

Krung Thai Bank (KTB TB)

3Q26: Results In Line; Credit Costs Decline QOQ

Highlights

- KTB reported a net profit of Bt12.6b, down 14% yoy but up 4% qoq.
- Loan portfolio grew 5.1% yoy in 9M26.
- Maintain BUY with a target price of Bt52.00.

3Q26 Results

Year to 31 Dec (Btm)	3Q26	2Q26	3Q25	qoq%	yoy%
Total gross loans	2,874,134	2,832,709	2,614,944	1.5	9.9
Net interest income	23,417	23,261	25,871	0.7	(9.5)
Non-interest income	13,712	14,219	16,655	(3.6)	(17.7)
Loan loss provision	(5,919)	(6,621)	(7,202)	(10.6)	(17.8)
Non-Interest Expenses	(14,275)	(14,582)	(16,031)	(2.1)	(11.0)
Pre-provision operating profit	22,854	22,899	26,496	(0.2)	(13.7)
Net income	12,582	12,125	14,620	3.8	(13.9)
EPS (Bt)	0.90	0.87	1.05	3.8	(13.9)
Ratio (%)					
NPL Ratio	2.93	2.92	2.88		
Loan loss coverage ratio (%)	205	205	207		
Reported NIM %	2.44	2.45	2.74		
Reported Credit cost (bp)	83	95	109		
Cost to income (%)	38	39	38		
CET1 ratio %	17.9	18.0	18.8		

Source: Krung Thai Bank, UOB Kay Hian

Analysis

- **3Q26 results in line.** Krung Thai Bank (KTB) reported a 3Q26 net profit of Bt12.6b, down 14% yoy but up 4% qoq. The results were in line with our and consensus forecasts. KTB's pre-provision operating profit decreased 14% yoy and flat qoq in 3Q26.
- **Loan portfolio grew yoy and qoq in 3Q26.** KTB reported outstanding loans of around Bt2.87t in 3Q26, up 10% yoy and 2% qoq, primarily driven by retail, corporate, and government loans. In 9M26, the loan portfolio grew 5.1%, higher than loan growth target of 0-2% in 2026.
- **NII weakened yoy.** KTB reported a net interest income (NII) of Bt23.4b in 3Q26 (-10% yoy, +1% qoq). Meanwhile, NIM contracted from 2.45% in 2Q26 to 2.44% in 3Q26. In 9M26, NIM was reported at 2.45%, within the target range of 2.35-2.5% in 2026.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	119,114.8	105,780.8	93,955.0	99,774.4	103,128.0
Non-Interest Income	41,100.5	54,847.1	58,164.5	60,006.1	61,842.6
Net profit (rep./act.)	44,968.5	48,228.6	49,672.0	52,468.9	53,200.7
Net profit (adj.)	44,968.5	48,228.6	49,672.0	52,468.9	53,200.7
EPS (Bt)	3.2	3.4	3.6	3.8	3.8
PE (x)	13.4	12.5	12.2	11.5	11.4
P/B (x)	1.4	1.3	1.3	1.3	1.2
Dividend yield (%)	3.6	6.2	6.3	6.4	6.5
Net int margin (%)	3.3	2.9	2.5	2.6	2.6
Cost/income Ratio (%)	42.9	40.3	39.4	39.4	39.2
Loan loss cover (%)	188.6	203.6	205.0	200.5	199.4
Consensus net profit	n.a	n.a	48,329.3	50,236.8	52,838.7
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Krung Thai Bank, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt43.25
Target Price	Bt52.00
Upside	20.2%

Stock Data

Sector	Financials
Bloomberg ticker	KTB TB
Shares issued (m)	13,976.1
Market cap (Btm)	622,856.0
Market cap (US\$m)	19,019.7
3-mth avg daily t'over (US\$m)	95.0

Price Performance (%)

52-week high/low				Bt45.5/Bt24.3
1mth	3mth	6mth	1yr	YTD
2.3	27.1	34.2	88.0	60.4

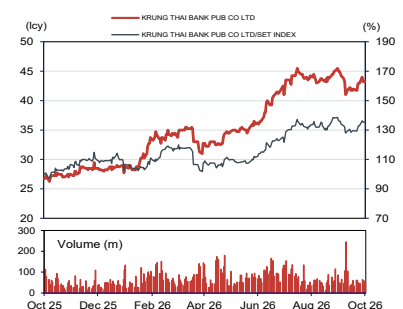
Major Shareholders (%)

FIDF (MOF)	55.07
Thai NVDR	9.55
Vayupak No.1 Fund	2.93

Balance Sheet Metrics

FY26 NAV/Share (Bt)	33.7
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

One of the largest commercial banks with roughly 15% share of the credit market. The bank has a strong focus on corporate lending, which accounts for 31% of its loan book.

- **Non-II dropped yoy and qoq.** KTB reported non-interest income (non-II) of Bt13.7b in 3Q26 (-18% yoy, -4% qoq). Fee and service income rose 6% yoy and flat qoq, supported by the wealth management business. There was a gain on financial instruments measured at fair value through profit or loss of Bt4.4b in 3Q26 (2Q26: Bt3.6b, 3Q25: Bt4.6b). Dividend income was reported at Bt461m in 3Q26, increasing qoq from Bt358m in 2Q26.
- **Credit cost declined qoq.** The NPL ratio increased slightly from 2.92% in 2Q26 to 2.93% in 3Q26. The bank set aside provision expenses of Bt5.9b in 3Q26 (-18% yoy, -11% qoq). As a result, credit costs declined by 12bp qoq to 83bp in 3Q26 (2Q26: 95bp). In 9M26, credit costs were reported at 98bp, within its 2026 target of 75-115bp. Meanwhile, the coverage ratio was 205% in 3Q26, which is a sufficiently strong cushion to buffer against future uncertainties.
- **Opex fell yoy and qoq due to the higher efficiency.** KTB reported opex of Bt14.3b (-11% yoy, -2% qoq). It improved its cost-to-income ratio to 38% in 3Q26 (down from 39% in 2Q26). In 9M26, cost to income ratio was reported at 38.8%, down from 40.1% in 9M25. KTB continued to focus on IT and digital investment for products and services to enhance customers' experience for all groups of customers.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt52.00.** We use the Gordon Growth Model (cost of equity: 11%, long-term growth: 2%). We roll over our target price to 2027. This implies 1.52x 2027F P/B.

Earnings Revision/Risk

- We revise KTB's 2026-28 earnings forecasts upward by 0.6%, 0.4%, and 0.4%, respectively, to reflect the decent 3Q26 earnings results.

Share Price Catalyst

- Government stimulus programme to boost domestic economy.
- Increase in dividend payout ratio.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

Environmental

- The bank set a long-term target to reduce GHG emissions by 30% by 2030 for operations within the bank, compared with the base year 2022.
- The emissions reduction target was set at 3%. The reduction plan aims to reduce GHG emissions by 1,700 tonnes of carbon dioxide equivalent.

Social

- Human rights. No criteria or conditions of employment discrimination are specified but KTB aims to provide equal opportunities for employment.
- Community involvement. The bank believes that a robust economic foundation is key to a thriving community.

Governance

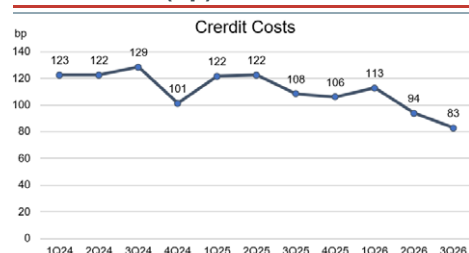
- The bank places great importance on conducting its business with transparency, honesty and fairness, in accordance with the principles of good corporate governance.

2026 Financial Targets

	9M26 Actual	2026 Target
Loan Growth	5.1%	0-2%
NIM	2.45%	2.35-2.5%
Cost to income	38.8%	Low to Mid-40s
NPL ratio	2.93%	<3.1%
Credit cost (bp)	98bp	75-115bp
Coverage ratio	205.3%	Around 170%

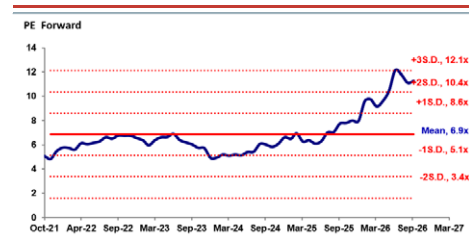
Source: KTB, UOB Kay Hian

Credit Cost (bp)



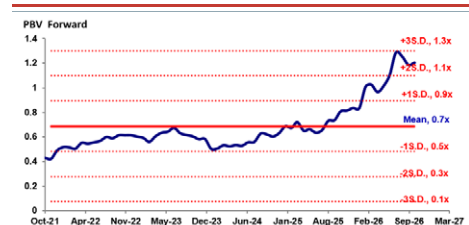
Source: KTB, UOB Kay Hian

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	147,807	129,002	134,574	140,654
Interest expense	(42,027)	(35,047)	(34,800)	(37,526)
Net interest income/(expense)	105,781	93,955	99,774	103,128
Fees & Commissions	22,957	24,713	25,797	26,961
Net Trading Income	17,949	20,452	20,950	21,482
Other Income	13,940	12,999	13,260	13,400
Non-Interest Income	54,847	58,164	60,006	61,843
Total Income	160,628	152,120	159,780	164,971
Staff Costs	(26,922)	(26,867)	(27,352)	(28,359)
Other Operating Expense	(37,844)	(33,071)	(35,626)	(36,263)
Pre-Provision Profit	95,861	92,181	96,803	100,349
Loan Loss Provision	(30,760)	(25,850)	(26,422)	(28,986)
Pre-tax profit	65,101	66,331	70,381	71,363
Tax	(12,880)	(12,240)	(13,372)	(13,559)
Minorities	(3,992)	(4,419)	(4,540)	(4,603)
Net profit	48,229	49,672	52,469	53,201
Net profit (adj.)	48,229	49,672	52,469	53,201

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	19	18	18	18
Total CAR	21	20	20	20
Total Assets/Equity	8	9	9	8
Tangible Assets/Tangible Common Equity	9	9	9	9
Asset Quality				
NPL Ratio	3	3	3	3
Loan Loss Coverage	204	205	200	199
Loan Loss Reserve/Gross Loans	7	7	6	6
Increase in NPLs	(2)	2	1	1
Credit Cost (bp)	113	92	91	97
Liquidity				
Loan/Deposit Ratio	89	92	93	93
Liquid Assets/Short-Term Liabilities	35	32	31	31
Liquid Assets/Total Assets	28	26	25	25

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	61,745	57,313	59,251	60,512
Govt Treasury Bills & Securities	501,042	424,635	410,217	412,755
Interbank Loans	538,962	538,869	554,831	566,451
Customer Loans	2,550,433	2,675,761	2,775,335	2,838,337
Investment Securities	63,785	65,607	67,560	68,995
Derivative Receivables	73,819	76,370	77,426	79,201
Associates & JVs	22,261	22,269	22,269	22,269
Properties & Other Fixed Assets	52,323	52,765	53,971	55,803
Goodwill & Intangible Assets	24,305	26,358	26,358	26,358
Other Assets	44,643	49,603	51,615	52,608
Total assets	3,933,319	3,989,551	4,098,833	4,183,289
Interbank Deposits	274,137	266,747	269,996	274,415
Customer Deposits	2,864,171	2,920,781	2,999,246	3,058,781
Bills Payable	5,722	6,639	6,639	6,639
Derivative Payables	63,691	69,799	70,331	71,460
Subordinated Debts	124,740	126,309	134,755	135,279
Other Liabilities	113,835	109,848	111,368	113,036
Total liabilities	3,446,297	3,500,124	3,592,336	3,659,612
Shareholders' funds	464,830	465,130	479,644	494,046
Minority interest	22,793	24,898	27,453	30,231
Total Equity & Liabilities	3,933,920	3,990,151	4,099,434	4,183,889

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(11)	(11)	6	3
Fees & Commissions, yoy Chg	3	8	4	5
Pre-Provision Profit, yoy Chg	5	(4)	5	4
Net Profit, yoy Chg	7	3	6	1
Customer Loans, yoy Chg	0	5	4	2
Profitability				
Net Interest Margin	3	2	3	3
Cost/Income Ratio	40	39	39	39
Adjusted ROA	1	1	1	1
Reported ROE	11	11	11	11
Adjusted ROE	11	11	11	11
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	13	12	12	11
Dividend Yield	6	6	6	7

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