

**BUY**

UNCHANGED

TARGET PRICE	THB32.00
CLOSE	THB28.75
UP/DOWNSIDE	+11.3%
PRIOR TP	THB32.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-0.4%

## Quality earnings to continue

- KTC disclosed that the company will postpone the implementation and amortization booking of its core IT system to 1Q26 from 4Q25.
- We foresee upside risks from a higher dividend payout ratio and incremental profit from the insurance brokerage business.
- Reiterate BUY call for KTC and TP of THB32.

### High IT cost deferred to 1Q26

At KTC's 2Q25 meeting, management disclosed that the company will postpone the implementation and amortization of its new core IT system from 4Q25 to 1Q26. The rationale is to avoid technical issues during the peak period of credit card transactions in 4Q. We view this delay as slightly positive, as it should lead to a lower cost-to-income ratio in 2025, before a slight increase in 2026E.

### New business of insurance brokerage in 2026E

In August 2025, KTC's shareholders approved the company's expansion into the insurance brokerage business, driven by strong transaction volumes in this segment. KTC is currently preparing the systems and has applied for an insurance brokerage license from the Office of Insurance Commission (OIC). Management expects operations to begin in 1Q26. We view this as a potential incremental earnings driver. Though without concrete financial targets disclosed, we treat it as an upside risk at this stage, with crucial factors to monitor including the number of insurers partnering with KTC and the scale of workforce expansion.

### Gaining market share with prudent asset quality

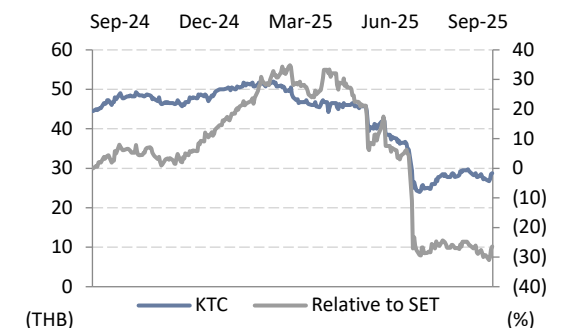
Despite the subdued economic outlook and weak purchasing power, KTC has continued to gain market share in the credit card business during 6M25, both in terms of spending and loan growth, driven by its strategy of targeting the high-income segment (monthly income THB30,000+). With this approach and a prudent new underwriting policy, KTC remains confident that asset quality will stay under control. We maintain our forecasts of a 6% credit cost and 1.95% NPL ratio for 2025–27E.

### Forecast fine-tuned; reiterate BUY and TP of THB32

We have fine-tuned our earnings forecast to reflect the deferral of IT costs to 2026E and a lower loan growth rate of 1.3% for 2025E. We reiterate our BUY call on KTC with an unchanged target price of THB32, based on 1.86x 2025E P/BV. We also see potential upside to dividend yield (currently c5.0%) if the company raises its dividend payout ratio from the present 45%. Overall, we maintain our positive view on KTC, supported by an expected ROE of 17–19% for 2025–27E and an undemanding valuation of 1.7x 2025E P/BV.

## KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	9,040	9,375	9,560	10,332
Net profit	7,437	7,758	7,945	8,520
EPS (THB)	2.88	3.01	3.08	3.30
vs Consensus (%)	-	0.9	(1.1)	3.6
Recurring net profit	7,437	7,758	7,945	8,520
Core EPS (THB)	2.88	3.01	3.08	3.30
Chg. In EPS est. (%)	-	0.9	(1.0)	0.5
EPS growth (%)	1.9	4.3	2.4	7.2
Core P/E (x)	10.0	9.6	9.3	8.7
Dividend yield (%)	4.6	4.7	4.8	5.2
Price/book (x)	1.9	1.7	1.5	1.4
ROE (%)	19.7	18.5	17.1	16.7
ROA (%)	6.6	6.9	6.7	6.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.7	(22.8)	(32.0)
Relative to country (%)	2.2	(29.7)	(23.7)
Mkt cap (USD m)	2,294		
3m avg. daily turnover (USD m)	54.2		
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 after the selling pressure among major shareholders in June 25.

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.

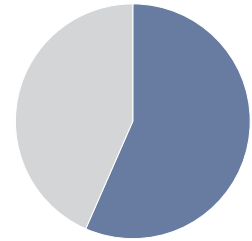
## Company profile

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](http://www.ktc.co.th)

## Principal activities (revenue, 2024)

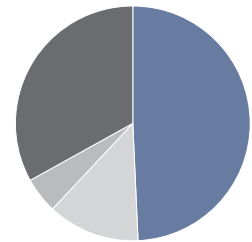
- Net interest income - 56.6 %
- Non-interest income - 43.4 %



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 a low charge-off rate and credit cost.
- 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
Oct 2025	3Q25 results announcement
Nov 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

## Exhibit 1: 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)	17.13
<b>Derived target price (THB)</b>	<b>32.00</b>

Source: FSSIA estimates

## Exhibit 2: 2025-27E earnings revisions

	Revised forecast			Previous forecast			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Net interest income	14,894	15,647	16,561	15,051	15,784	16,498	-1.0%	-0.9%	0.4%
Non-interest income	11,238	11,831	12,559	11,401	11,900	12,484	-1.4%	-0.6%	0.6%
PPOP	16,099	16,506	17,705	16,092	16,744	17,647	0.0%	-1.4%	0.3%
Loan loss provisions	6,724	6,945	7,372	6,777	7,010	7,338	-0.8%	-0.9%	0.5%
<b>Net profit</b>	<b>7,758</b>	<b>7,945</b>	<b>8,520</b>	<b>7,689</b>	<b>8,023</b>	<b>8,482</b>	<b>0.9%</b>	<b>-1.0%</b>	<b>0.5%</b>
<b>Key ratio</b>							<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
NIM (%)	13.40	13.59	13.55	13.44	13.58	13.56	(0.03)	0.01	(0.01)
Cost to income (%)	38.39	39.93	39.20	39.17	39.52	39.11	(0.77)	0.41	0.09
ROA (%)	6.91	6.81	6.88	6.80	6.81	6.88	0.11	(0.00)	0.00
ROE (%)	18.48	17.13	16.68	18.33	17.30	16.60	0.15	(0.17)	0.08
Credit cost (%)	6.05	6.03	6.03	6.05	6.03	6.03	0.00	0.00	0.00
Loan growth (%)	1.27	5.96	6.33	2.87	4.65	4.71	(1.60)	1.31	1.62
Net profit growth (%)	4.31	2.42	7.24	3.39	4.34	5.72	0.92	(1.92)	1.52

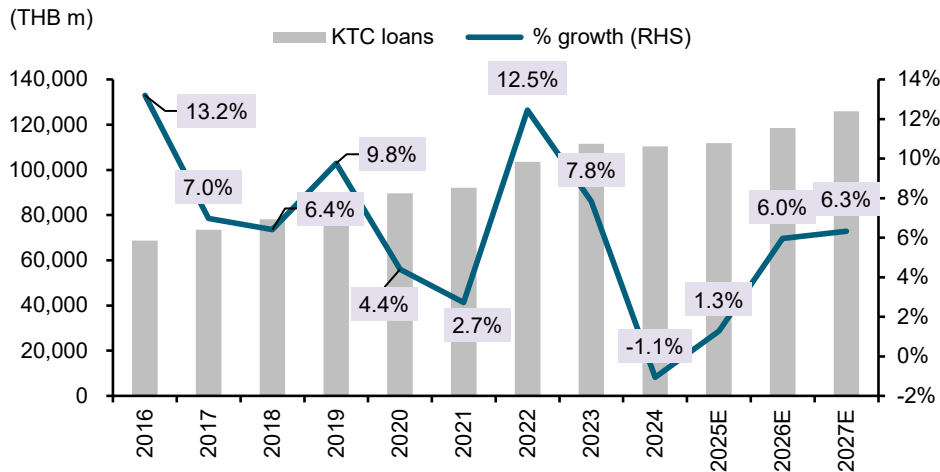
Source: FSSIA estimates

## Exhibit 3: Scenario analysis for KTC's dividend payout ratio – possible to be higher than 45% (our base case) in order to manage ROE and capital base efficiently

	2025E	2026E	2027E		2025E	2026E	2027E
					Dividend yield (assuming KTC's price at THB28)		
<b>Payout at 45% (base case)</b>							
DPS (THB)	1.35	1.39	1.49		4.8%	5.0%	5.3%
ROE (%)	18.48	17.13	16.68				
<b>Payout at 60%</b>							
DPS (THB)	1.81	1.85	1.98		6.4%	6.6%	7.1%
ROE (%)	18.48	17.34	17.27				
<b>Payout at 80%</b>							
DPS (THB)	2.41	2.47	2.64		8.6%	8.8%	9.4%
ROE (%)	18.48	17.64	18.13				

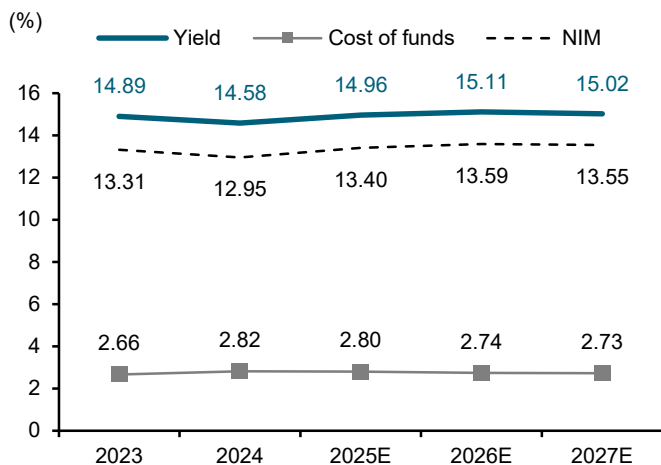
Sources: KTC, FSSIA estimates

#### Exhibit 4: KTC's loan growth



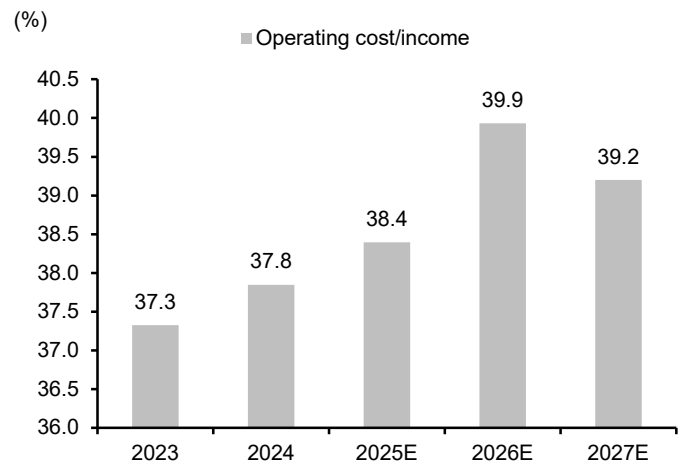
Sources: KTC, FSSIA estimates

#### Exhibit 5: Yield, cost of funds, and NIM



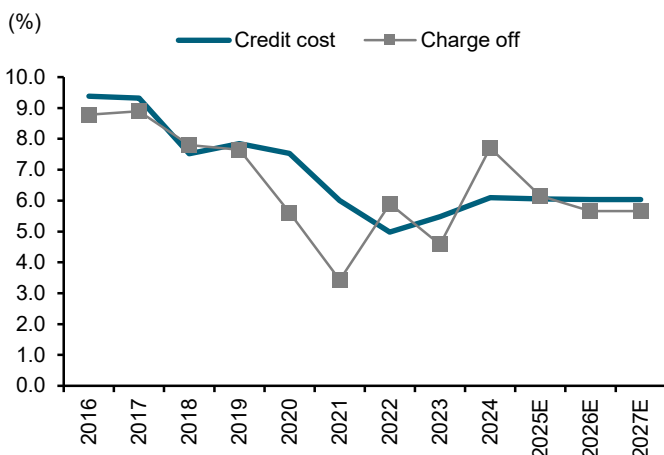
Sources: KTC, FSSIA estimates

#### Exhibit 6: Higher cost-to-income ratio with peak in 2026E following new implementation of new core IT system



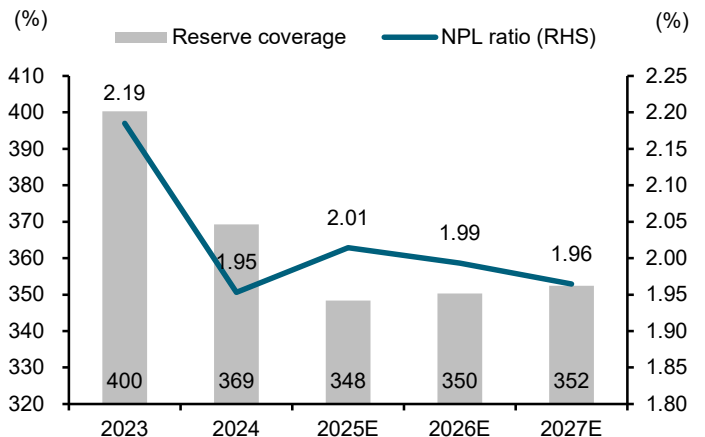
Sources: KTC, FSSIA estimates

#### Exhibit 7: Maintain forecast of prudent credit cost and charge-off rate for KTC at around 6%



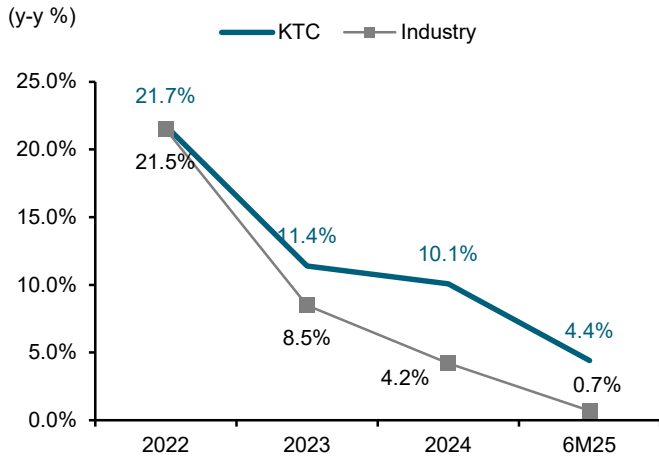
Sources: KTC, FSSIA estimates

#### Exhibit 8: Expect NPL ratio of around 2% and sufficient NPL coverage ratio of more than 350%



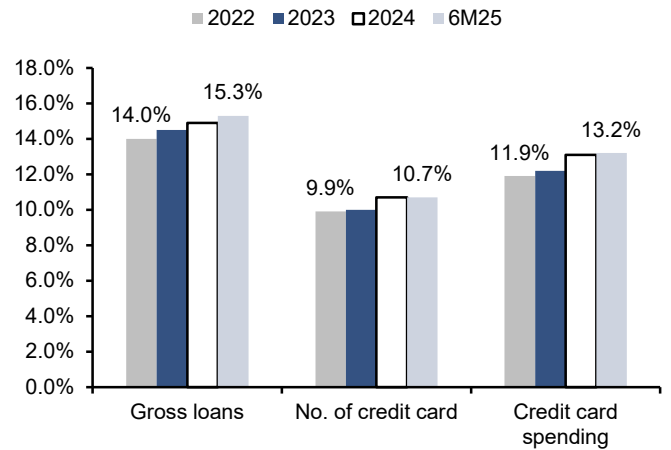
Sources: KTC, FSSIA estimates

**Exhibit 9: Credit card spending growth: KTC has outperformed the industry's growth**



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

**Exhibit 10: KTC's market share in credit card industry**



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

**Exhibit 11: Base-case scenario**

Ratios (% , ann)	2025E	2026E	2027E
Net interest margin	13.40	13.59	13.55
Operating cost/income	38.39	39.93	39.20
ROA	6.91	6.81	6.88
ROE	18.48	17.13	16.68
NPL ratio	2.01	1.99	1.96
Credit cost	6.05	6.03	6.03
Loan growth	1.27	5.96	6.33
<b>Net profit (THB m)</b>	<b>7,758</b>	<b>7,945</b>	<b>8,520</b>
BVPS (THB)	17.13	18.86	20.77
P/BV target multiples (x)	1.86		
<b>Target price (THB)</b>	<b>32.00</b>		

Sources: KTC, FSSIA estimates

**Exhibit 12: Worst-case scenario – if NIM drops and credit cost increases dramatically**

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
<b>Net profit (THB m)</b>	<b>5,965</b>	<b>6,222</b>	<b>6,781</b>
BVPS (THB)	16.43	17.81	19.35
P/BV target multiples (x)	1.57		
<b>Target price (THB)</b>	<b>26.00</b>		
Net profit downside from base case (%)	-23%	-22%	-20%

Sources: KTC, FSSIA estimates

### Exhibit 13: KTC – 2Q25 operating summary

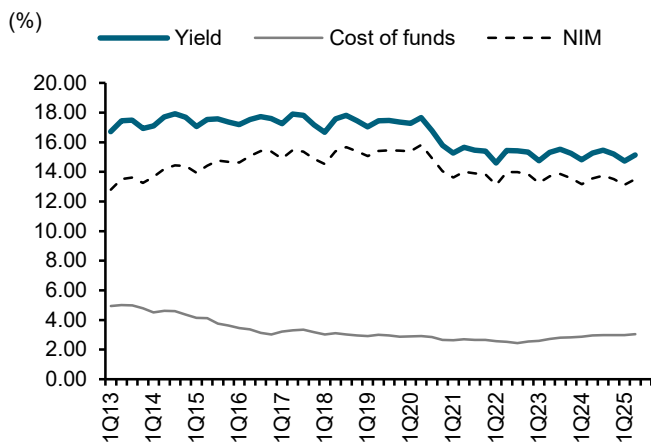
Profit and loss	2Q24	3Q24	4Q24	1Q25	2Q25	Change		6M25	Change	% of 25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	(%)
Interest income	4,004	4,075	4,102	3,992	4,023	0.5	0.8	8,015	0.04	47.7
Interest expense	448	453	454	439	432	(3.5)	(1.7)	872	(3.04)	49.8
<b>Net interest income</b>	<b>3,556</b>	<b>3,622</b>	<b>3,647</b>	<b>3,552</b>	<b>3,591</b>	<b>1.0</b>	<b>1.1</b>	<b>7,143</b>	<b>0.43</b>	<b>47.5</b>
Non-interest income	2,717	2,764	2,859	2,780	2,726	0.3	(2.0)	5,506	1.59	48.3
Non-interest expenses	2,359	2,460	2,435	2,400	2,386	1.2	(0.6)	4,786	1.24	46.2
<b>Pre-provision profits</b>	<b>3,915</b>	<b>3,926</b>	<b>4,071</b>	<b>3,933</b>	<b>3,931</b>	<b>0.4</b>	<b>(0.0)</b>	<b>7,863</b>	<b>0.75</b>	<b>48.9</b>
Provisioning expense	1,690	1,611	1,777	1,594	1,522	(10.0)	(4.5)	3,116	(7.65)	46.0
Profit before tax	2,224	2,314	2,294	2,339	2,409	8.3	3.0	4,747	7.14	51.0
Tax expense	469	470	471	570	616	31.3	8.1	1,186	26.71	62.7
<b>Net profit</b>	<b>1,826</b>	<b>1,919</b>	<b>1,889</b>	<b>1,861</b>	<b>1,895</b>	<b>3.8</b>	<b>1.8</b>	<b>3,755</b>	<b>3.48</b>	<b>48.8</b>

Key drivers and ratios	2Q24	3Q24	4Q24	1Q25	2Q25	Change		6M25	Change
% unless stated otherwise	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(THB m)	(ppt)
Gross loans (THB m)	105,155	105,511	110,435	106,372	106,388	0.01	0.00	106,388	1.17
Yield on loans	15.26	15.47	15.19	14.73	15.13	(0.14)	0.40	14.93	(0.12)
Cost of funds	2.95	2.97	2.98	2.98	3.04	0.08	0.06	3.01	0.10
Net interest margin	13.56	13.75	13.51	13.11	13.50	(0.06)	0.39	13.31	(0.05)
Cost-to-income ratio	37.60	38.52	37.42	37.90	37.77	0.17	(0.13)	37.84	0.11
Credit cost	6.44	6.12	6.58	5.88	5.72	(0.72)	(0.16)	5.80	(0.53)
NPL ratio	1.97	1.93	1.95	1.97	1.83	(0.13)	(0.14)	1.83	(0.13)
NPL coverage	363.35	373.22	369.31	384.52	419.72	56.37	35.21	419.72	56.37
ROE	19.87	20.75	19.43	18.27	18.52	(1.35)	0.26	18.40	(1.40)
Debt to equity	197.90	178.21	178.76	157.82	163.99	(33.91)	6.16	163.99	(33.91)

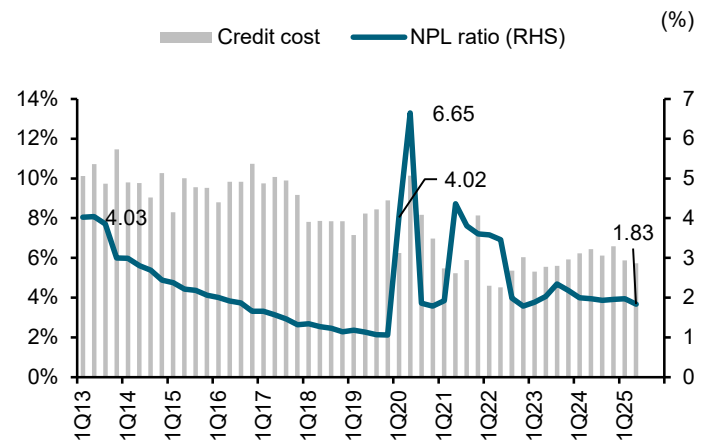
Sources: KTC, FSSIA compilation

### Exhibit 14: Quarterly yield, cost of funds and NIM



Sources: KTC, FSSIA compilation

### Exhibit 15: Quarterly credit cost and NPL ratio



Sources: KTC, FSSIA compilation

## Exhibit 16: KTC's top 10 shareholders – higher stake among institutional investors

No.	Top 10 Shareholders	Record Date as at July 8, 2025	
		No. of Shares	%
1	Krungthai Bank Public Company Limited	1,270,908,500	49.30%
2	Thai NVDR Company Limited	274,979,699	10.67%
3	Mr. Mongkol Prakitchaiwattana	152,872,684	5.93%
4	KKP Capital Public Company Limited	89,172,700	3.46%
5	Vayupak Fund 1	37,002,600	1.44%
6	BBHISL Nominees Limited	35,777,600	1.39%
7	South East Asia UK (Type C) Nominees Limited	29,586,691	1.15%
8	Ms. Chantana Jirattitepat	28,700,100	1.11%
9	State Street Europe Limited	16,306,601	0.63%
10	UOB Kay Hian Pte Ltd A/C - RC	14,321,000	0.56%
Total (Top 10 Shareholders)		1,949,628,175	75.62%
No. of Shareholders		43,647	

Source: KTC

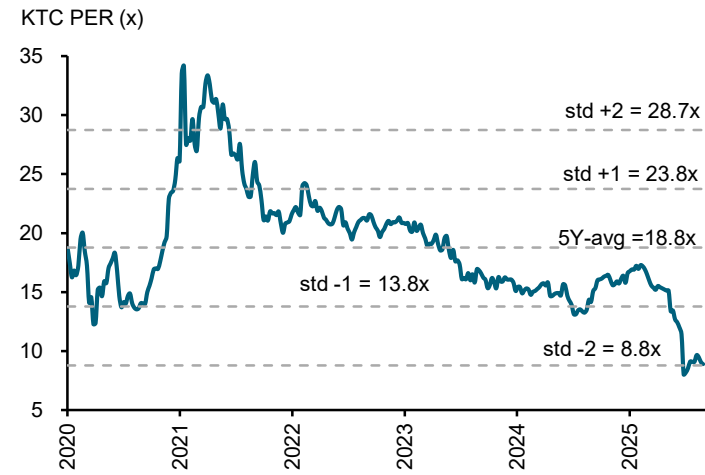
In late June 2025, there were two Big Lot transactions involving KTC shares. On 25 June 2025, a total of 129,204,600 shares were traded, followed by 243,262,200 shares on 30 June 2025, representing 5.01% and 9.45% of the company's registered capital, respectively. These transactions resulted in changes to the company's shareholding structure.

## Exhibit 17: BOT's regulations for consumer loans – key factor for credit card is minimum repayment

	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

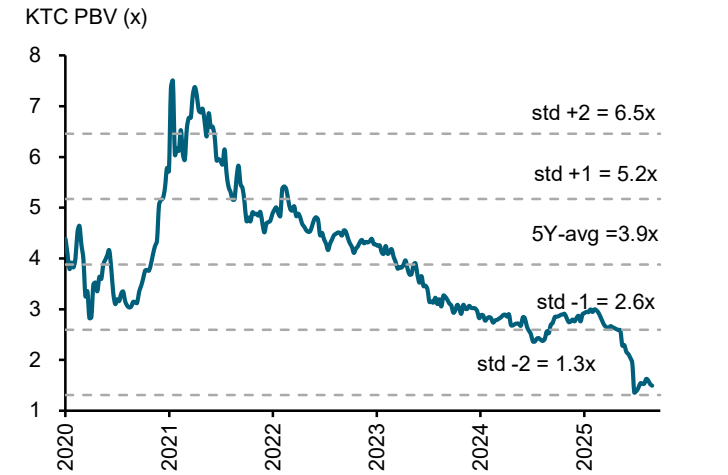
Sources: BOT, Office of Consumer Protection Board (OCPB), KTC, FSSIA's compilation

Exhibit 18: KTC – one-year perspective P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 19: KTC – one-year perspective P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 20: Peer comparison, as of 4 Sep 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	40.50	56.00	38.3	12.1	10.3	2.0	1.7	17.6	17.6	1.2	1.4
Srisawad Corp	SAWAD TB	HOLD	27.50	25.50	(7.3)	9.5	8.8	1.2	1.1	13.5	13.2	4.7	5.1
Ngern Tid Lor	TIDLOR TB	BUY	20.10	21.00	4.5	11.9	10.4	1.7	1.5	15.3	15.5	1.3	1.4
Saksiam Leasing	SAK TB	BUY	3.84	5.28	37.5	8.5	7.5	1.2	1.1	14.4	15.0	4.9	5.6
Unsecured finance													
AEON Thana Sinsap (Thailand)	AEONTS TB	HOLD	112.00	142.00	26.8	8.7	8.0	1.0	0.9	11.9	12.1	4.9	5.3
Krungthai Card	KTC TB	BUY	28.75	32.00	11.3	9.6	9.3	1.7	1.5	18.5	17.1	4.7	4.8
Hire-purchase truck													
Asia Sermkij Leasing	ASK TB	REDUCE	7.65	5.90	(22.9)	25.5	15.3	0.5	0.5	3.2	3.4	2.0	3.3
Ratchthani Leasing	THANI TB	HOLD	1.75	1.41	(19.4)	12.0	11.1	0.8	0.8	6.7	7.0	4.2	4.5
AMCs													
Bangkok Commercial Asset Mgmt.	BAM TB	REDUCE	8.10	6.40	(21.0)	11.8	16.1	0.6	0.6	5.0	3.6	5.9	4.2
JMT Network services	JMT TB	HOLD	11.80	17.00	44.1	8.5	7.8	0.6	0.6	7.4	7.8	7.0	7.7
Chayo Group	CHAYO TB	BUY	2.16	4.00	85.2	5.1	4.4	0.6	0.5	11.8	12.1	2.9	3.4
Average						11.2	9.9	1.1	1.0	11.4	11.3	4.0	4.3

The Chairman of The Board of Directors of Finasia Syrus Securities PCL is also AEONTS's Director.

Sources: Bloomberg, FSSIA estimates



## Financial Statements

### Krungthai Card

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	12,742	16,188	16,630	17,401	18,365
Interest expense	(1,703)	(1,806)	(1,736)	(1,753)	(1,804)
Net interest income	11,039	14,382	14,894	15,647	16,561
Net fees & commission	8,835	6,378	6,459	6,844	7,278
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	456	554	556	576	611
Other income	3,249	4,110	4,223	4,411	4,670
Non interest income	12,540	11,042	11,238	11,831	12,559
Total income	23,579	25,424	26,132	27,479	29,120
Staff costs	(8,801)	(9,622)	(10,033)	(10,973)	(11,415)
Other operating costs	-	-	-	-	-
Operating costs	(8,801)	(9,622)	(10,033)	(10,973)	(11,415)
Pre provision operating profit	14,779	15,802	16,099	16,506	17,705
Expected credit loss	(5,894)	(6,762)	(6,724)	(6,945)	(7,372)
Other provisions	-	-	-	-	-
Operating profit	8,885	9,040	9,375	9,560	10,332
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	9,375	9,560	10,332
Tax	(1,819)	(1,877)	(1,903)	(1,941)	(2,097)
Profit after tax	7,113	7,162	7,472	7,620	8,235
Non-controlling interest	46	49	60	100	60
Preferred dividends	0	0	0	0	0
Other items	137	226	226	226	226
Reported net profit	7,295	7,437	7,758	7,945	8,520
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	7,295	7,437	7,758	7,945	8,520
<b>Per share (THB)</b>					
Recurring EPS *	2.83	2.88	3.01	3.08	3.30
Reported EPS	2.83	2.88	3.01	3.08	3.30
DPS	1.27	1.32	1.35	1.39	1.49
<b>Growth</b>					
Net interest income (%)	10.5	30.3	3.6	5.1	5.8
Non interest income (%)	6.3	(11.9)	1.8	5.3	6.2
Pre provision operating profit (%)	8.2	6.9	1.9	2.5	7.3
Operating profit (%)	1.0	1.7	3.7	2.0	8.1
Reported net profit (%)	3.1	1.9	4.3	2.4	7.2
Recurring EPS (%)	3.1	1.9	4.3	2.4	7.2
Reported EPS (%)	3.1	1.9	4.3	2.4	7.2
<b>Income Breakdown</b>					
Net interest income (%)	46.8	56.6	57.0	56.9	56.9
Net fees & commission (%)	37.5	25.1	24.7	24.9	25.0
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	16.0
<b>Operating performance</b>					
Gross interest yield (%)	11.85	14.58	14.96	15.11	15.02
Cost of funds (%)	2.66	2.82	2.80	2.74	2.73
Net interest spread (%)	9.19	11.76	12.16	12.37	12.29
Net interest margin (%)	10.3	13.0	13.4	13.6	13.5
Cost/income(%)	37.3	37.8	38.4	39.9	39.2
Cost/assets(%)	8.2	8.6	8.9	9.4	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	18.5	17.1	16.7
ROE - COE (%)	11.8	9.7	8.5	7.1	6.7
ROA (%)	6.8	6.6	6.9	6.7	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	111,841	118,508	126,013
Allowance for expected credit loss	(9,763)	(7,966)	(7,849)	(8,275)	(8,725)
interest in suspense	722	726	0	0	0
<b>Net customer loans</b>	<b>102,583</b>	<b>103,195</b>	<b>103,992</b>	<b>110,233</b>	<b>117,288</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	2	2	20	20	20
Cash & equivalents	5,344	3,063	2,581	2,678	2,844
Other interesting assets	-	-	-	-	-
Tangible fixed assets	928	810	1,032	1,071	1,138
Associates	154	0	0	0	0
Goodwill	387	363	723	750	796
Other intangible assets	-	-	-	-	-
Other assets	985	1,002	2,168	2,249	2,389
<b>Total assets</b>	<b>112,814</b>	<b>111,066</b>	<b>113,406</b>	<b>120,000</b>	<b>127,660</b>
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	66,404	61,909	62,134	65,838	66,323
Non interest bearing liabilities	10,564	9,257	7,018	5,454	7,684
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>76,968</b>	<b>71,166</b>	<b>69,152</b>	<b>71,292</b>	<b>74,007</b>
Share capital	2,578	2,578	2,578	2,578	2,578
Reserves	33,103	37,232	41,586	46,041	50,986
<b>Total equity</b>	<b>35,682</b>	<b>39,810</b>	<b>44,165</b>	<b>48,619</b>	<b>53,564</b>
Non-controlling interest	164	90	90	90	90
<b>Total liabilities &amp; equity</b>	<b>112,814</b>	<b>111,066</b>	<b>113,406</b>	<b>120,000</b>	<b>127,660</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	107,566	111,030	111,138	115,175	122,260
Average interest bearing liabilities	64,020	64,156	62,021	63,986	66,080
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	2,253	2,362	2,476
<b>Per share (THB)</b>					
Book value per share	13.84	15.44	17.13	18.86	20.77
Tangible book value per share	13.69	15.30	16.85	18.57	20.47
<b>Growth</b>					
Gross customer loans	7.8	(1.1)	1.3	6.0	6.3
Average interest earning assets	10.0	3.2	0.1	3.6	6.2
Total asset (%)	10.8	(1.5)	2.1	5.8	6.4
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	31.6	35.8	38.9	40.5	42.0
Tangible equity/assets (%)	31.3	35.5	38.3	39.9	41.3
RWA/assets (%)	-	-	-	-	-
CET 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality (FSSIA's calculation)</b>					
Change in NPL (%)	32.2	(11.6)	4.4	4.9	4.8
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	348.4	350.3	352.4
<b>Valuation</b>					
Recurring P/E (x) *	10.2	10.0	9.6	9.3	8.7
Recurring P/E @ target price (x) *	11.3	11.1	10.6	10.4	9.7
Reported P/E (x)	10.2	10.0	9.6	9.3	8.7
Dividend yield (%)	4.4	4.6	4.7	4.8	5.2
Price/book (x)	2.1	1.9	1.7	1.5	1.4
Price/tangible book (x)	2.1	1.9	1.7	1.5	1.4
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 21: 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.
★★★★★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>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 22: 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 23: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>2.10</b>	<b>2.55</b>	<b>3.27</b>	<b>3.49</b>	<b>4.11</b>	<b>5.79</b>	<b>5.74</b>	<b>4.96</b>
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
<b>ESG disclosure score</b>	<b>35.95</b>	<b>37.11</b>	<b>41.95</b>	<b>49.07</b>	<b>49.92</b>	<b>58.07</b>	<b>56.76</b>	<b>57.09</b>
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
<b>Environmental</b>								
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 24: 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	—	—	—	—	—	—	—	—
<b>Social</b>								
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
<b>Governance</b>								
<b>Board size</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>No. of independent directors (ID)</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>
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
<b>No. of executives / company managers</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>10</b>	<b>11</b>	<b>13</b>	<b>12</b>
No. of female executives	6	5	5	3	3	3	5	5
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
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
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
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
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	6	7	9	8	10	7	7	8
Nomination meeting attendance %	89	92	100	100	86	100	94	96
<b>Sustainability governance</b>								
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 ( <a href="#">DJSI</a> ) 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 ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> 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.																			
<b>CG Score</b> 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%).																			
<b>AGM level</b> 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&amp;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.																			
<a href="#">Thai CAC</a> 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.																			
<a href="#">Morningstar Sustainalytics</a>	The Sustainalytics' 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 &amp; 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+									
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<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	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.																				
<b>Bloomberg</b>	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

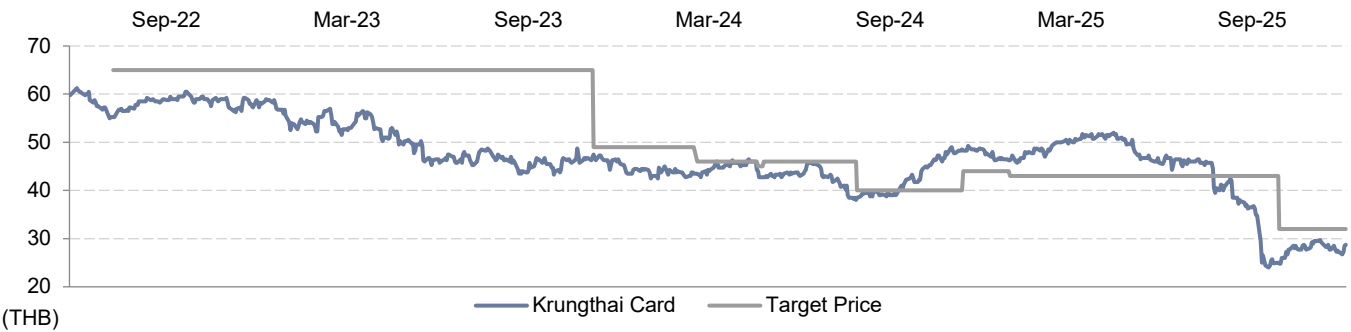
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History of change in investment rating and/or target price

Krungthai Card (KTC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Oct-2022	BUY	65.00	17-Apr-2024	HOLD	45.00	10-Oct-2024	HOLD	44.00
28-Nov-2023	HOLD	49.00	22-Apr-2024	HOLD	46.00	19-Nov-2024	HOLD	43.00
23-Feb-2024	HOLD	46.00	11-Jul-2024	HOLD	40.00	08-Jul-2025	BUY	32.00

Nathapol Pongsukcharoenkul started covering this stock from 08-Jul-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Krungthai Card	KTC TB	THB 28.75	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 04-Sep-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.