

Bangkok Bank Pcl (BBL TB) - BUY, Price Bt151.5, TP Bt180**Results Comment**

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Good profits, in-line

- BBL reported in-line profits of Bt10.4bn in 4Q24 and Bt45.2bn in 2024. Profits met expectation as higher investment gains were offset higher provisions. Nevertheless, the bank lowered credit costs consecutively from 2Q24.
- We will fine-tune our earnings forecast but expect to make no changes to our forecast, TP and a BUY recommendation.
- NPLs were down nicely 18% q-q as restructuring efforts were successful, allowing the bank to reclassify NPLs to Stage 2 loans.
- Loans rebounded 2% q-q in 4Q24 and grew 0.8% YTD. NIM rose 5bps q-q despite interest rate cut. We believe this was due to lower NPLs and funding costs. Asset yields were 4.77% in 4Q24 vs 4.79% in 3Q24.
- Provisions were down 7% q-q and rose 4% y-y. Credit costs of 1.1% in 4Q24 were lower than average 9M24 of 1.34%. NPL ratio declined to 2.7% with higher loan loss coverage ratio of 311% by end of 2024.
- Fee income grew both y-y and q-q in 4Q24. The growth was 2% in 2024, driven by credit cards, bancassurance and mutual funds.
- Thanks to reversal of market to market losses to gains from bond and foreign equity investments, non-interest income grew nicely 54% y-y in 4Q24. The growth was 14% y-y in 2024, driven mainly from fee income growth and investment gains.
- Opex rose 9% q-q in 4Q24 from higher marketing and premise expenses. The rise was just 3% y-y in 2024. Cost to income ratio was 53% in 4Q24 and 48% in 2024 (from 48.8% in 2023).

Income Statement					
(consolidated)					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24
Interest & dividend income	52,637	51,672	51,645	52,312	52,400
Interest expense	17,473	18,250	18,511	18,945	18,424
Net interest income	35,165	33,422	33,134	33,367	33,977
Non-interest income	6,992	8,208	10,367	12,391	10,757
Total income	42,157	41,630	43,501	45,758	44,734
Operating expense	23,621	19,618	19,208	21,839	23,757
Pre-provisioning profit	18,536	22,012	24,293	23,919	20,977
Provision for bad&doubtful debt	7,343	8,582	10,425	8,197	7,634
Profit before tax	11,192	13,431	13,868	15,722	13,343
Tax	2,281	2,849	1,993	3,208	2,896
Profit after tax	8,911	10,581	11,875	12,514	10,447
Equity income	36	52	36	68	48
Minority interests	(84)	(109)	(105)	(106)	(90)
Extra items	-	-	-	-	-
Net profit	8,863	10,524	11,807	12,476	10,404
Normalized profit	8,863	10,524	11,807	12,476	10,404
PPP/share (Bt)	9.7	11.5	12.7	12.5	11.0
EPS (Bt)	4.6	5.5	6.2	6.5	5.5
Norm EPS (Bt)	4.6	5.5	6.2	6.5	5.5
BV/share (Bt)	277.1	291.0	285.7	287.5	290.8

Income Statement			12M as		
(Bt m)	q-q%	y-y%	% 2024F	2024A	2025F
Interest & dividend income	0	(0)	100	208,029	193,259
Interest expense	(3)	5	100	74,129	65,654
Net interest income	2	(3)	101	133,900	127,605
Non-interest income	(13)	54	111	41,707	39,009
Total income	(2)	6	103	175,606	166,614
Operating expense	9	1	104	84,405	80,960
Pre-provisioning profit	(12)	13	101	91,201	85,654
Provision for bad&doubtful debt	(7)	4	106	34,838	26,000
Profit before tax	(15)	19	99	56,363	59,654
Tax	(10)	27	96	10,946	11,931
Profit after tax	(17)	17	100	45,417	47,723
Equity income	(30)	33	102	205	200
Minority interests	neg	neg	51	(411)	(805)
Extra items	neg	neg	-	-	-
Net profit	(17)	17	101	45,211	47,118
Normalized profit	(17)	17	101	45,211	47,118
PPP/share (Bt)	(12)	13	101	47.8	44.9
EPS (Bt)	(17)	17	101	23.7	24.7
Norm EPS (Bt)	(17)	17	101	23.7	24.7
BV/share (Bt)	1	5	291	290.8	310.8

Balance Sheet					
(consolidated)					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24
Cash and Interbank	802,638	688,743	709,816	671,634	799,633
Other liquid items	159,581	187,339	183,108	213,196	192,843
Total liquid items	802,638	688,743	709,816	671,634	799,633
Gross loans and accrued interest	2,684,327	2,749,791	2,729,753	2,647,934	2,701,995
Provisions	258,666	262,084	266,980	264,447	273,674
Net loans	2,425,661	2,487,707	2,462,773	2,383,487	2,428,321
Fixed assets	72,855	70,900	71,127	67,887	66,015
Other assets	239,641	285,918	284,736	301,471	266,424
Total assets	4,514,484	4,556,914	4,530,171	4,475,155	4,551,379
Deposits	3,184,283	3,198,332	3,184,856	3,109,982	3,169,654
Interbank	334,219	328,084	316,210	329,140	346,936
Other liquid items	9,156	7,727	8,117	7,218	7,125
Total liquid items	3,527,658	3,534,143	3,509,183	3,446,340	3,523,714
Borrowings	212,505	202,620	204,574	207,014	213,785
Other liabilities	243,491	262,574	269,195	271,206	257,006
Minority interest	1,855	2,011	1,886	1,771	1,834
Shareholders' equity	528,975	555,567	545,332	548,824	555,039
Total Liabilities & Equity	4,514,484	4,556,914	4,530,171	4,475,155	4,551,379

Financial Ratios					
(%)	4Q23	1Q24	2Q24	3Q24	4Q24
Gross loan growth (YTD)	(0.4)	2.4	1.8	(1.2)	0.8
Gross loan growth (q-q)	(1.9)	2.4	(0.6)	(3.0)	2.1
Deposit growth (YTD)	(0.8)	0.4	0.0	(2.3)	(0.5)
Deposit growth (q-q)	0.7	0.4	(0.4)	(2.4)	1.9
Non-interest income (y-y)	9.6	(19.2)	(4.9)	47.6	53.9
Non-interest income (q-q)	(16.7)	17.4	26.3	19.5	(13.2)
Fee income / Operating income	16.1	16.6	15.7	15.2	15.7
Cost-to-income	56.0	47.1	44.2	47.7	53.1
Net interest margin	3.10	2.95	2.92	2.96	3.01
Credit cost	1.10	1.25	1.53	1.24	1.13
ROE	6.7	7.8	8.6	9.1	7.5
Loan-to-deposit	83.9	85.6	85.4	84.8	85.0
Loan-to-deposit + S-T borrowing	83.9	85.6	85.4	84.8	85.0
NPLs (Bt m)	85,955	93,949	99,140	103,996	85,833
NPL increase	(8,929)	7,994	5,191	4,856	(18,163)
NPL ratio	2.70	3.00	3.20	3.40	2.70
Loan-loss-coverage ratio	300.9	279.0	269.3	254.3	318.8
CAR - total	19.6	19.7	19.5	20.8	20.4

Sources: Company data, Thanachart estimates

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