to 1.3/1.1/1.0% in 2026-28F, down from 1.9% in 2025. While THANI has less room for further improvement than Asia Sermkij Leasing Pcl (ASK TB, BUY, Bt10.20), whose asset quality still has further to normalize, we believe this healthy balance sheet provides THANI with meaningful protection against downside risk through the cycle.

Attractive dividend yields

THANI offers attractive dividend yields of 7/8/8% over 2026-28F based on our payout ratio assumption of 55% (vs. 60% in 2025). We believe there is still room for upside. THANI’s D/E ratio remained low at 1.7x in 1Q26, well below its five-year average of 2.9x, providing strong capital flexibility. While we expect loan growth to gradually recover to 3-5% y-y in 2027-28F, this level should require only limited additional capital and is unlikely to pressure the company’s strong equity base.

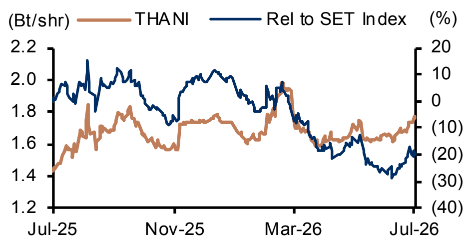
Limited impact from Iran war in 2Q26F

We expect THANI to post 2Q26F net profit of Bt354m (+27% y-y, +4% q-q). THANI's asset quality remains well-contained — NPLs edged down 1% q-q, with no signs of stress from the Middle East conflict, while NPL coverage has remained elevated at 164%, providing an ample buffer. Credit costs should hold relatively stable q-q at 115bps. NIM should improve 17bps q-q to 4.94% on lower funding costs and higher loan origination volumes. Loan volume, while still declining 1% q-q, marks a clear improvement from the -4-5% q-q pace seen throughout 2025.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Pre Provision Profit	2,283	2,203	2,284	2,399
Net profit	1,148	1,360	1,492	1,603
Consensus NP	–	1,185	1,301	1,462
Diff frm cons (%)	–	*14.8*	*14.7*	*9.7*
Norm profit	1,148	1,360	1,492	1,603
Prev. Norm profit	–	1,189	1,349	1,400
Chg frm prev (%)	–	*14.4*	*10.6*	*14.5*
Norm EPS (Bt)	0.18	0.22	0.24	0.26
Norm EPS grw (%)	41.6	18.5	9.7	7.4
Norm PE (x)	9.6	8.1	7.3	6.8
P/BV (x)	0.8	0.7	0.7	0.7
Div yield (%)	6.3	6.8	7.5	8.0
ROE (%)	8.4	9.5	9.9	10.2
ROA (%)	2.5	3.4	3.9	4.0

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 2-Jul-26 (Bt)	1.76
Market Cap (US$ m)	329.2
Listed Shares (m shares)	6,229.3
Free Float (%)	31.6
Avg. Daily Turnover (US$ m)	0.4
12M Price H/L (Bt)	1.98/1.43
Sector	Finance
Major Shareholder	Thanachart SPV1 56.84%

Sources: Bloomberg, Company data, ttb wealth estimates

ESG Summary Report P35

Ex 1: Earnings Revisions And Assumption Changes

	2024	2025	2026F	2027F	2028F
Normalized profit (Bt bn)					
- New	0.80	1.15	1.36	1.49	1.60
- Old			1.19	1.35	1.40
- Change (%)			*14.42*	*10.58*	*14.47*
Normalized EPS (Bt/share)					
- New	0.13	0.18	0.22	0.24	0.26
- Old			0.19	0.22	0.22
- Change (%)			*14.42*	*10.58*	*14.47*
Loan growth (%)					
- New	(12.30)	(15.89)	(6.00)	3.00	5.00
- Old			2.00	5.00	3.00
- Change (ppt)			*(8.00)*	*(2.00)*	*2.00*
NIM (%)					
- New	4.24	4.31	4.91	5.12	5.16
- Old			4.60	4.73	4.665728
- Change (ppt)			*0.31*	*0.39*	*0.50*
Cost-to-income ratio (%)					
- New	28.75	16.73	19.98	19.89	19.88
- Old			21.50	21.16	21.34386
- Change (ppt)			*(1.52)*	*(1.27)*	*(1.47)*
Credit costs (%)					
- New	2.19	1.86	1.30	1.10	1.00
- Old			1.85	1.70	1.70
- Change (ppt)			*(0.55)*	*(0.60)*	*(0.70)*
NPLs (Bt bn)					
- New	1.57	1.02	0.85	0.89	0.93
- Old			1.07	1.07	1.07
- Change (%)			*(20.23)*	*(16.61)*	*(12.81)*

Sources: Company data, ttb wealth estimates

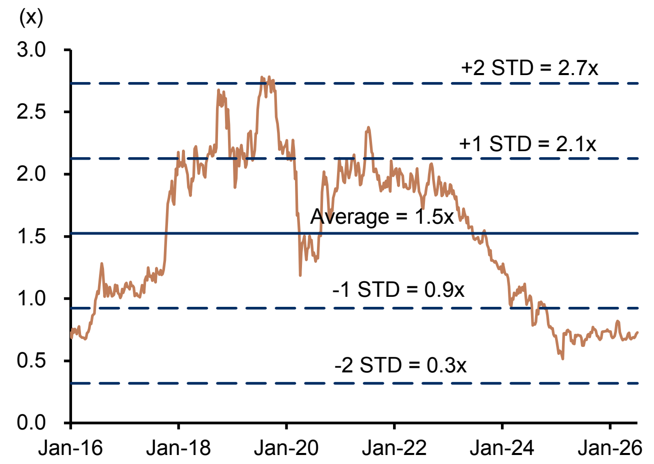
Ex 2: 12-month DDM-based Valuation Using A Base Year Of 2027F

(Bt m)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal value
Dividend of common shares	821	882	922	965	1,012	1,062	1,113	1,166	1,232	1,289	1,232
Dividend payment	821	882	922	965	1,012	1,062	1,113	1,166	1,232	1,289	16,158
PV of dividend	821	803	765	729	697	665	635	606	584	1,289	7,656

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	0.9
WACC (%)	9.8
Cost of equity	9.8
Terminal growth (%)	2.0
Equity value	15,250
No. of shares (m)	6,229
Equity value / share (Bt)	**2.50**

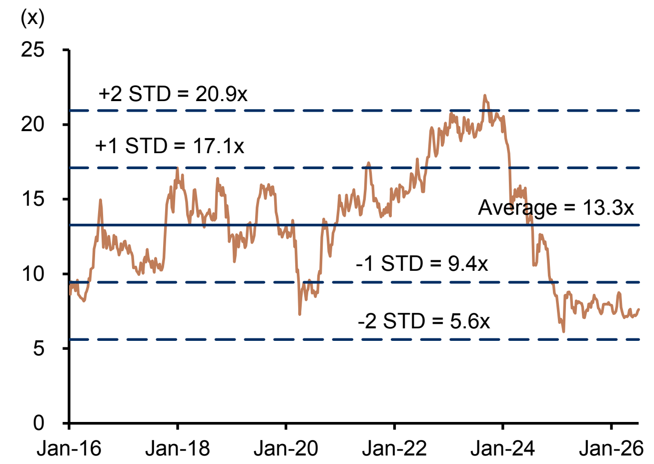
Sources: Company data, ttb wealth estimates

Ex 3: P/BV STD



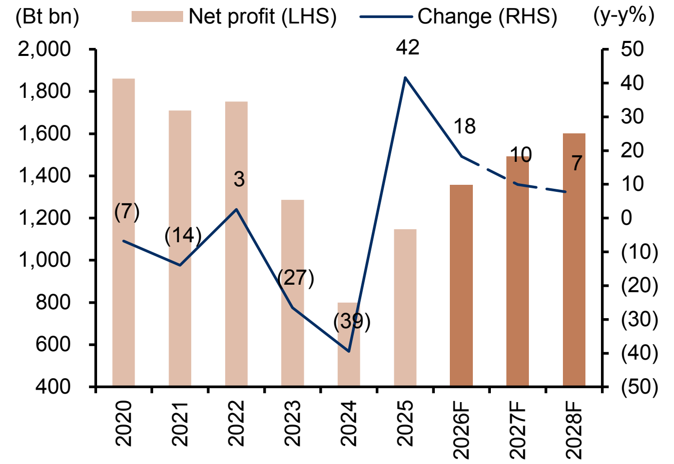
Sources: Bloomberg, ttb wealth estimates

Ex 4: PE STD



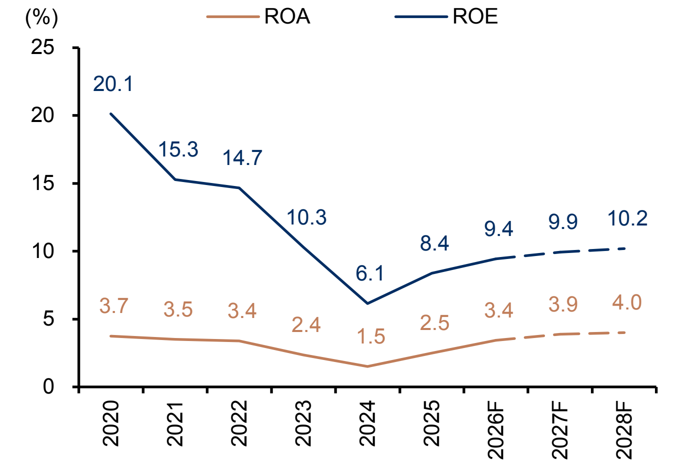
Sources: Bloomberg, ttb wealth estimates

Ex 5: Net Profit Growth



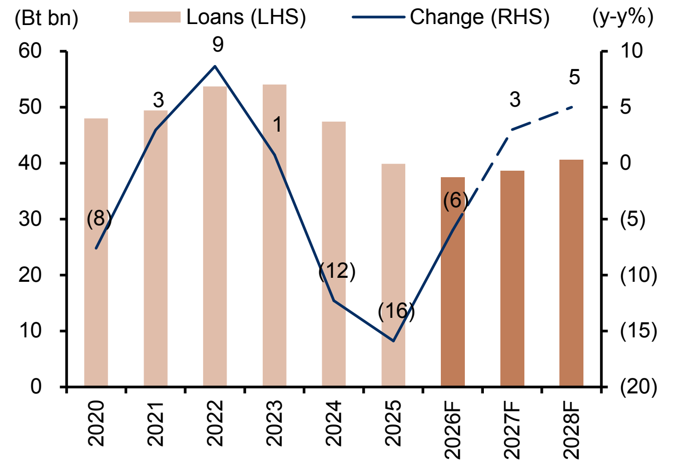
Sources: Company data, ttb wealth estimates

Ex 6: ROE And ROA



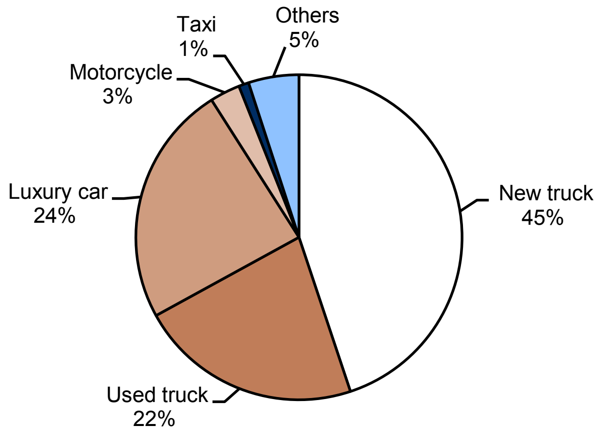
Sources: Company data, ttb wealth estimates

Ex 7: Loan Growth



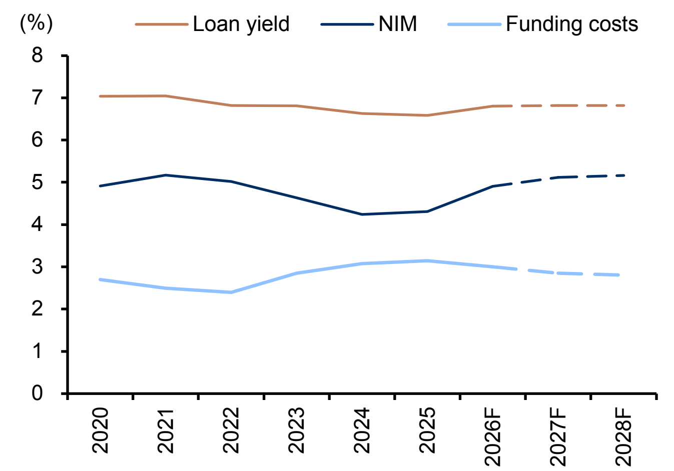
Sources: Company data, ttb wealth estimates

Ex 8: Loan Breakdown In 1Q26



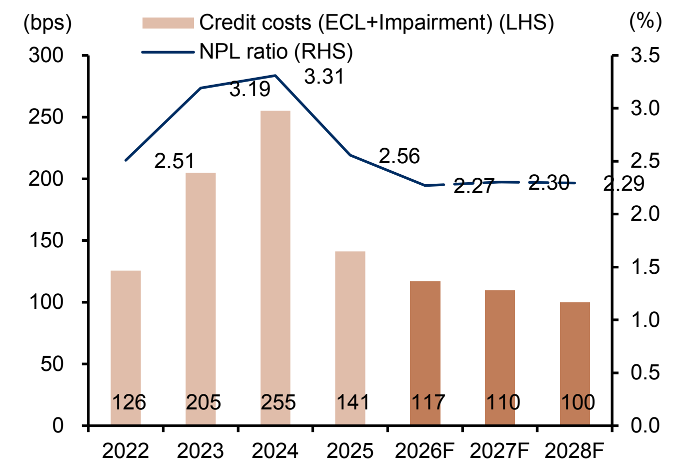
Source: Company data

Ex 9: Loan Yield, NIM, And Funding Costs



Sources: Company data, ttb wealth estimates

Ex 10: Credit Costs And NPL Ratio



Sources: Company data, ttb wealth estimates

Ex 11: 2Q26F Financial Highlights

Yr-end Dec (Bt m)	2Q25	1Q26	2Q26F	2Q26F			1H26			2025	2026F	Chg
				y-y%	q-q%	%26F		y-y%	%26F			(y-y%)
Net interest income	472	471	481	2	2	25	951	(1)	50	1,881	1,896	0.8
Provisions	(276)	(111)	(112)	neg	neg	neg	(223)	neg	neg	(813)	(503)	(38.1)
Net interest income after provisions	**196**	**360**	**369**	88	2	26	729	68	52	**1,068**	**1,394**	30.5
Net fee income	93	77	86	(8)	11	26	163	(9)	50	344	327	(5.0)
Total non-interest income	221	208	215	(3)	3	25	423	(7)	50	861	854	(0.8)
Gross income	**510**	**645**	**670**	31	4	26	1,315	23	51	**2,273**	**2,575**	13.2
Profit after tax	279	340	354	27	4	26	695	31	51	1,148	1,358	18.3
Net profit	**279**	**340**	**354**	27	4	26	695	31	51	**1,148**	**1,358**	**18.3**
Pre-provision profits	634	547	555	(13)	1	25	1,102	(9)	50	2,283	2,200	(3.6)
Key ratios												
Asset quality												
Gross NPLs (Bt m)	1,089	824	814	(25)	(1)	96				1,020	851	(16.5)
NPL ratio (%)	2.5	2.1	2.1							2.6	2.3	
Credit costs (bps)	251	112	115							186	130	
NPL coverage ratio (%)	140	158	164							130	162	
Profitability ratios (%)												
ROA	2.4	3.4	3.6							2.5	3.4	
ROE	8.2	9.6	9.7							8.4	9.4	
NIM	4.29	4.77	4.94							4.3	4.9	
Cost to income	8.5	19.3	20.3							16.7	20.0	
Loan growth (%)												
y-y	(16.0)	(13.1)	(9.8)							(15.9)	(6.0)	
q-q	(4.7)	(1.9)	(1.0)									

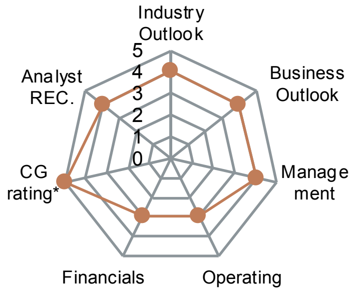
Sources: Company data, ttb wealth estimates

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, holds the highest market share in used commercial truck hire purchases, and recently expanded into high-end motorcycle and car hire purchases.

Source: ttb wealth

COMPANY RATING



Rating Scale

Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Wea	**1**
None	**0**

Source: ttb wealth; *CG Rating

TTB WEALTH'S SWOT ANALYSIS

S — Strength

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

W — Weakness

- Reliant on external funding.
- Concentration risks due to relatively high loan ticket sizes

O — Opportunity

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

T — Threat

- Weak economy.
- Increasing penetration by commercial banks.

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	2.06	2.50	21%
Net profit 26F (Bt m)	1,185	1,360	15%
Net profit 27F (Bt m)	1,301	1,492	15%
Consensus REC	**BUY: 5**	**HOLD: 2**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings forecasts and TP are ahead of the Bloomberg consensus numbers. We attribute this to us having more optimistic asset quality and NIM assumptions.

Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

- If THANI is not able to improve asset quality as we currently assume, this would present the key downside risk to our call.
- A lower dividend payout ratio would lead to potential downside risk to our TP.

Source: ttb wealth

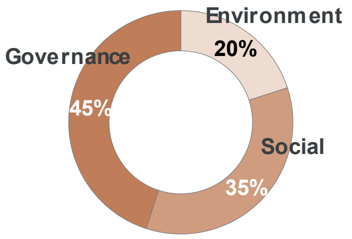
THANI

Ratchthani Leasing Pcl

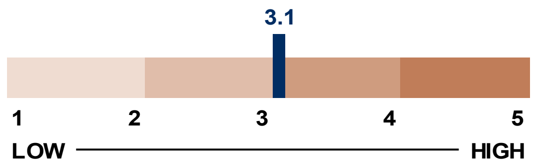
Sector: Financials | Finance & Securities

ESG & Sustainability Report

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
THANI	YES	AA	-	3.06	0	41.7	5.0

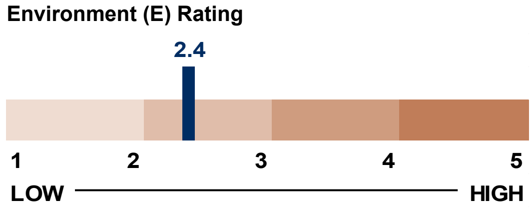
Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

ESG Summary

- THANI is a leading commercial vehicle lending company in Thailand, with a core focus on truck and transportation financing. As of 1Q26, its outstanding loans stood at Bt39.1bn.
- We assign THANI an overall ESG score of 3.1, slightly below its peer average of 3.2. The company’s ESG profile is supported mainly by its Social (S) pillar, followed by Governance (G), while the Environmental (E) pillar remains its weakest area due to the relatively early stage of its environmental framework and disclosure practices.
- In our view, THANI's ESG profile is adequate but has meaningful room for improvement.
- The Social pillar (score 3.6) is THANI’s strongest factor, reflecting its focus on improving financial access for underserved groups, maintaining a strong workplace culture, and supporting employee welfare and community initiatives.
- We assign a Governance score of 3.0, supported by strong business ethics, anti-corruption practices, and solid external governance recognition. However, relatively lower board independence and limited gender diversity constrain the score.
- We assign an Environmental score of 2.4, below the sector average of 2.6, reflecting a less mature environmental framework. While THANI has established greenhouse gas reduction targets and introduced green financing products such as EV and solar loans, there remains room to strengthen climate disclosures and broaden environmental initiatives.

Sector: Financials | Finance & Securities

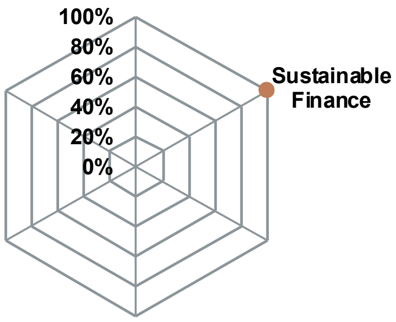
We assign THANI a relatively soft Environmental (E) score of 2.4, below its peer average of 2.6. While it has begun incorporating environmental factors into its strategy, we believe its framework remains in its early stages. The absence of formally adopted international standards further constrains the score relative to more advanced peers.



ENVIRONMENT	Our Comments

- **Sustainable Finance**

SCALE WEIGHTING

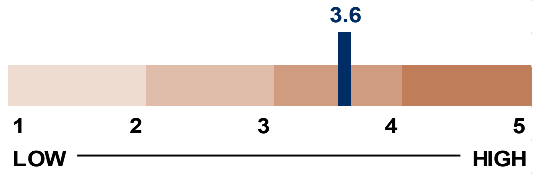


- We assign an Environmental (E) score of 2.4 to THANI, below its peer average of 2.6, reflecting the relatively early stage of its environmental strategy and more limited disclosure compared with peers. Similar to other companies in the commercial finance sector, THANI has a lower direct environmental footprint due to the absence of manufacturing operations. Nevertheless, the company has begun integrating climate considerations into its strategy through greenhouse gas (GHG) reduction initiatives, green financing products, and internal resource-efficiency programs.
- **Decarbonization roadmap:** THANI has established a GHG reduction roadmap aligned with Thailand's national target of a 30-40% emissions reduction by 2030. The company's long-term goal (beyond five years) is to cut Scope 2 and Scope 3 GHG discharges by at least 5% relative to the 2023 base year. For 2025, the interim target was a 3-5% reduction, which the company successfully met, achieving a 3.40% decline.
- **Green products and services:** The company has introduced financing for alternative energy vehicles (EV and hybrid vehicles) and solar system installations. Performance has exceeded targets, with EV/hybrid lending reaching Bt1.37bn in 2025, accounting for 11.7% of new loans, above the target of Bt800m. Meanwhile, solar installation loans reached Bt21.7m, slightly exceeding its target of Bt20m.
- **Resource efficiency and operational initiatives:** THANI sets internal resource efficiency benchmarks against a 2023 baseline, with a long-term reduction target of at least 5% across key consumption indicators. Its 2025 performance was mixed. Electricity consumption declined by 3.31%, on track with the 3-5% interim target. Paper consumption recorded the strongest result, falling by 5.86% and already meeting the long-term threshold. However, water consumption increased by 2.24%.
- **Room for improvement:** We think THANI's framework is still at an earlier stage of maturity than leading peers. The company currently lacks formal adoption of internationally recognized standards such as TCFD or SBTi, and Scope 1 disclosures remain pending. Progress on expanding green product offerings and extending environmental risk management into credit underwriting processes would represent meaningful steps toward closing the gap with higher-rated peers.

Sources: ttb wealth, Company data

THANI's good Social (S) score of 3.6, in line with peers, reflects its commitment to financial inclusion, human capital development, and community engagement. The company could further improve its score by expanding the scale of its social initiatives and strengthening financial support programs to create a broader social impact.

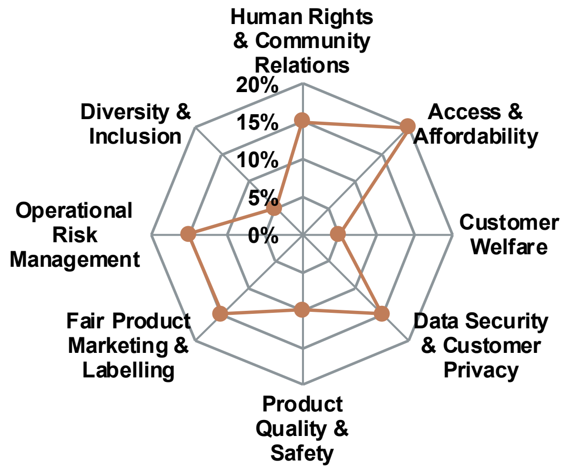
Social (S) Rating



SOCIAL	Our Comments

- Access & Affordability
- Customer Welfare
- Data Security & Customer Privacy
- Diversity & Inclusion
- Fair Product Marketing & Labelling
- Human Rights & Community Relations
- Operational Risk Management
- Product Quality & Safety

SCALE WEIGHTING



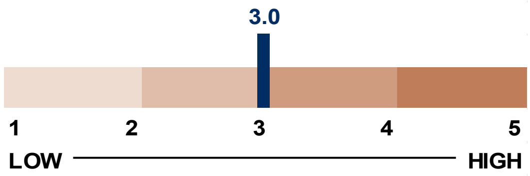
- We assign THANI a Social (S) score of 3.6, in line with its peer average. The company covers the key pillars of social responsibility well — employee welfare, workplace safety, financial inclusion, and community support. While THANI lacks the scale and flagship social finance instruments seen at larger peers, its core social commitments are consistently executed.
- **Financial inclusion and responsible finance:** THANI aims to improve access to financial services, particularly for low-income and underserved groups. In 2025, the company provided Bt14.3bn of new loans to 6,035 customers, with 72.3% of new lending supporting occupational purposes, such as transportation and construction-related commercial vehicles, exceeding its target of 50%. The company also promotes financial literacy through initiatives such as the "Happy Retirement" seminar, which focuses on financial planning and long-term savings awareness.
- **Community development:** THANI actively supports community initiatives and social development programs, contributing Bt1.58m in 2025 toward education, healthcare, and community projects. While these efforts show a positive commitment to social impact, the scale remains relatively small and there is room to expand initiatives.
- **Human capital and employee welfare:** THANI continues to invest in employee development and workplace well-being. In 2025, the company employed 475 staff and conducted 19 training programs, with average training hours reaching 4.2 hours per employee. Employee engagement remains healthy, with work satisfaction and engagement scores of 87.1% and 88.7%, respectively. The company also maintains a non-discrimination policy, with zero human rights complaints and labor disputes reported in 2025.
- **Occupational health and safety:** Safety performance remained strong in 2025, with zero injury rates, lost-time injuries, and occupational disease cases.

Sources: ttb wealth, Company data

Sector: Financials | Finance & Securities

THANI's Governance (G) score of 3.0 falls modestly below its peer average of 3.2. Despite solid governance practices and a strong compliance record, the score is constrained by a below-peer proportion of independent directors, limited board gender diversity, and a comparatively narrower disclosure framework relative to leading peers.

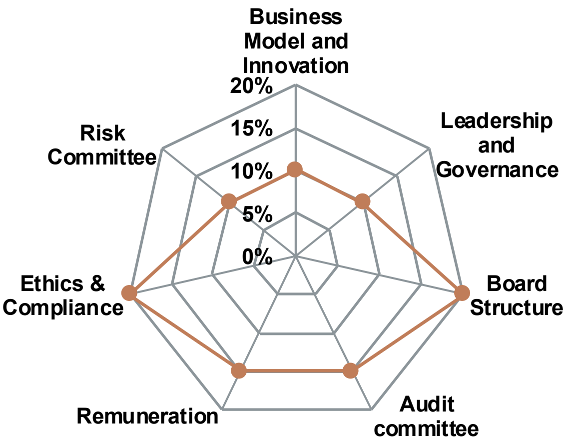
Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

- **Audit committee**
- **Board Structure**
- **Business Model and Innovation**
- **Ethics & Compliance**
- **Leadership and Governance**
- **Remuneration**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- We assign THANI a Governance (G) score of 3.0, below its peer average of 3.2. While the company demonstrates solid foundational governance practices and has earned consistent external recognition, the board's relatively low proportion of independent directors and limited gender diversity constrain the score. The governance framework is well-structured and compliant but lacks the depth and breadth of disclosure seen at higher-rated peers.
- **Board structure and effectiveness:** THANI's board of directors consists of 11 members, comprising four independent directors (36.4%), five non-executive directors, and two executive directors. While the proportion of independent directors meets regulatory requirements (1/3), it remains below best practice standards (2/3). Female representation also remains relatively limited at 18.2% of the board. Nevertheless, governance oversight appears effective, with 100% of directors possessing ESG and risk management expertise, and the board achieving a strong 96.9% performance evaluation score in 2025.
- **Business ethics and anti-corruption:** THANI maintains a strong commitment to ethical business practices through a No Gift Policy and remains a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). It requires 100% of employees and executives to acknowledge and comply with ethical policies annually. In 2025, there were zero reported cases of corruption, legal violations, conflicts of interest, or misconduct.
- **Governance ratings and recognition:** THANI has maintained strong external governance credentials. The company retained its "AA" SET ESG Rating for the third consecutive year and received an "Excellent" (5-star) CGR assessment from the Thai Institute of Directors (IOD) for the eighth consecutive year, placing it in the top quartile of listed companies. Its 2025 AGM received a perfect score of 100 from the Thai Investors Association, reflecting high standards in shareholder engagement and meeting quality.
- **Risk management and internal control:** The company employs a comprehensive risk management framework spanning strategic, credit, market, liquidity, operational, and IT risks. The board and audit committee assessed the internal control system as adequate and appropriate. While the framework covers a broad risk universe, public disclosure on specific risk methodologies is limited relative to peers.

Sources: ttb wealth, Company data

Lower credit costs and NIM improvement are the keys to driving the bottom line

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Interest Income	3,362	2,874	2,630	2,595	2,699
Interest Expenses	1,210	993	730	647	656
Net Interest Income	**2,152**	**1,881**	**1,900**	**1,947**	**2,043**
% of total income	71%	69%	69%	68%	68%
Fee income	384	344	327	350	371
% of total income	0	0	0	0	0
Other income	483	516	527	553	581
% of total income	0	0	0	0	0
Non-interest Income	**867**	**861**	**854**	**903**	**952**
% of total income	29%	31%	31%	32%	32%
Total Income	**3,019**	**2,742**	**2,754**	**2,851**	**2,994**
Operating Expenses	868	459	550	567	595
Pre-provisioning Profit	**2,151**	**2,283**	**2,203**	**2,284**	**2,399**
Bad debt expenses	1,112	813	503	419	396
Pre-tax Profit	**1,039**	**1,470**	**1,701**	**1,865**	**2,003**
Income Tax	239	323	340	373	401
After Tax Profit	**800**	**1,148**	**1,360**	**1,492**	**1,603**
Equity Income	0	0	0	0	0
Minority Interest	(0)	(0)	0	0	0
Extraordinary Items	0	0	0	0	0
NET PROFIT	**800**	**1,148**	**1,360**	**1,492**	**1,603**
Normalized Profit	**800**	**1,148**	**1,360**	**1,492**	**1,603**
EPS (Bt)	0.13	0.18	0.22	0.24	0.26
Normalized EPS (Bt)	0.13	0.18	0.22	0.24	0.26

Loans set to resume growth at 3/5% y-y in 2027-28F

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Cash and Interbank	3,691	1,215	901	392	696
Other current assets	100	147	0	0	0
Total current assets	**3,791**	**1,361**	**901**	**392**	**696**
Gross loans & accr. interest	**47,409**	**39,876**	**37,483**	**38,608**	**40,538**
Provisions	1,742	1,327	1,380	1,412	1,402
Net loans	**45,672**	**38,559**	**36,107**	**37,200**	**39,140**
Fixed assets	823	246	200	191	196
Right of use - net	18	20	20	20	20
Other assets	**859**	**784**	**977**	**1,026**	**1,078**
Total assets	51,163	40,970	38,206	38,828	41,130
Short term borrowing	7,265	4,915	2,458	2,212	2,322
Due to related parties	0	0	0	0	0
Current LT portion	**11,064**	**9,444**	**10,159**	**10,667**	**11,200**
Other current liabilities	739	651	0	0	0
Long term borrowing	**18,730**	**11,655**	**10,166**	**9,818**	**10,716**
Total borrowings	25,995	16,570	12,624	12,029	13,038
Other L-T liabilities	0	0	738	775	814
Minority interest	**0**	**0**	**0**	**0**	**0**
Shareholders' equity	13,364	14,074	14,685	15,357	16,078
Total Liab. & Equity	51,163	40,739	38,206	38,828	41,130

Sources: Company data, ttb wealth estimates

Attractive dividend yields of 7-8% p.a. in 2026-28F

ROE is on an improving trend

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	13.5	9.6	8.1	7.3	6.8
Normalized PE - at target price (x)	19.2	13.6	11.4	10.4	9.7
PE (x)	13.5	9.6	8.1	7.3	6.8
PE - at target price (x)	19.2	13.6	11.4	10.4	9.7
P/PPP (x)	5.0	4.8	5.0	4.8	4.6
P/PPP - at target price (x)	7.1	6.8	7.1	6.8	6.5
P/BV (x)	0.8	0.8	0.7	0.7	0.7
P/BV - at target price (x)	1.2	1.1	1.1	1.0	1.0
Dividend yield (%)	4.0	6.3	6.8	7.5	8.0
Normalized EPS	0.13	0.18	0.22	0.24	0.26
EPS	0.13	0.18	0.22	0.24	0.26
DPS	0.07	0.11	0.12	0.13	0.14
PPP/Share	0.35	0.37	0.35	0.37	0.39
BV/share	2.15	2.26	2.36	2.47	2.58
P/BV to ROE	0.13	0.09	0.08	0.07	0.07

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate (%)					
Net interest income (NII)	(13.8)	(12.6)	1.0	2.5	4.9
Non-interest income (Non-II)	(6.7)	(0.7)	(0.8)	5.8	5.4
Operating expenses	17.8	(47.2)	20.0	3.0	5.0
Pre-provisioning profit (PPP)	(20.0)	6.2	(3.5)	3.6	5.1
Net profit	(37.8)	43.4	18.5	9.7	7.4
Normalized profit growth	(37.8)	43.4	18.5	9.7	7.4
EPS	(39.4)	41.6	18.5	9.7	7.4
Normalized EPS	(39.4)	41.6	18.5	9.7	7.4
Dividend payout ratio	54.5	59.7	55.0	55.0	55.0
Loan - gross	(12.3)	(15.9)	(6.0)	3.0	5.0
Loan - net	(12.8)	(15.6)	(6.4)	3.0	5.2
Borrowings	(11.3)	(29.9)	(12.3)	(0.4)	6.8
NPLs	(9.1)	(35.0)	(16.5)	4.5	4.6
Total assets	(7.4)	(19.9)	(6.7)	1.6	5.9
Total equity	5.4	5.3	4.3	4.6	4.7
Operating Ratios (%)					
Net interest margin (NIM)	4.2	4.3	4.9	5.1	5.2
Net interest spread	3.6	3.4	3.8	4.0	4.0
Loan yield	6.6	6.6	6.8	6.8	6.8
Borrowing cost	3.1	3.2	3.0	2.9	2.8
Yield on earnings assets	6.6	6.6	6.8	6.8	6.8
Avg cost of fund	3.1	3.2	3.0	2.9	2.8
NII / operating income	71.3	68.6	69.0	68.3	68.2
Non-II / operating income	28.7	31.4	31.0	31.7	31.8
Normalized net margin	26.5	41.9	49.4	52.3	53.5
Cost-to-income	28.8	16.7	20.0	19.9	19.9
Credit cost - provision exp / loans	2.2	1.9	1.3	1.1	1.0
PPP / total assets	4.0	5.0	5.6	5.9	6.0
PPP / total equity	16.5	16.6	15.3	15.2	15.3
Avg assets/avg equity (leverage)	4.1	3.4	2.8	2.6	2.5
ROA	1.5	2.5	3.4	3.9	4.0
ROE	6.1	8.4	9.5	9.9	10.2

Sources: Company data, ttb wealth estimates

Low D/E presents upside to dividend payout ratio

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Liquidity and Quality Ratio (%)					
Gross Loan / Borrow ings	128.2	153.8	164.7	170.3	167.5
Net Loan / Borrow ings	123.5	148.7	158.7	164.1	161.7
Net Loan / Assets	89.3	94.1	94.5	95.8	95.2
Net Loan / Equity	341.8	274.0	245.9	242.2	243.4
S-T / L-T Borrow ings	49.5	55.3	55.4	56.8	55.8
Borrow ings / Liabilities	97.9	97.3	96.7	96.6	96.6
Interest-bearing Debt / Equity	276.8	184.3	154.9	147.6	150.6
Liabilities / Equity	282.8	189.5	160.2	152.8	155.8
Equity to Gross Loan	28.2	35.3	39.2	39.8	39.7
NPLs	1,569	1,020	851	890	930
NPLs / Total Loans (NPL Ratio)	3.3	2.6	2.3	2.3	2.3
Loan-Loss-Coverage (Provision / NPLs)	111.0	130.1	162.1	158.7	150.7

Sources: Company data, ttb wealth estimates

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