ASIA PLUS Securities

21 October 2025

SYNOPSIS

FUNDAMENTAL

KKP

Outperform

Right direction

Current Price (B)	65.00
Target Price (B)	69.00
Upside (%)	6.2
Dividend Yield (%)	7.1

Flash Points

3Q25 net profit was B1.67bn, 16% above our forecast and 33% above market projection, growing 19%qoq and 28%yoy. Main driver was trading income, especially FVTPL. Fee income grew in line with the market condition (KKPS and DIME) and launching of new products.

Asset quality was manageable. NPL ratio was 4.4% (unchanged qoq as expected). Leasing NPL improved two quarters straight. Stage 2/Loan ratio decreased to 6.5% from 6.9% in 2Q25. Coverage ratio rose to 133% from 129% in 2Q25 thanks to “You Fight, We Help" project.

Impact Insight

9M25 net profit was B4.1bn, growing 16%yoy and making up 92% of our initial 2025 forecast and 83% of Bloomberg BB consensus (yesterday).

We revise up 2025-26 forecast by 18%, raising FVTPL and fee income projections while cutting assumption on loss from repossessed cars to reflect improvement in car leasing loans.

We estimate net profit to grow 11%yoy to B5.6bn in 2025 and then grow 2%yoy in 2026, driven by repricing of fixed deposits and continuous fee income growth momentum.

Execution

2026 fair value (GGM) is B69 (P/E ratio of 10x). We upgrade from Neutral to Outperform. Asset quality of its leasing business is manageable; thanks to strict loan policies, leasing NPL already passed the bottom. Total expected return is expected at 13%, with 6% upside plus dividend yield expected at 7%p.a.

KKP announced a share repurchase at the amount up to 16 million shares at the value of B1bn from September 4 to March 2, 2026; it has repurchased 5.3 million shares so far. With high dividend yield, it has limited downside and it may outperform the SET.

Technical Chart

Price Trend: Sideways Up

Support: 63.25

Resist : 66.75

Source: ASPS Research

Consensus Analysis

EPS (B)	ASPS	IAA Cons	% diff
2025F	6.60	5.75	15%
2026F	6.73	6.17	9%

Source: ASPS Research

Global Peers

	PER (X)	PBV (X)	ROE (%)	Div Yield
Indonesia				
BANK CENTRAL ASIA	16.8	3.4	21.2	4.0%
BANK NEGARA INDO	7.3	0.9	12.6	8.7%
BANK MANDIRI	7.8	1.4	17.6	9.6%
Singapore				
UNITED OVERSEAS	10.2	1.2	11.5	6.0%
OCBC BANK	10.5	1.2	12.0	5.8%
DBS GROUP HLDGS	13.4	2.1	16.2	5.9%
Malaysia				
RHB BANK BHD	9.2	0.9	9.6	6.6%
CIMB GROUP	10.0	1.1	11.0	5.8%
AMBANK HLDG BHD	9.3	0.9	9.6	5.3%
Simple Average	10.5	1.4	13.5	6.4%

Source: Bloomberg

Key Financial Forecast

Ending Dec 31	2023	2024	2025F	2026F	2027F
Net Profit	5,443	5,031	5,590	5,700	5,980
EPS (B)	6.4	5.9	6.6	6.7	7.1
EPS Growth (%yoy)	-28.4%	-7.6%	11.1%	2.0%	4.9%
BVS (B)	72.0	74.3	77.4	80.3	83.6
PER (x)	10.1	10.9	9.8	9.7	9.2
PBV (x)	0.90	0.87	0.84	0.81	0.78
DPS (B)	3.00	4.00	4.50	4.60	4.70
Dividend Yield	4.6%	6.2%	6.9%	7.1%	7.2%
ROE	9.2%	8.1%	8.7%	8.5%	8.6%

Source: ASPS Research

ESG Assessment

SET ESG Ratings	AA
CG Score	Excellent
Anti-corruption Certification	yes

Source: SET

Pasakorn Wangvivatchareon
Fundamental Investment Analyst on Capital Market,
Technical Investment Analyst
License No.: 093372

Earnings Results by Quarter

Million B	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	%QoQ	%YoY	9M25	9M24	%YoY
Net Interest Income	5,253	5,009	4,937	4,649	4,446	4,312	4,233	-1.8%	-14.3%	12,991	15,198	-14.5%
Non-Interest Income	1,579	1,543	1,668	2,163	1,507	1,876	2,496	33.0%	49.7%	5,880	4,791	22.7%
- Net Fee Income	1,123	1,171	1,483	1,619	1,307	1,458	1,547	6.1%	4.3%	4,312	3,777	14.2%
- Other Operating Income	456	372	185	544	200	418	949	126.9%	413.1%	1,568	1,013	54.7%
Operating Profit	6,832	6,552	6,605	6,813	5,953	6,189	6,729	8.7%	1.9%	18,871	19,989	-5.6%
Operating Expense	(4,316)	(3,809)	(4,326)	(4,065)	(3,515)	(3,454)	(3,742)	8.3%	-13.5%	(10,711)	(12,451)	-14.0%
Pre-Provision Operating Profit (PPOP)	2,516	2,743	2,279	2,747	2,438	2,735	2,987	9.2%	31.1%	8,160	7,538	8.3%
Expected Credit Loss (ECL)	(609)	(1,769)	(681)	(914)	(1,104)	(973)	(909)	-6.6%	33.3%	(2,985)	(3,060)	-2.4%
Net Profit	1,506	769	1,305	1,451	1,062	1,409	1,670	18.5%	28.0%	4,141	3,579	15.7%
EPS (B)	1.8	0.9	1.5	1.7	1.3	1.7	2.0	18.5%	28.0%	4.9	4.2	15.7%
Loans	396,231	392,076	373,315	368,018	362,761	358,401	346,008	-3.5%	-7.3%	346,008	373,315	-7.3%
Deposits & Bonds	439,971	435,821	404,635	404,055	391,451	397,097	381,882	-3.8%	-5.6%	381,882	404,635	-5.6%
Yield on Loan	7.2%	7.1%	7.3%	7.1%	6.9%	6.8%	6.7%			6.8%	7.3%	
Funding Cost	2.4%	2.5%	2.6%	2.6%	2.5%	2.4%	2.3%			2.4%	2.5%	
Spread	4.8%	4.6%	4.7%	4.5%	4.4%	4.3%	4.4%			4.4%	4.8%	
NIM	4.2%	4.0%	4.1%	4.0%	3.9%	3.8%	3.7%			3.8%	4.1%	
Cost to Income Ratio	63.2%	58.1%	65.5%	59.7%	59.0%	56%	56%			56.8%	62.3%	
Credit Cost	0.6%	1.8%	0.7%	1.0%	1.2%	1.1%	1.0%			1.1%	1.1%	
NPL Ratio (MD&A)	3.9%	4.1%	4.3%	4.3%	4.5%	4.4%	4.4%			4.4%	4.3%	
NPL / Loan	3.9%	4.1%	4.3%	4.3%	4.5%	4.4%	4.4%			4.4%	4.3%	
LLR/NPL (Coverage Ratio)	132.1%	131.7%	132.1%	130.2%	127.3%	128.8%	132.5%			132.5%	132.1%	
LLR / Loan	5.2%	5.4%	5.6%	5.7%	5.7%	5.7%	5.9%			5.9%	5.6%	

Source: ASPS Research

2025-2027 Earnings Forecast

Income Statement (Million B)

Ended 31 Dec.	2024	2025F	2026F	2027F
Interest income	30,515	26,597	26,124	26,555
Interest expenses	(10,667)	(9,270)	(8,276)	(8,355)
Net interest income	**19,848**	**17,326**	**17,848**	**18,201**
Net fee income	5,396	6,002	6,303	6,618
Other operating income	1,557	1,669	1,013	1,137
Operating expenses	(16,516)	(14,053)	(14,252)	(14,644)
Expected Credit Loss (ECL)	(3,974)	(3,922)	(3,743)	(3,780)
Earnings before taxes	6,312	7,024	7,169	7,532
Income taxes	(1,264)	(1,405)	(1,434)	(1,506)
Minority interest	(18)	(29)	(35)	(45)
Net profit	**5,031**	**5,590**	**5,700**	**5,980**
EPS (B)	**5.94**	**6.60**	**6.73**	**7.06**

Quarterly Income Statement

Ended 31 Dec.	4Q24	1Q25	2Q25	3Q25
Interest income	7,273	6,937	6,693	6,447
Interest expenses	(2,624)	(2,491)	(2,381)	(2,214)
Net interest income	**4,649**	**4,446**	**4,312**	**4,233**
Net fee income	1,619	1,307	1,458	1,547
Other operating income	544	200	418	949
Operating expenses	(4,065)	(3,515)	(3,454)	(3,742)
Expected Credit Loss (ECL)	(914)	(1,104)	(973)	(909)
Earnings before taxes	1,833	1,335	1,762	2,079
Income taxes	(380)	(271)	(351)	(391)
Minority interest	(2)	(2)	(2)	(18)
Net profit	**1,451**	**1,062**	**1,409**	**1,670**
EPS (B)	**1.71**	**1.25**	**1.66**	**1.97**
Tier 1	14.0%	14.4%	14.5%	0.0%
Tier 2	3.4%	3.4%	3.4%	0.0%
CAR	17.4%	17.8%	17.9%	0.0%

Financial Ratio

Ended 31 Dec.	2024	2025F	2026F	2027F
Yield	6.2%	5.9%	5.9%	5.9%
Funding cost	2.5%	2.4%	2.2%	2.2%
Spread	3.7%	3.5%	3.7%	3.7%
NIM	4.1%	3.8%	4.0%	4.1%
Cost to income ratio	61.6%	56.2%	56.6%	56.4%
Loans to deposits & borrowings	95.2%	94.6%	94.7%	94.7%
ROAA	1.0%	1.1%	1.2%	1.2%
ROAE	8.1%	8.7%	8.5%	8.6%

Balance Sheet (Million B)

Ended 31 Dec.	2024	2025F	2026F	2027F
Cash & bank deposits	1,248	1,033	1,169	1,394
Net investment (incl. FVTPL)	34,540	36,267	38,081	39,985
Loans	**368,018**	**338,577**	**341,962**	**345,382**
Accrued interest receivables	7,713	7,713	7,713	7,713
Less Expected Credit Loss (ECL)	(20,801)	(20,323)	(20,266)	(20,746)
Net loans	354,930	325,967	329,410	332,349
Other assets	36,604	40,437	41,175	41,951
Total assets	**498,429**	**476,967**	**485,391**	**493,660**
Deposits	**359,306**	**330,562**	**333,867**	**337,206**
Borrowings & interbank	44,749	45,097	45,452	45,814
Total liabilities	**435,219**	**411,073**	**417,033**	**422,531**
Paid-up share capital	**8,468**	**8,468**	**8,468**	**8,468**
Other reserves	12,731	13,197	13,755	14,425
Retained earnings	41,711	43,914	45,803	47,889
Shareholders' equity	**62,910**	**65,578**	**68,026**	**70,781**
Total liabilities and shareholders' equity	**498,429**	**476,967**	**485,391**	**493,660**

Quarterly Balance Statement

Ended 31 Dec.	4Q24	1Q25	2Q25	3Q25
Cash & bank deposits	1,248	931	842	979
Net investment	58,434	58,949	64,611	66,497
Loans	**368,018**	**362,761**	**358,401**	**346,008**
Accrued interest receivables	7,713	7,724	7,784	7,785
Less Expected Credit Loss (ECL)	(20,801)	(20,768)	(20,531)	(20,388)
Net loans	354,941	349,731	345,740	334,147
Other assets	83,807	74,053	90,068	93,996
Total assets	**498,429**	**483,664**	**501,261**	**495,618**
Deposits	**359,306**	**357,252**	**357,364**	**350,446**
Borrowings	44,749	34,199	39,733	31,435
Total liabilities	435,219	419,315	437,440	431,248
Paid-up share capital	8,468	8,468	8,468	8,468
Other reserves	11,683	11,869	12,108	12,514
Retained earnings	42,759	43,728	42,863	42,988
Shareholders' equity	**62,910**	**64,065**	**63,439**	**63,970**
Total liabilities and shareholders' equity	**498,429**	**483,664**	**501,261**	**495,618**

Financial Assumption

Ended 31 Dec.	2024	2025F	2026F	2027F
Loans growth	-7.8%	-8.0%	1.0%	1.0%
Deposits growth	-10.4%	-7.0%	1.0%	1.0%
Fee income growth	-1.5%	11.2%	5.0%	5.0%
Effective tax rate	20.0%	20.0%	20.0%	20.0%
NPL / Loan	4.3%	4.8%	4.8%	4.8%

Source: ASPS Research