

**KASIKORNBANK Pcl (KBANK TB) - HOLD, Price Bt158.5, TP Bt163****Results Comment**

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**Good profits, in line**

- KBANK reported net profits of Bt10.5bn, increased 12% y-y but declined 12% q-q. 2024's profits were Bt48.6bn, up 15% y-y, and accounted for 99% of our full-year forecast. With limited share price upside, we re-iterate HOLD.
- Key growth drivers were lower provisions, higher fees and manageable expenses.
- Driven by corporate segment, loans expanded 3% q-q, making slight positive loan growth of 0.6% y-y in 2024.
- NIM declined 10bps q-q on impact of lower interest rate. NIM stood 3.47% for 2024, pretty much stable from 3.48% in 2023.
- NPLs were well contained at Bt93bn in 4Q24 despite smaller write-offs. However, Stage 2 loans rose from 7.8% in 3Q24 to 8.6% in the quarter.
- Credit costs were 1.96% in 4Q24 and 1.9% in 2024. Loan loss coverage ratio was 142%.
- Led by wealth management, net fee income rose 12% y-y in 4Q24 and 7% y-y from 2023. Coupled with higher investment gains, non-interest income rose 1% y-y and 6% q-q in 4Q24 and 8% y-y from 2023.
- Opex was well controlled. Cost to income ratio rose to 48% on seasonality impact. The average for whole year remained stable from 2023's at 44%.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24	(Bt m)	q-q%	y-y%	% 2024F	2024A	2025F
Interest & dividend income	48,716	48,641	47,766	46,874	46,159	Interest & dividend income	(2)	(5)	99	189,440	189,882
Interest expense	9,867	10,113	10,298	9,838	9,815	Interest expense	(0)	(1)	97	40,064	38,950
<b>Net interest income</b>	<b>38,849</b>	<b>38,528</b>	<b>37,468</b>	<b>37,036</b>	<b>36,345</b>	<b>Net interest income</b>	<b>(2)</b>	<b>(6)</b>	<b>99</b>	<b>149,376</b>	<b>150,932</b>
Non-interest income	12,004	11,427	12,734	11,356	12,071	Non-interest income	6	1	98	47,588	51,251
Total income	50,853	49,955	50,202	48,391	48,416	Total income	0	(5)	99	196,964	202,184
Operating expense	24,508	20,713	21,888	21,501	23,172	Operating expense	8	(5)	99	87,273	90,986
<b>Pre-provisioning profit</b>	<b>26,345</b>	<b>29,242</b>	<b>28,314</b>	<b>26,891</b>	<b>25,244</b>	<b>Pre-provisioning profit</b>	<b>(6)</b>	<b>(4)</b>	<b>99</b>	<b>109,691</b>	<b>111,198</b>
Provision for bad&doubtful debt	13,572	11,684	11,672	11,652	12,242	Provision for bad&doubtful debt	5	(10)	100	47,251	41,204
Profit before tax	12,773	17,558	16,642	15,239	13,002	Profit before tax	(15)	2	98	62,440	69,994
Tax	2,617	3,403	3,224	3,203	2,572	Tax	(20)	(2)	102	12,402	13,299
Profit after tax	10,156	14,155	13,417	12,035	10,430	Profit after tax	(13)	3	97	50,038	56,695
Equity income	42	197	227	288	269	Equity income	(7)	541	109	981	1,000
Minority interests	(810)	(867)	(991)	(358)	(205)	Minority interests	neg	neg	72	(2,421)	(3,887)
Extra items	-	-	-	-	-	Extra items	neg	neg	-	-	-
<b>Net profit</b>	<b>9,388</b>	<b>13,486</b>	<b>12,653</b>	<b>11,965</b>	<b>10,494</b>	<b>Net profit</b>	<b>(12)</b>	<b>12</b>	<b>99</b>	<b>48,598</b>	<b>53,808</b>
<b>Normalized profit</b>	<b>9,388</b>	<b>13,486</b>	<b>12,653</b>	<b>11,965</b>	<b>10,494</b>	<b>Normalized profit</b>	<b>(12)</b>	<b>12</b>	<b>99</b>	<b>48,598</b>	<b>53,808</b>
PPP/share (Bt)	11.1	12.3	12.0	11.3	10.7	PPP/share (Bt)	(6)	(4)	100	45.8	46.5
EPS (Bt)	4.0	5.7	5.3	5.1	4.4	EPS (Bt)	(12)	12	100	20.3	22.5
Norm EPS (Bt)	4.0	5.7	5.3	5.1	4.4	Norm EPS (Bt)	(12)	12	100	20.3	22.5
BV/share (Bt)	224.7	231.4	229.8	232.6	237.8	BV/share (Bt)	2	6	238	235.4	251.5

Balance Sheet						Financial Ratios					
(consolidated)											
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24	(%)	4Q23	1Q24	2Q24	3Q24	4Q24
Cash and Interbank	617,698	604,403	536,657	696,772	568,750	Gross loan growth (YTD)	(0.2)	(1.1)	(0.1)	(2.3)	0.6
Other liquid items	92,993	112,120	102,771	144,440	114,647	Gross loan growth (q-q)	2.1	(1.1)	1.0	(2.2)	2.9
Total liquid items	710,691	716,523	639,428	841,212	683,397	Deposit growth (YTD)	(1.8)	0.1	(1.3)	2.6	0.7
Gross loans and accrued interest	2,505,368	2,479,960	2,504,828	2,451,094	2,521,893	Deposit growth (q-q)	0.7	0.1	(1.4)	4.0	(1.9)
Provisions	133,876	130,058	129,923	129,563	131,706	Non-interest income (y-y)	(9.0)	(2.3)	10.2	26.3	0.6
Net loans	2,371,492	2,349,902	2,374,905	2,321,532	2,390,187	Non-interest income (q-q)	33.5	(4.8)	11.4	(10.8)	6.3
Fixed assets	114,698	115,088	115,869	114,421	114,151	Fee income / Operating income	14.8	16.6	16.1	17.4	17.5
Other assets	112,091	116,145	113,493	115,512	105,593	Cost-to-income	48.2	41.5	43.6	44.4	47.9
<b>Total assets</b>	<b>4,283,556</b>	<b>4,318,809</b>	<b>4,247,540</b>	<b>4,367,025</b>	<b>4,325,287</b>	Net interest margin	3.64	3.58	3.50	3.44	3.34
Deposits	2,699,562	2,702,266	2,664,259	2,770,120	2,718,675	Credit cost	2.18	1.90	1.88	1.92	1.96
Interbank	179,207	198,718	182,558	147,697	172,144	ROE	7.1	10.0	9.3	8.7	7.5
Other liquid items	31,119	21,904	25,612	32,317	30,459	Loan-to-deposit	92.3	91.2	93.4	87.9	92.1
Total liquid items	2,909,888	2,922,889	2,872,429	2,950,134	2,921,278	Loan-to-deposit + S-T borrowing	92.3	91.2	93.4	87.9	92.1
Borrowings	81,572	79,059	70,632	65,726	67,334	NPLs (Bt m)	94,241	93,273	92,447	92,937	93,009
Other liabilities	695,261	701,209	693,221	732,432	705,060	NPL increase	4,782	(968)	(826)	490	72
Minority interest	64,551	67,433	66,787	67,614	68,263	NPL ratio	3.19	3.19	3.18	3.20	3.18
<b>Shareholders' equity</b>	<b>532,285</b>	<b>548,220</b>	<b>544,471</b>	<b>551,119</b>	<b>563,352</b>	Loan-loss-coverage ratio	142.1	139.4	140.5	139.4	141.6
<b>Total Liabilities &amp; Equity</b>	<b>4,283,556</b>	<b>4,318,809</b>	<b>4,247,540</b>	<b>4,367,025</b>	<b>4,325,287</b>	CAR - total	19.4	19.4	19.4	20.6	20.3

Sources: Company data, Thanachart estimates

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