UOBKayHian

Country Daily | Thailand

Thursday, 17 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51461.9	(1.2)	(1.8)	(4.2)	7.1
S&P 500	7551.8	(0.4)	(1.1)	(3.0)	10.3
FTSE 100	10688.5	0.3	0.2	(0.6)	7.6
AS30	8874.5	0.3	(2.5)	(4.4)	(1.6)
CSI 300	4480.3	0.7	(2.0)	(5.5)	(3.2)
FSSTI	5635.4	(0.1)	(1.6)	(2.3)	21.3
HSCEI	8206.4	0.0	(1.9)	(2.8)	(7.9)
HSI	24713.8	0.2	(2.2)	(1.6)	(3.6)
JCI	6436.9	(0.4)	(3.6)	0.5	(25.6)
KLCI	1679.2	(1.1)	(2.1)	(2.7)	(0.1)
KOSPI	6718.0	1.4	(4.7)	(3.7)	59.4
Nikkei 225	63923.0	0.7	(1.9)	(7.7)	27.0
SET	1562.7	(1.0)	(3.4)	(3.9)	24.1
TWSE	45848.9	0.7	(2.8)	(0.0)	58.3
BDI	3327	(1.0)	(8.1)	16.2	77.3
CPO (RM/mt)	4611	0.4	(1.1)	1.9	17.2
Brent Crude (US$/bbl)	106	(2.7)	4.6	19.6	73.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct

Corporate and Macro Calendar

Economic Indicator/Event		Date
Aug. Customs Trade Balance (Export-Import)	Thailand	21-26 Sep

Top Stories

Company Update | Krungthai Card (KTC TB/**BUY**/Bt37.00/Target: Bt50.00)

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- We forecast a 3Q26 net profit of Bt2.1b, up 9% yoy but down 5% qoq. We estimate KTC's loan portfolio will grow 2% yoy and 1% qoq in 3Q26. Management acknowledges that the quality of potential clients remains a concern, but the company is also screening and being prudent in lending in order to maintain a good-quality loan portfolio. We expect KTC to report a 69bp qoq increase in credit cost to 559bp in 3Q26. Maintain BUY. Target price: Bt50.00.

Krungthai Card (KTC TB)

3Q26 Results Preview: Expect Loans To Grow yoy And qoq

Analyst(s)

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Highlights

- We expect 3Q26 net profit to come in at Bt2.1b, up 9% yoy but down 5% qoq.
- Credit costs are expected to rise qoq in 3Q26.
- Maintain BUY with a target price of Bt50.00.

Analysis

- **Expect 3Q26 earnings to rise yoy.** We expect Krungthai Card (KTC) to report a 3Q26 net profit of Bt2.1b, up 9% yoy but down 5% qoq. We expect pre-provision operating income to rise by 4% yoy and 1% qoq.
- **Strong growth in industry's credit card loans outstanding.** As of Jul 26, the industry's credit card loans outstanding had decreased by 6% from Dec 25. This reduction was due to the high base from the seasonal peak in Dec 25. However, the industry's credit card loan outstanding increased by 1% yoy to Bt480b in Jul 26. We expect an improvement in both credit card spending and loan outstanding for KTC in 2H26.
- **Anticipate loan portfolio expansion in 3Q26.** We expect KTC's loan portfolio to grow by 2% yoy and 1% qoq in 3Q26, in line with our forecast of a 2% yoy growth for 2026. KTC has a loan growth target of 1-2% in 2026. Management admits that the quality of potential clients remains a concern, but the company is also screening and being prudent in lending in order to maintain a good-quality loan portfolio. We believe KTC will maintain its asset quality despite facing more challenges, as it has in the past.
- **Forecast credit costs to rise qoq in 3Q26.** We expect KTC to report a 69bp qoq increase in credit costs to 559bp in 3Q26 as we believe the company will increase provision expenses to cushion against future uncertainties. We project a slight 1bp yoy decrease in credit costs to 5.33% in 2026. Management believes that the credit cost should be 5.0-5.3% for 2026, based on the current situation. However, the company has not changed its original credit cost target of 5.5% for 2026.
- **An acquisition will enhance debt collection.** KTC announced the acquisition of ordinary shares of Win Performance Company Limited (WIN), representing 100% of total shares issued of WIN amounting to Bt295m. As a result, WIN will become a subsidiary of KTC. WIN operates a debt collection business, including related legal services and support services. KTC expects this acquisition to support the strategic plan for managing costs and generating revenue through strategic cooperation with WIN. We are positive on this acquisition, as KTC has consistently highlighted the strength of its debt-collection partner, which is WIN. KTC has reported impressive debt collection in the past and does not sell written-off receivables.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	14,381.9	14,559.9	14,821.6	15,325.5	15,710.8
Non-Interest Income	11,267.4	11,441.5	11,887.6	13,536.7	15,001.5
Net profit (rep./act.)	7,437.2	7,781.6	8,633.4	9,071.2	9,431.8
Net profit (adj.)	7,437.2	7,781.6	8,633.4	9,071.2	9,431.8
EPS (Bt)	2.9	3.0	3.4	3.5	3.7
PE (x)	12.6	12.1	10.9	10.4	10.0
P/B (x)	2.4	2.1	2.0	1.8	1.7
Dividend yield (%)	2.6	6.7	5.3	5.8	6.0
Net int margin (%)	13.0	13.2	13.2	13.4	13.4
Cost/income Ratio (%)	37.5	37.1	37.1	37.0	36.9
Loan loss cover (%)	369.3	425.0	420.0	440.0	465.0
Consensus net profit	n.a	n.a	8,479.9	8,784.1	9,139.6
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Krungthai Card, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt37.00
Target Price	Bt50.00
Upside	+35.1%

Stock Data

Sector	Financials
Bloomberg ticker	KTC TB
Shares issued (m)	2,578.3
Market cap (Btm)	95,398.4
Market cap (US$m)	2,864.5
3-mth avg daily t'over (US$m)	24.1

Price Performance (%)

52-week high/low				Bt41.25/Bt24.4
1mth	3mth	6mth	1yr	YTD
(1.3)	20.3	27.6	25.4	41.0

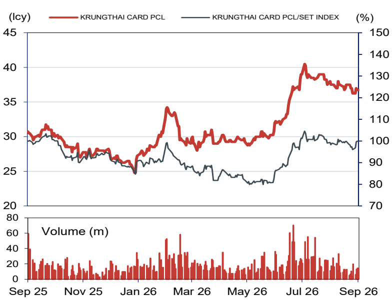
Major Shareholders (%)

Krungthai Bank (KTB)	49.29
Thai NVDR	8.72
Mongkol Prakitchaiwattana	3.53

Balance Sheet Metrics

FY26 NAV/Share (Bt)	18.7
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

The company provides unsecured financial products, credit card products and services, and personal loans to consumers in Thailand.

3Q26 Results Preview

Year to 31 Dec (Btm)	3Q26F	2Q26	3Q25	qoq chg (%)	yoy chg (%)
Total gross loans	108,417	107,010	106,206	1.3	2.1
Net interest income	3,723	3,674	3,676	1.3	1.3
Non-interest income	2,959	2,797	2,807	5.8	5.4
Loan loss provision	(1,505)	(1,310)	(1,445)	14.8	4.2
Non-Interest Expenses	(2,520)	(2,367)	(2,475)	6.5	1.8
Pre-provision operating profit	4,162	4,105	4,008	1.4	3.8
Net income	2,117	2,225	1,951	(4.9)	8.5
EPS (Bt)	0.82	0.86	0.76	(4.9)	8.5
Ratio (%)					
NPL Ratio (%)	1.8	1.9	1.8		
Loan loss coverage ratio (%)	422	426	426		
Net interest margin (NIM %)	13.8	13.7	13.8		
Reported Credit cost (bp)	559	490	544		
Reported Cost to income (%)	37.7	36.6	38.2		

Source: TISCO, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a target price of Bt50.00,** based on the Gordon Growth Model (cost of equity: 11.5%, long-term growth: 3%). This implies 2.7x 2026F P/B, which is nearly -0.5SD to its historical five-year mean.

Earnings Revision/Risk

- We have increased our 2027-28 earnings forecasts by 0.5% to incorporate the actual figures from its 2Q26 results.
- Risks include a slow economic recovery that results in an increase in late payments on credit cards and personal loans.

Share Price Catalyst

- Government stimulus measures to strengthen domestic spending.
- An increase in dividend payout ratio.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- The company offers a 0% interest instalment plan for solar rooftops.
- The company offers special privileges for electric vehicle bookings and wall boxes.

Social

- Education loans. KTC aims to provide equal educational opportunities to individuals who aspire to further their education but lack the necessary funds. It offers loans with reasonable interest rates, fees, and instalment options to ease their burden.

Governance

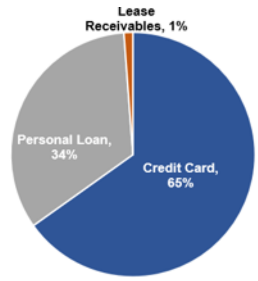
- The company has established the Business Ethic Manual, which is reviewed annually, to set up a framework for employees to follow.

2026 Financial Targets

	1H26 Actual	2026 Targets	2025 Actual
Net Profit	Bt4.4b	> Bt7.78b	Bt7.78b
Loan Growth	-3.5%	1-2%	0.4%
Credit Card Spending	4.7%	5%	3.6%
Personal Loan	3.0%	2%	1.4%
P BERM Car for Cash (New Booking)	N/A	N/A	Bt2.3b
NPL ratio	1.86%	<= 2.0%	1.79%

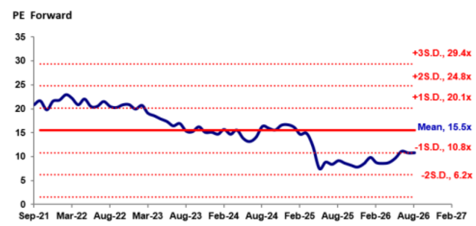
Source: KTC, UOB Kay Hian

Loan Portfolio (2Q26)



Source: KTC, UOB Kay Hian

PE Band



Source: UOB Kay Hian

P/B Band

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	16,254	16,249	16,678	17,017
Interest expense	(1,694)	(1,427)	(1,352)	(1,306)
Net interest income/(expense)	14,560	14,822	15,326	15,711
Fees & Commissions	6,513	7,041	8,062	9,272
Income From Insurance	0	0	0	0
Net Trading Income	0	0	0	0
Other Income	4,929	4,847	5,474	5,730
Non-Interest Income	11,441	11,888	13,537	15,001
Total Income	26,001	26,709	28,862	30,712
Staff Costs	(9,404)	(9,665)	(10,451)	(11,083)
Other Operating Expense	(235)	(239)	(243)	(248)
Pre-Provision Profit	16,363	16,806	18,168	19,381
Loan Loss Provision	(5,906)	(5,974)	(6,784)	(7,545)
Other Provisions	0	0	0	0
Associated Companies	0	0	0	0
Other Non-Operating Income	0	0	0	0
Pre-tax profit	**10,456**	**10,832**	**11,384**	**11,837**
Tax	(2,897)	(2,171)	(2,277)	(2,367)
Minorities	222	(28)	(36)	(38)
Net profit	**7,782**	**8,633**	**9,071**	**9,432**
Net profit (adj.)	7,782	8,633	9,071	9,432

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	3,471	4,327	4,425	4,529
Govt Treasury Bills & Securities	0	0	0	0
Interbank Loans	0	0	0	0
Customer Loans	102,628	105,389	107,855	109,874
Investment Securities	0	0	0	0
Derivative Receivables	0	0	0	0
Associates & JVs	0	0	0	0
Properties & Other Fixed Assets	367	346	267	254
Goodwill & Intangible Assets	380	513	513	513
Other Assets	3,678	3,660	3,735	3,814
Insurance Fund Investment Assets	0	0	0	0
Total assets	**110,524**	**114,235**	**116,795**	**118,984**
Interbank Deposits	0	0	0	0
Customer Deposits	0	0	0	0
Bills Payable	21,300	21,037	18,544	15,700
Derivative Payables	0	0	0	0
Debts Securities Issued	0	0	0	0
Subordinated Debts	35,612	36,227	37,050	37,923
Other Liabilities	9,593	8,888	9,048	9,232
Insurance Fund Liabilities	0	0	0	0
Total liabilities	66,505	66,152	64,642	62,855
Shareholders' funds	44,151	48,221	52,328	56,341
Minority interest	(133)	(139)	(175)	(212)
Total Equity & Liabilities	110,524	114,234	116,795	118,984

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Total Assets/Equity	2	2	2	2
Tangible Assets/Tangible Common Equity	3	2	2	2
Asset Quality				
NPL Ratio	2	2	2	2
Loan Loss Coverage	425	420	440	465
Loan Loss Reserve/Gross Loans	5	5	6	6
Increase in NPLs	(8)	3	(3)	2
Credit Cost (bp)	534	533	592	644
Liquidity				
Loan/Deposit Ratio	194	196	207	220
Liquid Assets/Short-Term Liabilities	16	21	24	29
Liquid Assets/Total Assets	3	4	4	4

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	1	2	3	3
Fees & Commissions, yoy Chg	2	8	15	15
Pre-Provision Profit, yoy Chg	2	3	8	7
Net Profit, yoy Chg	5	11	5	4
Customer Loans, yoy Chg	0	3	2	2
Profitability				
Net Interest Margin	13	13	13	13
Cost/Income Ratio	37	37	37	37
Adjusted ROA	7	8	8	8
Reported ROE	19	19	18	18
Adjusted ROE	19	19	18	18
Valuation				
P/BV	2	2	2	2
P/NTA	2	2	2	2
Adjusted P/E	12	11	10	10
Dividend Yield	7	5	6	6