

Krung Thai Bank Pcl (KTB TB) - BUY

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Analyst Meeting**Upbeat outlook from analyst meeting**

- **Controllable asset quality, credit cost to decline h-h**
- **Thai Airways' loans would be classified as performing.**
- **Investment gain from Thai Airways will be booked as FVTPL**
- **Elevated dividend yield could sustain.**

KTB hosted post 2Q25 results meeting with Mr. Payong Srivanich, CEO. Discussion focused on asset quality, Thai Airways' investment, and shareholder return. We read the overall message as positive.

- **Asset quality:** Management has limited concern regarding asset quality. 2025 credit cost would be in the range of 105-115bps vs our forecast of 101bps. This suggests a lower credit cost in 2H25 from 124bps in 1H25.

Thai Airways would be classified as performing loan in 3Q25 from NPL in 2Q25. Provision might be slightly released.

- **Thai Airways' investment:** KTB has classified this as FVTPL. Based on our calculation, KTB's investment cost is Bt2.5/share, KTB might book investment gain in 3Q25 (net of tax) around Bt8bn or Bt0.6/share.

If KTB does not book any special cost in 3Q25, its net profit would increase significantly to around Bt16-17bn from the normal level of around Bt10-11bn.

- **Shareholder return:** KTB remains focus on shareholder return. Dividend yield is key focus. Management will continue to deliver elevated dividend yield compared to peers. We expect 2025 DPS of Bt1.6/share, implying a dividend yield of 7%.

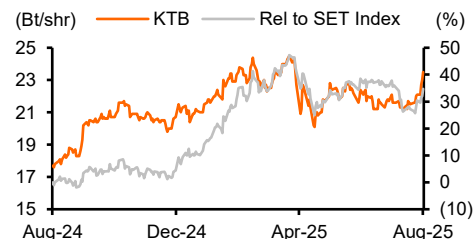
Key Valuations

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Pre Prov. Profit	88,824	85,065	82,066	86,369
Net profit	43,856	43,267	40,291	44,119
Norm net profit	43,856	43,267	40,291	44,119
Norm EPS (Bt)	3.1	3.1	2.9	3.2
Norm EPS gr (%)	19.8	(1.3)	(6.9)	9.5
Norm PE (x)	7.5	7.6	8.2	7.4
P/BV (x)	0.7	0.7	0.7	0.7
Div. yield (%)	6.6	6.8	6.8	6.7
ROE (%)	10.4	9.5	8.5	8.9
ROA (%)	1.2	1.1	1.0	1.1

Source: Thanachart estimates

Stock Data

Closing price (Bt)	23.5
Target price (Bt)	25.5
Market cap (US\$ m)	13,976.1
Avg daily turnover (US\$ m)	38.3
12M H/L price (Bt)	24.5/17.6

Price Performance

Source: Bloomberg

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