

Krungthai Bank (KTB TB)

Announcing The First Interim Dividend Payment

Highlights

- The first interim dividend has been announced.
- The dividend payment is expected to be a catalyst to boost share price performance.
- Maintain BUY with a target price of Bt32.00.

Analysis

- **The first interim dividend payment has been announced.** Krungthai Bank (KTB) announced the first interim dividend of Bt0.43 per share (a yield of 1.6% based on the closing price of Bt26.75). The excluding dividend (XD) date for the interim dividend is 11 Nov 25. Payment will be made on 27 Nov 25.
- **Historical dividend payments show an increase in dividend payout ratio.** Previously, the market had been waiting for more frequent dividend payments from KTB, moving away from a single annual payment. In 2024, KTB paid a dividend of Bt1.545 per share (a payout ratio of 48%). In comparison, KTB paid Bt0.868 per share in 2023 (a payout ratio of 33.1%).
- **A potential spike in payout ratio in 2025.** We assume KTB will continue paying a final dividend of Bt1.545 per share (similar to the dividend paid in Apr 25) for the full year 2025, which will be payable in Apr 26. The resulting total dividend payment for 2025 would be Bt1.975 per share (Bt0.43 interim dividend + Bt1.545 final dividend), which translates to a payout ratio as high as 55.8%.
- **Dividend payment expected to be a catalyst to boost share price performance.** We view this interim dividend announcement positively and expect it to be a catalyst for KTB's share price performance. We will provide a further update following the meeting on Friday morning (31 Oct 25).
- **Expect a share buyback programme within the next year.** KTB announced its modified share buyback regulations during the shareholder meeting in mid-2025. We expect to see a share buyback programme happening in 2025 or early 2026 as the PBV valuation is under book with a PBV in the range of 0.6-0.7x at the current price.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net Interest Income	113,419	119,115	103,512	93,030	96,476
Non-Interest Income	36,046	41,100	53,306	42,806	44,078
Net profit	36,616	44,968	49,428	46,093	48,173
Net profit (adj.)	36,616	44,968	49,428	46,093	48,173
EPS (Bt)	2.6	3.2	3.5	3.3	3.4
PE (x)	10.2	8.3	7.6	8.1	7.8
P/B (x)	0.9	0.8	0.8	0.8	0.7
Dividend yield (%)	3.2	5.8	6.6	6.4	6.7
Net Int margin (%)	3.2	3.3	2.9	2.6	2.6
Cost/income ratio (%)	41.6	42.9	40.9	41.4	41.5
Loan loss cover (%)	181.2	188.6	203.0	196.8	192.7
Consensus net profit	-	-	46,793	44,662	46,433
UOBKH/Consensus (x)	-	-	1.06	1.03	1.04

Source: Krungthai Bank, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt26.75
Target Price	Bt32.00
Upside	19.6%

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Stock Data

GICS Sector	Financials
Bloomberg ticker	KTB TB
Shares issued (m)	13,976.1
Market cap (Btm)	373,859.6
Market cap (US\$m)	11,568.2
3-mth avg daily t'over (US\$m)	39.9

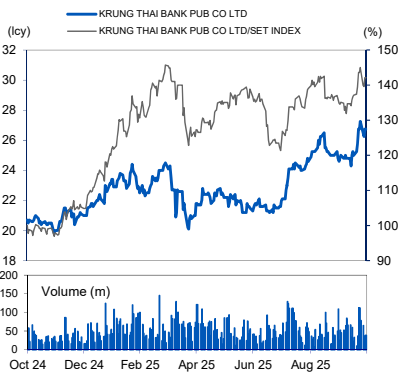
Price Performance (%)

52-week high/low			Bt27.50/Bt19.70	
1mth	3mth	6mth	1yr	YTD
7.0	23.8	27.4	28.0	27.4

Major Shareholders

	%
FIDF (MOF)	55.07
Thai NVDR	10.20
Vayupak No.1 Fund	4.53

Price Chart



Source: Bloomberg

Company Description

One of the largest commercial banks with roughly 15% share of the credit market. The bank has a strong focus on corporate lending, which accounts for 31% of its loan book.

- **3Q25 results recap.** Krung Thai Bank (KTB) reported a 3Q25 net profit of Bt14.6b, +32% yoy and +32% qoq. The results beat our estimate by 11% but was in line with consensus expectations. KTB's pre-provision operating profit increased 13% yoy and 14% qoq.

3Q25 Results Recap

Year to 31 Dec (Btm)	3Q25	2Q25	3Q24	qoq chg (%)	yoy chg (%)
Total gross loans	2,614,944	2,696,261	2,586,864	(3.0)	1.1
Net interest income	25,871	26,897	29,885	(3.8)	(13.4)
Non-interest income	16,655	13,274	10,672	25.5	56.1
Loan loss provision	(7,202)	(8,239)	(8,312)	(12.6)	(13.4)
Non-Interest expenses	(16,031)	(16,974)	(17,193)	(5.6)	(6.8)
Pre-provision operating profit	26,496	23,197	23,363	14.2	13.4
Net income	14,620	11,122	11,107	31.5	31.6
EPS (Bt)	1.05	0.80	0.79	31.5	31.6
Ratio (%)					
NPL Ratio (%)	2.88	2.94	3.14		
Loan loss coverage ratio (%)	207	194	184		
Net interest margin (NIM %)	2.74	2.91	3.35		
Credit cost (bp)	108	122	129		
Cost to income (%)	38	42	42		
CET1 ratio %	18.8	18.3	18.0		

Source: KTB, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a target price of Bt32.00.** We use the Gordon Growth Model (cost of equity: 11%, long-term growth: 2%). This implies 0.9x 2026F P/B.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Upgrade dividend payout.
- Initiate a share buyback programme.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AA

Environmental

- The bank set a long-term target to reduce GHG emissions by 30% by 2030 for operations within the bank, compared with the base year 2022.
- In 2024, the emissions reduction target was set at 3%. The reduction plan aims to reduce GHG emissions by 1,700 tonnes of carbon dioxide equivalent.

Social

- Human rights. No criteria or conditions of employment discrimination are specified but KTB aims to provide equal opportunities for employment.
- Community involvement. The bank believes that a robust economic foundation is key to a thriving community.

Governance

- The bank places great importance on conducting its business.

Historical Dividend Payment

Operation Year	Dividend Payment	Payout Ratio	XD Date
2017	Bt0.610	38.0%	7 May 2018
2018	Bt0.718	35.2%	23 Apr 2019
2019	Bt0.753	35.9%	8 Apr 2020
2020	Bt0.275	23.0%	21 Apr 2021
2021	Bt0.418	27.1%	20 Apr 2022
2022	Bt0.682	28.3%	18 Apr 2023
2023	Bt0.868	33.1%	17 Apr 2024
2024	Bt1.545	48.0%	16 Apr 2025
1H25	Bt0.43	N/A	11 Nov 2025

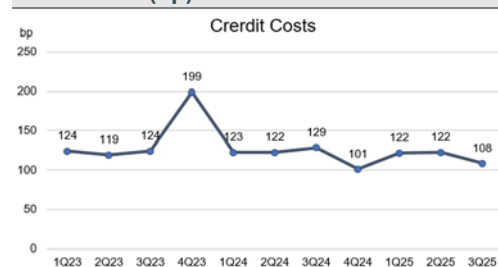
Source: KTB, UOB Kay Hian

2025 Financial Targets

	9M25 Actual	2025 Target	2024 Actual
Loan Growth	-4.0%	Flat	+5%
NIM	2.91%	2.9-3.2%	3.29%
Cost to income	40.1%	Low to Mid-40s	43.2%
NPL ratio	2.88%	<3.25%	2.99%
Credit cost (bp)	118b	105-125bp	117bp
Coverage ratio	206.6%	>170%	188.6%

Source: KTB, UOB Kay Hian

Credit Cost (bp)



Source: KTB, UOB Kay Hian

PE Band



Source: KTB, UOB Kay Hian

P/B Band



Source: KTB, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest Income	165,105	145,543	128,065	129,514
Interest Expense	(45,990)	(42,032)	(35,035)	(33,038)
Net Interest Income	119,115	103,512	93,030	96,476
Fees & Commissions	22,282	21,711	19,296	19,536
Other Income	18,818	31,595	23,510	24,542
Non-Interest Income	41,100	53,306	42,806	44,078
Total Income	160,215	156,817	135,836	140,554
Staff Costs	(27,061)	(26,319)	(23,104)	(23,770)
Other Operating Expense	(41,717)	(37,754)	(33,115)	(34,533)
Pre-Provision Profit	91,437	92,744	79,618	82,251
Loan Loss Provision	(31,070)	(26,902)	(18,716)	(18,600)
Pretax profit	60,368	65,842	60,902	63,650
Tax	(11,576)	(12,657)	(11,571)	(12,094)
Minorities	(3,823)	(3,757)	(3,237)	(3,384)
Net profit (adj.)	44,968	49,428	46,093	48,173

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash With Central Bank	56,889	52,655	53,473	54,216
Govt Treasury Bills & Securities	351,085	352,650	364,578	371,651
Interbank Loans	534,775	596,682	626,064	638,940
Customer Loans	2,549,075	2,453,440	2,504,239	2,552,804
Investment Securities	51,342	62,844	67,294	69,021
Derivative Receivables	66,061	71,065	74,247	76,376
Associates & JVs	16,151	22,637	22,637	22,637
Fixed assets (incl. prop.)	57,360	54,554	56,676	57,647
Other assets	57,730	61,611	63,499	64,324
Total Assets	3,740,468	3,728,138	3,832,706	3,907,617
Interbank Deposits	255,872	260,863	268,992	273,602
Customer Deposits	2,731,344	2,704,129	2,763,153	2,805,497
Derivative Payables	56,205	64,888	67,225	68,555
Debt equivalents	137,580	103,988	113,375	112,142
Other Liabilities	98,795	98,320	100,974	102,561
Total Liabilities	3,279,797	3,232,190	3,313,719	3,362,355
Shareholders' equity	440,122	473,969	495,349	519,648
Minority interest	20,549	22,579	24,239	26,214
Total liabilities & equity	3,740,468	3,728,739	3,833,307	3,908,217

OPERATING RATIOS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Capital Adequacy				
Tier-1 CAR	18.8	19.9	20.4	21.1
Total CAR	20.8	22.0	22.4	23.1
Total assets/equity (x)	8.5	7.9	7.7	7.5
Tangible assets/tangible common	8.9	8.2	8.1	7.8
Asset Quality				
NPL ratio	3.0	2.9	2.8	2.6
Loan loss coverage	188.6	203.0	196.8	192.7
Loan loss reserve/gross loans	6.4	6.8	6.3	5.8
Increase in NPLs	(4.2)	(4.3)	(2.6)	(4.8)
Liquidity				
Loan/deposit ratio	93.3	90.7	90.6	91.0
Liquid assets/short-term liabilities	31.5	33.7	34.4	34.5
Liquid assets/total assets	25.2	26.9	27.2	27.2

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Growth				
Net interest income, yoy chg	5.0	(13.1)	(10.1)	3.7
Fees & commissions, yoy chg	6.8	(2.6)	(11.1)	1.2
Pre-provision profit, yoy chg	4.7	1.4	(14.2)	3.3
Net profit, yoy chg	22.8	9.9	(6.7)	4.5
Net profit (adj.), yoy chg	22.8	9.9	(6.7)	4.5
Customer loans, yoy chg	5.1	(3.8)	2.1	1.9
Customer deposits, yoy chg	3.2	(1.0)	2.2	1.5
Profitability				
Net interest margin	3.3	2.9	2.6	2.6
Cost/income ratio	42.9	40.9	41.4	41.5
Adjusted ROA	1.2	1.3	1.2	1.2
Reported ROE	10.7	10.8	9.5	9.5
Adjusted ROE	10.7	10.8	9.5	9.5
Valuation				
P/BV (x)	0.8	0.8	0.8	0.7
P/NTA (x)	89.6	83.1	79.3	75.4
Adjusted P/E (x)	8.3	7.6	8.1	7.8
Dividend Yield	5.8	6.6	6.4	6.7
Payout ratio	48.0	50.0	51.8	51.9

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