

**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.


**RAWISARA SUWANUMPHAI**

662-779-9119

rawisara.suw@ttbwealth.co.th

### 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.

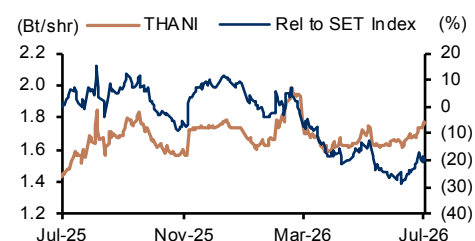
### Limited impact from Iran war in 2Q26F

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
<b>Normalized profit (Bt bn)</b>					
- 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
<b>Normalized EPS (Bt/share)</b>					
- 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
<b>Loan growth (%)</b>					
- 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
<b>NIM (%)</b>					
- 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
<b>Cost-to-income ratio (%)</b>					
- 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)
<b>Credit costs (%)</b>					
- 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)
<b>NPLs (Bt bn)</b>					
- 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)

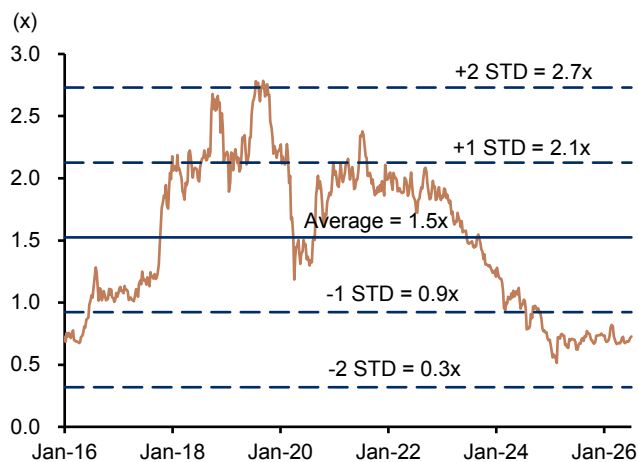
Sources: Company data, ttb wealth estimates

**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										
<b>Equity value / share (Bt)</b>	<b>2.50</b>										

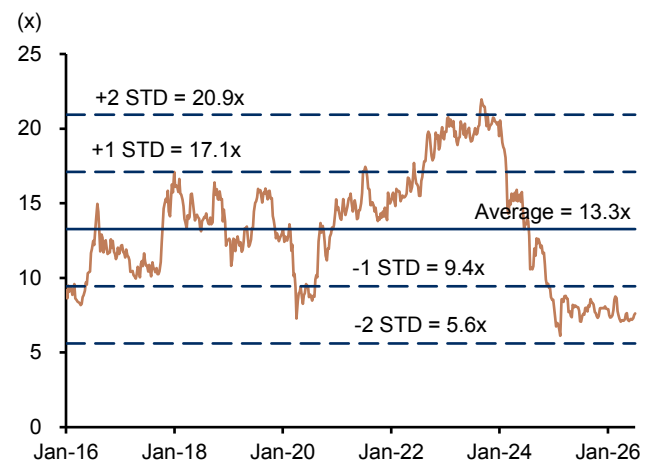
Sources: Company data, ttb wealth estimates

**Ex 3: P/BV STD**



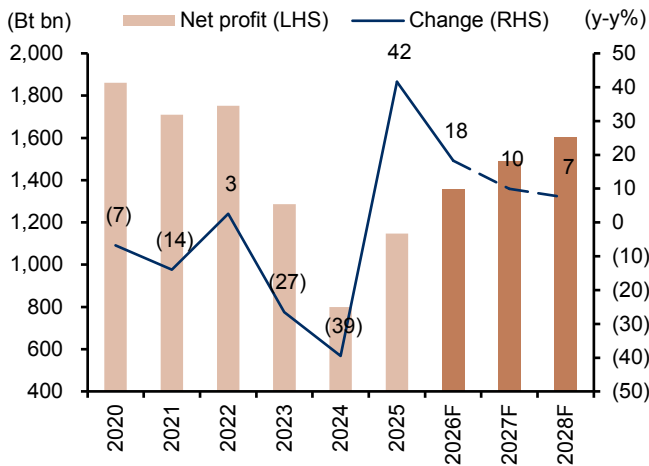
Sources: Bloomberg, ttb wealth estimates

**Ex 4: PE STD**



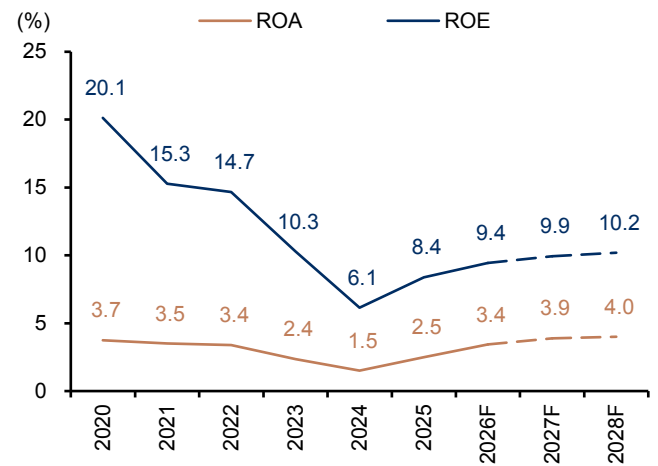
Sources: Bloomberg, ttb wealth estimates

**Ex 5: Net Profit Growth**



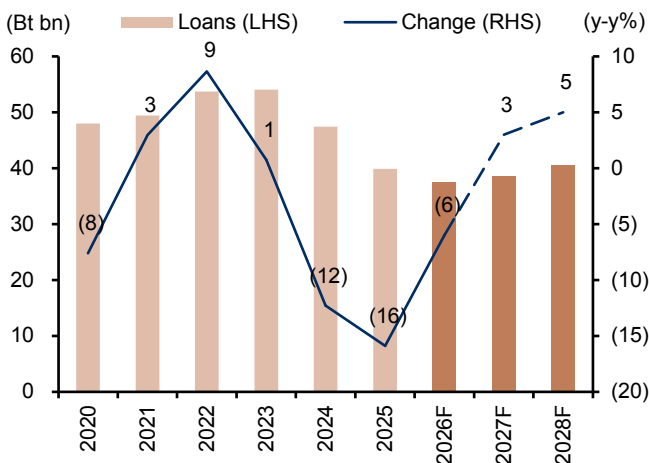
Sources: Company data, ttb wealth estimates

**Ex 6: ROE And ROA**



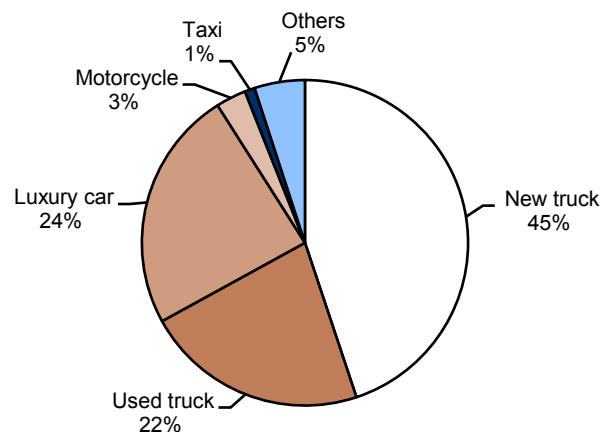
Sources: Company data, ttb wealth estimates

**Ex 7: Loan Growth**



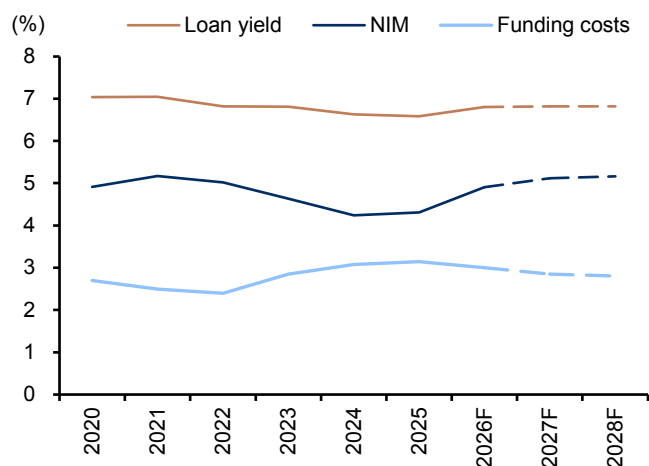
Sources: Company data, ttb wealth estimates

**Ex 8: Loan Breakdown In 1Q26**



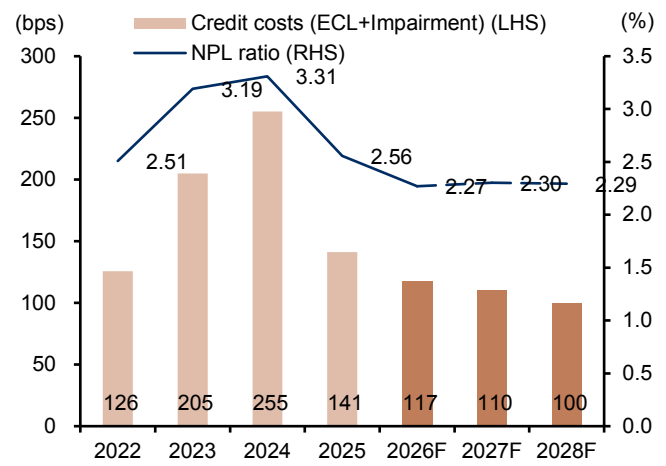
Source: Company data

**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%)
				y-y%	q-q%	%26F	y-y%	%26F				
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)
<b>Net interest income after provisions</b>	<b>196</b>	<b>360</b>	<b>369</b>	88	2	26	729	68	52	<b>1,068</b>	<b>1,394</b>	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)
<b>Gross income</b>	<b>510</b>	<b>645</b>	<b>670</b>	31	4	26	1,315	23	51	<b>2,273</b>	<b>2,575</b>	13.2
Profit after tax	279	340	354	27	4	26	695	31	51	1,148	1,358	18.3
<b>Net profit</b>	<b>279</b>	<b>340</b>	<b>354</b>	27	4	26	695	31	51	<b>1,148</b>	<b>1,358</b>	<b>18.3</b>
Pre-provision profits	634	547	555	(13)	1	25	1,102	(9)	50	2,283	2,200	(3.6)
<b>Key ratios</b>												
<b>Asset quality</b>												
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	
<b>Profitability ratios (%)</b>												
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	
<b>Loan growth (%)</b>												
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

## TTB WEALTH'S SWOT ANALYSIS

### S — Strength

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

### O — Opportunity

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

## 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

## COMPANY RATING



### Rating Scale

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

Source: ttb wealth; \*CG Rating

### W — Weakness

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

### T — Threat

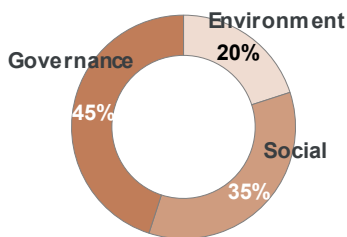
- Weak economy.
- Increasing penetration by commercial banks.

## RISKS TO OUR INVESTMENT CASE

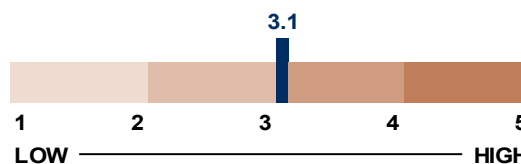
- If THANI is not able to improve asset quality as we currently assume, this would present the key downside risk to our call.
- A lower dividend payout ratio would lead to potential downside risk to our TP.

Source: ttb wealth

**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)
<b>THANI</b>	<b>YES</b>	<b>AA</b>	<b>-</b>	<b>3.06</b>	<b>0</b>	<b>41.7</b>	<b>5.0</b>

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.

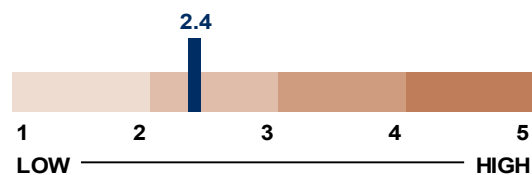


**ESG Summary**

- 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.

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 (E) Rating



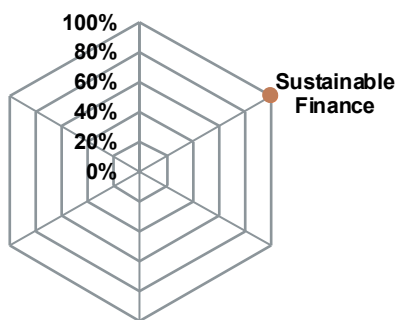
ENVIRONMENT

Our Comments

- Sustainable Finance

- 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.

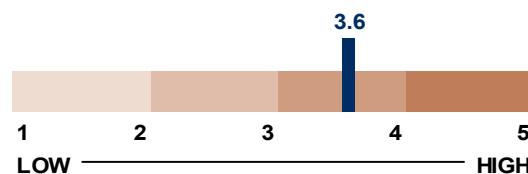
SCALE WEIGHTING



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



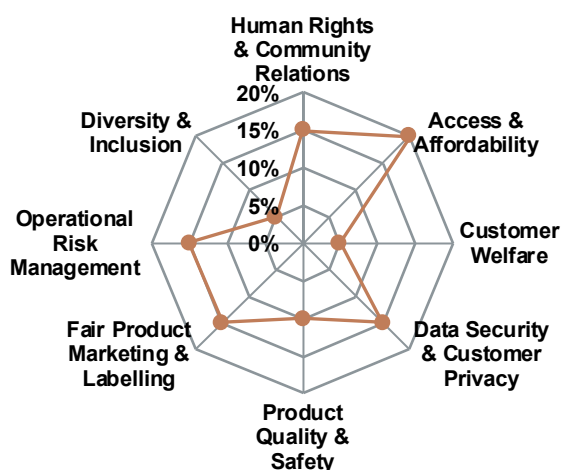
SOCIAL

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

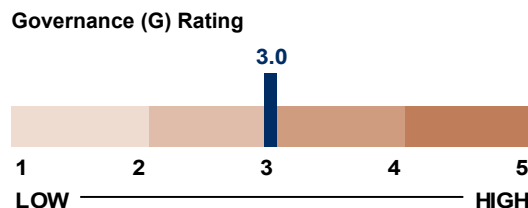
- We assign THANI a Social (S) score of 3.6, in line with its peer average. The company covers the key pillars of social responsibility well — employee welfare, workplace safety, financial inclusion, and community support. While THANI lacks the scale and flagship social finance instruments seen at larger 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.

SCALE WEIGHTING



Sources: ttb wealth, Company data

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.



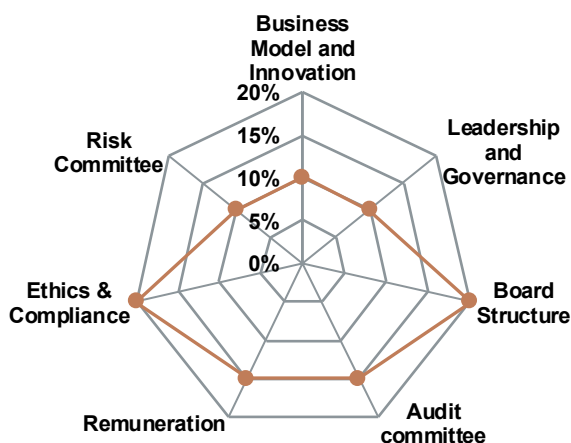
GOVERNANCE & SUSTAINABILITY

Our Comments

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

- 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.

SCALE WEIGHTING



Sources: ttb wealth, Company data

## 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
<b>Net Interest Income</b>	<b>2,152</b>	<b>1,881</b>	<b>1,900</b>	<b>1,947</b>	<b>2,043</b>
% 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
<b>Non-interest Income</b>	<b>867</b>	<b>861</b>	<b>854</b>	<b>903</b>	<b>952</b>
% of total income	29%	31%	31%	32%	32%
<b>Total Income</b>	<b>3,019</b>	<b>2,742</b>	<b>2,754</b>	<b>2,851</b>	<b>2,994</b>
Operating Expenses	868	459	550	567	595
<b>Pre-provisioning Profit</b>	<b>2,151</b>	<b>2,283</b>	<b>2,203</b>	<b>2,284</b>	<b>2,399</b>
Bad debt expenses	1,112	813	503	419	396
<b>Pre-tax Profit</b>	<b>1,039</b>	<b>1,470</b>	<b>1,701</b>	<b>1,865</b>	<b>2,003</b>
Income Tax	239	323	340	373	401
<b>After Tax Profit</b>	<b>800</b>	<b>1,148</b>	<b>1,360</b>	<b>1,492</b>	<b>1,603</b>
Equity Income	0	0	0	0	0
Minority Interest	(0)	(0)	0	0	0
Extraordinary Items	0	0	0	0	0
<b>NET PROFIT</b>	<b>800</b>	<b>1,148</b>	<b>1,360</b>	<b>1,492</b>	<b>1,603</b>
<b>Normalized Profit</b>	<b>800</b>	<b>1,148</b>	<b>1,360</b>	<b>1,492</b>	<b>1,603</b>
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

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

## 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
<b>Total current assets</b>	<b>3,791</b>	<b>1,361</b>	<b>901</b>	<b>392</b>	<b>696</b>
<b>Gross loans &amp; accr. interest</b>	<b>47,409</b>	<b>39,876</b>	<b>37,483</b>	<b>38,608</b>	<b>40,538</b>
Provisions	1,742	1,327	1,380	1,412	1,402
<b>Net loans</b>	<b>45,672</b>	<b>38,559</b>	<b>36,107</b>	<b>37,200</b>	<b>39,140</b>
Fixed assets	823	246	200	191	196
Right of use - net	18	20	20	20	20
<b>Other assets</b>	<b>859</b>	<b>784</b>	<b>977</b>	<b>1,026</b>	<b>1,078</b>
Total assets	51,163	40,970	38,206	38,828	41,130
Short term borrow ing	7,265	4,915	2,458	2,212	2,322
Due to related parties	0	0	0	0	0
<b>Current LT portion</b>	<b>11,064</b>	<b>9,444</b>	<b>10,159</b>	<b>10,667</b>	<b>11,200</b>
Other current liabilities	739	651	0	0	0
<b>Long term borrowing</b>	<b>18,730</b>	<b>11,655</b>	<b>10,166</b>	<b>9,818</b>	<b>10,716</b>
Total borrow ings	25,995	16,570	12,624	12,029	13,038
Other L-T liabilities	0	0	738	775	814
<b>Minority interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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

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

Sources: Company data, ttb wealth estimates

## 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

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

## FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
<b>Growth Rate (%)</b>					
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
<b>Operating Ratios (%)</b>					
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

**FINANCIAL RATIOS**

<b>FY ending Dec</b>	<b>2024A</b>	<b>2025A</b>	<b>2026F</b>	<b>2027F</b>	<b>2028F</b>
<b>Liquidity and Quality Ratio (%)</b>					
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

*Low D/E presents  
upside to dividend  
payout ratio*

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70-79		Good
60-69		Satisfactory
50-59		Pass
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### ttb wealth securities public company limited.

Research Team

18 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: [research@ttbwealth.co.th](mailto:research@ttbwealth.co.th)

#### **Pimpaka Nichgaroon, CFA**

Head of Research, Strategy  
[pimpaka.nic@ttbwealth.co.th](mailto:pimpaka.nic@ttbwealth.co.th)

#### **Nuttapop Prasitsuksant**

Telecom, Utilities  
[nuttapop.pra@ttbwealth.co.th](mailto:nuttapop.pra@ttbwealth.co.th)

#### **Rawisara Suwanumphai**

Bank, Finance  
[rawisara.suw@ttbwealth.co.th](mailto:rawisara.suw@ttbwealth.co.th)

#### **Yupapan Polpornprasert**

Energy, Petrochemical  
[yupapan.pol@ttbwealth.co.th](mailto:yupapan.pol@ttbwealth.co.th)

#### **Sittichet Rungrassameephat**

Analyst, Retail Market Strategy  
[sittichet.run@ttbwealth.co.th](mailto:sittichet.run@ttbwealth.co.th)

#### **Adisak Phupiphathirungul, CFA**

Retail Market Strategy  
[adisak.phu@ttbwealth.co.th](mailto:adisak.phu@ttbwealth.co.th)

#### **Pattadol Bunnak**

Electronics, Food & Beverage, Retail  
[pattadol.bun@ttbwealth.co.th](mailto:pattadol.bun@ttbwealth.co.th)

#### **Saksid Phadthananarak**

Construction, Transportation  
[saksid.pha@ttbwealth.co.th](mailto:saksid.pha@ttbwealth.co.th)

#### **Chod Reankittiwat, CFA**

Assistant Analyst  
[chod.rea@ttbwealth.co.th](mailto:chod.rea@ttbwealth.co.th)

#### **Thaloengsak Kucharoenpaisan**

Analyst, Retail Market Strategy  
[thaloengsak.kuc@ttbwealth.co.th](mailto:thaloengsak.kuc@ttbwealth.co.th)

#### **Pattarawan Wangmingmat**

Senior Technical Analyst  
[pattarawan.wan@ttbwealth.co.th](mailto:pattarawan.wan@ttbwealth.co.th)

#### **Rata Limsuthiwanpoom**

Auto, Industrial Estate, Media, Prop. Fund  
[rata.lim@ttbwealth.co.th](mailto:rata.lim@ttbwealth.co.th)

#### **Siriporn Arunothai**

Small Cap, Healthcare, Hotel  
[siriporn.aru@ttbwealth.co.th](mailto:siriporn.aru@ttbwealth.co.th)

#### **Nariporn Klangpremchitt, CISA**

Analyst, Retail Market Strategy  
[nariporn.kla@ttbwealth.co.th](mailto:nariporn.kla@ttbwealth.co.th)

#### **Witchanan Tambamroong**

Technical Analyst  
[witchanan.tam@ttbwealth.co.th](mailto:witchanan.tam@ttbwealth.co.th)