

Oversold, declining ROE

- เมื่อเทียบกับ ROE (ที่ 16-17%) เราเชื่อว่าราคาและ P/BV multiple ในปัจจุบันถูกเกินไป เมื่อพิจารณาจากปัจจัยพื้นฐาน
- เรามีมุมมองเป็นบวกเกี่ยวกับปัจจัยพื้นฐานของ KTC เมื่อพิจารณาจาก ROA ที่สูง (6-7%) ตามสถานะในตลาด รายได้และ Credit cost ที่ต่ำ
- เริ่มด้วยคำแนะนำซื้อที่ราคาเป้าหมายปี 2025 ที่ 32 บาท (GGM)

TARGET PRICE

THB32.00

CLOSE

THB25.00

UP/DOWNSIDE

+28.0%

TP vs CONSENSUS

-11.0%

การประเมินมูลค่าในปัจจุบันไม่สมเหตุสมผลเมื่อเทียบกับ ROE ที่ 16-17%

เราเชื่อว่าราคาหุ้นของ KTC ที่ปรับตัวลดลงเมื่อเร็ว ๆ นี้ไม่ได้เกิดจากปัจจัยพื้นฐานแต่เกิดจากแรงกดดันจากการขายของผู้ถือหุ้นหลัก ทั้งนี้การวิเคราะห์ปัจจัยพื้นฐานของเราได้รวมแนวโน้ม ROE ขาลงเป็นประมาณ 16-17% ไว้ในสมมติฐานปี 2025-27 เทียบกับที่ประมาณ 30.6% ในปี 2019 ปัจจุบัน KTC มีการซื้อขายคิดเป็น 2025E P/E ที่ 8.4x และ P/BV ที่ 1.5x เมื่อเทียบกับ ROE ที่ 16-17% ซึ่งเป็นหนึ่งใน ROE ที่สูงที่สุดในบริษัทการเงินที่ไม่ใช่ธนาคารของไทยเราเชื่อว่าราคาและ P/BV ในปัจจุบันต่ำเกินไปเมื่อพิจารณาจากมุมมองในด้านปัจจัยพื้นฐานและการประเมินมูลค่า

มูลค่ายุติธรรมในกรณีเลวร้ายที่สุดอยู่ที่ 26 บาท

ในกรณีที่เลวร้ายที่สุดเราคาดว่ากรณีฐานของเราจะมี Downside ประมาณ 20-22% ซึ่งหมายถึงประมาณการกำไรสุทธิปี 2025 ที่ 6.0พัน ลบ. เทียบกับ 7.7พัน ลบ. ในกรณีฐาน มูลค่ายุติธรรมของเราสำหรับ KTC ในกรณีที่เลวร้ายที่สุดอยู่ที่ 26 บาท/หุ้นบนสมมติฐาน ROE ที่ 14% (เทียบกับกรณีฐานของเราที่ 16%) ดังนั้นเราจึงยังคงมุมมองของเราที่ว่าราคาหุ้นของ KTC ในปัจจุบันถูกเกินไป ทั้งนี้ความแตกต่างสำคัญระหว่างกรณีเลวร้ายที่สุดและกรณีฐานของเราอยู่ที่ 1) สมมติฐานส่วนต่างดอกเบี้ยที่ลดลงประมาณ 1.1ppt สำหรับ Downside ในด้านรายได้และ 2) สมมติฐานต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ที่สูงขึ้น 1ppt เป็นประมาณ 7% เทียบกับ 6% สำหรับ Downside ในด้านคุณภาพสินทรัพย์

ปัจจัยพื้นฐานดีด้วย ROA ที่สูงถึง 6-7%

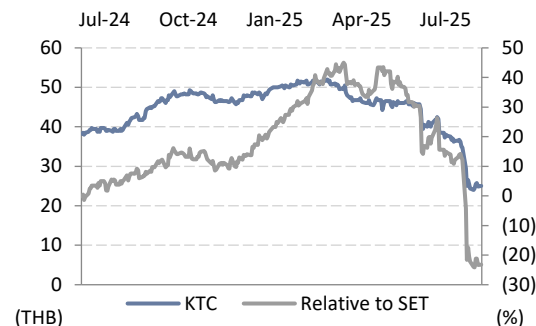
เรามีมุมมองเป็นบวกเกี่ยวกับปัจจัยพื้นฐานของ KTC เมื่อพิจารณาจาก ROA ที่คาดว่าจะสูงถึง 6-7% ในปี 2025-27 จาก 1) รายได้ดอกเบี้ยสุทธิที่มั่นคงพร้อมสินเชื่อที่ค่อย ๆ ขยายตัว 2) รายได้ที่ไม่ใช่ดอกเบี้ยที่สูงขึ้นโดยเฉพาะรายได้จากหนี้เสียรับคืน 3) วินัยที่ดีในการควบคุมค่าใช้จ่ายในการดำเนินงาน 4) งบดุลที่ดีพร้อมโอกาสในการรักษา Credit cost ไว้ในระดับต่ำ (ประมาณ 6%) จากมาตรฐานในการปล่อยสินเชื่อที่ต่อเนื่องและการมุ่งเน้นไปที่กลุ่มรายได้สูง (รายได้ต่อเดือนมากกว่า 30,000 บาท) และ 5) ส่วนแบ่งตลาดที่สูงขึ้นโดยเฉพาะในธุรกิจบัตรเครดิต

เริ่มด้วยคำแนะนำซื้อที่ราคาเป้าหมายปี 2025 ที่ 32 บาท

เราเริ่มบทวิเคราะห์ KTC ด้วยคำแนะนำซื้อที่ราคาเป้าหมายปี 2025 ที่ 32 บาท (GGM) บนสมมติฐานค่า P/BV ที่ 1.86x (COE 10.0%, ROE 16.0%) ราคาหุ้นของ KTC ในปัจจุบันคิดเป็นผลตอบแทนในรูปเงินปันผลอยู่ที่ประมาณ 5.6% เราคาดว่าผลตอบแทนดังกล่าวจะมี Upside ในอนาคตถ้าบริษัท สามารถปรับอัตราการจัดเงินปันผลขึ้นเพิ่มจาก 45%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	9,040	9,315	9,734	10,309
Net profit	7,437	7,689	8,023	8,482
EPS (THB)	2.88	2.98	3.11	3.29
vs Consensus (%)	-	(0.2)	(0.6)	2.9
Recurring net profit	7,437	7,689	8,023	8,482
Core EPS (THB)	2.88	2.98	3.11	3.29
EPS growth (%)	1.9	3.4	4.3	5.7
Core P/E (x)	8.7	8.4	8.0	7.6
Dividend yield (%)	5.3	5.4	5.6	5.9
Price/book (x)	1.6	1.5	1.3	1.2
ROE (%)	19.7	18.3	17.3	16.6
ROA (%)	6.6	6.8	6.8	6.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(33.8)	(46.5)	(35.1)
Relative to country (%)	(33.0)	(46.4)	(24.1)
Mkt cap (USD m)	1,979		
3m avg. daily turnover (USD m)	39.0		
Free float (%)	42		
Major shareholder	Krung Thai Bank (49%)		
12m high/low (THB)	52.25/21.80		
Issued shares (m)	2,578		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

We rate KTC with a BUY call, as we believe the recent decline in its share price was not driven by fundamental factors but from the selling pressure among major shareholders.

Based on our fundamental analysis, we have factored in the downtrend in KTC's ROE to c16-17% for 2025-27E vs c30.6% in 2019, mainly due to a large accumulation of retained earnings (from strong net profit growth) but a moderate balance sheet expansion and dividend payout ratio (45%) over the years.

We are positive on KTC's market position, prudent asset quality with low credit cost, and a low NPL ratio. As a result, KTC has strong profitability via ROA generation of 6-7% for 2025-27E.

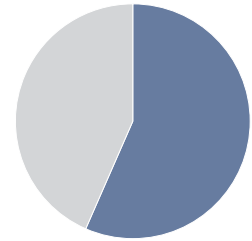
Company profile

As Krungthai bank's consumer finance arm, KTC provides consumer financial products including credit cards, personal loans, auto-title loans, and leasing products.

www.ktc.co.th

Principal activities (revenue, 2024)

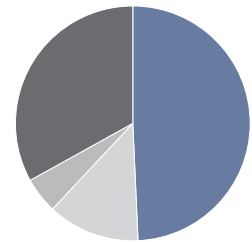
- Net interest income - 56.6 %
- Non-interest income - 43.4 %



Source: Krungthai Card

Major shareholders

- Krung Thai Bank - 49.3 %
- Mongkol Prakitchaiwatthana - 12.7 %
- Chantana Jirattiphat - 5.0 %
- Others - 33.1 %



Source: Krungthai Card

Catalysts

- Improving consumer sentiment for higher credit card spending and loan growth.
- Better-than-expected income from bad debt recovery.
- Strong asset quality with low charge-off and credit cost rate.
- Improvement of dividend payout ratio.

Risks to our call

Downside risks are: 1) regulatory actions to curb industry growth; 2) a higher-than-expected policy rate; and 3) deteriorating asset quality.

Event calendar

Date	Event
July 2025	2Q25 results announcement
Aug 2025	Analyst meeting

Key assumptions

Key assumptions (%)	2025E	2026E	2027E
Loan growth	2.87	4.65	4.71
NIM	13.44	13.58	13.56
Cost-to-income ratio	39.17	39.52	39.11
Credit cost	6.05	6.03	6.03
NPL ratio	2.00	1.98	1.97
ROE	18.33	17.30	16.60

Source: FSSIA estimates

Earnings sensitivity

		----- 2025E -----		
Loan growth (%)	±2ppt	0.87	2.87	4.87
% change in net profit		(2.0)		2.0
NIM (%)	±10bp	13.34	13.44	13.54
% change in net profit		(1.5)	-	1.5
Cost-to-income ratio (%)	±1ppt	38.17	39.17	40.17
% change in net profit		3.4	-	(3.4)
Credit cost (bp)	±10bp	595	605	615
% change in net profit		1.5	-	(1.5)

Source: FSSIA estimates

Oversold, declining ROE

We reinitiate coverage of KTC with a BUY rating and a 2025 GGM-based TP of THB32, based on 1.86x P/BV (COE: 10.0%, ROE: 16.0%). We believe the recent decline in KTC's share price was not driven by fundamental factors but from the selling pressure among major shareholders. As of 25 Jun-25, the Securities and Exchange Commission of Thailand (SEC) reported that Mr. Mongkol Prakitchaiwattana, KTC's second major shareholder, had divested his KTC stake to 5.1376% from 12.49% in Mar-25.

Exhibit 1: KTC's top 5 major shareholders – Mr. Mongkol's stake dropped to 5.14% as of 25 Jun-25

	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
Krungthai Bank : KTB	49.29%	49.29%	49.29%	49.29%	49.29%	49.29%
Mr. Mongkol Prakitchaiwattana	10.76%	11.09%	11.96%	12.65%	12.94%	12.49%
Ms. Chantana Jirattitepat	4.37%	4.51%	4.95%	4.83%	4.87%	4.95%
Thai NVDR	8.57%	6.25%	3.86%	4.14%	4.24%	4.65%
UOB KAY HIAN PTE LTD A/C - RC	3.68%		4.09%	4.09%	4.09%	4.09%
UBS AG SINGAPORE B		4.05%				

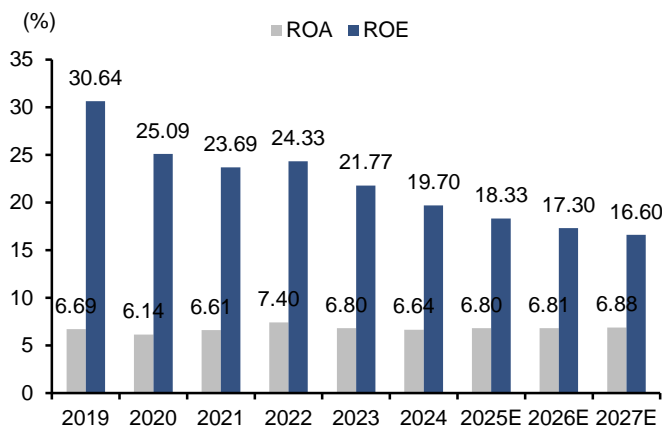
Note: The blank cell does not mean zero stake but not reported as the top 5, according to KTC's presentation
Sources: KTC, SEC, FSSIA compilation

Exhibit 2: KTC – GGM-based 2025 TP

Gordon Growth Model (GGM)	
Risk-free rate	3.00%
Risk premium	7.00%
Beta	1.00
Cost of Equity	10.00%
Sustainable ROE	16.00%
Cost of Equity	10.00%
Medium-term growth (g)	3.00%
Derived P/BV multiple (x)	1.86
2025E BVPS (THB)	17.10
Derived target price (THB)	32.00

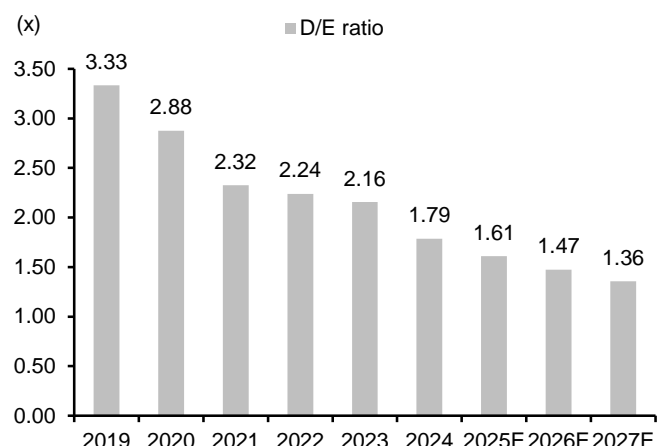
Source: FSSIA estimates

Exhibit 3: ROA and ROE – declining ROE over time but stable ROA of c6-7%



Sources: KTC, FSSIA estimates

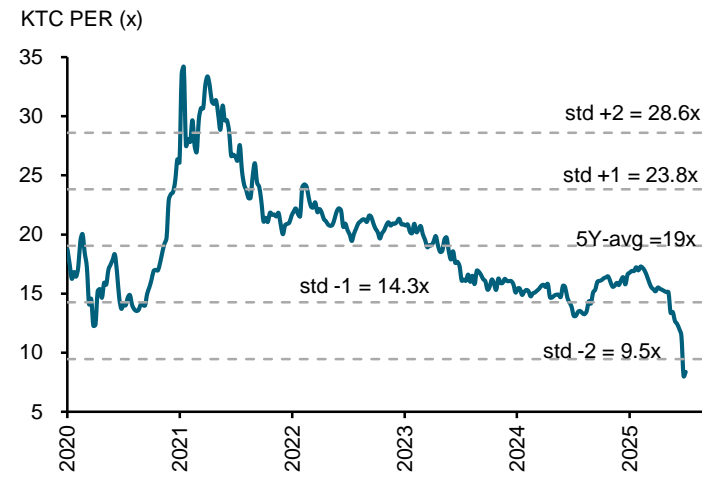
Exhibit 4: Declining ROE mainly due to falling D/E ratio following capital accumulation



Sources: KTC, FSSIA estimates

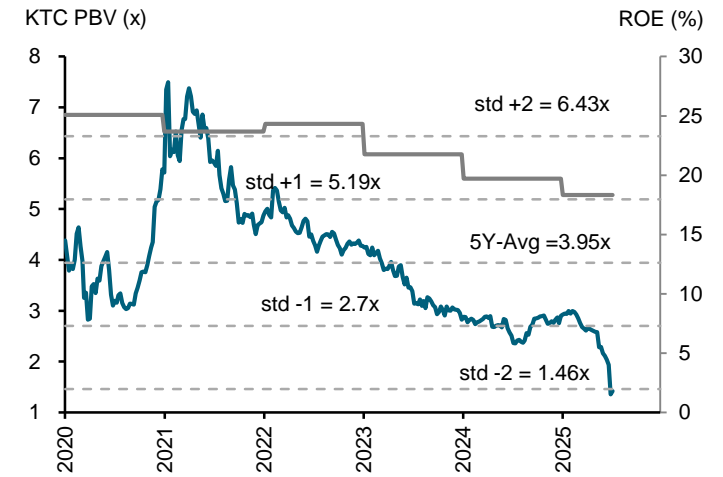
Based on our fundamental analysis, we have factored in the downtrend in KTC's ROE to c16-17% for 2025-27E vs c30.6% in 2019. The declining ROE for KTC, in our view, is mainly due to the deleveraging process, with lower D/E to 1.36x in 2027E vs 3.33x in 2019 following a large accumulation of retained earnings (from strong net profit growth) but a moderate balance sheet expansion and dividend payout ratio (45%) over the years.

Exhibit 5: KTC – one-year perspective P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 6: KTC – one-year perspective P/BV band



Sources: Bloomberg, FSSIA estimates

KTC's share price is now trading at a 2025E P/E of 8.4x and a P/BV of 1.5x with expected ROE of 16-17% for 2025-27, which is one of the highest levels among Thai non-bank financial companies and much higher than banks' average of 8%. Thus, we believe KTC's share and P/BV multiples are oversold and should rebound to reflect good ROE generation.

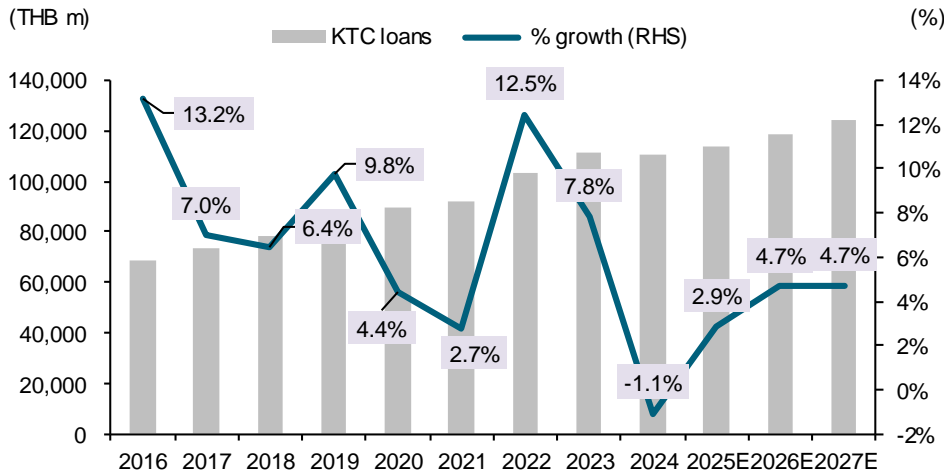
In addition, our fair value for KTC in the worst-case scenario is THB26/shr, based on ROE of 14% (vs our base case of 16%). Our fair value of THB26 for the worst case still provides a share upside to KTC's current price. Thus, we reiterate our view that KTC's current share price is oversold from fundamental and valuation perspectives.

On the positive side, KTC has maintained strong profitability via ROA generation of 6-7% since 2019. This strong ROA is thanks to 1) consistent net interest income generation; 2) higher non-interest income, especially income from bad debt recovery; 3) strong discipline on OPEX control; and 4) a strong balance sheet, with a high NPL coverage ratio and room to maintain low credit costs, thanks to its strong credit standards since the member application stage.

In our view, this ongoing deleveraging process implies the need for more active capital management via a higher dividend payout ratio in order to stabilize the ROE level. KTC's current share price now implies a c5.6% dividend yield. Thus, we foresee an upside risk to KTC's dividend yield in the future if the company can further raise its dividend payout ratio from 45%. If KTC raises its dividend payout ratio, our calculation suggests this would stabilize its ROE at 17-18% in 2026-27E, with a higher dividend yield of 7.2%.

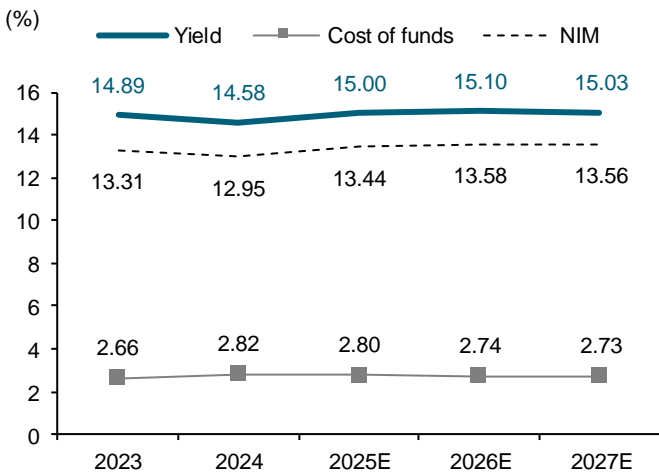
Meanwhile, we believe that accelerating loan growth may not be the appropriate strategy for KTC to boost ROE at this time. This is due to the subdued economic outlook along with our expected GDP growth for 2025 of less than 2%. Aggressive loan growth with relaxed credit standards could raise KTC's credit cost in the future and eventually hurt its profitability, we believe. Thus, we expect KTC's loan growth to be between 3-5% for 2025-27 vs the 10-year average of 7.3%.

Exhibit 7: KTC's loan growth



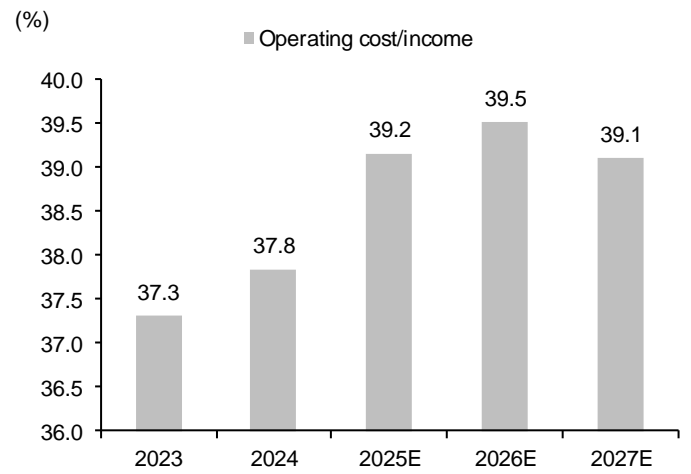
Sources: KTC, FSSIA estimates

Exhibit 8: Yield, cost of funds and NIM



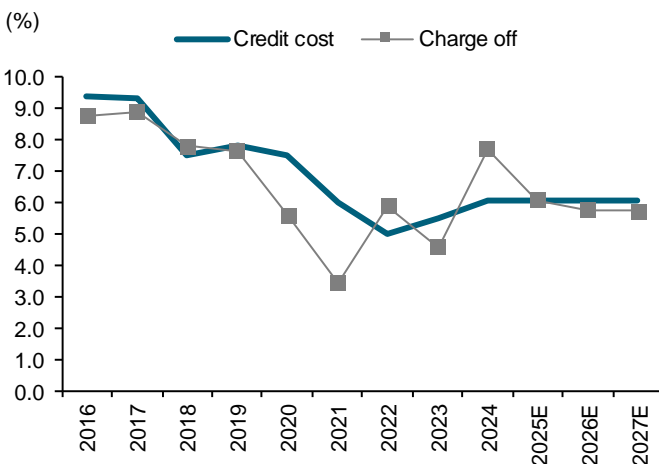
Sources: KTC, FSSIA estimates

Exhibit 9: Higher cost-to-income ratio due to IT investment of cTHB1b over next three years



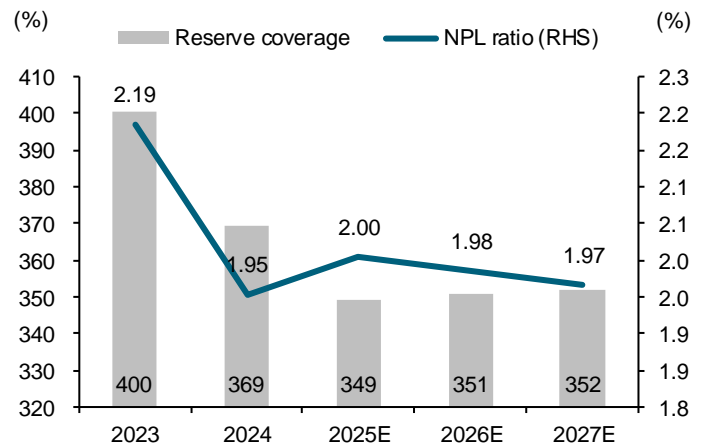
Note: The new level is still below 40%, which is lower than non-bank finance on average
Sources: KTC, FSSIA estimates

Exhibit 10: Declining credit cost and charge-off rate for KTC in the past 10 years due to prudent credit underwriting



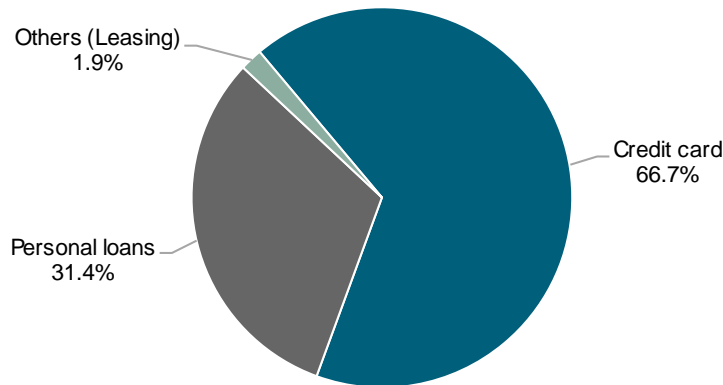
Sources: KTC, FSSIA estimates

Exhibit 11: Expect NPL ratio below 2% and sufficient NPL coverage ratio of more than 350%



Sources: KTC, FSSIA estimates

Exhibit 12: KTC's loan breakdown



Sources: KTC, FSSIA compilation

Our worst-case scenario for KTC's profitability

We have established a worst-case scenario for KTC's profitability in 2025-27. Our worst-case scenario for KTC suggests around a 20-22% downside from our base case, i.e. a 2025E net profit of THB6.0b vs THB7.7b in our base case. In addition, our fair value for KTC in the worst-case scenario is THB26/shr, based on ROE of 14% (vs our base case of 16%). Our fair value of THB26 for the worst case still provides a share upside to KTC's current price. Thus, we reiterate our view that KTC's current share price is oversold from fundamental and valuation perspectives.

The major differences between our worst-case and base-case scenarios are:

- Lower NIM forecast by c1.1ppt, i.e. c12.3-12.5% vs 13.4-13.6%, in order to reflect the downside risk on the revenue side.
- Higher credit cost forecast by 1ppt, i.e. c7% vs 6% to reflect the downside risk on deteriorating asset quality. Note that the average cost for KTC was 6.0% during 2020-24 and 8.5% during 2016-19.

Exhibit 13: Base-case scenario

Ratios (% , ann)	2025E	2026E	2027E
Net interest margin	13.44	13.58	13.56
Operating cost/income	39.17	39.52	39.11
ROA	6.80	6.81	6.88
ROE	18.33	17.30	16.60
NPL ratio	2.00	1.98	1.97
Credit cost	6.05	6.03	6.03
Loan growth	2.87	4.65	4.71
Net profit (THB m)	7,689	8,023	8,482
BVPS (THB)	17.10	18.87	20.76
P/BV target multiples (x)	1.86		
Target price (THB)	32.00		

Sources: KTC, FSSIA estimates

Exhibit 14: Worst-case scenario

Ratios (% , ann)	2025E	2026E	2027E
Net interest margin	12.45	12.43	12.34
Operating cost/income	40.86	41.10	40.14
ROA	5.27	5.24	5.37
ROE	14.52	14.10	14.16
NPL ratio	2.00	1.97	1.95
Credit cost	7.00	7.00	7.00
Loan growth	2.87	6.33	6.40
Net profit (THB m)	5,965	6,222	6,781
BVPS (THB)	16.43	17.81	19.35
P/BV target multiples (x)	1.57		
Target price (THB)	26.00		
<i>Net profit downside from base case (%)</i>	<i>-22%</i>	<i>-22%</i>	<i>-20%</i>

Sources: KTC, FSSIA estimates

- Over the past 10 years, KTC has had strong credit underwriting standards with low approval rates of only 20-40% of total new applications. These quality customers are reflected by lower credit costs over the same period.

- Note that the base-case credit cost of 6% is lower than the industry average for credit card and personal loan operators of c8-9%.

Strong operations with higher market share for credit card business

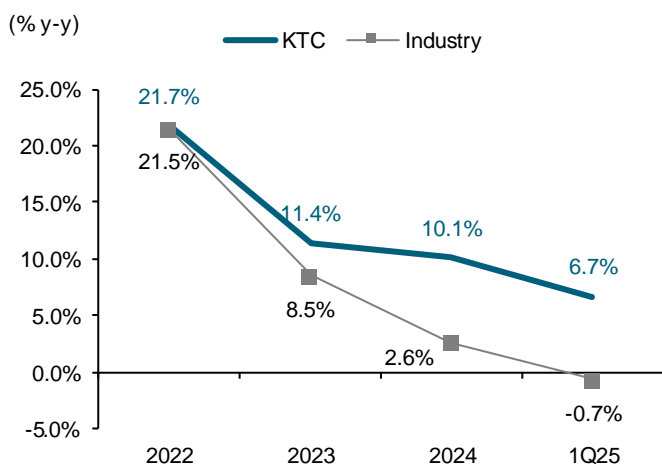
The majority of KTC's loan portfolio is credit cards, which contribute more than two-thirds of its total loans. Since 2022, KTC has recorded strong credit card spending growth consistently. The high credit card spending growth for the industry in 2022 at 21.5% was a result of pent-up demand from the post-Covid-19 recovery. KTC's growth was in-line in that year. Since 2023 until 1Q25, KTC's credit card spending growth has outperformed the industry's growth consistently (see figure below).

This is because, since 2023, KTC has actively acquired new quality customers, especially people with monthly incomes of more than THB30,000, which is classified as the mid- to high-income group (vs THB15,000-30,000, which is considered the first-jobber group). KTC regards the >THB30,000 group as having stronger purchasing power compared to the first-jobber group, a stronger ability to repay loans, the potential to generate interest income for KTC, and having strong loyalty to the KTC brand with its consistent promotions and reward loyalty program.

As of 2024, KTC disclosed that the proportion of monthly income from the >THB30,000 group contributed around 50% of its credit card loan portfolio, and the remaining comes from the first-jobber group.

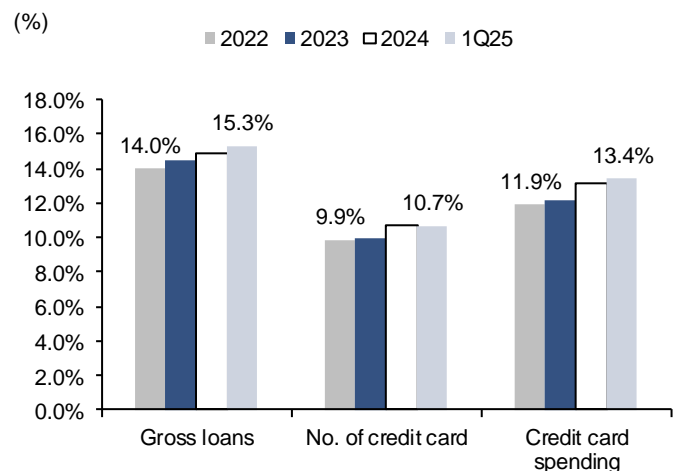
With outperforming growth for KTC since 2023, this has led to a higher market share for KTC in the credit card industry, especially credit card spending and gross loans. Going forward, with a strong marketing campaign focused on the mid- to high-income group and a rewarding loyalty program, we believe KTC will gain an even higher market share along with strong credit card spending growth.

Exhibit 15: Credit card spending growth: KTC has outperformed the industry's growth



Sources: KTC, Bank of Thailand (BOT), FSSIA's compilation

Exhibit 16: KTC's market share in credit card industry



Sources: KTC, Bank of Thailand (BOT), FSSIA's compilation

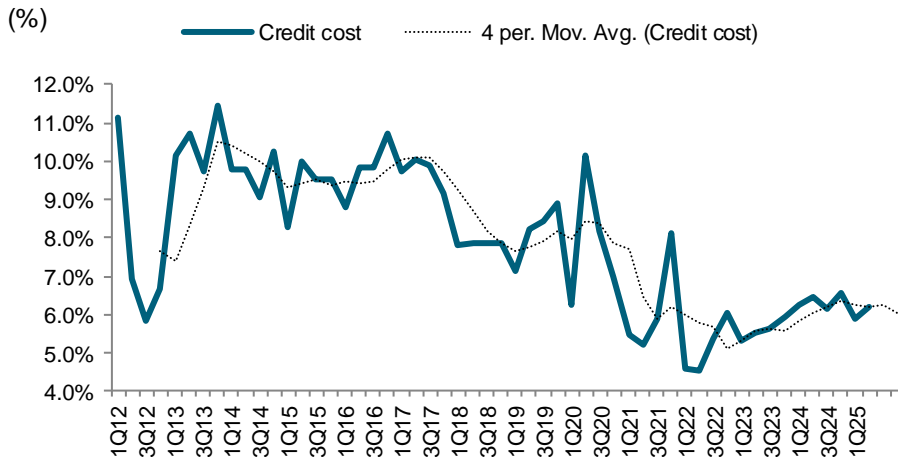
Based on our compilation, KTC is currently the No. 3 operator in the Thai credit card industry, with a 2024 market share of 13.1% in terms of credit card spending. No. 1 and No. 2 are Kasikornbank and Bank of Ayudhya, with 2024 market shares in terms of credit card spending of c20% and 18%, respectively.

New and low normal of KTC's credit cost

Apart from gaining market share, one of KTC's key strengths, in our view, is the strong asset quality in its balance sheet. This is reflected by the new normal credit cost over the past 10 years. The average cost for KTC is now around 6.0% +/- since 2020 vs c8.5% during 2016-19 and c10% during 2012-16.

The drop in credit cost for KTC over the past 10 years has supported its ROA as well as ROE.

Exhibit 17: KTC's new normal credit cost – now at 6.0% +/-

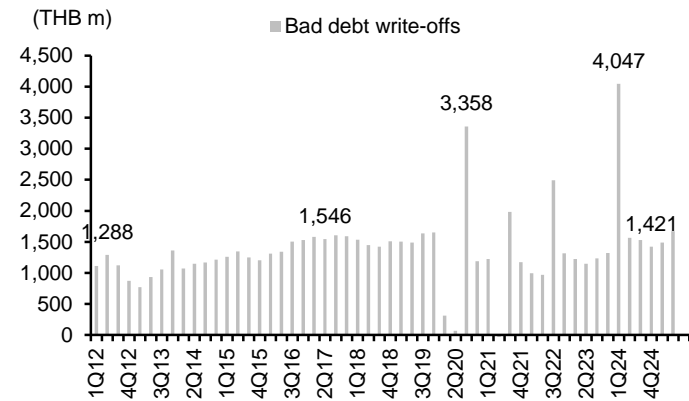


Sources: KTC, FSSIA's compilation

In our view, the improving credit cost over the past 10 years has mainly been driven by:

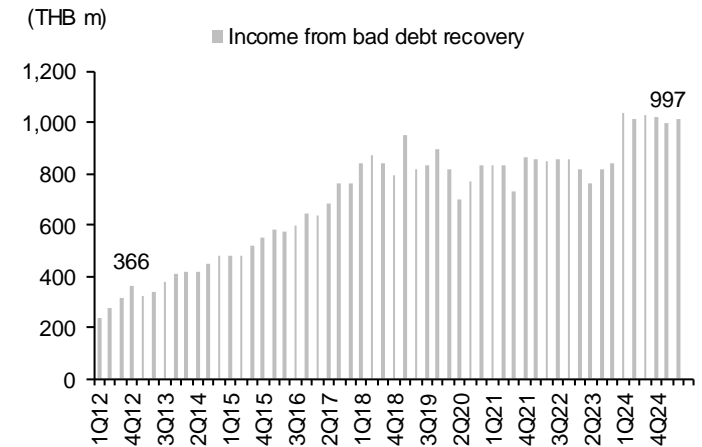
- **Focus on cleaner balance sheet via active NPL write-offs.** This is one of the key policies from KTC's former CEO Mr. Rathian Srimongkol since 2012, and continues under the current CEO Ms. Pittaya Vorapanyasakul. This caused front-loaded write-offs, credit costs, and low profitability at the beginning. However, with its strong collection team, KTC was able to collect such NPL write-offs and return them to its income from bad debt recovery. KTC has disclosed that its first income from bad debt recovery normally has a 3-6-month lag time after NPL write-off.
- **The active write-off practices for KTC also keep its NPLs below 2%.** Note that there was volatility in KTC's credit cost and charge-off rate (NPL write-off amount/total loans) during 2020-23 due to the early adoption of the new accounting standard IFRS9. Nonetheless, since 1Q24 and with auditor approval, KTC has been able to actively write-off NPLs that are over 181 days past due, even if there has been partial repayment (vs being unable to write-off if any repayment has been made). This relaxed and faster write-off process makes KTC's balance sheet cleaner, with a lower NPL ratio, and it should soon realize income from bad debt recovery, we think.
- **Lower interest rate ceiling for credit card loans leading to tight credit underwriting.** There were two major adjustments. The latest one was in Aug-20 to a 16% interest rate (from 18%), and before that was in Sep-17 to 18% (from 20%). With lower returns from the credit card business, KTC decided to apply stricter new credit underwriting in order to lower its overall risk profile. The lower risk appetite for KTC following the lower returns yielded better asset quality and thus reduced credit costs since 3Q17 as well as 3Q20.
- **More active focus on high-income group** (monthly income of more than THB30,000) rather than the first jobbers (THB15,000-30,000) since 2023. As mentioned earlier, the >THB30,000 group has a better ability to repay loans, the potential to generate interest income for KTC, and has strong loyalty to the KTC brand. Thus, this has also helped KTC's overall asset quality.

Exhibit 18: Bad debt write-offs for KTC, quarterly



Sources: KTC, FSSIA's compilation

Exhibit 19: Income from bad debt recovery, quarterly

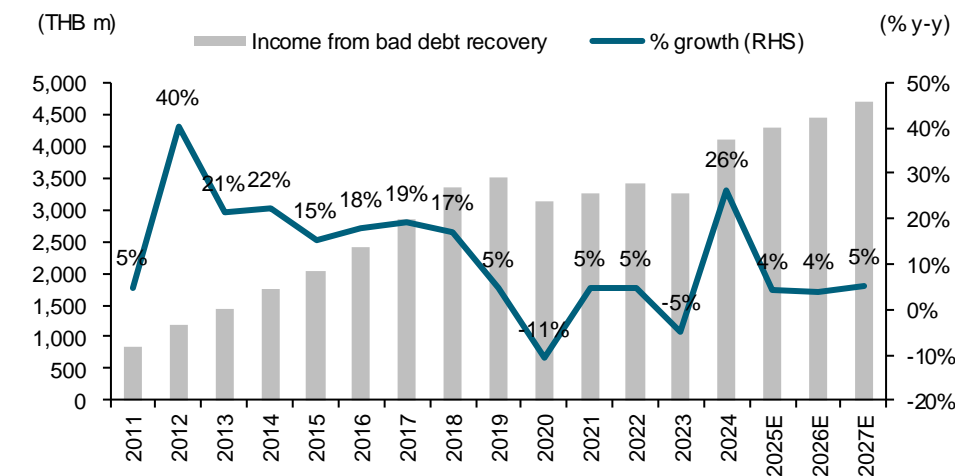


Sources: KTC, FSSIA's compilation

Active NPL write-offs to drive higher income from bad debt recovery

Since 2Q24, KTC has written off bad debt of around THB1.4-1.5b per quarter, implying a charge-off rate of around 6.0% of total loans. Note that 1Q24 was exceptional after its auditor approved the active NPL write-off practices. Meanwhile, KTC has income from bad debt recovery of around THB1.0b +/- per quarter. This could imply a recovery rate of more than 60% for KTC vs AEONTS' rate of around 20-30%.

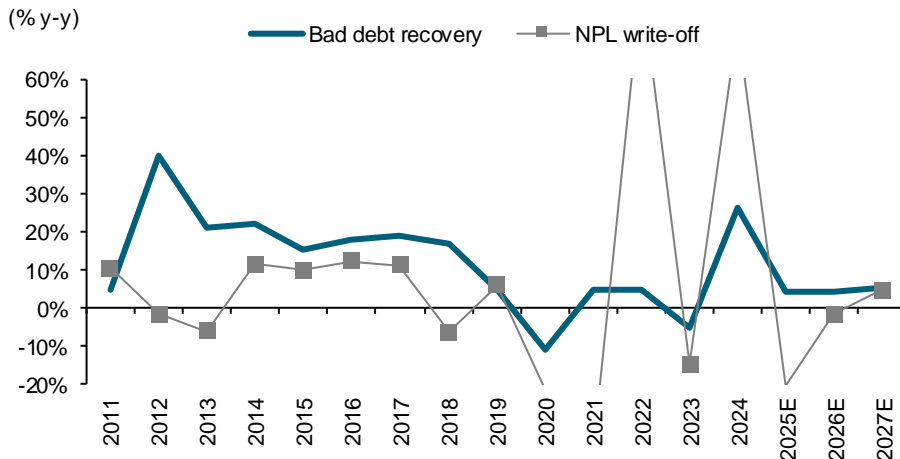
Exhibit 20: Strong income from bad debt recovery should continue for KTC



Sources: KTC, FSSIA estimate

With more active NPL write-off practices since 1Q24, we believe KTC could post higher income from bad debt recovery accordingly. We now expect KTC's income from bad debt recovery to grow by around 4.5% p.a. for 2025-27 to THB4.2-4.7b per year vs THB4.1b in 2024. Note that our forecast of 4.5% p.a. growth for KTC's income recovery should be conservative amid the ongoing subdued economic recovery, with GDP growth of less than 2% expected in 2025 and much lower than the 9.4% p.a. growth over the past 10 years.

Exhibit 21: Income from bad debt recovery should grow in tandem with NPL write-offs



Sources: KTC, FSSIA estimate

2Q25 preview – expect net profit of THB1.91b

We expect KTC's 2Q25 net profit to be THB1.91b, up 5% y-y and 3% q-q. The y-y growth should be driven by loan growth of 2.3% y-y, credit card spending growth of 6.3% y-y and a lower credit cost of 6.2%. Meanwhile, the smaller growth q-q, in our view, would be due to a higher credit cost q-q following higher NPL write-offs in 2Q25 vs 1Q25.

Our forecast of 6.2% credit cost for 2Q25 remains within the new normal of KTC's credit cost range in the past three years, and still reflects strong asset quality for the company. With its active write-off practices, we expect KTC's NPL ratio to be at 1.93% in 2Q25, which is still below company's target of not more than 2%.

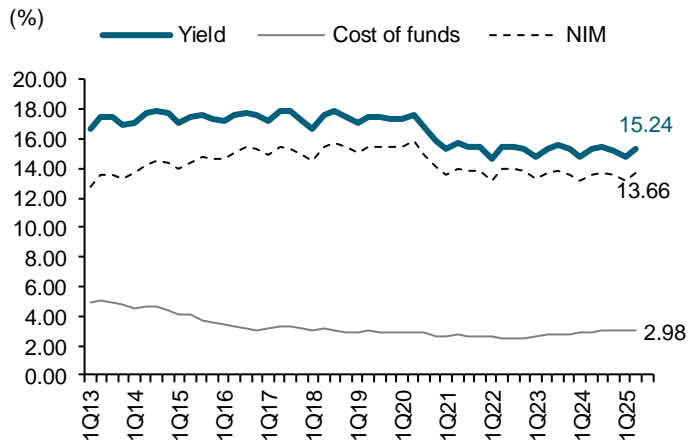
Despite IT investment in the quarter, we believe KTC should manage its cost-to-income at 38.7%, which is considerably low among non-bank finance companies, with an average of c45%.

Exhibit 22: KTC – 2Q25E operating summary

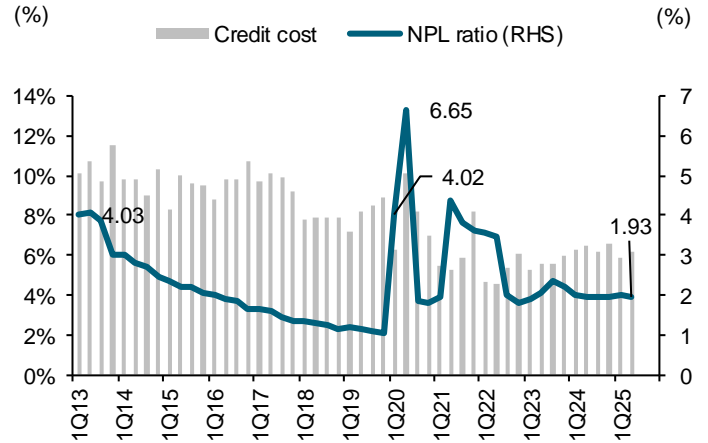
Profit and loss	2Q24 (THB m)	3Q24 (THB m)	4Q24 (THB m)	1Q25 (THB m)	2Q25E (THB m)	Change		6M25E (THB m)	Change	% of 25E
						(y-y%)	(q-q%)		(y-y%)	(%)
Interest income	4,004	4,075	4,102	3,992	4,078	1.8	2.1	8,069	0.7	48.0
Interest expense	448	453	454	439	425	(5.1)	(3.3)	864	(3.8)	49.4
Net interest income	3,556	3,622	3,647	3,552	3,653	2.7	2.8	7,205	1.3	47.9
Non-interest income	2,717	2,764	2,859	2,780	2,819	3.8	1.4	5,599	3.3	49.1
Non-interest expenses	2,359	2,460	2,435	2,400	2,507	6.3	4.5	4,907	3.8	47.4
Pre-provision profits	3,915	3,926	4,071	3,933	3,965	1.3	0.8	7,897	1.2	49.1
Provisioning expense	1,690	1,611	1,777	1,594	1,660	(1.8)	4.1	3,254	(3.6)	48.0
Profit before tax	2,224	2,314	2,294	2,339	2,305	3.6	(1.5)	4,643	4.8	49.8
Tax expense	469	470	471	570	461	(1.7)	(19.1)	1,031	10.2	54.5
Net profit	1,826	1,919	1,889	1,861	1,914	4.8	2.9	3,774	4.0	49.1

Key drivers and ratios	2Q24	3Q24	4Q24	1Q25	2Q25E	Change		6M25E	Change	
% unless stated otherwise	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(THB m)	(ppt)	
Gross loans (THB m)	105,155	105,511	110,435	106,372	107,603	2.3%	1.2%	107,603	2.33	
Yield on loans	15.26	15.47	15.19	14.73	15.24	(0.02)	0.51	14.99	(0.06)	
Cost of funds	2.95	2.97	2.98	2.98	2.98	0.03	0.00	2.98	0.07	
Net interest margin	13.56	13.75	13.51	13.11	13.66	0.10	0.55	13.38	0.03	
Cost-to-income ratio	37.60	38.52	37.42	37.90	38.74	1.14	0.84	38.32	0.60	
Credit cost	6.44	6.12	6.58	5.88	6.21	(0.24)	0.32	6.04	(0.29)	
NPL ratio	1.97	1.93	1.95	1.97	1.93	(0.04)	(0.04)	1.93	(0.04)	
NPL coverage	363.35	373.22	369.31	384.52	387.60	24.25	3.08	387.60	24.25	

Sources: KTC, FSSIA estimates

Exhibit 23: Yield, cost of funds and NIM


Sources: KTC, FSSIA estimates

Exhibit 24: Credit cost and NPL ratio


Sources: KTC, FSSIA estimates

Exhibit 25: Peers financial comparison, as of 7 July 2025

Company name	BBG	Rec	Share	Target	Up	----- PE -----		----- PBV -----		----- ROE -----		---- Div yld ----	
	code		price	price	side	25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)	(x)	(x)	(x)	(x)	(%)	(%)	(x)	(x)
Auto title													
Muangthai Capital	MTC TB	BUY	35.25	56.00	58.9	10.6	9.0	1.7	1.5	17.6	17.6	1.4	1.7
Srisawad Corp	SAWAD TB	HOLD	16.90	30.50	80.5	5.4	5.0	0.7	0.6	14.7	13.8	1.9	2.0
Ngern Tid Lor	TIDLOR TB	BUY	15.20	19.00	25.0	9.5	8.5	1.3	1.2	14.6	14.7	1.6	1.8
Saksiam Leasing	SAK TB	BUY	3.46	5.28	52.6	7.6	6.7	1.1	1.0	14.4	15.0	5.5	6.2
Unsecured finance													
AEON Thana Sinsap (Thailand)	AEONTS TB	HOLD	94.75	142.00	49.9	7.3	6.7	0.8	0.8	11.9	12.1	5.7	6.3
Krungthai Card	KTC TB	BUY	25.00	32.00	28.0	8.4	8.0	1.5	1.3	18.3	17.3	5.4	5.6
Hire-purchase truck													
Asia Sermkij Leasing	ASK TB	REDUCE	6.95	5.90	(15.1)	23.2	13.9	0.4	0.4	3.2	3.4	2.2	3.6
Ratchthani Leasing	THANI TB	HOLD	1.48	1.41	(4.7)	10.1	9.4	0.7	0.6	6.7	7.0	4.9	5.3
AMCs													
Bangkok Commercial Asset Mgmt.	BAM TB	HOLD	7.35	9.00	22.4	14.8	13.0	0.5	0.5	3.6	4.1	5.4	6.1
JMT Network services	JMT TB	HOLD	10.10	17.00	68.3	7.3	6.6	0.5	0.5	7.4	7.8	8.2	9.0
Chayo Group	CHAYO TB	BUY	1.40	4.00	185.7	3.3	2.8	0.4	0.3	11.8	12.1	4.5	5.3
Average						9.8	8.2	0.9	0.8	11.3	11.3	4.2	4.8

Noted: The Chairman of The Board of Directors of Finansia Syrus Securities PCL is also AEONTS's Director.

Sources: Bloomberg; FSSIA estimates

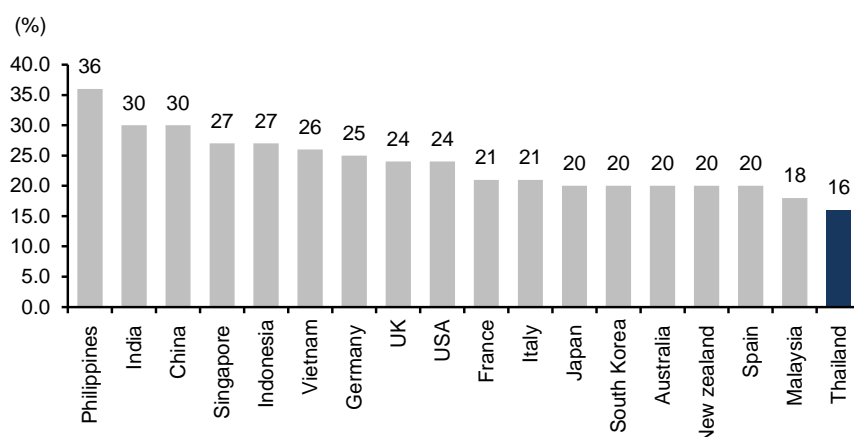
Appendix – Consumer finance regulations and household debt overview

Exhibit 26: BOT's regulations for consumer loans

	Credit card	Unsecured personal loans	Auto title loans (ATL)	Auto hire-purchase (HP)
Minimum income	THB 15,000 per month	No official requirements Industry norms : THB8,000-12,000 per month	n.a.	n.a.
Maximum credit line	1.5x of monthly income (for <30K/mth) 3.0x of monthly income (for 30-50K/mth) 5.0x of monthly income (for > 50K/mth)	1.5x of monthly income (for <30K/mth) 5.0x of monthly income (for > 30K/mth)	Based on auto value Industry norm loan-to-value (LTV): 40-80%	Based on auto value Industry norm loan-to-value (LTV): 80-90%
Maximum no. of cards per person	None	3 card issuers (for income below THB30K/mth)	n.a.	n.a.
Maximum Interest rate and credit usage fees	16% Since Aug 2020	25% Since Aug 2020	24% Since Aug 2020	New car 10%, Used car 15%, Bike 23% Since Jan 2023 by OCPB <i>Will be revisited by BOT before Dec 2025</i>
Minimum repayment per month or loan duration	8% of amount due <i>Will normalize to 10% in Jan 2026</i>	3-5% of amount due	24 to 72 months	24 to 72 months

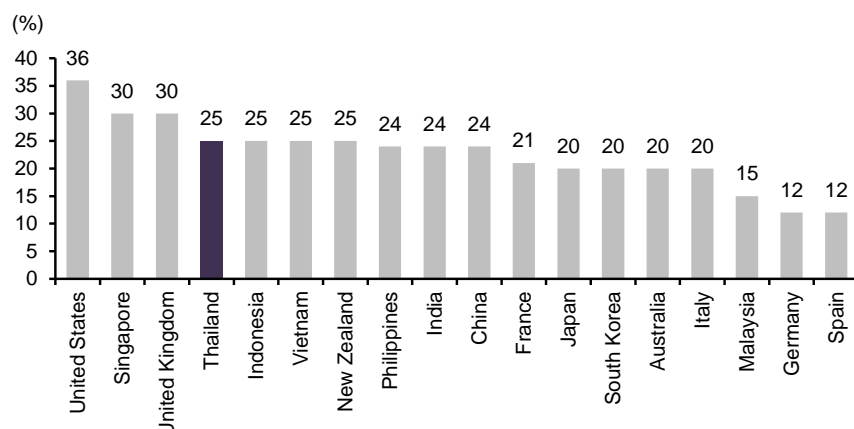
Sources: BOT, Office of Consumer Protection Board (OCPB), KTC, FSSIA's compilation

Exhibit 27: Comparison of maximum interest rates for credit cards – Thailand's rate of 16% is the lowest among peers



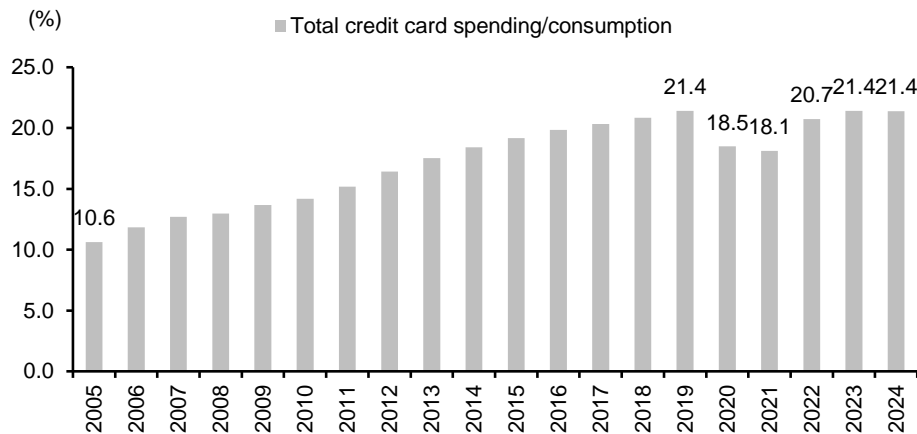
Sources: BOT, Central banks' and Financial Service Authority data, Bloomberg, FSSIA's compilation

Exhibit 28: Comparison of maximum interest rates for unsecured personal loans – Thailand's rate of 25% is at a high level among peers



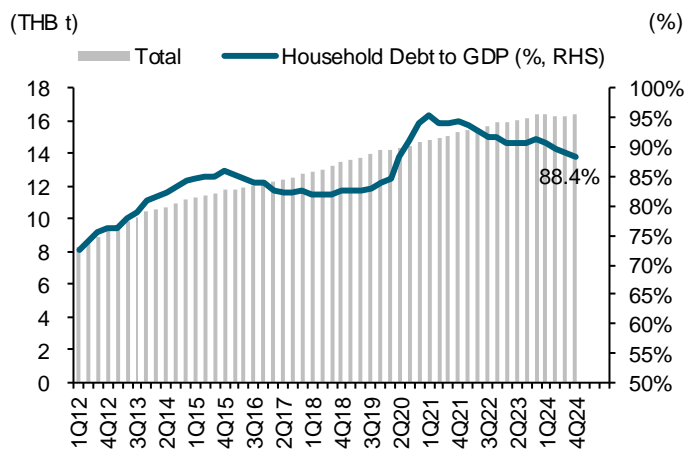
Sources: BOT, Central banks' and Financial Service Authority data, Bloomberg, FSSIA compilation

Exhibit 29: Credit card penetration rate (spending to total private consumption)



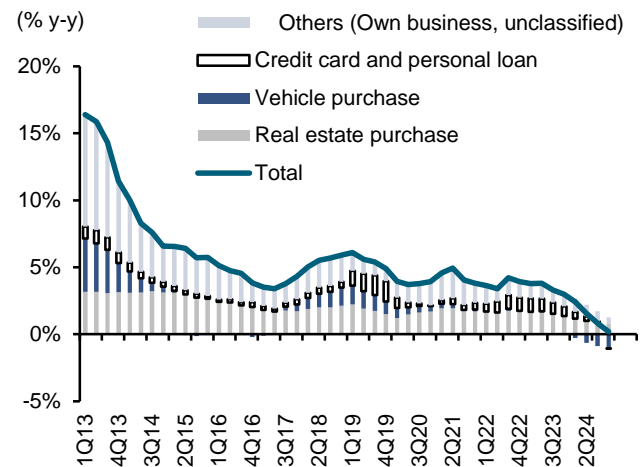
Sources: BOT, Office of the National Economic and Social Development Council (NESDC), FSSIA compilation

Exhibit 30: Thai household debt to GDP



Sources: BOT, NESDC, FSSIA compilation

Exhibit 31: Composition of household debt growth – now smaller contribution from credit cards and personal loans



Sources: BOT, NESDC FSSIA compilation

Financial Statements

Krungthai Card

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	12,742	16,188	16,801	17,554	18,294
Interest expense	(1,703)	(1,806)	(1,750)	(1,770)	(1,796)
Net interest income	11,039	14,382	15,051	15,784	16,498
Net fees & commission	8,835	6,378	6,561	6,866	7,190
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	456	554	560	581	608
Other income	3,249	4,110	4,279	4,452	4,685
Non interest income	12,540	11,042	11,401	11,900	12,484
Total income	23,579	25,424	26,452	27,684	28,982
Staff costs	(8,801)	(9,622)	(10,360)	(10,941)	(11,334)
Other operating costs	-	-	-	-	-
Operating costs	(8,801)	(9,622)	(10,360)	(10,941)	(11,334)
Pre provision operating profit	14,779	15,802	16,092	16,744	17,647
Expected credit loss	(5,894)	(6,762)	(6,777)	(7,010)	(7,338)
Other provisions	-	-	-	-	-
Operating profit	8,885	9,040	9,315	9,734	10,309
Recurring non operating income	47	0	0	0	0
Associates	47	0	0	0	0
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	8,932	9,040	9,315	9,734	10,309
Tax	(1,819)	(1,877)	(1,891)	(1,976)	(2,093)
Profit after tax	7,113	7,162	7,424	7,758	8,217
Non-controlling interest	46	49	40	40	40
Preferred dividends	0	0	0	0	0
Other items	137	226	226	226	226
Reported net profit	7,295	7,437	7,689	8,023	8,482
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	7,295	7,437	7,689	8,023	8,482
Per share (THB)					
Recurring EPS *	2.83	2.88	2.98	3.11	3.29
Reported EPS	2.83	2.88	2.98	3.11	3.29
DPS	1.27	1.32	1.34	1.40	1.48
Growth					
Net interest income (%)	10.5	30.3	4.7	4.9	4.5
Non interest income (%)	6.3	(11.9)	3.2	4.4	4.9
Pre provision operating profit (%)	8.2	6.9	1.8	4.0	5.4
Operating profit (%)	1.0	1.7	3.0	4.5	5.9
Reported net profit (%)	3.1	1.9	3.4	4.3	5.7
Recurring EPS (%)	3.1	1.9	3.4	4.3	5.7
Reported EPS (%)	3.1	1.9	3.4	4.3	5.7
Income Breakdown					
Net interest income (%)	46.8	56.6	56.9	57.0	56.9
Net fees & commission (%)	37.5	25.1	24.8	24.8	24.8
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	1.9	2.2	2.1	2.1	2.1
Other income (%)	13.8	16.2	16.2	16.1	16.2
Operating performance					
Gross interest yield (%)	11.85	14.58	15.00	15.10	15.03
Cost of funds (%)	2.66	2.82	2.80	2.74	2.73
Net interest spread (%)	9.19	11.76	12.20	12.36	12.30
Net interest margin (%)	10.3	13.0	13.4	13.6	13.6
Cost/income(%)	37.3	37.8	39.2	39.5	39.1
Cost/assets(%)	8.2	8.6	9.2	9.3	9.2
Effective tax rate (%)	20.4	20.8	20.3	20.3	20.3
Dividend payout on recurring profit (%)	44.9	45.8	45.0	45.0	45.0
ROE (%)	21.8	19.7	18.3	17.3	16.6
ROE - COE (%)	11.8	9.7	8.3	7.3	6.6
ROA (%)	6.8	6.6	6.8	6.8	6.8
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Krungthai Card; FSSIA estimates

Financial Statements

Krungthai Card

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	111,624	110,435	113,608	118,893	124,494
Allowance for expected credit loss	(9,763)	(7,966)	(7,946)	(8,272)	(8,616)
interest in suspense	722	726	0	0	0
Net customer loans	102,583	103,195	105,662	110,621	115,878
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	2	2	20	20	20
Cash & equivalents	5,344	3,063	2,602	2,704	2,831
Other interesting assets	-	-	-	-	-
Tangible fixed assets	928	810	1,041	1,081	1,132
Associates	154	0	0	0	0
Goodwill	387	363	728	757	793
Other intangible assets	-	-	-	-	-
Other assets	985	1,002	2,185	2,271	2,378
Total assets	112,814	111,066	115,151	120,482	126,203
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	66,404	61,909	63,115	66,052	65,523
Non interest bearing liabilities	10,564	9,257	7,850	5,681	7,060
Hybrid Capital	-	-	-	-	-
Total liabilities	76,968	71,166	70,966	71,733	72,583
Share capital	2,578	2,578	2,578	2,578	2,578
Reserves	33,103	37,232	41,518	46,081	50,953
Total equity	35,682	39,810	44,096	48,660	53,531
Non-controlling interest	164	90	90	90	90
Total liabilities & equity	112,814	111,066	115,151	120,482	126,203
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	107,566	111,030	112,021	116,250	121,694
Average interest bearing liabilities	64,020	64,156	62,512	64,584	65,787
CET 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	2,439	2,157	2,277	2,360	2,447
Per share (THB)					
Book value per share	13.84	15.44	17.10	18.87	20.76
Tangible book value per share	13.69	15.30	16.82	18.58	20.45
Growth					
Gross customer loans	7.8	(1.1)	2.9	4.7	4.7
Average interest earning assets	10.0	3.2	0.9	3.8	4.7
Total asset (%)	10.8	(1.5)	3.7	4.6	4.7
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	31.6	35.8	38.3	40.4	42.4
Tangible equity/assets (%)	31.3	35.5	37.7	39.8	41.8
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	32.2	(11.6)	5.5	3.6	3.7
NPL/gross loans (%)	2.2	2.0	2.0	2.0	2.0
Allowance for ECL/gross loans (%)	8.7	7.2	7.0	7.0	6.9
Allowance for ECL/NPL (%)	400.3	369.3	349.0	350.6	352.1
Valuation					
Recurring P/E (x) *	8.8	8.7	8.4	8.0	7.6
Recurring P/E @ target price (x) *	11.3	11.1	10.7	10.3	9.7
Reported P/E (x)	8.8	8.7	8.4	8.0	7.6
Dividend yield (%)	5.1	5.3	5.4	5.6	5.9
Price/book (x)	1.8	1.6	1.5	1.3	1.2
Price/tangible book (x)	1.8	1.6	1.5	1.3	1.2
Price/tangible book @ target price (x)	2.3	2.1	1.9	1.7	1.6

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Krungthai Card; FSSIA estimates

Krungthai Card PCL (KTC TB)

FSSIA ESG rating


71.80 /100

Exhibit 32: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 33: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
AEONTS	33.86	--	--	--	4.00	3.00	--	Medium	40.10	BBB	--	27.64	17.00	--	--
KTC	71.80	--	Y	Y	5.00	5.00	Certified	Low	57.22	A	--	64.48	59.00	4.96	57.09
SAK	45.28	--	Y	Y	4.00	4.00	Certified	High	40.10	--	--	43.87	--	2.02	36.23
MTC	68.21	--	Y	Y	5.00	5.00	Certified	Low	42.19	AA	--	58.09	42.00	3.31	--
SAWAD	46.52	--	Y	Y	4.00	5.00	--	Medium	43.97	BB	--	20.18	13.00	1.93	40.04
TIDLOR	36.71	--	--	--	4.00	4.00	Certified	Medium	37.03	--	--	23.69	19.00	1.66	--
SAWAD	46.52	--	Y	Y	4.00	5.00	--	Medium	43.97	BB	--	20.18	13.00	1.93	40.04

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 34: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	2.10	2.55	3.27	3.49	4.11	5.79	5.74	4.96
BESG environmental pillar score	0.00	2.90	3.74	4.41	3.84	3.95	3.64	3.88
BESG social pillar score	0.92	1.20	2.21	2.32	3.33	6.29	6.49	4.89
BESG governance pillar score	5.97	5.35	5.19	5.47	5.66	5.64	5.31	5.48
ESG disclosure score	35.95	37.11	41.95	49.07	49.92	58.07	56.76	57.09
Environmental disclosure score	0.91	4.38	10.90	27.88	27.88	33.77	29.84	31.80
Social disclosure score	25.70	25.70	33.71	38.12	40.69	59.28	59.28	58.28
Governance disclosure score	81.10	81.10	81.10	81.10	81.10	81.10	81.10	81.10
Environmental								
Emissions reduction initiatives	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	No	No
GHG scope 1	—	—	—	1	1	0	0	0
GHG scope 2 location-based	—	2	2	1	1	1	1	1
GHG Scope 3	—	—	0	0	0	0	0	0
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	—	—	—	—
Renewable energy use	—	—	—	—	—	—	—	—
Electricity used	—	3	3	2	2	2	2	3
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 35: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	0	—	—
Total waste	—	—	—	—	—	0	—	0
Waste recycled	—	—	—	—	—	0	0	0
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	Yes	Yes	Yes	Yes	Yes
Water policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	—	—
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	63	63	64	65	66	65	66	66
Pct disabled in workforce	—	—	—	—	—	1	1	1
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	0	0	0	0	0
Total recordable incident rate - employees	—	—	—	0	0	0	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	Yes	Yes	Yes
Number of employees – CSR	1,489	1,804	1,741	1,763	1,778	1,744	1,705	1,695
Employee turnover pct	—	—	—	—	14	9	10	17
Total hours spent by firm - employee training	47,082	50,425	56,709	39,980	72,732	83,151	99,420	108,744
Social supply chain management	No	No	No	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	8	8	8	8	8	8	8	8
No. of independent directors (ID)	3	4	4	4	4	4	4	5
No. of women on board	4	2	2	2	2	2	2	1
No. of non-executive directors on board	7	7	7	7	7	7	7	7
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	13	12	12	13	15	16	19	15
Board meeting attendance pct	96	92	96	96	87	95	96	98
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	33	34	35	43	44	39	40	40
Age of the oldest director	63	64	65	66	65	66	67	68
No. of executives / company managers	15	13	13	14	10	11	13	12
No. of female executives	6	5	5	3	3	3	5	5
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	7	6	8	12	11	11	12	13
Audit meeting attendance %	90	89	87	89	88	100	97	85
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	1	1	1	1	1	1	1	2
No. of compensation committee meetings	6	7	9	8	10	7	7	8
Compensation meeting attendance %	89	92	100	100	86	100	94	96
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	6	7	9	8	10	7	7	8
Nomination meeting attendance %	89	92	100	100	86	100	94	96
Sustainability governance								
Verification type	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainability	The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Nathapol Pongsukcharoenkul FSS International Investment Advisory Securities Co., Ltd

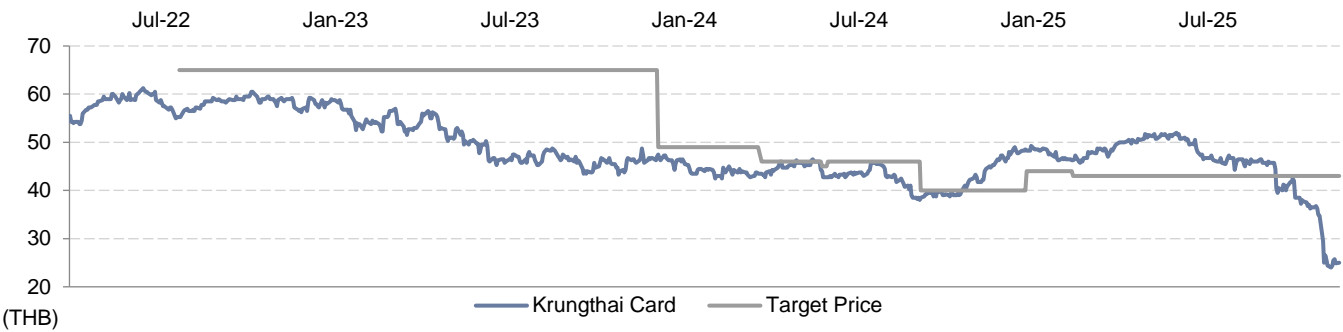
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History of change in investment rating and/or target price

Krungthai Card (KTC TB)



Jitra Amornthum started covering this stock from 8-Jul-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Krungthai Card	KTC TB	THB 25.00	BUY	Downside risks are: 1) regulatory actions to curb industry growth; 2) a higher-than-expected policy rate; and 3) deteriorating asset quality.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 07-Jul-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.