

**Krungthai Card Pcl (KTC TB) - BUY, Price Bt29.25, TP Bt35.00****Results Comment**

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**1Q26: Net profit hit a new record**

- KTC reported a **record-high 1Q26 net profit** of Bt2.2bn (+17% y-y, +5% q-q), **beating** Bloomberg consensus by 4%. The strong performance was driven by **lower funding costs and healthy asset quality**. We view the results positively.
- KTC remains one of our **top buys** in the non-bank space, supported by a resilient customer base, a strong balance sheet, KTB's funding support, and sustainable ~6-7% dividend yields p.a.
- We expect 2Q26 earnings to grow y-y (flat q-q), supported by further easing in funding costs following policy rate cuts and higher fee income.
- 1Q26 Key highlight:  
**(+) Lower funding cost:** declined to 2.7% from 2.9% in 4Q25.

**(+) Solid asset quality:** Total NPLs rose 4% q-q due to the leasing portfolio; however, core NPLs (credit card and personal loans) declined 3% q-q. As a result, credit cost improved to 509bps from 588bps in 1Q25.

**(+) Continue to gain market share:** Its credit card spending market share rose to 13.4% in 2M26, up from 13.1% in 2M25, in line with its credit card loan share, which increased to 14.5% from 14.4%. Its personal loan market share also edged up to 4.2% from 4.1%.

**(0) Slightly lower bad debt recovery:** Bt979m vs. normal level of ~Bt1bn, due to the transfer of <Bt100k NPLs to SAM under the Close Debt Move Forward program.

**(0) Cautious loan expansion:** Loan volume declined 4.4% q-q on seasonality and grew modestly by 0.7% y-y, reflecting selective lending strategy.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Interest income	3,992	4,023	4,099	4,140	3,993	Interest & dividend income	(4)	0	24	16,374	16,620
Interest expense	439	432	423	399	369	Interest expense	(8)	(16)	24	1,512	1,397
<b>Net interest income</b>	<b>3,552</b>	<b>3,591</b>	<b>3,676</b>	<b>3,740</b>	<b>3,624</b>	<b>Net interest income</b>	<b>(3)</b>	<b>2</b>	<b>24</b>	<b>14,863</b>	<b>15,223</b>
Non-interest income	2,840	2,789	2,807	3,005	2,897	Non-interest income	(4)	2	25	11,399	11,856
Total income	6,392	6,380	6,483	6,746	6,521	Total income	(3)	2	25	26,261	27,079
Operating expense	2,400	2,386	2,475	2,378	2,413	Operating expense	1	1	23	10,391	10,910
<b>Pre-provisioning profit</b>	<b>3,992</b>	<b>3,994</b>	<b>4,008</b>	<b>4,368</b>	<b>4,108</b>	<b>Pre-provisioning profit</b>	<b>(6)</b>	<b>3</b>	<b>26</b>	<b>15,871</b>	<b>16,169</b>
Provision for bad&doubtful debt	1,594	1,522	1,445	1,346	1,387	Provision for bad&doubtful debt	3	(13)	22	6,182	6,218
Profit before tax	2,398	2,472	2,564	3,022	2,721	Profit before tax	(10)	13	28	9,689	9,951
Tax	570	616	650	1,061	547	Tax	(48)	(4)	28	1,938	1,993
Profit after tax	1,828	1,856	1,913	1,961	2,173	Profit after tax	11	19	28	7,751	7,958
Equity income	-	-	-	-	-	Equity income	-	-	-	-	-
Minority interests	32	39	38	114	(2)	Minority interests	-	-	(1)	155	159
Extra items	-	-	-	-	-	Extra items	-	-	-	-	-
<b>Net profit</b>	<b>1,861</b>	<b>1,895</b>	<b>1,951</b>	<b>2,075</b>	<b>2,171</b>	<b>Net profit</b>	<b>5</b>	<b>17</b>	<b>27</b>	<b>7,906</b>	<b>8,117</b>
<b>Normalized profit</b>	<b>1,861</b>	<b>1,895</b>	<b>1,951</b>	<b>2,075</b>	<b>2,171</b>	<b>Normalized profit</b>	<b>5</b>	<b>17</b>	<b>27</b>	<b>7,906</b>	<b>8,117</b>
PPP/share (Bt)	1.5	1.5	1.6	1.7	1.6	PPP/share (Bt)	(6)	3	26	6.2	6.3
EPS (Bt)	0.7	0.7	0.8	0.8	0.8	EPS (Bt)	5	17	27	3.1	3.1
Norm EPS (Bt)	0.7	0.7	0.8	0.8	0.8	Norm EPS (Bt)	5	17	27	3.1	3.1
BV/share (Bt)	16.2	15.6	16.3	17.1	18.0	BV/share (Bt)	5	11	18	17.1	18.4

Balance Sheet						Financial Ratios					
(consolidated)											
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(%)	1Q25	2Q25	3Q25	4Q25	1Q26
Cash and cash equivalent	3,833	2,625	2,580	3,471	2,713	Loan growth (YTD)	(3.7)	(3.7)	(3.8)	0.4	(3.4)
<b>Gross loans</b>	<b>106,372</b>	<b>106,388</b>	<b>106,206</b>	<b>110,834</b>	<b>1,104</b>	Loan growth (q-q)	(3.7)	0.0	(0.2)	4.4	(3.4)
Accrued interest	721	716	707	750	3,817	Borrowing growth (YTD)	(9.4)	(6.7)	(10.6)	(8.1)	(9.8)
Provisions	8,071	8,194	8,354	8,424	107,842	Borrowing growth (q-q)	(9.4)	3.0	(4.1)	2.8	(9.8)
Net loans	99,022	98,910	98,559	103,161	8,450	Non-interest income (y-y)	3.1	0.4	(0.3)	2.9	2.0
Property foreclosed	4	8	7	7	0	Non-interest income (q-q)	(2.7)	(1.8)	0.7	7.0	(3.6)
Premises & equipment	398	377	357	367	361	Cost-to-income	37.5	37.4	35.8	33.3	35.0
Other assets	4,237	4,123	3,944	3,517	100,027	Net interest margin	13.1	13.5	13.8	13.8	13.3
<b>Total assets</b>	<b>107,495</b>	<b>106,043</b>	<b>105,447</b>	<b>110,524</b>	<b>106,125</b>	Credit cost	5.9	5.7	5.4	5.0	5.1
Total borrowings	56,086	57,764	55,374	56,912	28,050	ROE	18.3	18.5	19.0	19.2	19.2
Short term borrowing	17,779	23,457	16,480	27,130	22,550	ROA	6.8	7.1	7.4	7.7	8.0
Long term borrowing	38,307	34,307	38,894	29,782	5,500	Loan-to-borrowing	189.7	184.2	191.8	194.7	208.6
Lease liability	147	106	88	63	23,300	Loan-to-total equity	255.3	264.9	252.2	251.0	231.2
Other liabilities	9,533	7,992	7,890	9,530	51,350	NPLs (Btm)	2,099	1,952	1,960	1,982	2,069
<b>Total liabilities</b>	<b>65,767</b>	<b>65,862</b>	<b>63,352</b>	<b>66,505</b>	<b>8,455</b>	NPL increase	(58)	(147)	8	22	87
Minority interest	57	19	(19)	(133)	(133)	NPL ratio (%)	2.0	1.8	1.8	1.8	1.9
<b>Shareholders' equity</b>	<b>41,671</b>	<b>40,162</b>	<b>42,114</b>	<b>44,151</b>	<b>46,323</b>	Loan loss coverage ratio (%)	384.5	419.8	426.2	425.0	408.4
<b>Total Liabilities &amp; Equity</b>	<b>107,495</b>	<b>106,043</b>	<b>105,447</b>	<b>110,524</b>	<b>106,125</b>						

Sources: Company data, ttb wealth estimates

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