

Kiatnakin Phatra Bank (KKP TB)

3Q26: Results Beat; A Positive Surprise From Non-II

Highlights

- KKP reported a net profit of Bt2.4b in 3Q26, up 43% yoy and 13% qoq.
- The wealth business drove non-II, and is one of KKP's key earnings drivers.
- Maintain BUY with a higher target price of Bt150.00 (previously: Bt135.00).

3Q26 Results

Year to 31 Dec (Btm)	3Q26	2Q26	3Q25	qoq%	yoy%
Total gross loans	363,949	361,763	354,535	0.6	2.7
Net interest income	4,508	4,328	4,233	4.2	6.5
Non-interest income	3,202	2,558	2,496	25.2	28.3
Loan loss provision	(928)	(970)	(909)	(4.4)	2.1
Non-Interest Expenses	(3,734)	(3,200)	(3,742)	16.7	(0.2)
Pre-provision operating profit	3,976	3,687	2,987	7.8	33.1
Net income	2,388	2,122	1,670	12.5	43.0
EPS (Bt)	2.78	2.54	2.02	9.3	37.7
Ratio (%)					
NPL Ratio	3.4	3.5	4.3		
Loan loss coverage ratio (%)	155	151	137		
Loan Spread	4.7	4.6	4.4		
Credit cost (bp)	102	108	101		
Reported Credit Cost Inc Losses from Repossessing (bp)	143	143	168		
Cost to income (%)	44	43	46		
CET1 ratio (%)	14.1	13.6	13.7		

Source: Kiatnakin Phatra Bank, UOB Kay Hian

Analysis

- **3Q26 results beat expectations.** Kiatnakin Phatra Bank (KKP) reported a net profit of Bt2.4b for 3Q26, up 43% yoy and 13% qoq. The results beat our and consensus expectations by 24% and 15% respectively. The key positive surprise was non-II coming in 43% higher than our expectation, mainly attributable to: a) an impressive fee and service income, and b) the gain on financial instruments measured at fair value through profit or loss (FVPL) of Bt562m in 3Q26, which rose 98% qoq. Pre-provision operating profit jumped 33% yoy and 8% qoq.
- **Loan portfolio grew qoq.** In 3Q26, KKP reported loan outstanding of Bt363b, growing 3% yoy and 1% qoq. In 9M26, the loan portfolio grew 3.7% yoy (vs the bank's target of 3% yoy for 2026).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	19,847.8	17,256.8	17,635.0	18,973.1	19,635.3
Non-Interest Income	6,953.8	8,216.7	10,862.7	11,387.6	11,941.5
Net profit (rep./act.)	4,985.1	5,912.9	8,713.1	9,126.9	9,651.4
Net profit (adj.)	4,985.1	5,912.9	8,713.1	9,126.9	9,651.4
EPS (Bt)	5.9	7.3	10.1	10.6	11.2
PE (x)	19.1	15.6	11.2	10.7	10.1
P/B (x)	1.5	1.4	1.4	1.3	1.3
Dividend yield (%)	7.6	5.0	7.0	7.0	7.4
Net int margin (%)	4.2	3.9	4.0	4.2	4.3
Cost/income Ratio (%)	61.8	56.3	48.6	48.7	48.6
Loan loss cover (%)	134.2	137.2	155.9	155.9	155.9
Consensus net profit	n.a	n.a	7,507.5	7,690.8	8,059.1
UOBKH/Consensus (x)	n.a	n.a	1.2	1.2	1.2

Source: Kiatnakin Phatra Bank, Bloomberg, UOB Kay Hian

Analyst(s)

Thanawat Thangchadakorn

thanawat@uobkh.co.th

+662 090 3360

BUY (Maintained)

Share Price	Bt114.50
Target Price	Bt150.00
Upside	31.0%
Previous TP	Bt135.00

Stock Data

Sector	Financials
Bloomberg ticker	KKP TB
Shares issued (m)	895.4
Market cap (Btm)	101,630.6
Market cap (US\$m)	3,021.8
3-mth avg daily t'over (US\$m)	18.7

Price Performance (%)

52-week high/low			Bt121.50/Bt52.8	
1mth	3mth	6mth	1yr	YTD
22.4	40.6	64.5	124.8	66.9

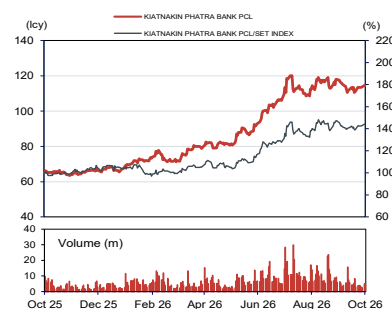
Major Shareholders (%)

Thai NVDR	14.44
Chodthanawat Co., Ltd.	5.17
Eastern Sugar Co., Ltd.	4.52

Balance Sheet Metrics

FY26 NAV/Share (Bt)	84.2
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

The small-sized bank has roughly 2% of the credit market. Its strong focus is on auto hire purchase lending which accounts for about half of its loan book.

- **NII increased yoy.** KKP reported a net interest income (NII) of Bt4.5b in 3Q26, increasing 7% yoy and 4% qoq. Loan yield increased slightly qoq from 6.2% in 2Q26 to 6.3% in 3Q26. Cost of funds fell from 1.7% in 2Q26 to 1.6% in 3Q26. The loan spread widened qoq from 4.6% in 2Q26 to 4.7% in 3Q26.
- **Positive surprise from non-II, which boosted bottom line.** KKP posted a non-interest income (non-II) of Bt3.2b in 3Q26, up 28% yoy and 25% qoq. It reported a gain on financial instruments measured at FVPL of Bt562m during the quarter (2Q26: Bt284m, 3Q25: Bt663m). Meanwhile, fee and service income came in at Bt2.7b, jumping 43% yoy and 20% qoq in 3Q26. Net fee and service income surged 47% yoy and 21% qoq to Bt2.27b. The positive surprise in non-II was mainly due to the qoq jump in: a) fee and service income, and b) the gain on financial instruments measured at FVPL.
- **Provision expenses rose qoq.** KKP's NPL dropped qoq from 3.5% in 2Q26 to 3.4% in 3Q26. The bank set aside total provisions of Bt928m in 3Q26 (+2% yoy, -4% qoq), including additional management overlay to buffer against the potential risks from the ongoing economic uncertainties and in preparation for the impact of the flood in Bangkok and its vicinity in late-Sep 26. The combined credit cost, which includes both expected credit losses and losses from the sale of repossessed vehicles, stabilised qoq at 143bp in 3Q26. Coverage ratio rose from 151% in 2Q26 to 155% in 3Q26.
- **Losses from sales of repossessed cars decreased yoy.** KKP reported a yoy decline in losses from the sale of repossessed cars to Bt337m (2Q26: Bt283m, 3Q25: Bt569m). In 9M26, losses from the sale of repossessed cars came in at Bt952m, decreasing 50% yoy. The yoy decline in losses is in line with the ongoing reduction in volume of repossessed vehicles. We expect KKP to maintain its good asset quality.

Valuation/Recommendation

- **Maintain BUY with a higher price of Bt150.00 (previously: Bt135.00),** based on the Gordon Growth Model (cost of equity: 12.5%, long-term growth: 2.0%). We roll over our target price to 2027. Our target price implies 1.76x 2027F P/B.
- KKP has continued to clean up its loan portfolio and has maintained maintaining a robust asset quality thus far. Meanwhile, we continue to see a significant increase in fee and service income, driven by its wealth business and other segments. We remain bullish on KKP's earnings outlook and potential growth.

Earnings Revision/Risk

- We revise KKP's 2026-28 earnings forecasts upward by 8.0%, 10.4%, and 13.6% respectively to reflect the excellent 3Q26 results and its robust asset quality.

Share Price Catalyst

- Increase in dividend payout ratio.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

Environmental

- Financing to support Green Economy Transition.
- Optimal utilisation of energy and natural resources.
- Environmental sustainability initiatives.

Social

- Develop and improve service channels to increase financial access.
- Promote a safe and positive working environment for all employees.

Governance

- Ensure equitable and quality to preserve a good governance.

2026 Financial Targets

	9M26 Actual	2026 Revised Target	2026 Target
ROAE	12.9%	12-13%	10-11%
Loan growth	3.7%	3%	3%
Loan spread	4.6%	4.5-4.6%	4.3-4.4%
NPL ratio (Gross)	3.4%	3.5%	4.4%
*Credit cost	1.45%	1.3-1.5%	1.6-1.8%
*ECL plus loss from sales of repossessed cars			

Source: KKP, UOB Kay Hian

PE Band



Source: KKP, UOB Kay Hian

P/B Band



Source: KKP, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	26,289	24,220	25,751	27,007
Interest expense	(9,032)	(6,585)	(6,778)	(7,372)
Net interest income/(expense)	17,257	17,635	18,973	19,635
Fees & Commissions	5,935	7,622	8,266	8,687
Net Trading Income	1,675	2,491	2,355	2,485
Other Income	606	749	766	769
Non-Interest Income	8,217	10,863	11,388	11,942
Total Income	25,473	28,498	30,361	31,577
Staff Costs	(7,646)	(8,220)	(9,005)	(9,626)
Other Operating Expense	(6,684)	(5,624)	(5,769)	(5,727)
Pre-Provision Profit	11,143	14,654	15,588	16,225
Loan Loss Provision	(3,693)	(3,538)	(3,920)	(3,887)
Pre-tax profit	7,450	11,115	11,667	12,338
Tax	(1,481)	(2,189)	(2,333)	(2,468)
Minorities	(56)	(213)	(207)	(219)
Net profit	5,913	8,713	9,127	9,651
Net profit (adj.)	5,913	8,713	9,127	9,651

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	14	14	14	14
Total CAR	16	16	16	16
Total Assets/Equity	8	7	7	7
Tangible Assets/Tangible Common Equity	8	7	7	7
Asset Quality				
NPL Ratio	4	3	3	3
Loan Loss Coverage	137	156	156	156
Loan Loss Reserve/Gross Loans	6	5	5	5
Increase in NPLs	(5)	(19)	4	1
Credit Cost (bp)	102	100	109	106
Liquidity				
Loan/Deposit Ratio	95	97	98	98
Liquid Assets/Short-Term Liabilities	23	24	24	24
Liquid Assets/Total Assets	17	17	17	17

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	1,209	1,792	1,815	1,837
Govt Treasury Bills & Securities	42,851	45,245	46,369	47,076
Interbank Loans	39,238	39,787	40,734	41,340
Customer Loans	331,200	339,790	343,699	347,800
Investment Securities	23,637	27,784	28,431	28,727
Derivative Receivables	9,824	13,959	14,293	14,499
Associates & JVs	0	0	0	0
Properties & Other Fixed Assets	13,218	12,772	12,706	12,696
Goodwill & Intangible Assets	5,055	4,885	4,885	4,885
Other Assets	21,864	28,209	29,087	29,400
Total assets	488,095	514,223	522,020	528,261
Interbank Deposits	13,078	17,545	18,567	18,912
Customer Deposits	348,300	349,200	352,343	356,227
Bills Payable	439	736	736	736
Derivative Payables	9,832	12,872	13,087	13,170
Subordinated Debts	15,088	25,146	25,983	24,577
Other Liabilities	36,152	37,019	37,153	37,506
Total liabilities	422,889	442,518	447,869	451,128
Shareholders' funds	64,772	73,079	75,322	78,090
Minority interest	434	576	778	992
Total Equity & Liabilities	488,095	516,172	523,969	530,210

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(13)	2	8	3
Fees & Commissions, yoy Chg	10	28	8	5
Pre-Provision Profit, yoy Chg	9	32	6	4
Net Profit, yoy Chg	19	47	5	6
Customer Loans, yoy Chg	(7)	3	1	1
Profitability				
Net Interest Margin	4	4	4	4
Cost/Income Ratio	56	49	49	49
Adjusted ROA	1	2	2	2
Reported ROE	9	13	13	13
Adjusted ROE	9	13	13	13
Valuation				
P/BV	1	1	1	1
P/NTA	2	1	1	1
Adjusted P/E	16	11	11	10
Dividend Yield	5	7	7	7

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at [this link](#) or by scanning the QR code below:



The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."