

Krung Thai Bank Pcl (KTB TB) - BUY, Price Bt21.3, TP Bt25.5**Results Comment**

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Solid profits, in line

- KTB reported 1Q25 net profit of Bt11.7bn (flat y-y, +12% q-q), in line with expectations. Earnings were supported by Bt3.74bn in investment gains, partially offset by higher provisions.
- The result accounts for 27% of our FY25 forecast. We maintain our estimates and reiterate BUY, with KTB as our top pick.
- Loans contracted 1% q-q due to corporate repayments, while government loans grew 1%.
- NIM dropped 23bps from rate cuts, though lower funding costs helped cushion the decline.
- Non-interest income rose 7% y-y and 35% q-q on strong investment gains. The bank realized investment gains of Bt3.74bn, versus Bt1.9bn in 1Q24 and net loss of Bt33.5m in 4Q24.
- Fee income declined 2% y-y and 6% q-q due to lower transaction activity.
- NPL ratio stabilized at ~3% thanks to write-offs.
- Provisions rose 22% q-q (+2% y-y) to buffer unexpected risks. Credit cost increased to 1.2% (from 1% in 4Q24), while coverage remained robust at 182%.

Income Statement (consolidated)						Income Statement 3M as					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Interest & dividend income	40,881	41,472	41,528	41,224	38,672	Interest & dividend income	(6)	(5)	24	158,549	156,244
Interest expense	11,319	11,416	11,643	11,612	10,829	Interest expense	(7)	(4)	25	43,230	42,468
Net interest income	29,561	30,056	29,885	29,613	27,843	Net interest income	(6)	(6)	24	115,319	113,776
Non-interest income	10,736	8,927	10,316	8,508	11,468	Non-interest income	35	7	32	35,532	35,635
Total income	40,297	38,983	40,201	38,121	39,311	Total income	3	(2)	26	150,852	149,411
Operating expense	17,731	16,438	17,193	17,417	16,292	Operating expense	(6)	(8)	25	65,786	67,346
Pre-provisioning profit	22,567	22,545	23,008	20,705	23,019	Pre-provisioning profit	11	2	27	85,065	82,066
Provision for bad&doubtful debt	8,029	8,004	8,312	6,725	8,223	Provision for bad&doubtful debt	22	2	29	28,035	28,645
Profit before tax	14,538	14,542	14,695	13,980	14,796	Profit before tax	6	2	26	57,030	53,421
Tax	2,936	2,877	2,958	2,805	3,177	Tax	13	8	28	11,406	10,684
Profit after tax	11,602	11,665	11,737	11,175	11,619	Profit after tax	4	0	25	45,624	42,737
Equity income	1,003	467	356	273	976	Equity income	258	(3)	61	1,600	1,700
Minority interests	(929)	(936)	(985)	(973)	(881)	Minority interests	neg	neg	22	(3,957)	(4,146)
Extra items	-	-	-	-	-	Extra items	neg	neg	-	-	-
Net profit	11,676	11,195	11,107	10,475	11,714	Net profit	12	0	27	43,267	40,291
Normalized profit	11,676	11,195	11,107	10,475	11,714	Normalized profit	12	0	27	43,267	40,291
PPP/share (Bt)	1.6	1.6	1.6	1.5	1.6	PPP/share (Bt)	11	2	27	6.1	5.9
EPS (Bt)	0.8	0.8	0.8	0.7	0.8	EPS (Bt)	12	0	27	3.1	2.9
Norm EPS (Bt)	0.8	0.8	0.8	0.7	0.8	Norm EPS (Bt)	12	0	27	3.1	2.9
BV/share (Bt)	29.9	29.4	30.7	31.5	32.4	BV/share (Bt)	3	8	32	33.3	34.6

Balance Sheet (consolidated)						Financial Ratios (%)					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25		1Q24	2Q24	3Q24	4Q24	1Q25
Cash and Interbank	622,025	689,397	694,412	591,664	643,896	Gross loan growth (YTD)	1.6	(0.6)	(0.5)	4.7	(1.3)
Other liquid items	125,871	107,993	104,691	117,403	120,096	Gross loan growth (q-q)	1.6	(2.2)	0.1	5.2	(1.3)
Total liquid items	747,896	797,391	799,103	709,067	763,992	Deposit growth (YTD)	(1.7)	0.2	(0.1)	3.2	0.8
Gross loans and accrued interest	2,642,040	2,584,824	2,586,864	2,722,954	2,686,415	Deposit growth (q-q)	(1.7)	1.9	(0.2)	3.3	0.8
Provisions	172,757	173,292	175,673	173,879	173,209	Non-interest income (y-y)	16.0	14.3	19.1	(5.1)	6.8
Net loans	2,469,283	2,411,532	2,411,191	2,549,075	2,513,206	Non-interest income (q-q)	19.7	(16.8)	15.6	(17.5)	34.8
Fixed assets	61,593	59,353	58,529	57,360	55,311	Fee income / Operating income	13.8	13.5	14.0	15.2	13.8
Other assets	70,397	71,631	91,556	57,730	59,389	Cost-to-income	44.0	42.2	42.8	45.7	41.4
Total assets	3,717,055	3,682,775	3,660,651	3,740,468	3,760,853	Net interest margin	3.20	3.25	3.26	3.20	2.97
Deposits	2,602,050	2,650,867	2,644,389	2,731,344	2,752,208	Credit cost	1.23	1.25	1.30	1.00	1.24
Interbank	333,140	259,447	244,280	255,872	253,843	ROE	11.4	10.8	10.6	9.6	10.5
Other liquid items	4,289	5,769	6,468	5,116	7,160	Loan-to-deposit	100.6	96.6	97.0	98.8	96.8
Total liquid items	2,939,479	2,916,082	2,895,137	2,992,333	3,013,211	Loan-to-deposit + S-T borrowing	100.6	96.6	97.0	98.8	96.8
Borrowings	158,558	157,239	135,822	132,464	134,394	NPLs (Bt m)	98,815	98,701	98,301	95,065	95,017
Other liabilities	182,300	179,105	181,206	155,001	139,153	NPL increase	(592)	(114)	(400)	(3,236)	(48)
Minority interest	19,321	18,610	19,595	20,549	21,430	NPL ratio	3.14	3.12	3.14	2.99	2.97
Shareholders' equity	417,396	411,739	428,890	440,122	452,665	Loan-loss-coverage ratio	174.8	175.6	178.7	182.9	182.3
Total Liabilities & Equity	3,717,055	3,682,775	3,660,651	3,740,468	3,760,853	CAR - total	20.5	20.8	21.0	20.8	21.1

Sources: Company data, Thanachart estimates

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