Company – Update | Thailand

Thursday, 10 September 2026

Krungthai Card (KTC TB)

Current Loan Portfolio Is Healthy; Confident In Asset Quality In 2H26

Highlights

- Positive tone during the analyst meeting.
- An indirect benefit from the cash handout stimulus.
- Maintain BUY with a target price of Bt50.00.

Analysis

- **Positive tone at analyst meeting.** We came away from Krungthai Card's (KTC) analyst meeting with a positive view. Management guided for KTC's 2H26 outlook to be similar to that of 1H26, while loan demand and credit card spending should improve hoh and finally reach KTC's 2026 financial targets. The CEO expects net profit to continue increasing yoy going forward.
- **To remain prudent in lending to preserve asset quality.** KTC is maintaining its 2026 loan growth target of 0-2%, compared with a contraction of 3.5% in 1H26. Management admits that the quality of potential clients remains a concern, but the company is also screening borrowers carefully and being prudent in lending to preserve the quality of its loan portfolio. KTC will continue to target clients with a >Bt50,000 monthly salary as they have stronger repayment capabilities. Meanwhile, KTC will also focus more on providing credit cards to first-jobbers and students who have a fixed deposit requirement. KTC believes these clients are likely to spend mainly using their first credit card after getting a paying job.
- **Current asset quality is rather healthy.** The CEO has no concerns about asset quality despite the ongoing uncertainty in the economic environment, and stated that KTC's loan portfolio is quite healthy at present. The target credit cost of 5.5% might be too conservative for 2026, and management has guided that a credit cost of 5.0–5.3% would be more appropriate. However, management does not expect credit costs to reach 4.5% in the future.
- **Maintaining cost-to-income ratio target for 2026.** KTC implemented a new core IT system in Jul 26 and has been performing well. The company is confident in the new system's stability and its ability to prevent and control scam/cybersecurity problems effectively. KTC expects cost-to-income to be 36-37% for 2026, in line with its previous guidance. Meanwhile, KTC has successfully improved cost efficiency in recent years and remains committed to further optimisation.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	14,381.9	14,559.9	14,822.1	15,327.6	15,713.2
Non-Interest Income	11,267.4	11,441.5	11,887.6	13,451.4	14,903.4
Net profit (rep./act.)	7,437.2	7,781.6	8,633.6	9,029.3	9,383.5
Net profit (adj.)	7,437.2	7,781.6	8,633.6	9,029.3	9,383.5
EPS (Bt)	2.9	3.0	3.4	3.5	3.6
PE (x)	13.5	12.9	11.6	11.1	10.7
P/B (x)	2.5	2.3	2.1	1.9	1.8
Dividend yield (%)	2.6	6.7	4.9	5.4	5.5
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	8,269.5	8,599.5	8,910.6
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Krungthai Card Plc, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)	
Share Price	Bt37.50
Target Price	Bt50.00
Upside	33.3%

Stock Data

Sector	Financials
Bloomberg ticker	KTC TB
Shares issued (m)	2,578.3
Market cap (Btm)	96,687.5
Market cap (US$m)	2,938.8
3-mth avg daily t'over (US$m)	24.3

Price Performance (%)

52-week high/low				Bt41.25/Bt24.40
1mth	3mth	6mth	1yr	YTD
(3.8)	25.0	28.2	28.2	42.9

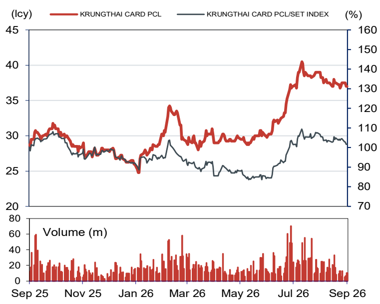
Major Shareholders (%)

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.

- **Funding costs to continue improving in 2H26.** Funding costs are expected to decrease in 2H26, driven by a lower interest rate environment. KTC has just issued a Bt3b bond with a cost of fund at 2.02%, with a five-year maturity. Meanwhile, around Bt10b of maturing bonds will need to be refinanced. KTC guides that it will replace these with new bond issues as needed, while funding costs are expected to decline by 15bp hoh in 2H26. There is still room for funding costs to improve in 2H26.
- **2Q26 results recap.** KTC posted a 2Q26 net profit of Bt2.23b, up 17% yoy and 3% qoq. The results beat our and consensus estimates by 11% and 6% respectively. Excluding provisioning, the company's pre-provision operating profit rose 3% yoy and was flat qoq.

2Q26 Results Recap

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq chg (%)	yoy chg (%)
Total gross loans	183,986	183,223	167,560	0.4	9.8
Net interest income	6,168	6,243	5,607	(1.2)	10.0
Non-interest income	181	183	185	(1.1)	(2.0)
Loan loss provision	(971)	(1,164)	(998)	(16.6)	(2.7)
Non-Interest Expenses	(3,099)	(3,033)	(2,829)	2.2	9.6
Pre-provision operating profit	2,794	2,945	2,569	(5.1)	8.7
Net income	1,823	1,781	1,571	2.4	16.0
EPS (Bt)	0.86	0.84	0.74	2.4	16.0
Ratio (%)					
NPL Ratio (%)	2.57	2.5	2.7		
Loan loss coverage ratio (%)	144	143	138		
Net interest margin (NIM %)	13.5	13.8	13.6		
Reported Credit cost (bp)	211	256	241		
Reported Cost to income (%)	48.8	47.2	48.8		

Source: Krungthai Card, 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

- No earnings revision.
- 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

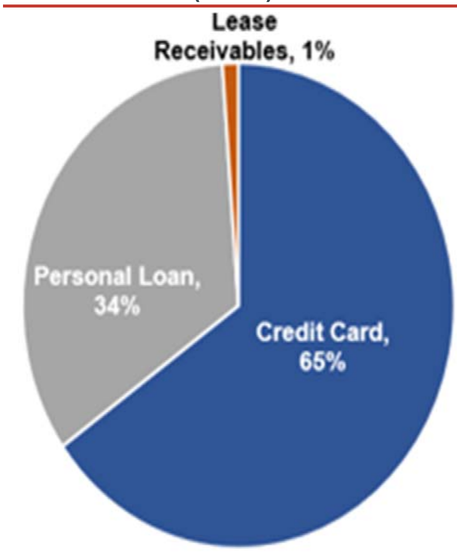
- The company has established the Business Ethic Manual, which is reviewed annually, to set up a framework for employees to follow.

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%

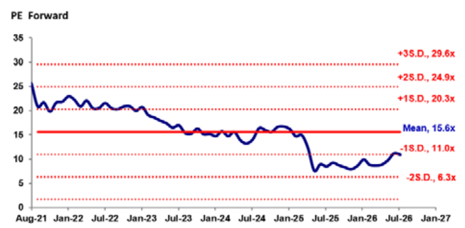
Source: KTC, UOB Kay Hian

Loan Portfolio (2Q26)



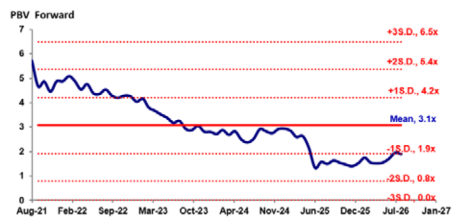
Source: KTC, UOB Kay Hian

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)	(1,426)	(1,350)	(1,304)
Net interest income/(expense)	14,560	14,822	15,328	15,713
Fees & Commissions	6,513	7,041	7,977	9,174
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	13,451	14,903
Total Income	26,001	26,710	28,779	30,617
Staff Costs	(9,404)	(9,665)	(10,421)	(11,048)
Other Operating Expense	(235)	(239)	(243)	(248)
Pre-Provision Profit	16,363	16,806	18,115	19,321
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	10,833	11,332	11,776
Tax	(2,897)	(2,171)	(2,266)	(2,355)
Minorities	222	(28)	(36)	(37)
Net profit	7,782	8,634	9,029	9,384
Net profit (adj.)	7,782	8,634	9,029	9,384

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	271	131	97
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	114,159	116,659	118,827
Interbank Deposits	0	0	0	0
Customer Deposits	0	0	0	0
Bills Payable	21,300	20,961	18,426	15,581
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	66,076	64,523	62,736
Shareholders' funds	44,151	48,221	52,310	56,303
Minority interest	(133)	(139)	(175)	(212)
Total Equity & Liabilities	110,524	114,159	116,659	118,827

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	197	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	13	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	13	12	11	11
Dividend Yield	7	5	5	6

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