

Bangkok Bank Pcl (BBL TB) - BUY, Price Bt146.5, TP Bt160.0**Results Comment**

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Profit beats on investment gains

- BBL posted 1Q25 net profit of Bt12.62bn, up 20% y-y and 21% q-q, beating expectations on stronger-than-expected investment gains. No significant additions to management overlay were made.
- Loan growth was modest at 1% q-q, driven by corporates in the manufacturing sector. SME and retail segments contracted.
- NIM fell 23bps q-q due to lower interest rates both domestically and overseas. With less than 1% of loans under the "You Fight, We Help" program, NIM was unaffected by the scheme.
- Management sees room to lower funding costs, expecting NIM to remain within its guidance of a 16–26bps decline from 2024 levels.
- Led by debt instruments, investment gains surged to Bt4.85bn (vs. Bt99m in 1Q24), lifting non-interest income by 67% y-y and 27% q-q.
- Fee income rose 10% y-y and 9% q-q, supported by loan-related, bancassurance, and mutual fund fees.
- Opex rose 6% y-y on higher IT spending but fell 13% q-q due to seasonality.
- NPLs increased 13% q-q due to relapse, with minimal write-offs. BBL maintains its NPL ratio target of 3% and a strong loan loss coverage ratio of 285%.
- Provisions rose 6% y-y and 19% q-q, reflecting the bank's prudent preemptive approach. Credit costs stood at 1.33%.

Income Statement (consolidated)						Income Statement					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(Bt m)	q-q%	y-y%	3M as		
									% 2025F	2025F	2026F
Interest & dividend income	51,672	51,645	52,312	52,400	49,470	Interest & dividend income	(6)	(4)	25	195,494	188,857
Interest expense	18,250	18,511	18,945	18,424	17,562	Interest expense	(5)	(4)	27	64,385	59,513
Net interest income	33,422	33,134	33,367	33,977	31,908	Net interest income	(6)	(5)	24	131,108	129,344
Non-interest income	8,208	10,367	12,391	10,757	13,695	Non-interest income	27	67	36	38,491	38,454
Total income	41,630	43,501	45,758	44,734	45,603	Total income	2	10	27	169,599	167,798
Operating expense	19,618	19,208	21,839	23,757	20,752	Operating expense	(13)	6	25	84,331	85,431
Pre-provisioning profit	22,012	24,293	23,919	20,977	24,852	Pre-provisioning profit	18	13	29	85,268	82,368
Provision for bad&doubtful debt	8,582	10,425	8,197	7,634	9,067	Provision for bad&doubtful debt	19	6	29	31,000	31,000
Profit before tax	13,431	13,868	15,722	13,343	15,784	Profit before tax	18	18	29	54,268	51,368
Tax	2,849	1,993	3,208	2,896	3,132	Tax	8	10	30	10,582	10,017
Profit after tax	10,581	11,875	12,514	10,447	12,653	Profit after tax	21	20	29	43,686	41,351
Equity income	52	36	68	48	50	Equity income	5	(3)	22	225	245
Minority interests	(109)	(105)	(106)	(90)	(85)	Minority interests	neg	neg	20	(416)	(421)
Extra items	-	-	-	-	-	Extra items	neg	neg	-	-	-
Net profit	10,524	11,807	12,476	10,404	12,618	Net profit	21	20	29	43,495	41,175
Normalized profit	10,524	11,807	12,476	10,404	12,618	Normalized profit	21	20	29	43,495	41,175
PPP/share (Bt)	11.5	12.7	12.5	11.0	13.0	PPP/share (Bt)	18	13	29	44.7	43.1
EPS (Bt)	5.5	6.2	6.5	5.5	6.6	EPS (Bt)	21	20	29	22.8	21.6
Norm EPS (Bt)	5.5	6.2	6.5	5.5	6.6	Norm EPS (Bt)	21	20	29	22.8	21.6
BV/share (Bt)	291.0	285.7	287.5	290.8	295.1	BV/share (Bt)	1	1	295	305.0	318.1

Balance Sheet (consolidated)						Financial Ratios (%)					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25		1Q24	2Q24	3Q24	4Q24	1Q25
Cash and Interbank	688,743	709,816	671,634	799,633	838,213	Gross loan growth (YTD)	2.4	1.8	(1.2)	0.8	1.0
Other liquid items	187,339	183,108	213,196	192,843	183,269	Gross loan growth (q-q)	2.4	(0.6)	(3.0)	2.1	1.0
Total liquid items	688,743	709,816	671,634	799,633	838,213	Deposit growth (YTD)	0.4	0.0	(2.3)	(0.5)	1.8
Gross loans and accrued interest	2,749,791	2,729,753	2,647,934	2,701,059	2,727,803	Deposit growth (q-q)	0.4	(0.4)	(2.4)	1.9	1.8
Provisions	262,084	266,980	264,447	272,738	279,133	Non-interest income (y-y)	(19.2)	(4.9)	47.6	53.9	66.8
Net loans	2,487,707	2,462,773	2,383,487	2,428,321	2,448,670	Non-interest income (q-q)	17.4	26.3	19.5	(13.2)	27.3
Fixed assets	70,900	71,127	67,887	66,015	64,840	Fee income / Operating income	16.6	15.7	15.2	15.7	16.6
Other assets	285,918	284,736	301,471	266,424	260,026	Cost-to-income	47.1	44.2	47.7	53.1	45.5
Total assets	4,556,914	4,530,171	4,475,155	4,551,379	4,628,379	Net interest margin	2.95	2.92	2.96	3.01	2.78
Deposits	3,198,332	3,184,856	3,109,982	3,169,654	3,225,131	Credit cost	1.25	1.53	1.24	1.13	1.33
Interbank	328,084	316,210	329,140	346,936	337,468	ROE	7.8	8.6	9.1	7.5	9.0
Other liquid items	7,727	8,117	7,218	7,125	7,560	Loan-to-deposit	85.6	85.4	84.8	85.0	84.4
Total liquid items	3,534,143	3,509,183	3,446,340	3,523,714	3,570,158	Loan-to-deposit + S-T borrowing	85.6	85.4	84.8	85.0	84.4
Borrowings	202,620	204,574	207,014	213,785	249,317	NPLs (Bt m)	93,949	99,140	103,996	85,833	97,793
Other liabilities	262,574	269,195	271,206	257,006	243,687	NPL increase	7,994	5,191	4,856	(18,163)	11,960
Minority interest	2,011	1,886	1,771	1,834	1,892	NPL ratio	3.00	3.20	3.40	2.70	3.00
Shareholders' equity	555,567	545,332	548,824	555,039	563,325	Loan-loss-coverage ratio	279.0	269.3	254.3	317.8	285.4
Total Liabilities & Equity	4,556,914	4,530,171	4,475,155	4,551,379	4,628,379	CAR - total	19.7	19.5	20.8	20.4	21.0

Sources: Company data, Thanachart estimates

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