

**Krung Thai Bank Pcl (KTB TB) - BUY, Price Bt21.8, TP Bt24****Results Comment**

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**Strong profits, in-line**

- KTB's profits were strong at Bt10.4bn (up 71% y-y but down 6% q-q) in 4Q24 and Bt43.9bn in 2024 (increased 20% from 2023). Profits beat consensus but were in-line with our forecast. Maintain BUY.
- Boosted by housing and government segments, loans grew 5% q-q and 5% YTD in 2024. NIM dipped 6bps q-q on lower interest rate.
- NPLs fell 3% q-q driven by the positive impact of Thai Airway's rehabilitation plan and write-offs. NPL ratio was down to 2.99%. Provisions fell 49% y-y and 19% q-q on absence of extra provisions and decent loan quality. Credit costs were 1% in the quarter and 1.15% in 2024 versus 1.44% in 2023.
- Loan loss coverage ratio stood healthily at 183%. Net fee income grew 7% y-y and 3% q-q in 4Q24 and 7% y-y in 2024, driven by mutual funds, bancassurance and credit cards.
- Non-interest income was down 5% y-y and 18% q-q in 4Q24 due to lower investment gains. However, it grew nicely by 11% from 2023 on higher bad debt recovery.
- Opex dropped 2% y-y and rose 1% q-q in 4Q24. The expenses rose 11% y-y in 2023 on higher impairment loss of NPA, marketing and IT expenses. Nevertheless, cost to income ratio was well contained at 45.7% in 4Q24 and 43.6% in 2024.

Income Statement (consolidated)						Income Statement 12M as					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24	(Bt m)	q-q%	y-y%	% 2024F	2024A	2025F
Interest & dividend income	41,741	40,881	41,472	41,528	41,224	Interest & dividend income	(1)	(1)	101	165,105	159,773
Interest expense	11,379	11,319	11,416	11,643	11,612	Interest expense	(0)	2	100	45,990	43,438
<b>Net interest income</b>	<b>30,362</b>	<b>29,561</b>	<b>30,056</b>	<b>29,885</b>	<b>29,613</b>	<b>Net interest income</b>	<b>(1)</b>	<b>(2)</b>	<b>101</b>	<b>119,115</b>	<b>116,334</b>
Non-interest income	8,967	10,736	8,927	10,316	8,508	Non-interest income	(18)	(5)	101	38,487	40,393
Total income	39,329	40,297	38,983	40,201	38,121	Total income	(5)	(3)	101	157,602	156,727
Operating expense	17,745	17,731	16,438	17,193	17,417	Operating expense	1	(2)	104	68,778	63,470
<b>Pre-provisioning profit</b>	<b>21,583</b>	<b>22,567</b>	<b>22,545</b>	<b>23,008</b>	<b>20,705</b>	<b>Pre-provisioning profit</b>	<b>(10)</b>	<b>(4)</b>	<b>99</b>	<b>88,824</b>	<b>93,257</b>
Provision for bad&doubtful debt	13,070	8,029	8,004	8,312	6,725	Provision for bad&doubtful debt	(19)	(49)	95	31,070	30,623
Profit before tax	8,513	14,538	14,542	14,695	13,980	Profit before tax	(5)	64	101	57,755	62,634
Tax	1,733	2,936	2,877	2,958	2,805	Tax	(5)	62	101	11,576	12,527
Profit after tax	6,781	11,602	11,665	11,737	11,175	Profit after tax	(5)	65	101	46,179	50,107
Equity income	261	406	467	356	273	Equity income	(23)	4	83	1,500	2,000
Minority interests	(931)	(929)	(936)	(985)	(973)	Minority interests	neg	neg	99	(3,823)	(3,988)
Extra items	-	-	-	-	-	Extra items	neg	neg	-	-	-
<b>Net profit</b>	<b>6,111</b>	<b>11,078</b>	<b>11,195</b>	<b>11,107</b>	<b>10,475</b>	<b>Net profit</b>	<b>(6)</b>	<b>71</b>	<b>101</b>	<b>43,856</b>	<b>48,119</b>
<b>Normalized profit</b>	<b>6,111</b>	<b>11,078</b>	<b>11,195</b>	<b>11,107</b>	<b>10,475</b>	<b>Normalized profit</b>	<b>(6)</b>	<b>71</b>	<b>101</b>	<b>43,856</b>	<b>48,119</b>
PPP/share (Bt)	1.5	1.6	1.6	1.6	1.5	PPP/share (Bt)	(10)	(4)	99	6.4	6.7
EPS (Bt)	0.4	0.8	0.8	0.8	0.7	EPS (Bt)	(6)	71	100	3.1	3.4
Norm EPS (Bt)	0.4	0.8	0.8	0.8	0.7	Norm EPS (Bt)	(6)	71	100	3.1	3.4
BV/share (Bt)	28.8	29.9	29.4	30.7	31.7	BV/share (Bt)	3	10	32	31.8	33.0

Balance Sheet (consolidated)						Financial Ratios (%)					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24		4Q23	1Q24	2Q24	3Q24	4Q24
Cash and Interbank	756,787	622,025	689,397	694,412	591,664	Gross loan growth (YTD)	(0.6)	1.6	(0.6)	(0.5)	4.7
Other liquid items	95,407	125,871	107,993	104,691	117,403	Gross loan growth (q-q)	(2.0)	1.6	(2.2)	0.1	5.2
Total liquid items	852,194	747,896	797,391	799,103	709,067	Deposit growth (YTD)	2.2	(1.7)	0.2	(0.1)	3.2
Gross loans and accrued interest	2,599,418	2,642,040	2,584,824	2,586,864	2,722,954	Deposit growth (q-q)	1.4	(1.7)	1.9	(0.2)	3.3
Provisions	173,323	172,757	173,292	175,673	173,879	Non-interest income (y-y)	(9.5)	16.0	14.3	19.1	(5.1)
Net loans	2,426,095	2,469,283	2,411,532	2,411,191	2,549,075	Non-interest income (q-q)	3.5	19.7	(16.8)	15.6	(17.5)
Fixed assets	65,924	61,593	59,353	58,529	57,360	Fee income / Operating income	13.8	13.8	13.5	14.0	15.2
Other assets	56,231	70,397	71,631	91,556	57,730	Cost-to-income	45.1	44.0	42.2	42.8	45.7
<b>Total assets</b>	<b>3,677,684</b>	<b>3,717,055</b>	<b>3,682,775</b>	<b>3,660,651</b>	<b>3,744,184</b>	Net interest margin	3.33	3.20	3.25	3.26	3.20
Deposits	2,646,872	2,602,050	2,650,867	2,644,389	2,731,344	Credit cost	2.03	1.23	1.25	1.30	1.00
Interbank	282,696	333,140	259,447	244,280	255,872	ROE	6.2	10.8	10.8	10.6	9.6
Other liquid items	4,423	4,289	5,769	6,468	5,116	Loan-to-deposit	97.3	100.6	96.6	97.0	98.8
Total liquid items	2,933,991	2,939,479	2,916,082	2,895,137	2,992,333	Loan-to-deposit + S-T borrowing	97.3	100.6	96.6	97.0	98.8
Borrowings	160,839	158,558	157,239	135,822	132,464	NPLs (Bt m)	99,407	98,815	98,701	98,301	95,065
Other liabilities	162,008	182,300	179,105	181,206	155,001	NPL increase	1,098	(592)	(114)	(400)	(3,236)
Minority interest	18,470	19,321	18,610	19,595	20,549	NPL ratio	3.08	3.14	3.12	3.14	2.99
<b>Shareholders' equity</b>	<b>402,376</b>	<b>417,396</b>	<b>411,739</b>	<b>428,890</b>	<b>443,838</b>	Loan-loss-coverage ratio	174.4	174.8	175.6	178.7	182.9
<b>Total Liabilities &amp; Equity</b>	<b>3,677,684</b>	<b>3,717,055</b>	<b>3,682,775</b>	<b>3,660,651</b>	<b>3,744,184</b>	CAR - total	20.6	20.5	20.8	21.0	20.8

Sources: Company data, Thanachart estimates

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