Finance Sector – Overweight

Earnings Preview

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2Q26 Preview: Trucks Strong, Titles Steady

- **Sector 2Q26F profit up; truck lenders lead**
- **Truck lenders: lower credit costs, improving NIM + loan**
- **Title lenders: steady asset quality, cautious lending stance**
- **Prefer Banks over Non-banks. KTC, MTC, THANI Top BUYs**

We expect our six consumer finance lenders under coverage to report 2Q26F **combined net profit of Bt5.5bn (+13% y-y, -2% q-q)**, with the highlight being **a strong recovery from truck lenders.**

Truck lenders should post the standout quarter, driven by NIM expansion, lower credit costs, and stronger new loan origination, although loan books may still contract due to elevated repayments exceeding new disbursements.

Title lenders should continue to generate steady earnings growth, albeit at a more moderate pace, as operators remain cautious on new loan origination amid macro uncertainty following the Iran conflict.

- **Truck lenders: the earnings engine of 2Q26F**

  We forecast the two truck lenders (ASK and THANI) to report combined net profit of Bt590m (+47% y-y, +9% q-q). This marks a meaningful step-up in profitability.

  Key highlights: 1) **Loan contraction slowing** to -1% q-q (-10% y-y), a significant improvement from the -4% to -5% q-q declines seen through 2025, reflecting rising truck demand and both ASK's and THANI's increased willingness to extend new credit following clear asset quality improvement. 2) **NIM improving** to 5.0% (+53bps y-y, +17bps q-q), supported by lower funding costs as operators continue to pay down expensive legacy debt together with higher loan yields from newly originated loans. 3) **Credit costs declining** to 166bps (-92bps y-y, -6bps q-q), as the heavy write-offs and NPL sales of 2024–25 have largely cleaned the book.

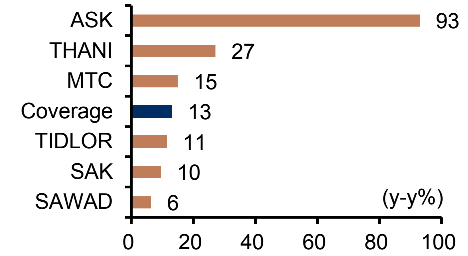
  ASK should post net profit of Bt235m (+93% y-y, +17% q-q) while THANI should report Bt354m (+27% y-y, +4% q-q).

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

  We forecast the four title lenders (MTC, SAWAD, SAK, and TIDLOR) to report combined net profit of Bt4.9bn (+11% y-y, -2% q-q).

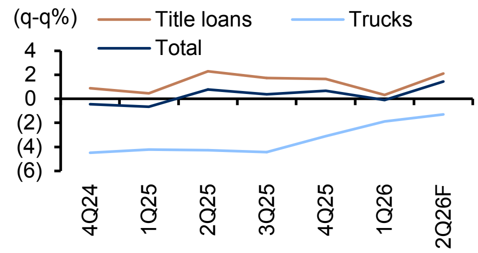
  Key highlights: 1) Combined **loan growth of 2.1% q-q** and 5.9% y-y, reflecting deliberate conservatism in new lending as operators navigate macro uncertainty from the Iran war's impact on oil prices, fertilizer costs, and household income; 2) **NIM improving** 15bps y-y, 20bps q-q to 15.14%, primarily reflecting lower funding costs and higher no. of day q-q; and 3) **Asset quality broadly stable**, with combined NPLs rising 0.7% q-q, reflecting continued prudent underwriting.

Ex 1: Net Profit Growth



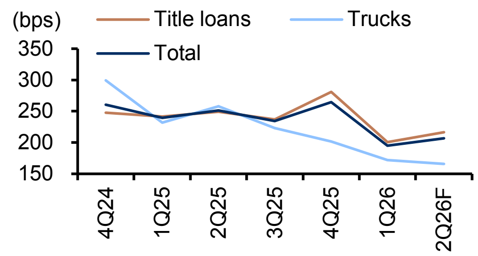
Sources: Company data, ttb wealth estimates

Ex 2: Loan Growth



Sources: Company data, ttb wealth estimates

Ex 3: Credit Cost



Sources: Company data, ttb wealth estimates

- **MTC** should report a record-high net profit of **Bt1.9bn (+15% y-y, +4% q-q),** supported by moderate loan growth (+8% y-y, +3% q-q), a 27bps q-q NIM expansion to 13.88% from lower average funding costs and a higher number of interest-accruing days, together with resilient asset quality should keep credit cost stable at 220bps.
- **TIDLOR** should post a good net profit of **Bt1.4bn, +11% y-y**, driven mainly by moderate loan growth of 1.5% q-q and 5.3% y-y, continued strength in insurance brokerage fees, and a 47bps y-y and 14bps q-q improvement in NIM, supported by lower funding costs. However, its net profit would -11% q-q due to the high base in 1Q26 following the reversal of Bt200m in provisions related to the southern Thailand floods.
- **SAWAD** should report net profit of **Bt1.4bn (+6% y-y, +1% q-q).** Loan growth is expected at 1.0% q-q, led by title loans and locked-phone lending. Controlling expense is still key strength for SAWAD. Asset quality should remain under control. We expect repossession losses to remain broadly stable q-q, with credit cost easing 13bps q-q to 210bps.
- **SAK** is expected to post net profit of **Bt241m (+10% y-y, +5% q-q)**. We expect SAK to deliver the strongest loan growth among peers at 2.5% q-q, supported by seasonal demand from the agricultural segment and improved funding capacity following the resolution of its liquidity constraints. NIM should improve to 16.37% (+26bps y-y, +45bps q-q) as funding costs decline. Asset quality should remain stable, although credit cost may increase by 26bps q-q due to stronger loan growth.

- **Sector view: prefer Banks over Non-banks; KTC, MTC and THANI our picks**

We view that the **non-bank space has become less attractive relative to banks** in the current environment. Loan growth in non-banks is deliberately slower, and dividend yields are lower.

Within the sector, we currently **prefer truck lenders** over title lenders. Earnings momentum for truck lenders is improving more visibly, driven by both NIM expansion and declining credit costs. By contrast, while title lenders should continue to deliver steady bottom-line growth, loan growth remains relatively subdued as operators maintain a conservative lending stance.

Within our coverage, **KTC, MTC, and THANI** are our top picks. We like *KTC* for its re-accelerating earnings growth, attractive dividend yield, and the underappreciated upside from its new insurance brokerage business. *MTC* remains our preferred title lender, supported by best-in-class loan growth and resilient asset quality. *THANI* is our preferred truck lender, offering strong earnings recovery driven by continued NIM expansion, declining credit costs, and an attractive dividend yield.

Ex 4: Summary 2Q26F Net Profit

	2Q25	1Q26	2Q26F	y-y %	q-q %	Tentative results date	Analyst meeting date	
MTC	1,647	1,823	1,893	14.9	3.8	11-Aug	13-Aug	
SAWAD	1,270	1,342	1,351	6.4	0.7	11-Aug	14-Aug	
SAK	220	230	241	9.5	4.8	11-Aug	18-Aug	Opp. Day
TIDLOR	1,296	1,614	1,444	11.4	(10.5)	11-Aug	13-Aug	
ASK	122	202	235	93.0	16.7	11-Aug	21-Aug	
THANI	279	340	354	27.1	4.1	11-Aug	18-Aug	Opp. Day
KTC *	1,895	2,171	2,225	17.4	2.5	Out	18-Aug	
Coverage	**6,729**	**7,722**	**7,744**	**15.1**	**0.3**			
Coverage - ex KTC	**4,834**	**5,550**	**5,519**	**14.2**	**(0.6)**			

Sources: Company data, ttb wealth estimates

Note: * Actual numbers

Ex 5: Finance Sector Valuations

	Title loan					Truck loan			
	MTC	SAWAD	SAK	TIDLOR	Total	ASK	THANI	Total	KTC*
Loan (Bt m)	**187,061**	**93,170**	**14,656**	**109,617**	**404,503**	**56,725**	**38,734**	**95,459**	**107,011**
q-q%	*3.0%*	*1.0%*	*2.5%*	*1.5%*	*2.1%*	*-1.5%*	*-1.0%*	*-1.3%*	*-0.1%*
y-y%	*8.4%*	*3.4%*	*-1.8%*	*5.3%*	*5.9%*	*-10.7%*	*-9.8%*	*-10.3%*	*0.6%*
ytd%	*3.5%*	*1.1%*	*3.4%*	*1.8%*	*2.4%*	*-3.4%*	*-2.9%*	*-3.2%*	*-3.5%*
NIM (%)	**13.88%**	**15.41%**	**20.02%**	**16.37%**	**15.14%**	**5.04%**	**4.94%**	**5.00%**	**13.73%**
bps q-q	*27*	*11*	*45*	*14*	*20*	*17*	*18*	*17*	*42*
bps y-y	*(4)*	*27*	*26*	*47*	*15*	*44*	*65*	*53*	*22*
NPL (Bt m)	**4,777**	**3,711**	**391**	**1,584**	**10,464**	**4,302**	**814**	**5,117**	**1,993**
q-q%	*1.0%*	*1.3%*	*0.9%*	*-1.7%*	*0.7%*	*1.0%*	*-1.2%*	*0.6%*	*-3.7%*
NPL ratio	*2.6%*	*4.0%*	*2.7%*	*1.4%*	*2.6%*	*7.6%*	*2.1%*	*5.4%*	*1.9%*
Credit costs (bps)	**220**	**210**	**110**	**230**	**216**	**200**	**115**	**166**	**489**
bps q-q	*6*	*(13)*	*26*	*56*	*16*	*(12)*	*3*	*(6)*	*(20)*
bps y-y	*(31)*	*(27)*	*(59)*	*(37)*	*(33)*	*(62)*	*(136)*	*(92)*	*(83)*
Net profit (Bt m)	**1,893**	**1,351**	**241**	**1,444**	**4,929**	**235**	**354**	**590**	**2,225**
q-q%	*3.8%*	*0.7%*	*4.8%*	*-10.5%*	*-1.6%*	*16.7%*	*4.1%*	*8.8%*	*2.5%*
y-y%	*14.9%*	*6.4%*	*9.5%*	*11.4%*	*11.2%*	*93.0%*	*27.1%*	*47.2%*	*17.4%*

Sources: Company data, ttb wealth estimates

Note: * Actual numbers

Ex 6: Finance Sector Valuations

Stocks	Rating	Current price (Bt)	Target price (Bt)	Norm EPS growth 2026F (%)	Norm EPS growth 2027F (%)	Norm PE 2026F (x)	Norm PE 2027F (x)	P/BV 2026F (x)	P/BV 2027F (x)	Yield 2026F (%)	Yield 2027F (%)
ASK	BUY	12.30	13.00	51.6	15.4	9.7	8.4	0.7	0.7	4.6	5.3
BAM	HOLD	6.85	7.50	(3.0)	16.8	12.6	10.8	0.5	0.5	6.4	7.4
JMT	SELL	12.10	8.50	24.7	4.5	13.8	13.2	0.6	0.6	4.3	4.5
KTC	BUY	39.00	44.00	8.4	4.2	11.9	11.4	2.1	2.0	5.0	5.2
MTC	BUY	35.00	37.00	8.4	11.3	10.2	9.1	1.5	1.3	1.5	1.6
SAK	BUY	3.46	4.60	12.2	12.0	7.3	6.5	1.0	0.9	6.1	6.9
SAWAD	HOLD	25.00	23.50	4.3	9.1	7.9	7.3	1.0	0.9	2.9	3.2
THANI	BUY	2.40	2.50	18.5	9.7	11.0	10.0	1.0	1.0	5.0	5.5
TIDLOR	BUY	19.40	21.60	15.1	9.7	9.9	9.0	1.5	1.4	4.0	4.4

Sources: Company data, ttb wealth estimates

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