

COMPANY RESULTS

Bangkok Bank (BBL TB)

4Q24: Results In Line With Expectations; A Significant Drop In NPL Ratio qoq

BBL reported 4Q24 earnings of Bt10.4b (+17% yoy, -17% qoq). The results were in line with our and consensus expectations. Provision expenses fell 7% qoq, resulting in a reduction in credit cost qoq. BBL reported a significant drop in NPL ratio qoq due to good results from debt restructuring in the past. However, we may see increased credit cost and NPL ratio like in the past regardless of an economic recovery. Maintain HOLD with a target price of Bt170.00.

RESULTS

• **4Q24: Results in line with our and consensus estimates.** Bangkok Bank (BBL) posted a 4Q24 net profit of Bt10.4b, up 17% yoy but down 17% qoq. The results were in line with our and consensus expectations. The bank's net interest income (NII) declined 3% yoy but increased 2% qoq. BBL's pre-provision operating profit grew 13% yoy but dropped 12% qoq. Net profit for 2024 was Bt45.2b, +8.6% yoy.

STOCK IMPACT

- **Positive loan growth in 2024.** BBL reported outstanding loans of around Bt2.69t in 4Q24, +1% yoy and 2% qoq. BBL revealed that corporate loans grew significantly in 2024, accounting for 46% of the total loan portfolio in 3Q24.
- **Non-II softened qoq in 4Q24.** BBL reported a non-interest income (non-II) of Bt10.8b in 4Q24 (+54% yoy, -13% qoq). The qoq decrease in non-II was attributed to a gain on financial instruments measured at fair value through profit or loss of Bt2.99b in 4Q24 (vs Bt3.64b in 3Q24). Moreover, the net gain on investment was also lower qoq (4Q24: Bt133m vs 3Q24: Bt721m).
- **A significant drop in NPL ratio and reduction in credit cost qoq.** The bank set aside provision expenses of Bt7.6b in 4Q24, up 4% yoy but down 7% qoq. This resulted in credit costs declining 8bp qoq to 114bp in 4Q24. The lower credit cost in 4Q24 was one of the drivers that supported BBL's decent earnings. Meanwhile, loan-loss coverage (LLC) ratio spiked from 267% in 3Q24 to 334% in 4Q24. BBL reported a non-performing loan (NPL) ratio of 2.7% in 4Q24, significantly dropping from 3.4% in 3Q24.
- **Based on a channel check with BBL, the significant drop in NPL was attributed to the good results from debt restructuring in the past. The debtor can repay the debt for three consecutive months and be upgraded from stage 3 (NPL) to stage 2 (special mention loan). Therefore, we saw a huge drop qoq in NPL ratio in 4Q24. As a result, the LLC ratio jumped qoq due to the large reduction in NPL. However, we may see an increase in credit cost and NPL ratio, similar to the past regardless of an economic recovery. BBL stated that the bank always set aside provisions for future uncertainties and rainy days. Therefore, we cannot be certain whether the credit cost trajectory will remain consistently lower. However, we are confident that BBL's asset quality should continue to improve, as the majority of its loan portfolio consists of corporate loans, which are expected to recover in line with the economic recovery outlook for 2025.**

KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net Interest Income	130,860	133,900	133,630	130,931	134,204
Non-Interest Income	36,642	41,928	40,016	34,649	33,604
Net profit	41,636	45,211	44,797	47,408	49,043
Net profit (adj.)	41,636	45,211	44,797	47,408	49,043
EPS (Bt)	21.8	23.7	23.5	24.8	25.7
PE (x)	6.9	6.4	6.5	6.1	5.9
P/B (x)	0.5	0.5	0.5	0.5	0.4
Dividend yield (%)	4.6	4.1	4.3	4.6	4.6
Net Int margin (%)	3.0	3.0	3.0	2.9	2.8
Cost/income ratio (%)	48.8	48.0	48.8	48.6	48.5
Loan loss cover (%)	314.7	334.3	323.0	300.0	290.0
Consensus net profit (Btm)	-	-	44,498	46,594	N/A
UOBKH/Consensus (x)	-	-	1.01	1.02	N/A

Source: Bangkok Bank, Bloomberg, UOB Kay Hian

HOLD

(Maintained)

Share Price	Bt151.50
Target Price	Bt170.00
Upside	+12.2%

COMPANY DESCRIPTION

The third's largest commercial bank in Thailand in terms of market capitalisation. The bank has a strong focus on corporate lending, which accounts for 41% of its loan book

STOCK DATA

GICS sector	Financials
Bloomberg ticker:	BBL TB
Shares issued (m):	1,908.8
Market cap (Btm):	289,189.7
Market cap (US\$m):	8,458.8
3-mth avg daily t'over (US\$m):	25.5

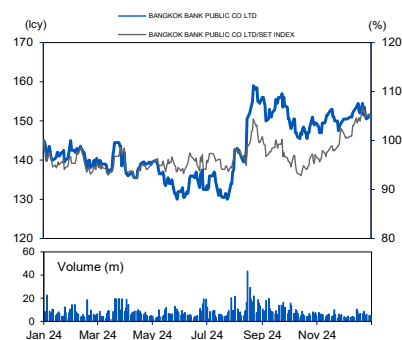
Price Performance (%)

52-week high/low	Bt159.50/Bt129.00				
1mth	3mth	6mth	1yr	YTD	
1.3	(1.3)	14.3	4.8	0.3	

Major Shareholders

Thai NVDR	23.8
CITY REALTY Co., Ltd.	4.1
The Social Security Office	4.0
FY24 NAV/Share (Bt)	307.63
FY24 CAR Tier-1 (%)	18.70

PRICE CHART



Source: Bloomberg

ANALYST(S)

Thanawat Thangchadakorn
 +662 659 8439
 thanawat@uobkayhian.co.th

EARNINGS REVISION/RISK

NET PROFIT FORECASTS

(Btm)	2025F	2026F	2027F
Old	43,305	46,731	
New	44,797	47,408	49,043
% chg	3.4%	1.5%	

Source: UOB Kay Hian

- We fine-tune BBL's 2025-26 earnings forecasts by +3.4% and +1.5% respectively.

VALUATION/RECOMMENDATION

- **Maintain HOLD with an unchanged target price of Bt170.00** using the Gordon Growth Model (cost of equity: 11%, long-term growth: 2.0%). This implies 0.55x 2025F P/B, which is nearly +0.5SD to its five-year average.

SHARE PRICE CATALYST

- Upgrade in dividend payout.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

CG Report: 5
SET ESG Rating: AA
<ul style="list-style-type: none"> • Environmental <ul style="list-style-type: none"> - Responsibly doing business helps support sustainable activities and protects the environment. - Builds employee awareness of resource and energy conservation and implement effective environmental and resource management systems to reduce our ecological and carbon footprint, working towards becoming a green organisation. • Social <ul style="list-style-type: none"> - Creates a safe, fair, and supportive working environment where employees can continuously develop their skills and fulfil their personal and professional aspirations. • Governance <ul style="list-style-type: none"> - The bank promotes conducting its business in accordance with the principles of good corporate governance, which form the foundation for sound performance results, a strong and stable financial position, and sustainable growth.

4Q24 RESULTS

Year to 31 Dec (Btm)	4Q24	3Q24	4Q23	qoq chg (%)	yoy chg (%)
Total gross loans	2,715,287	2,660,778	2,684,327	2.0	1.2
Net interest income	33,976	33,367	35,165	1.8	(3.4)
Non-interest income	10,805	12,460	7,028	(13.3)	53.7
Loan loss provision	(7,634)	(8,197)	(7,343)	(6.9)	4.0
Non-Interest Expenses	(23,757)	(21,839)	(23,621)	8.8	0.6
Pre-Provision Operating Profit	21,024	23,987	18,572	(12.4)	13.2
Net income	10,404	12,476	8,863	(16.6)	17.4
EPS (Bt)	5.45	6.54	4.64	(16.6)	17.4
Ratio (%)					
NPL ratio	2.7	3.4	2.7		
Loan loss coverage ratio	334	267	315		
Net interest margin (NIM %)	3.1	3.1	3.2		
Credit cost (bp)	114	122	108		
Cost to income (%)	53	48	56		
Common equity tier 1 (CET1) ratio (%)	17.8	18.4	16.9		

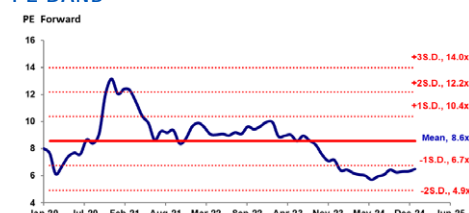
Source: Bangkok Bank, UOB Kay Hian

FINANCIAL TARGETS VS ACTUAL

	2024 Target	2024 Actual	2023 Actual
Loan growth (yoy)	3-5%	+1%	-0.4%
NPL ratio (gross)	~ 3%	2.7%	2.7%
Net interest margin	~ 2.8%	3.06%	3.02%
Net fee income	Low single digit	+1.8%	-1%
Cost to income ratio	High-40s%	48.0%	48.8%
Credit cost (bp)	0.9-1.0%	1.29%	1.3%

Source: BBL, UOB Kay Hian

PE BAND



Source: BBL, UOB Kay Hian

P/B BAND



Source: BBL, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Interest Income	208,029	205,536	200,617	205,055
Interest Expense	(74,129)	(71,906)	(69,686)	(70,851)
Net Interest Income	133,900	133,630	130,931	134,204
Fees & Commissions	27,724	27,485	22,306	20,728
Other Income	14,205	12,531	12,343	12,876
Non-Interest Income	41,928	40,016	34,649	33,604
Total Income	175,828	173,646	165,580	167,807
Staff Costs	(35,896)	(38,882)	(35,478)	(35,934)
Other Operating Expense	(48,527)	(45,796)	(44,937)	(45,404)
Pre-Provision Profit	91,405	88,968	85,165	86,469
Loan Loss Provision	(34,838)	(31,772)	(24,635)	(23,853)
Other Provisions	0	0	0	0
Associated Companies	0	0	0	0
Pretax profit	56,567	57,196	60,530	62,617
Tax	(10,946)	(12,011)	(12,711)	(13,150)
Minorities	(411)	(388)	(411)	(425)
Net profit (adj.)	45,211	44,797	47,408	49,043

OPERATING RATIOS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Capital Adequacy				
Tier-1 CAR	17.7	18.7	19.1	19.1
Total CAR	21.2	22.4	22.7	22.6
Total assets/equity (x)	8.2	7.7	7.6	7.7
Tangible assets/tangible common	8.6	8.1	8.0	8.0
Asset Quality				
NPL ratio	2.7	2.7	2.7	2.5
Loan loss coverage	334.3	323.0	300.0	290.0
Loan loss reserve/gross loans	10.6	10.2	9.3	8.6
Increase in NPLs	(4.1)	2.5	1.8	1.0
Liquidity				
Loan/deposit ratio	76.6	76.8	77.5	78.2
Liquid assets/short-term liabilities	50.8	49.3	50.1	50.0
Liquid assets/total assets	39.3	38.0	38.2	38.0

BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Cash With Central Bank	47,364	55,875	57,799	61,359
Govt Treasury Bills & Securities	989,975	970,841	1,034,897	1,094,447
Interbank Loans	752,269	698,439	722,488	766,993
Customer Loans	2,428,321	2,509,506	2,621,186	2,805,509
Investment Securities	105,577	81,019	83,809	88,971
Derivative Receivables	87,266	64,256	66,469	70,563
Associates & JVs	1,011	1,011	1,011	1,011
Fixed assets (incl. prop.)	66,015	71,789	73,747	77,730
Other assets	73,581	88,764	90,496	93,700
Total Assets	4,551,379	4,541,501	4,751,900	5,060,284
Interbank Deposits	346,936	223,501	231,196	245,438
Customer Deposits	3,169,654	3,268,695	3,381,243	3,589,529
Derivative Payables	64,702	64,256	66,469	70,563
Debt equivalents	220,910	232,470	282,007	321,105
Other Liabilities	192,305	163,498	167,249	174,192
Total Liabilities	3,994,506	3,952,420	4,128,164	4,400,828
Shareholders' equity	555,039	587,219	621,823	657,492
Minority interest	1,834	1,862	1,914	1,965
Total liabilities & equity	4,551,379	4,541,501	4,751,901	5,060,284

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Growth				
Net interest income, yoy chg	2.3	(0.2)	(2.0)	2.5
Fees & commissions, yoy chg	1.8	(0.9)	(18.8)	(7.1)
Pre-provision profit, yoy chg	6.6	(2.7)	(4.3)	1.5
Net profit, yoy chg	8.6	(0.9)	5.8	3.4
Net profit (adj.), yoy chg	8.6	(0.9)	5.8	3.4
Customer loans, yoy chg	0.1	3.3	4.5	7.0
Customer deposits, yoy chg	(0.5)	3.1	3.4	6.2
Profitability				
Net interest margin	3.0	3.0	2.9	2.8
Cost/income ratio	48.0	48.8	48.6	48.5
Adjusted ROA	1.0	1.0	1.0	1.0
Reported ROE	8.3	7.8	7.8	7.7
Adjusted ROE	8.3	7.8	7.8	7.7
Valuation				
P/BV (x)	0.5	0.5	0.5	0.4
P/NTA (x)	54.8	51.7	48.7	45.9
Adjusted P/E (x)	6.4	6.5	6.1	5.9
Dividend Yield	4.1	4.3	4.6	4.6
Payout ratio	26.4	28.0	27.9	27.3

Disclosures/Disclaimers

This report is prepared by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser in Singapore.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKH. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKH may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKH and its connected persons (as defined in the Financial Advisers Act, Chapter 110 of Singapore) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKH to be reliable. However, UOBKH makes no representation as to the accuracy or completeness of such sources or the Information and UOBKH accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKH and its connected persons may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKH and its connected persons are subject to change without notice. UOBKH reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKH, its connected persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKH, its connected persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKH may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKH may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by UOBKH, a company authorized, as noted above, to engage in securities activities in Singapore. UOBKH is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKH (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKH by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKH.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Certification/Regulation AC

Each research analyst of UOBKH who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKH or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKH's total revenues, a portion of which are generated from UOBKH's business of dealing in securities.

Reports are distributed in the respective countries or jurisdictions by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas, which is regulated by Financial Services Authority of Indonesia ("OJK"). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.

Copyright 2025, UOB Kay Hian Pte Ltd. All rights reserved.

<http://research.uobkayhian.com>

RCB Regn. No. 197000447W