UOBKayHian

Sector – Update | Thailand

Thursday, 26 November 2026

Finance

3Q26: Results In Line; Add Provisions To Buffer Against Uncertainties

Highlights

- Finance companies under our coverage reported a combined net profit of Bt6.99b in 3Q26, up 9% yoy but down 1% qoq.
- Credit costs increased yoy and qoq in 3Q26 to buffer against uncertainties.
- Maintain OVERWEIGHT on the sector. Top picks: MTC and KTC.

Analysis

- **Sector profit went up yoy.** In 3Q26, finance companies under our coverage reported a combined net profit of Bt6.99b, up 9% yoy but down 1% qoq, in line with our and consensus estimates. The sector's pre-provision operating profit (PPOP) rose 8% yoy and 4% qoq.
- **Cautious lending would cause the loan growth to miss 2026 targets.** Finance companies under our coverage reported loan portfolio growth of 5% yoy and 2% qoq in 3Q26. Although we saw qoq loan growth in 3Q26, loan growth in 9M26 for MTC and SAWAD was only 5% and 3%, respectively. Therefore, we expect MTC and SAWAD to miss their 2026 loan growth targets. Meanwhile, TIDLOR reported loan growth of 5.9% in 9M26 (vs 2026 target of 5-10%). KTC guided that 2026 loan growth should be around 1% and that it would achieve its 2026 target of 1-2%. Finance companies remain prudent in lending amid subdued economic conditions.
- **Credit costs were increased due to adding more buffer.** Finance companies under our coverage reported an increase in credit costs of 17bp yoy and 43bp qoq in 3Q26. In 3Q26, we saw an increase in credit costs qoq across all finance companies under our coverage as they intended to add provisions to increase their buffers against uncertainties, including the impact of flooding in Bangkok and its vicinity in late-Sep 26. However, finance companies guided that asset quality in 4Q26 should remain healthy, as they have observed good debt collection and portfolio quality in Oct-Nov 26. According to the guidance from finance companies, we should not see any negative surprises in credit costs and asset quality, as they remain strict with their prudent lending policies. Meanwhile, finance companies stated that prolonged high oil prices would inevitably impact loan portfolio quality and the credit cost outlook, but they have already made provisions in advance.
- **Maintaining minimum payment on credit cards for two years.** The Bank of Thailand (BOT) announced it would maintain the minimum payment on credit cards at 8% for two years, until the end of 2028. Previously, the minimum payment on credit cards was scheduled to increase from 8% to 10% in 2027. This extension is positive for credit card providers, KTC and Aeon Thana Sinsap Thailand (AEONTS), as there will be no impact from higher monthly debt repayments, given that the minimum payment will not increase over the next two years. According to KTC, more than 90% of its clients have been paying above the 8% minimum. Meanwhile, AEONTS has around 80% of clients paying at the 8% minimum, according to guidance from its meeting on Jul 24. This extension would benefit AEONTS more. However, KTC has a better credit cost and asset quality outlook due to its continued cautious lending and efforts to maintain healthy asset quality.

Analyst(s)

Thanawat Thangchadakorn
thanawat@uobkh.co.th
+662 090 3360

Assistant Analyst(s)

Panjarat Thaweesriprasert

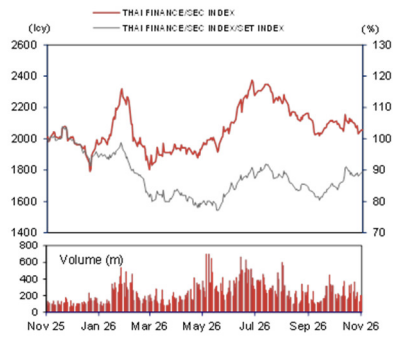
OVERWEIGHT (Maintained)

Sector Picks

Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
Muagthai Capital	MTC TB	BUY	32.00	50.00
Krungthai Card	KTC TB	BUY	37.50	50.00

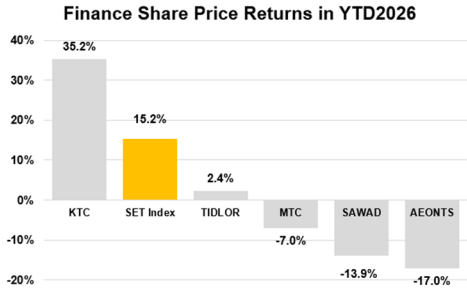
Source: Bloomberg, UOB Kay Hian

Returns: Finance vs SET Index



Source: UOB Kay Hian

Returns: Finance YTD (as of 24 Nov 26)



Source: Bloomberg, UOB Kay Hian

Peer Comparison

Ticker	Rec	Price 24 Nov 26 (Bt)	Target Price (Bt)	Upside To TP (%)	Net Profit 2026F (Btm)	Net Profit 2027F (Btm)	PE 2026F (x)	PE 2027F (x)	Net EPS Growth 2026F (%)	Yield 2026F (%)	ROE 2026F (%)	Market Cap. (US$m)	Price/ NAV (x)
KTC TB	BUY	35.50	50.00	40.8	8,715	8,967	10.5	10.2	12.0	5.5	18.9	2,740	1.9
MTC TB	BUY	29.30	50.00	70.6	7,608	8,398	8.2	7.4	13.2	1.1	16.4	1,860	1.3
SAWAD TB	BUY	21.95	35.00	59.5	5,558	5,925	6.6	6.1	10.7	3.4	14.1	1,092	0.9
TIDLOR TB	BUY	17.40	25.00	43.7	6,103	6,508	8.3	7.7	23.7	5.8	17.1	1,509	1.4
Avg					**27,984**	**29,797**	**8.6**	**8.1**	**14.4**	**4.1**	**17.1**	**7,201**	**1.5**

Source: Bloomberg, UOB Kay Hian

- **MTC: Guiding for single-digit loan growth in 2027.** MTC reported a 3Q26 net profit of Bt1.94b, in line with our and market expectations. The company's net profit jumped 13% yoy and 2% qoq, and credit costs increased qoq. The NPL ratio increased slightly qoq in 3Q26. Excluding provision expenses, PPOP rose 9% yoy and 5% qoq in 3Q26.
- **Neutral tone during meeting.** MTC posted loan growth of 6% yoy and 3% qoq in 3Q26. Meanwhile, the loan portfolio grew 5% yoy in 9M26. The CEO guided that loan growth should be around 7% yoy in 2026, compared with the company's target of 8-10% in 2026. Moreover, the company expects the loan portfolio to grow around 8% yoy in 2027 due to its strict lending policy amid the ongoing sluggish economic conditions.
- **SAWAD: Strong loan growth momentum to persist in 4Q26.** SAWAD reported 3Q26 earnings of Bt1.43b, up 8% yoy and 2% qoq. The results were in line with consensus estimates but beat our forecasts by 9% due to the lower-than-expected opex. Excluding provision expenses, PPOP increased by 18% yoy and 11% in 3Q26.
- **Neutral tone during meeting.** In 2Q26's meeting, SAWAD maintained its loan growth target of 10-15% for 2026. The company reported a loan expansion of 4% yoy and 2% qoq. Management guided that the loan portfolio in 4Q26 should grow at a similar rate to 3Q26 due to the seasonally high demand in 3Q and 4Q. Therefore, we maintain our loan growth forecast of 4.4% yoy in 2026 and expect the company to miss its 2026 loan growth target. Meanwhile, management guided that the company would maintain a cautious lending policy by focusing on collateral lending.
- **TIDLOR: Credit costs to increase qoq but within targets.** TIDLOR reported a net profit of Bt1.49b in 3Q26, up 6% yoy but down 3% qoq. The results were in line with our and consensus forecasts. Excluding provision expenses, PPOP increased 7% yoy and 2% qoq.
- **Neutral tone during meeting.** Management expects credit costs to increase qoq in 4Q26, potentially reaching around 2.5%, reflecting prudent provisioning amid economic uncertainties. Nevertheless, full-year credit costs are expected to remain within the 2.0-2.5% guidance range. Meanwhile, management expects the NPL ratio to remain broadly stable from 1.63% in 3Q26 through 4Q26, supported by continued selective lending and disciplined risk management. Existing overlays established in 2025 should provide an adequate buffer against flooding risks, with no additional flood-related overlays currently expected. Looking ahead to 2027, management expects both credit costs and the NPL ratio to remain comparable to 2026.
- **KTC: Announcing 2027 financial targets with a cautious outlook.** KTC posted a 3Q26 net profit of Bt2.1b, up 9% yoy but down 5% qoq. The results were in line with our and consensus estimates. Excluding provisioning, PPOP rose 3% yoy and was flat qoq.
- **A slightly positive tone during analyst meeting.** Management announced its 2027 financial targets, which are similar to those of 2026, except for credit card spending, which is targeted to grow 8-10% in 2027 (vs 5% in 2026). KTC set a credit card spending growth target of 8-10% yoy in 2027, focusing on: a) higher-income segments, b) Gen Z customers, and c) high-value customers.

3Q26 Earnings Results: Actual vs Forecasts

	3Q26 Net profit (Btm)			Actual vs Forecast	
	Actual	UOBKH	Consensus	UOBKH	Consensus
MTC	1,941	1,889	1,957	In-line	In-line
SAWAD	1,432	1,317	1,396	Above	In-line
TIDLOR	1,488	1,419	1,512	In-line	In-line
KTC	2,125	2,117	2,155	In-line	In-line
Total	6,985	6,742	7,020	In-line	**In-line**

Source: Bloomberg, UOB Kay Hian

2026 Financial Targets

	MTC	SAWAD	TIDLOR	KTC
Loan Growth	8-10%	10-15%	5-10%	1-2%
Cost to Income	47 - 48%	N/A	55%	36-37%
Cost of fund	4.45%	N/A	N/A	N/A
NPL Ratio	< 2.55%	N/A	1.5-1.8%	< 2.0%
Credit Cost	n.a.	1.8-2.0%	2.5-2.8%	n.a.

Source: Respective companies, UOB Kay Hian

9M26 Actual Results

	MTC	SAWAD	TIDLOR	KTC
Loan Growth	5%	3%	5.9%	0.8%
Cost to Income	47.7%	42%	55.3%	35%
Cost of fund	4.3%	4.2%	3.2%	2.7%
NPL Ratio	2.63%	4.0%	1.63%	1.92%
Credit Cost	2.33%.	2.35%	2.0%	5.0%

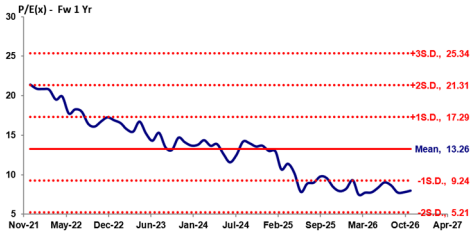
Source: Respective companies, UOB Kay Hian

Industry Loan Growth by Type

	YTD as of Sep 26	yoy as of Sep 26
Credit Card loan	-5.6%	1.2%
Personal loan	1.1%	1.0%
Auto-title loan	1.7%	3.1%
Nano loan	29.7%	40.6%
Total retail lending	**0.7%**	**4.0%**

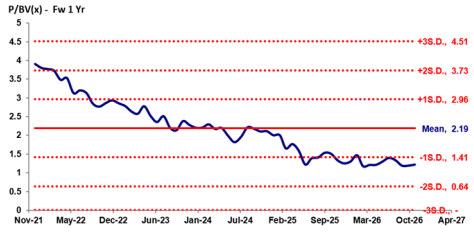
Source: BOT, UOB Kay Hian

Sector PE Band



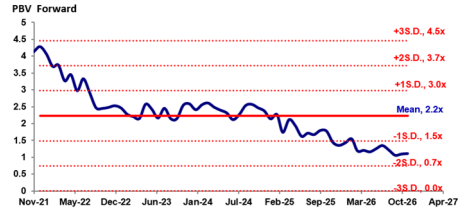
Source: UOB Kay Hian

Sector P/B Band



Source: UOB Kay Hian

MTC's P/B Band



Source: UOB Kay Hian

Valuation/Recommendation

- **Maintain OVERWEIGHT.** The sector is currently trading at 1.2x 2027F P/B, which implies a valuation below -1SD to its five-year mean. Our top picks are MTC and KTC.

Sector Catalyst/Risk

- Government stimulus packages.
- Higher dividend payout ratio.
- **Risks:** Expected policy rate hike in 2027.

Earnings Revision

- No earnings revision.

3Q26 Earnings Results

	3Q26	2Q26	3Q25	qoq (%)	yoy (%)	2026F	2025	yoy (%)
Net profit (Btm)								
MTC	1,941	1,905	1,724	1.9	12.6	7,608	6,723	13.2
SAWAD	1,432	1,401	1,323	2.2	8.2	5,560	5,021	10.7
TIDLOR	1,488	1,533	1,406	(2.9)	5.8	6,103	4,933	23.7
KTC	2,125	2,225	1,951	(4.5)	8.9	8,715	7,782	12.0
Total	**6,985**	**7,064**	**6,405**	**(1.1)**	**9.1**	**27,986**	**24,459**	**14.4**
Pre-provision operating profit (Btm)								
MTC	3,152	2,996	2,905	5.2	8.5	12,389	11,128	11.3
SAWAD	2,654	2,396	2,240	10.8	18.4	9,932	8,595	15.6
TIDLOR	2,141	2,103	1,993	1.8	7.4	8,458	8,087	4.6
KTC	4,119	4,105	4,008	0.3	2.8	16,739	16,363	2.3
Total	**12,065**	**11,600**	**11,147**	**4.0**	**8.2**	**47,518**	**44,172**	**7.6**
Total loans (Btm)								
MTC	192,420	188,699	180,453	2.0	6.6	201,183	183,223	9.8
SAWAD	97,840	95,805	93,831	2.1	4.3	99,147	94,964	4.4
TIDLOR	116,011	112,538	107,324	3.1	8.1	117,612	109,586	7.3
KTC	106,903	107,010	106,206	(0.1)	0.7	113,210	110,835	2.1
Total	**513,174**	**504,052**	**487,814**	**1.8**	**5.2**	**531,152**	**498,608**	**6.5**
NIM (%)								
MTC	14.2	13.8	13.8	35bp	31bp	13.9	13.9	1bp
SAWAD	15.1	14.8	14.7	35bp	38bp	14.8	14.2	62bp
TIDLOR	16.4	16.2	16.0	17bp	38bp	16.0	15.7	27bp
KTC	14.2	13.7	13.8	44bp	34bp	13.3	13.2	12bp
Average	**15.0**	**14.6**	**14.6**	**33bp**	**35bp**	**14.5**	**14.3**	**25bp**
Credit cost (bp)								
MTC	254	234	266	20bp	-12bp	249	254	-5bp
SAWAD	278	205	208	73bp	70bp	230	209	21bp
TIDLOR	230	206	220	24bp	9bp	208	284	-76bp
KTC	545	490	544	55bp	1bp	519	534	-15bp
Average	**327**	**284**	**309**	**43bp**	**17bp**	**301**	**320**	**-19bp**
NPL ratio (%)								
MTC	2.6	2.6	2.6	2bp	2bp	2.6	2.5	7bp
SAWAD	4.0	4.0	3.9	1bp	8bp	4.0	3.9	4bp
TIDLOR	1.6	1.5	1.7	9bp	-3bp	1.6	1.5	6bp
KTC	1.9	1.9	1.8	6bp	7bp	1.8	1.8	1bp
Average	**2.5**	**2.5**	**2.5**	**4bp**	**3bp**	**2.5**	**2.4**	**5bp**

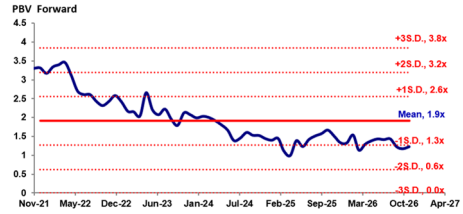
Source: Respective companies, UOB Kay Hian

SAWAD's P/B Band



Source: UOB Kay Hian

TIDLOR's P/B Band



Source: UOB Kay Hian

KTC's P/B Band



Source: UOB Kay Hian

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