
Krungthai Card PLC

Financial Institution | Consumer Finance

8 April 2026

Issuer Credit Rating: AA/Stable

Issue Ratings:

Senior unsecured: AA/Stable

Rating Action

TRIS Rating affirms the issuer credit rating on Krungthai Card PLC (KTC) and the ratings on its outstanding senior unsecured debentures at “AA”, with a “stable” outlook. At the same time, TRIS Rating assigns a “AA” rating to KTC’s proposed issue of up to THB13 billion senior unsecured debentures due within 10 years. The proceeds from the new debentures will be used for debt refinancing and business expansion.

The issuer credit rating on KTC incorporates a rating enhancement from its stand-alone credit profile (SACP) of “a” to reflect the company’s status as a “strategically important entity” of Krungthai Bank PLC (KTB, rated “AA+/Stable”^{*}).

The SACP of KTC reflects the company’s “very strong” business position, underpinned by a solid market presence and established brand strength in the credit card and personal loan segments. This has enabled the company to sustain sound financial performance and asset quality through the credit cycles, while gradually strengthening its capital base, despite operating in a challenging credit environment.

Key Rating Considerations

Strategically important status underpinned by integration with KTB

TRIS Rating considers KTC a “strategically important subsidiary” of KTB, given its significant shareholding of 49.3%. Financially, KTC is one of the consolidated subsidiaries of KTB. As KTB’s consumer finance arm, KTC plays a key role in delivering retail credit products, primarily credit cards, personal loans, and auto title loans.

KTC’s business strategy and risk management framework are closely aligned with those of KTB. The company also benefits from brand sharing and integrated marketing initiatives. Customer acquisition, particularly for new credit cards, is performed mainly through KTB’s branch network and mobile banking application, “Krungthai Next”, which serve as key distribution channels.

In addition, KTB provides substantial credit facilities and ongoing business support to KTC, underscoring its strong and long-term commitment. This support is expected to continue in the foreseeable future, and we believe KTB would extend timely financial assistance to KTC in the event of financial stress.

^{*}The issuer credit rating assigned to KTB is based on public information which TRIS Rating believes provides an adequate basis for the assessment of the credit profile of KTB. The rating is assigned without the participation of KTB.

Very strong business position backed by resilient performance

KTC’s “very strong” business position is underpinned by its resilient operating performance and established franchise in the credit card segment. The company continues to maintain a strong presence across key metrics, including number of cards, receivables, and spending, despite subdued consumption.

In 2025, KTC’s market share in credit card receivables increased to 14.4% from 13%-14% in prior years. Card spending grew by 4%, outperforming the industry’s growth of 0.7%, although below its own target due to weak consumer spending. The company also maintained a stable market share of around 4% in unsecured personal loans amid intense competition.

KTC benefits from a diversified card base and strong customer retention due to loyalty programs and targeted promotions. The card base expanded by 6% in 2025, above the industry average of -1%, with continued expansion into the Gen Z segment, providing long-term growth opportunities.

Revenue generation is supported by a balanced mix of interest and fee-based income, with the latter contributing 22%-23% of total revenue. The launch of its insurance brokerage business in 2026 provides an additional avenue for revenue diversification, though it will likely take time to build material fee income from the new business.

Management maintains a prudent approach, emphasizing disciplined underwriting and portfolio quality. Ongoing efficiency measures, including process improvements and cost optimization, further sustain performance resilience amid economic and geopolitical uncertainties.

Moderate loan growth with gradual portfolio diversification

As of the end of 2025, KTC’s loan portfolio stood at THB112 billion, stable year-on-year (y-o-y). Credit card loans accounted for the largest share at 66%, followed by unsecured personal loans at 29%, while auto title loans and auto leasing made up the remaining 5%, similar to the prior year.

We expect credit expansion to remain moderate at 1%-3% per annum over 2026-2028, driven by all products. Growth will be supported by ongoing collaboration with KTB, as well as the expansion of digital channels, including online application platforms. In 2026, KTC is targeting 250,000 new credit cards, focusing on higher-income segments to drive spending, while also expanding its Gen Z customer base to increase portfolio diversification. Unsecured personal loans will be supported by new account acquisitions and increased utilization among existing customers.

We expect card spending to grow modestly at 2% annually over the forecast period, despite marketing campaigns, merchant partnerships, and promotional offerings such as reward programs, as prolonged geopolitical tensions in the Middle East could weigh on economic conditions and consumer purchasing power over the next few years.

Auto title loans are expected to increase gradually under a cautious strategy, with a focus on low-risk customer segments, and are projected to reach around THB4 billion by the end of 2028. In contrast, the auto leasing portfolio is expected to continue declining, as the company has ceased new loan disbursements and shifted its focus toward debt collection and loan restructuring.

In addition, KTC is developing its insurance brokerage business to create new growth impetus, leveraging digital channels and data analytics, with plans to transition toward a more digitalized insurance platform over the medium term.

Stable performance with earnings facing moderate pressure ahead

The company has continued to deliver stable performance despite a challenging operating environment, reflecting its ability to sustain interest spreads while maintaining prudent risk management and operational efficiency. In 2025, net profit increased to THB7.6 billion from THB7.4 billion in 2024, a 2.3% y-o-y growth, while earnings before taxes to

average risk-weighted assets (EBT/ARWA) improved to 5.8% from 5.1% in 2024. This improvement was supported by lower funding costs and a decline in credit costs following tighter underwriting standards.

Interest income remained stable in 2025, in line with a relatively flat loan portfolio. Meanwhile, fee income rose modestly, driven by stronger credit card spending and market share gains, particularly through higher interchange fees, helping offset pressure from subdued loan expansion.

In 2026-2028, we expect KTC's earnings to face some pressure from a more challenging operating environment. While interest income should increase in line with gradual loan portfolio expansion and fee-based income is likely to benefit from higher spending volumes and continued expansion into insurance-related products, overall revenue growth may be pressured by softer consumption.

On the cost side, the cost-to-income ratio is expected to increase moderately to 36%, reflecting ongoing investments in the information technology (IT) systems. We forecast credit cost to rise to around 5.9%-6.0% (from 5.3% in 2025), primarily due to weaker repayment capacity among borrowers amid elevated living costs. Although funding costs could decline from refinancing of higher-cost borrowings, such benefits are likely to be partly offset by higher credit costs. As a result, EBT/ARWA is expected to decline slightly to 5.3% over the medium term.

Strong asset quality but downside risks

KTC's asset quality remains strong relative to industry peers, given prudent underwriting standards, enhanced risk management practices, and adequate loan loss reserves. As of December 2025, the company's non-performing loan (NPL) ratio improved to 1.8% from 2.0% at the end of 2024. Asset quality across its core products remained sound, with NPL ratios for credit card and personal loan portfolios at 1.1% and 2.5%, respectively, both below industry averages. The NPL formation ratio declined to 4.7% in 2025, reflecting the impact of changes in loan write-off policies implemented in 2024, as well as tighter underwriting standards, which have contributed to improved borrower quality.

We expect KTC's asset quality to face some pressure, although it should remain manageable overall. Under our base-case assumptions, the NPL formation ratio is projected to rise to 5.5%-6.0% over 2026-2028. Despite continued prudent underwriting standards, asset quality is likely to weaken to some extent, as higher living costs from inflationary pressures weigh on borrowers' repayment capacity.

Credit costs are expected to increase to 5.9%-6.0%, compared with 5.3% in 2025, due to the anticipated deterioration in portfolio quality. Nevertheless, loan loss reserve coverage is expected to remain robust at around 400%, compared with 425% at the end of 2025, providing a buffer against potential downside risks. While the normalization of minimum credit card payments to 10% from 2027 onward and ongoing economic uncertainty could exert additional pressure on asset quality, we expect the overall impact to be manageable.

Meanwhile, the company's participation in the "Clear debt, Move forward" program of the Bank of Thailand (BOT) is not expected to be materially beneficial, given the relatively small proportion of loans enrolled in the program.

Strong capital position from steady profit accumulation

KTC's capital position is assessed as "strong", underpinned by consistent profit accumulation and a prudent dividend payout policy. As of December 2025, the company reported a risk-adjusted capital (RAC) ratio of 24%.

We expect its capital position to strengthen further, with the RAC ratio projected to marginally exceed 25% over 2026-2028. This projection is based on assumptions of modest loan growth of 1%-3% per annum and a dividend payout ratio of around 60%. The company's steady earnings generation is expected to support internal capital accretion and ongoing business expansion.

In terms of leverage, KTC maintained a debt to equity (D/E) ratio of 1.5 times as of December 2025, which remains at a comfortable level compared with the covenant limit of 10 times on its debt obligations, indicating ample headroom for additional leverage if needed.

Diversified funding structure with strong liquidity

KTC maintains a sound funding and liquidity profile. It has diversified funding sources, including access to debt and equity capital markets, as well as committed credit facilities from financial institutions. In addition, KTB provides substantial financial support through both short- and long-term credit lines, which accounted for 67% of KTC's total credit facilities, or THB41.7 billion, as of December 2025.

Short-term debt increased to 47% of total debt as of December 2025, up from 37% in the prior year, although long-term borrowings continue to form the core of its funding base. As of April 2026, KTC had outstanding long-term debentures of THB35 billion, with approximately THB12 billion due within the next 12 months. The company has put in place a refinancing plan to manage these maturities, which we view as manageable given its market access and funding flexibility.

Economic pressures likely to slow consumer lending

Thailand's sluggish economic recovery and elevated household debt have weighed on consumer lending, with both credit card and personal loan portfolios contracting y-o-y. Total credit card spending reached THB2.2 trillion in 2025, up just 0.7% y-o-y, while outstanding credit card and personal loan balances (excluding auto title loans) fell 1.8% and 3.1%, respectively.

Lenders responded by tightening credit approval standards, which helped rein in asset quality deterioration. The NPL ratio for credit cards improved to 2.0% from 2.5% in 2024, and the personal loan NPL ratio (excluding auto title loans) edged down to 3.6% from 3.9%.

TRIS Rating expects system-wide asset quality to remain stable, underpinned by stricter underwriting and continued BOT's relief measures. However, persistent headwinds — including the risk of higher inflation and softer export demand — could weigh on the broader economy and, in turn, put pressure on borrowers' debt-servicing capacity.

Base-Case Assumptions

TRIS Rating's base-case assumptions for KTC in 2026-2028 are as follows:

- Total outstanding loans to grow by 1%-3% per annum.
- Loan yield to range from 14.6%-14.7%
- Funding cost to range from 2.6%-2.7%.
- Expected credit loss to range from 5.5%-6.0%.
- Operating expenses to total income to stay around 36%.

Rating Outlook

The "stable" outlook reflects our view that KTC will continue to demonstrate resilience in its credit card and personal loan businesses, supported by its sound capital position, steady earnings generation, and manageable asset quality.

Rating Sensitivities

KTC's SACP could be strengthened if its capital base improves materially, with the RAC ratio rising well above 25% or EBT/ARWA exceeding 6% on a sustained basis. However, in the absence of an upgrade in KTB's rating, KTC's ratings are unlikely to change, even if its group status is revised upward.

Conversely, downward rating pressure could emerge if KTC’s SACP weakens, as indicated by the RAC ratio declining below 12%, credit costs increasing above 12.5%, or a sustained erosion in its market position. In addition, a downgrade of KTB or a reassessment of KTC’s group status to a lower category could also result in a negative rating action or outlook revision.

Company Overview

KTC was established in 1996 as a wholly-owned subsidiary of KTB, responsible for all the credit cards and debit cards issued by the KTB Group. To allow KTC to operate more efficiently as a separate consumer finance company, KTB spun off its credit card business and listed KTC on the Stock Exchange of Thailand (SET) in 2002. KTB transferred its credit card portfolio to KTC. After the listing, KTB held a 49.29% stake in KTC, with the remaining 50.71% held by the general public.

KTC has a history of launching new products, such as personal loans, loans for entrepreneurs, and credit cards. KTC has continued to develop and implement new operating systems, such as risk management and IT systems, as well as digital banking. The company is closely supervised and monitored by its parent bank and is indirectly controlled by the BOT through the parent bank.

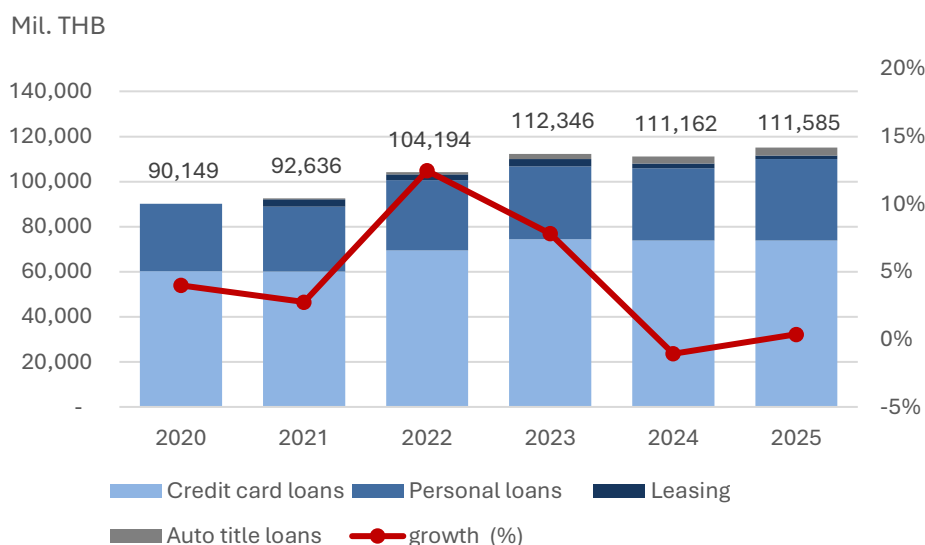
KTC acquired KTB Leasing Co., Ltd. (KTBL) from KTB in 2021. Following the completion of the transaction, KTC became the major shareholder of KTBL with a 75.05% stake, while KTB held the remainder. KTC aims to diversify into collateral-based loan services comprising hire purchase and leasing.

As of December 2025, KTC had around 1,700 staff and eight “KTC Touch” branches to provide services. The services offered at these branches include accepting payments, receiving applications for credit cards and personal loans, and responding to customer inquiries. Apart from KTC Touch, KTC also utilizes KTB’s nationwide branch network and the networks of co-branded alliances as channels to provide services to its customers.

In 2025, the company obtained licenses to operate as both a non-life insurance broker and a life insurance broker, in order to expand business opportunities and generate fee-based income.

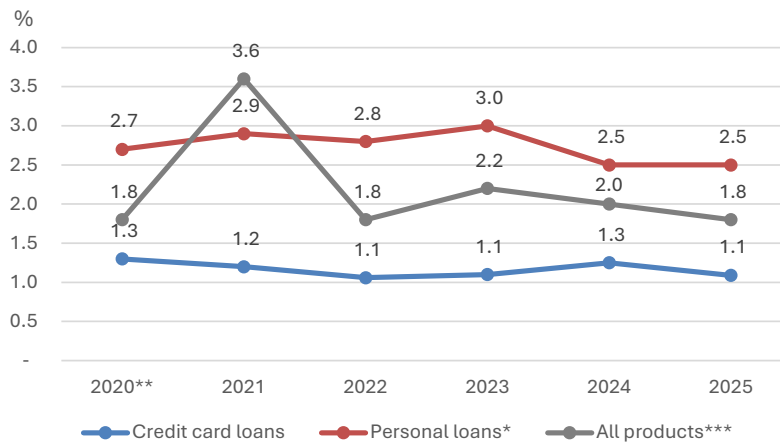
Key Operating Performance

Chart 1: Gross Credit Card and Personal Loan Receivables



Sources: KTC & TRIS Rating

Chart 2: NPL Ratio



Sources: KTC & TRIS Rating

* Personal loans include auto title loans.

** Since 2020, NPL has been based on receivables in stage 3.

*** All products include leasing from KTBL.

Financial Statistics and Key Financial Ratios*

Unit: Mil. THB

	----- Year Ended 31 December -----				
	2025	2024	2023	2022	2021
Total assets	110,524	111,066	112,814	101,796	89,471
Total loans	111,585	111,162	112,346	104,194	92,636
Allowance for expected credit loss	8,424	7,966	9,763	8,792	9,691
Short-term debts	27,294	23,326	22,085	14,980	18,845
Long-term debts	30,472	39,583	45,360	47,533	36,453
Shareholders' equity	44,019	39,900	35,845	31,576	27,084
Net interest income	14,560	14,382	14,317	12,989	12,198
Expected credit loss	5,906	6,762	5,894	4,868	5,456
Non-interest income	11,441	11,267	9,446	8,850	7,828
Operating expenses	9,639	9,622	8,801	8,117	7,326
Earnings before taxes	10,456	9,265	9,068	8,871	7,255
Net profit	7,559	7,388	7,250	7,054	5,789

* Consolidated financial statements

Unit: %

	----- Year Ended 31 December -----				
	2025	2024	2023	2022	2021
Profitability					
Net interest income/average assets	13.14	12.85	13.34	13.58	13.71
Non-interest income/average assets	10.33	10.07	8.80	9.25	8.80
Operating expenses/total income	34.80	35.05	34.62	34.94	34.17
Operating profit/average assets	9.44	8.28	8.45	9.28	8.16
Earnings before taxes/average risk-weighted assets	5.77	5.11	5.19	5.61	4.90
Return on average assets	6.82	6.60	6.76	7.38	6.51
Return on average equity	18.02	19.51	21.51	24.05	23.18
Asset Quality					
Non-performing loans (NPL)/total loans	1.79	1.95	2.19	1.78	3.60
Expected credit loss/average loans	5.30	6.05	5.44	4.95	5.97
Allowance for expected credit loss/NPL	424.98	369.27	400.29	476.34	292.17
Capitalization					
Risk-adjusted capital ratio	24.12	21.75	19.63	18.44	18.01
Debt to equity (times)	1.51	1.78	2.15	2.22	2.30
Funding and Liquidity					
Stable funding ratio	71.69	76.46	78.42	82.11	75.74
Liquidity coverage measure (times)	0.13	0.13	0.24	0.15	0.13
Short-term debts/total liabilities	41.04	32.78	28.69	21.33	30.21
Payment rate	44.59	42.70	39.62	38.88	36.32

Related Criteria

- Group Rating Methodology, 25 August 2025
- Issue Rating Criteria, 26 December 2024
- Financial Institution Rating Methodology, 25 September 2024

Krungthai Card PLC (KTC)

Issuer Credit Rating:	AA
Issue Ratings:	
KTC265A: THB4,000 million senior unsecured debentures due 2026	AA
KTC269A: THB200 million senior unsecured debentures due 2026	AA
KTC26NA: THB3,030 million senior unsecured debentures due 2026	AA
KTC26NB: THB2,100 million senior unsecured debentures due 2026	AA
KTC26DA: THB2,500 million senior unsecured debentures due 2026	AA
KTC277A: THB1,232 million senior unsecured debentures due 2027	AA
KTC278A: THB1,500 million senior unsecured debentures due 2027	AA
KTC278B: THB1,000 million senior unsecured debentures due 2027	AA
KTC279A: THB1,000 million senior unsecured debentures due 2027	AA
KTC27OA: THB1,000 million senior unsecured debentures due 2027	AA
KTC27NA: THB2,000 million senior unsecured debentures due 2027	AA
KTC282A: THB1,250 million senior unsecured debentures due 2028	AA
KTC288A: THB2,065 million senior unsecured debentures due 2028	AA
KTC289A: THB5,000 million senior unsecured debentures due 2028	AA
KTC292A: THB2,000 million senior unsecured debentures due 2029	AA
KTC297A: THB1,500 million senior unsecured debentures due 2029	AA
KTC29OA: THB1,700 million senior unsecured debentures due 2029	AA
KTC29NA: THB730 million senior unsecured debentures due 2029	AA
KTC301A: THB1,000 million senior unsecured debentures due 2030	AA
KTC318A: THB500 million senior unsecured debentures due 2031	AA
Up to THB13,000 million senior unsecured debentures due within 10 years	AA
Rating Outlook:	Stable

Rating History

Last Review Date: 09 April 2025

Date	Rating	Outlook/Alert
09-Apr-25	AA	Stable
02-Apr-21	AA-	Stable
29-Mar-16	A+	Stable
02-Apr-15	A-	Stable
11-May-09	BBB+	Stable
30-Apr-09	BBB+	Alert Developing
24-Apr-09	A-	Alert Developing
08-Nov-05	A-	Stable
09-Feb-05	A-	Positive
12-Jul-04	A-	Stable
26-Mar-03	A-	-

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