22 October 2025

FUNDAMENTAL

KTB

Outperform

Strong

Current Price (B)	25.75
Target Price (B)	28.50
Upside (%)	10.7
Dividend Yield (%)	6.2

Flash Points

3Q25 net profit was B14.6bn,12.5% above our forecast while in line with market projection, growing 31%qoq and 25%yoy. Main driver was trading income, although fair value from THAI was conservatively realized.

Net interest income fell as expected due to a drop in loans and interest rate cut.

Asset quality was manageable. NPL/Loan ratio was 3.5%, unchanged qoq due to lower loans. Meanwhile, NPL decreased 4%qoq because THAI NPL worth B3bn were upgraded into Stage 2 loans. Coverage ratio rose to 202% from 189% in 2Q25, preparing foe macroeconomic risk.

Impact Insight

9M25 net profit was B37, growing 6.5%yoy and making up 83% of our 2025 forecast and Bloomberg consensus. ROE is 11%, the highest among big-cap bank stocks.

Trading income is still volatile amid market fluctuation. Operating expense (OPEX) usually increases in 4Q, so 4Q profit tends to fall qoq. However, 2025 profit has larger upside than downside. We will revise our forecast after the analyst meeting.

Execution

2026 fair value is B28.50 (P/E ratio of 9x). We reiterate Outperform. Asset quality is stronger than peers, so credit cost in 2026 (mitigation of impact of interest rate cut) should be more manageable.

Pao Tang app is used for government project, which will expand its database for virtual bank business and non-interest businesses and increase CASA ratio in the future. It has sufficient capital for capital management (e.g. share repurchase, dividend payout ratio increase), which can boost its price.

Consensus Analysis

EPS (บาท)	ASPS	IAA Cons	% diff
2025F	3.21	3.23	-1%
2026F	3.26	3.16	3%

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	36,616	43,856	44,870	45,510	49,132
EPS (B)	2.6	3.1	3.2	3.3	3.5
EPS Growth (%yoy)	8.7%	19.8%	2.3%	1.4%	8.0%
BVS (B)	28.8	31.5	33.2	34.9	36.8
PER (x)	9.8	8.2	8.0	7.9	7.3
PBV (x)	0.89	0.82	0.78	0.74	0.70
DPS (B)	0.87	1.55	1.57	1.60	1.72
Dividend Yield	3.4%	6.0%	6.1%	6.2%	6.7%
ROE	9.4%	10.4%	9.9%	9.6%	9.8%

Source: ASPS Research

Technical Chart

Price Trend: Uptrend

Support: 25.00

Resist : 26.50

Source: ASPS Research

ESG Assessment

SET ESG Ratings	AAA
CG Score	Excellent
Anti-corruption ที่ผ่านการรับรอง	-

Source: SET

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Earnings Results by Quarter

Million B	1Q24	2Q24	3Q24	1Q25	2Q25	3Q25	%QoQ	%YoY	9M25	9M24	%YoY
Net Interest Income	29,561	30,056	29,885	27,843	26,897	25,871	-3.8%	-13.4%	80,612	89,502	-9.9%
Non-Interest Income	11,739	9,996	11,254	12,444	13,274	16,655	25.5%	48.0%	42,373	32,989	28.4%
- Net Fee Income	5,577	5,277	5,619	5,442	5,569	5,826	4.6%	3.7%	16,837	16,473	2.2%
- Non-Operating Income	6,162	4,719	5,635	7,003	7,704	10,829	40.6%	92.2%	25,536	16,516	54.6%
Operating Income	41,300	40,052	41,139	40,287	40,171	42,527	5.9%	3.4%	122,985	122,492	0.4%
Operating Expense	(17,731)	(16,438)	(17,193)	(16,292)	(16,974)	(16,031)	-5.6%	-6.8%	(49,297)	(51,361)	-4.0%
Pre-Provision Operating Profit (PPOP)	23,570	23,614	23,946	23,995	23,197	26,496	14.2%	10.6%	73,688	71,130	3.6%
Expected Credit Loss (ECL)	(8,029)	(8,004)	(8,312)	(8,223)	(8,239)	(7,202)	-12.6%	-13.4%	(23,665)	(24,345)	-2.8%
Net Profit	11,676	11,798	11,690	11,714	11,122	14,620	31.5%	25.1%	37,456	35,164	6.5%
EPS (B)	0.84	0.84	0.84	0.84	0.80	1.05	31.5%	25.1%	2.68	2.52	6.5%
Loans	2,618,151	2,560,989	2,564,765	2,663,326	2,672,934	2,592,394	-3.0%	1.1%	2,592,394	2,564,765	1.1%
Deposits	2,602,050	2,650,867	2,644,389	2,752,208	2,757,282	2,767,196	0.4%	4.6%	2,767,196	2,644,389	4.6%
Yields on Loan	5.5%	5.5%	5.5%	5.0%	4.9%	4.8%			5.0%	5.5%	
Funding Cost	1.5%	1.5%	1.5%	1.4%	1.3%	1.3%			1.4%	1.5%	
Spread	4.0%	4.0%	4.0%	3.6%	3.6%	3.5%			3.6%	4.0%	
NIM	3.3%	3.4%	3.4%	3.1%	2.9%	2.8%			2.9%	3.4%	
Cost to Income Ratio	42.9%	41.0%	41.8%	40.4%	42.3%	37.7%			40.1%	41.9%	
Credit Cost	1.2%	1.2%	1.3%	1.2%	1.2%	1.1%			1.2%	1.3%	
NPL Ratio (MD&A)	3.1%	3.1%	3.1%	3.0%	2.9%	2.9%			2.9%	3.1%	
NPL/Loan	3.8%	3.9%	3.8%	3.6%	3.5%	3.5%			3.5%	3.8%	
LLR/NPL (Coverage Ratio)	174.8%	175.6%	178.7%	182.3%	188.8%	202.1%			202.1%	178.7%	
LLR/Loan	6.6%	6.8%	6.8%	6.5%	6.7%	7.1%			7.1%	6.8%	

Source: ASPS Research

2025-2027 Earnings Forecast

Income Statement (Million B)

Ended 31 Dec.	2024	2025F	2026F	2027F
Interest income	165,105	151,442	154,106	158,841
Interest expenses	(45,990)	(41,971)	(43,347)	(44,515)
Net interest income	**119,115**	**109,471**	**110,759**	**114,326**
Net fee income	22,282	22,956	23,415	23,883
Other operating income	17,705	24,034	23,493	24,506
Operating expenses	(68,778)	(67,018)	(67,789)	(68,695)
Expected Credit Loss (ECL)	(31,070)	(29,685)	(28,760)	(28,213)
Earnings before taxes	59,255	59,757	61,118	65,807
Income taxes	(11,576)	(11,354)	(11,612)	(12,503)
Net profit	**43,856**	**44,870**	**45,510**	**49,132**
EPS (B)	**3.14**	**3.21**	**3.26**	**3.52**

Balance Sheet (Million B)

Ended 31 Dec.	2024	2025F	2026F	2027F
Cash	56,889	48,068	44,623	42,357
Net investment	418,578	436,940	456,219	476,463
Loans	**2,698,611**	**2,698,611**	**2,779,569**	**2,862,956**
Accrued interest receivables	24,343	25,073	25,825	26,600
Less Allowance for doubtful accounts	(173,879)	(173,564)	(172,324)	(170,537)
Net loans	**2,549,075**	**2,550,121**	**2,633,071**	**2,719,020**
Other assets	**3,740,468**	**3,812,678**	**3,934,802**	**4,063,184**
Deposits	**2,731,344**	**2,731,344**	**2,813,285**	**2,897,683**
Borrowings	**132,464**	**133,788**	**135,126**	**136,478**
Total liabilities	3,279,797	3,327,702	3,424,857	3,524,900
Paid-up share capital	71,977	71,977	71,977	71,977
Other reserves	46,382	46,382	46,749	47,122
Retained earnings	321,763	345,041	368,565	395,397
Shareholders' equity	**440,122**	**463,400**	**487,290**	**514,496**
Total liabilities and shareholders' equity	**3,740,468**	**3,812,678**	**3,934,802**	**4,063,184**

Quarterly Income Statement (Million B)

Ended 31 Dec.	4Q24	1Q25	2Q25	3Q25
Interest income	41,224	38,672	37,502	36,337
Interest expenses	(11,612)	(10,829)	(10,605)	(10,465)
Net interest income	**29,613**	**27,843**	**26,897**	**25,871**
Net fee income	5,809	5,442	5,569	5,826
Other operating income	3,487	7,003	7,704	10,829
Operating expenses	(17,417)	(16,292)	(16,974)	(16,031)
Expected Credit Loss (ECL)	(6,725)	(8,223)	(8,239)	(7,202)
Earnings before taxes	14,768	15,772	14,957	19,294
Income taxes	(2,805)	(3,177)	(2,828)	(3,647)
Net profit	10,989	11,714	11,122	14,620
EPS (B)	0.79	0.84	0.80	1.05
Tier 1	19.5%	19.8%	20.2%	0.0%
Tier 2	2.0%	2.0%	2.0%	0.0%
CAR	21.4%	21.8%	22.2%	0.0%

Quarterly Balance Statement

Ended 31 Dec.	4Q24	1Q25	2Q25	3Q25
Cash	56,889	56,780	47,591	45,235
Net investment	402,427	414,055	390,781	482,230
Loans	**2,698,611**	**2,663,326**	**2,672,934**	**2,592,394**
Accrued interest receivables	24,343	23,089	23,327	22,550
Less Allowance for doubtful accounts	(173,879)	(173,209)	(178,676)	(184,247)
Loss from debt restructuring				
Net loans	2,549,075	2,513,206	2,517,585	2,430,697
Other assets	732,077	776,812	848,581	875,251
Total assets	**3,740,468**	**3,760,853**	**3,804,538**	**3,833,413**
Deposits	**2,731,344**	**2,752,208**	**2,757,282**	**2,767,196**
Borrowings	388,336	388,238	415,505	404,552
Total liabilities	**3,279,797**	**3,286,758**	**3,338,871**	**3,350,278**
Paid-up share capital	72,005	72,005	72,005	72,005
Other reserves	39,153	40,076	43,318	45,311
Retained earnings	328,964	340,584	329,632	344,080
Shareholders' equity	**440,122**	**452,665**	**444,955**	**461,396**
Total liabilities and shareholders' equity	**3,740,468**	**3,760,853**	**3,804,538**	**3,833,413**

Financial Ratio

Ended 31 Dec.	2024	2025F	2026F	2027F
Yield	4.6%	4.1%	4.1%	4.1%
Funding cost	1.5%	1.3%	1.4%	1.4%
Spread	3.1%	2.8%	2.8%	2.8%
NIM	3.3%	3.0%	3.0%	3.0%
Loans to deposits	98.8%	98.8%	98.8%	98.8%
Cost to income ratio	43.2%	42.8%	43.0%	42.2%
ROAA	1.2%	1.2%	1.2%	1.2%
ROAE	10.4%	9.9%	9.6%	9.8%

Financial Assumption

Ended 31 Dec.	2024	2025F	2026F	2027F
Loans growth	4.7%	0.0%	3.0%	3.0%
Deposit growth	3.2%	0.0%	3.0%	3.0%
Fee income growth	6.8%	3.0%	2.0%	2.0%
Credit cost	1.2%	1.1%	1.1%	1.0%

Source: ASPS Research